



COLLEGE OF BANKING AND FINANCIAL STUDIES
DEPARTMENT OF PROFESSIONAL STUDIES
Assignment front sheet
Assignment - 1



Qualification		Unit number and title	
Pearson BTEC Level 5 HND Diploma Business		Unit 12: Taxation	
Semester		Batch	
IV(Four)		Fall 2016-17	
Student name		Assessor name	
		Ms. Sujata Suresh	
Student No.		Internal Verifier (IV) name	
		Ms. Sujatha Bhat	
Date issued	Completion date	Submitted on	
Sep-Oct 2016			

Assignment title	UK Tax System – Tax practitioner, Corporation Tax for UK Companies
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Learning Outcome	Learning outcome	Assessment Criteria	In this assessment you will have the opportunity to present evidence that shows you are able to:	Task no.	Evidence (Page no)
LO1	Understand the duties and responsibilities of the tax practitioner in the UK tax environment	1.1	Describe the UK tax environment	1	
		1.2	Analyse the role and responsibilities of the tax practitioner	2	
		1.3	explain the tax obligation of tax payers or their agents and the implications of non-compliance	3	
LO3	Be able to calculate corporation tax liabilities for companies	3.1	calculate chargeable profits	4	
		3.2	Calculate the tax liabilities and due payment date	5	
		3.3	Explain how income tax deductions are dealt with.	6	

Learner declaration
I certify that the work submitted for this assignment is my own and research sources are fully acknowledged.
Student signature: _____ Date: _____

In addition to the above PASS criteria, this assignment gives you the opportunity to submit evidence in order to achieve the following MERIT and DISTINCTION grades

Grade Descriptor	Indicative characteristic/s	Contextualisation
M1 Identify and apply strategies to find appropriate solutions	Effective judgements have been made.	To achieve M1, you will have to have an effective judgement in giving your answer. (Task3.1)
M2 Select / design and apply appropriate methods / techniques	A range of sources of information has been used	To achieve M2 , you should have used different sources to collect data and a range of source of information should have been used for information relating to the (Task1.3),(Task3.3)
M3 Present and communicate appropriate findings	<ol style="list-style-type: none"> the appropriate structure and approach has been used coherent, logical development of principles/ concepts for the intended audience a range of methods of presentation have been used and technical language has been accurately used 	To achieve M3, you should have used an appropriate structure and approach in presenting the types of taxation in UK, and put your findings in a tabular form or in a flow chart with proper explanation (Task1.1) ,(Task 1.2),(Task3.2) a range of methods of presentation should have been used with technical tax language (Task1.1) ,(Task 1.2),(Task3.2).
D1 Use critical reflection to evaluate own work and justify valid conclusions	<ol style="list-style-type: none"> Conclusions have been arrived at through synthesis of ideas and have been justified 	To achieve D1, you should justify the conclusions drawn on the basis of relevant rules and formulas and its application. (Task3.1)
D2 Take responsibility for managing and organising activities	Autonomy/independence has been demonstrated	To achieve D2, you should have demonstrated autonomy and independence by bringing details in answering (Task1.1) ,(Task3.3)
D3 Demonstrate convergent /lateral / creative thinking	convergent and lateral thinking have been applied	To achieve D3, Presentation and calculation has to be perfect with proper referencing and without any error. All parts of question should be attempted in full.

Assignment Brief

Purpose of this assignment

Understand the UK Tax environment and the duties and responsibilities of the tax practitioner. Students should also know about corporation tax liability of relevant entities. The knowledge gained should help the student in Self-Assessment and also help in filing returns for their company.

LO -1- Understand the duties and responsibilities of the tax practitioner in UK tax environment

“Scenario ‘A’ Covers LO 1.1, L O 1.2 and LO 1.3

The Finance Budget 2016-17 was a budget which was looked upon with great expectation .It was a budget which investors were looking for. Simple Co is one of the leading, established tax practitioners of the city and you are one of the partners of Simple Co. Simple Co has captured the market reputation by its independent ethical policies , excellent tax planning guidance and loyalty to its clients. You have been approached by various clients both new and old to brief them about the UK Tax Environment and the stringent policies of non -adherence.

1.1 Task 1 (LO1- AC 1.1) Describe the UK tax environment P, M3,D2

Required:-

As a tax practicing expert, you are required to describe in detail the UK tax environment to your clients, so that they get an overall picture of the operating system which will help your clients to get an idea about the UK Tax environment.

To achieve P, you are required to explain the meaning of taxation, types of taxation, methods of tax collection and tax legislation of UK.

To achieve M3, you should have used an appropriate structure and approach in presenting the types of taxation in UK, and put your findings in a tabular form or in a flow chart with proper explanation.

To achieve D2, you should have demonstrated autonomy and independence in describing the overall taxation system in your own way of presentation by doing an independent search. You should have met the deadline to submit the tasks to achieve the unit assessment criteria by taking responsibility in managing and organising activities.

1.2 Task 2 (LO1- AC 1.2) Analyse the role and responsibilities of the tax practitioner P,M3

Required:-

As a partner of a Simple Co., knowledge your clients the role and responsibilities of the tax practitioner towards their clients and HMRC.

To achieve P, you are required to explain how the tax payer deals with HMRC explaining his role and responsibilities as a tax practitioner.

To achieve M3, you should have used a range of source of information in the assignment relating to the above task.

1.3 Task 3 (LO1- AC 1.3) Explain the tax obligation of tax payers or their agents and the implications of non-compliance P,M2

Required:-

To bring to the knowledge of your clients, the tax obligation of tax payers or their agents and the implications of non-compliance.

To achieve P, you are required to advice the clients on tax planning by explaining the tax obligations of tax payers and the implications of non- compliance.

