



Advanced Taxation (ATX-UK)

(Finance Act 2024)

For June 2025 to March 2026
Examination Sittings

Pocket Notes

The Kaplan Publishing logo is contained within a dark blue rounded rectangle. It features the word 'KAPLAN' in white, bold, uppercase letters, with a white curved line underneath it. Below this, the word 'PUBLISHING' is written in a smaller, white, uppercase font.

KAPLAN
PUBLISHING

Contents

	Reference to Study text chapter	Page Number
Chapter 1	Corporation tax – liability and losses.....	1, 3 1
Chapter 2	Groups – corporation tax and VAT.....	4 31
Chapter 3	Overseas issues – corporation tax and VAT.....	5, 27 51
Chapter 4	Capital gains tax – introduction	6, 7 67
Chapter 5	Capital gains tax – shares and securities.....	8 83
Chapter 6	Capital gains tax – reliefs	9 93
Chapter 7	Stamp taxes	6, 8 111
Chapter 8	Inheritance tax.....	10-12 115
Chapter 9	Trusts.....	13 145
Chapter 10	Ethics, personal financial management and self-assessment ...	14, 15 ,18 155
Chapter 11	Income tax – overview and investment income.....	16, 18 187
Chapter 12	Employment income – income tax and national insurance	17 199
Chapter 13	Relief for pensions.....	19 219
Chapter 14	Personal tax – overseas aspects.....	12, 20 227

chapter

2

Groups – corporation tax and value added tax

In this chapter

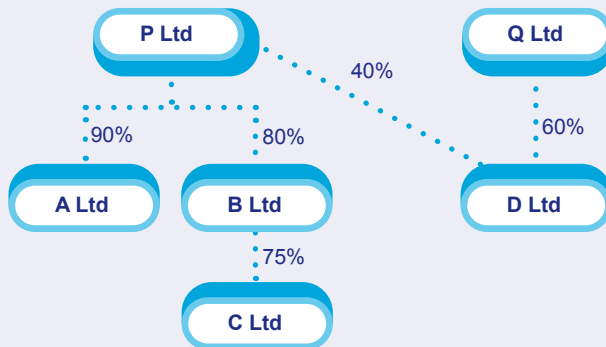
- Group relationships.
- Group relief.
- Consortium relief.
- Capital gains groups.
- Sale of shares or assets.
- Transfer of trade within 75% group.
- Transfer pricing.

Group relationships

Relationship	Definition
Associated companies	<ul style="list-style-type: none"> • One company controls (> 50%) another, or • Both are controlled by the same person.
Group relief (GR) group	<ul style="list-style-type: none"> • A parent company and all its direct and indirect 75% subsidiaries (later in this chapter). • The definition of 75% subsidiary is extended for GR purposes only. In addition to owning 75% of the share capital (SC) the parent must also be entitled to receive 75% of profits and 75% of assets on winding up.
Capital gains group	<ul style="list-style-type: none"> • A parent company (principal member (PM)) and its 75% subsidiaries (later in this chapter) and their 75% subsidiaries – provided PM has > 50% effective interest in subsidiary. • A 75% subsidiary of a PM cannot be a PM itself (i.e. a company can only be a member of one gains group).
75% subsidiary	<ul style="list-style-type: none"> • One company owns \geq 75% of SC of another, or • Both are 75% subsidiaries of a third company. • Includes direct/indirect holdings. • Definition includes overseas companies.

Relationship	Definition
Consortium owned company	<ul style="list-style-type: none"> • $\geq 75\%$ ordinary SC owned by companies, each owning $\geq 5\%$ and • Each member entitled to $\geq 5\%$ profits and $\geq 5\%$ net assets • Excludes a company that is 75% subsidiary of another.