To achieve M2, a range of sources of information should have been used to explain clearly the obligations .In addition to the above , as a practitioner brief on the Self -assessment procedure, maintaining of records and penalty if not complied by the tax payer.

LO -3- Be able to calculate corporation tax liabilities for companies.

“Scenario ‘B’ Covers LO 3.1, L O 3.2 and LO 3.3

Crowne Ltd, a UK registered company has diversified its operations since the last financial year . Its profits have increased three fold and the company is under pressure from the auditors as they feel the tax returns may go inaccurate. Crowne Ltd has appointed Pearl Co. as their tax consultants. You are one of the lead team member of Pearl Co. As a leader of the team, you work on the tax calculation and advice Crowne Ltd on filing of returns, maintenance of books of records and also advice Crowne Ltd on adherence of tax payment rules and regulation for the year 2016-17.

You are given the accounts of Crowne Ltd for the year to 31 March 2017.

	£	£
Sales		4000,000
Less: Cost of Sales		600,000
Gross Profit		3400000
Add: Other income:		
Profit on sale of asset		1,000
Interest received		2,200
Rental income		8,000
Dividend received		4,500
		3415700
Less: expenses:		
Salary and wages	50,000	
Maintenance	3,000	
Water bill	1,000	
Telephone Expenses	2,500	
Motor Car Expenses	6,500	
Heating	6000	
Depreciation	5,000	
Advertisement	6,000	
Subscription	3,000	
Entertainment expenses	4,700	
Donation	900	
Legal and professional charges	600	
General Expenses	3,200	
Directors' fees	5,000	
Audit fees	2000	99400
NET PROFIT		3316300

Notes:

- a) The amount of £ 3,000 for Maintenance includes £500 purchase of printer.
- b) Motor Car expenses include 2% personal expenses of the CFO.
- c) Entertainment expenses includes :-
Gift to customers (table clock costing £13 each for 5 customers) £ 65

Customers' entertainment £40
- d) Donation is done to a trading party for local charity purpose.
- e) Legal and Professional Fees includes:-
Accountancy fees £50
Special Audit fees £100
- f) General Expenses includes a mobile usage fine of £50 ,paid by the director for using mobile while driving.
- g) Plant and Machinery:
On 1 April 2016 the opening balance of plant and machinery in the pool was £2,200
The following transactions took place during the year ended 31 March 2017:
September 2016 Purchased equipment £850,000
June 2016 Purchased Car (CO2 emission is 130 g/ km) £ 25,000
January 2017 Sold equipment £2,800
- h) The details of some trading loss to be adjusted is as follows:-
Loss for the year ended 31 March 2015 £3800
Loss for the year ended 31 March 2016 £300

3.1 Task 4 (LO3- AC 3.1) Calculate Chargeable profits (TTP) P, M1, D1

Required:-

To determine the chargeable profits of Crowne Ltd for the year ended 31 March 2017 after necessary adjustments.

To achieve P, you are required to calculate the chargeable profits of Crowne Ltd. (Your answer should clearly show the calculation of Capital Allowance, trading loss adjustment and the computation of TTP).

To achieve M1, you will have to make effective judgements while including each item of expense and income which are allowed and disallowed in calculation of chargeable profits.

To achieve D1, you should justify the conclusions drawn on the basis of relevant rules and formulas and its application giving neat explanation wherever necessary.

3.2 Task 5 (LO3- AC 3.2) Calculate the tax liabilities and due payment date P, M3

Required:-

Calculate the tax liabilities of Crowne Ltd for the year ended 31 March 2017 and specify due date for filing the return and payment of tax. What are the consequences of late filing after the due date?

To achieve P, you in the capacity of an advisor is required to assist Crowne Ltd in calculation of tax liability for the company.

To achieve M3, you should have used appropriate methods and techniques with clean workings and notes to justify the difference in tax rates between the periods (if applicable) and how it has an impact on the final tax payable by the company.

3.3 Task 6 (LO3- AC 3.3) Explain how income tax deductions are dealt with. P, M2, D2

Required:-

As a tax adviser, you are required to show the various tax deductions to be made by Crowne Ltd and how to deal with it.

To achieve P, you are required to explain the various tax deductions for Crowne Ltd during the year 2016/17.

To achieve M2, you should have used different sources to collect data on tax deductions relevant for companies like Crowne Ltd.

To achieve D2, you should have demonstrated autonomy or independence in research and study and should have met the deadline to submit the tasks and achieve the unit assessment criteria.

Achievement Summary

Qualification	QCF Level: 5	Assessor name	Ms. Sujata Suresh
Unit Number and title	Unit -12 Taxation	Student name	
Criteria Reference	To achieve the criteria the evidence must show that the student is able to:	Achieved? (tick)	
1.1	Describe the UK Tax Environment		
1.2	Analyse the role and responsibilities of the Tax Practitioner		
1.3	Explain the tax obligation of tax payers or their agents and the implications of non-compliance		
3.1	Calculate chargeable profits		
3.2	Calculate the tax liabilities and due payment date.		
3.3	Explain how income tax deductions are to be dealt with.		

Higher Grade achievements (where applicable)			
Grade descriptor	Achieved? (tick)	Grade descriptor	Achieved? (tick)
M1: Identify and apply strategies to find appropriate solutions		D1: Use critical reflection to evaluate own work and justify valid conclusions	
M2: Select / design and apply appropriate methods / techniques		D2: Take responsibility for managing and organising activities	
M3: Present and communicate appropriate findings		D3: Demonstrate convergent/lateral/creative thinking	

Assignment Feedback

Formative Feedback: Assessor to Student

Action Plan

Summative feedback

Feedback: Student to Assessor

Assessor Signature		Date	
IV Signature		Date	
Student Signature		Date	