Illustration – Group relationships

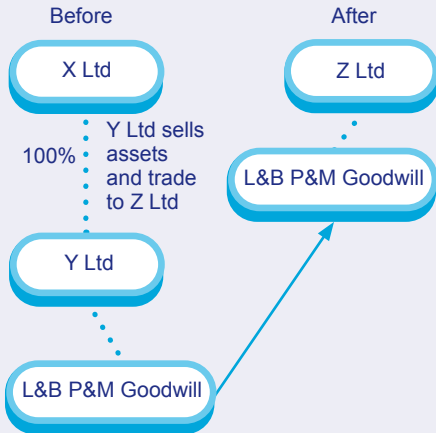


Relationship	Group members
Associated companies of P Ltd	<ul style="list-style-type: none"> • A Ltd, B Ltd and C Ltd • D Ltd excluded as < 50%
Group relief (GR) group	<ul style="list-style-type: none"> • P Ltd, A Ltd, B Ltd • C Ltd is not part of the group as P Ltd's interest is < 75% i.e. interest in C Ltd = 60% (80% × 75%) • B Ltd and C Ltd form a separate losses group
Capital gains group	<ul style="list-style-type: none"> • P Ltd, A Ltd, B Ltd and C Ltd • C Ltd is part of the gains group as it is a 75% subsidiary of a 75% subsidiary and P Ltd's effective interest (60%) is > 50%
Consortium relief group	<ul style="list-style-type: none"> • D Ltd is a consortium company of P Ltd and Q Ltd • D Ltd is owned ≥ 75% by companies and each consortium member (P Ltd and Q Ltd) is entitled to ≥ 5%



Key Point

You must be clear on the distinction between a group relief group and a capital gains group.

Sale of assets:**X Ltd**

- No effect.

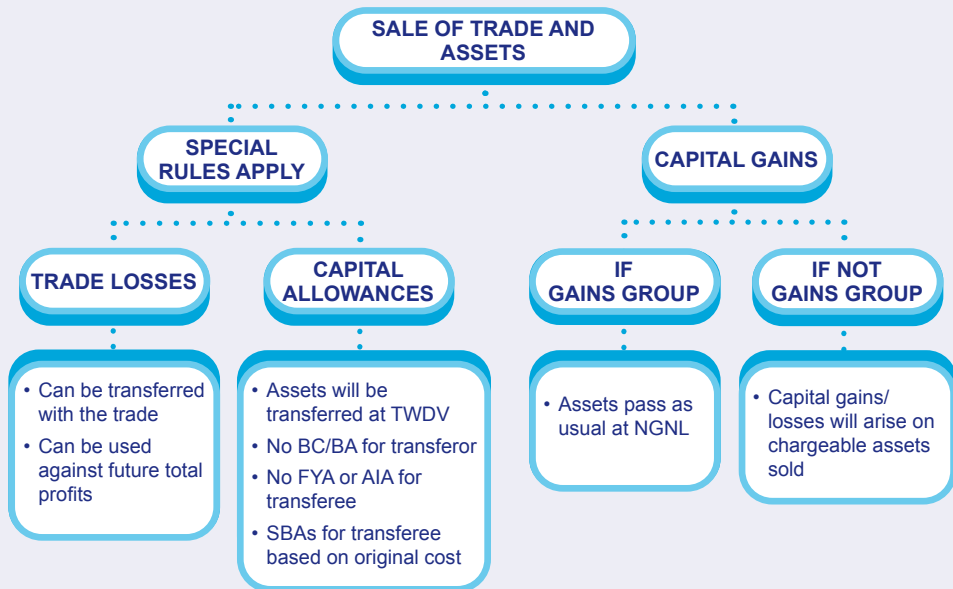
Y Ltd

- Ceases trading: end of AP.
- Gains/losses on disposal of chargeable assets (e.g. land and buildings).
- Trading profit/loss on disposal of goodwill.
- Possible ROR for gains/profit on goodwill.
- BA/BC on plant and machinery (none for SBAs).
- Losses remain in Y Ltd: possible terminal loss relief.
- VAT: transfer of going concern.

Z Ltd

- Acquires assets at MV.
- Capital allowances for plant and machinery based on MV.
- SBAs based on original cost.
- Pay stamp duty on land and buildings 0 – 5%.

Transfer of trade within a 75% group





You are viewing a sample

Interested in the full version?