Answers

1 Harrow Tan Ltd

Meeting notes

Client	Harrow Tan Ltd group
Subject	Various group matters
Prepared by	Tax senior
Date	7 September 2017

(i) Sale of shares in Rocha Ltd

Substantial shareholding exemption

The gain on the sale of the shares in Rocha Ltd will not be subject to tax if the conditions of the substantial shareholding exemption (SSE) are satisfied.

The conditions are:

- Harrow Tan Ltd and Rocha Ltd must be trading companies – this condition is satisfied.
- At least 10% of the ordinary share capital must have been held for 12 months during the two years prior to the sale.

Accordingly, in order for the SSE to be available, the sale would need to be delayed until 1 December 2017.

Taxable gain

If the sale takes place on 1 October 2017 the SSE **will not** be available, and the taxable gain will be calculated as follows:

	Notes	£
Gain per company		3,529,900
Add: Degrouping charge	1	265,070
Rollover relief	2	1,350,000
Taxable gain		5,144,970

This taxable gain would result in a substantial corporation tax liability. Accordingly, it is important that the SSE conditions are satisfied.

Notes

1. Degrouping charge

A degrouping charge will arise in respect of the building which was sold to Rocha Ltd by Seckel Ltd.

This is because:

- Rocha Ltd and Seckel Ltd are members of the Harrow Tan Ltd capital gains group (they are both 75% subsidiaries of Harrow Tan Ltd).
- The building would have been transferred automatically at no gain, no loss.
- Rocha Ltd will leave the Harrow Tan Ltd capital gains group when it ceases to be a 75% subsidiary on the sale of the shares. This will occur within six years of the acquisition of the building.
- Rocha Ltd will still own the building when it leaves the group.

The degrouping charge will be calculated as follows:

	£
Market value on 1 January 2017	800,000
Less: Cost	(330,000)
Indexation allowance May 1998 to January 2017 (£330,000 x 0·621)	(204,930)
Degrouping charge	265,070

2. Rollover relief

- Company shares are not qualifying assets for the purposes of rollover relief.
- Accordingly, it will not be possible to roll over any of the gain on the sale of the shares.

Stamp duty land tax

Stamp duty land tax (SDLT) will not have been payable by Rocha Ltd in respect of the purchase of the building from Seckel Ltd because both companies were 75% subsidiaries of Harrow Tan Ltd at that time.

However, because Rocha Ltd will cease to be a 75% subsidiary of Harrow Tan Ltd within three years of purchasing the building, it will have to pay SDLT of £29,500.

	£
£150,000 x 0%	0
£100,000 x 2%	2,000
£550,000 x 5%	27,500
	29,500

(ii) **Group relief – year ending 31 December 2017**

Harrow Tan Ltd

A company can claim available group losses up to a maximum of its taxable total profits (TTP).

For Harrow Tan Ltd, this will be £40,000 plus the chargeable gain on the sale of the shares in Rocha Ltd (if the SSE is not available).

Rocha Ltd

For the purposes of group relief, Rocha Ltd left the group on 31 July 2017, when the agreement was signed to sell 60,000 of the company's shares.

The maximum surrender to Rocha Ltd will therefore be £35,000 (£60,000 x 7/12), as this is less than the loss available for this period.

Tosca Ltd

The maximum surrender to Tosca Ltd will be its TTP for the year of £70,000.

Uta Far Ltd

The effective interest of Harrow Tan Ltd in Uta Far Ltd is less than 75% (80% x 90% = 72%).

Accordingly, Uta Far Ltd is not in a group relief group with Seckel Ltd and cannot receive any losses.

However, it is possible to transfer some or all of Uta Far Ltd's chargeable gain on the sale of the building to another group company, such that it could then be relieved by group relief from Seckel Ltd.

(iii) **Rollover relief**

Relief potentially available to the group

For the purposes of rollover relief, a capital gains group is treated as a single entity.

The Harrow Tan Ltd capital gains group consists of:

- Harrow Tan Ltd
- its 75% subsidiaries
- and their 75% subsidiaries
- Harrow Tan Ltd must have an effective interest of more than 50% in any non-directly held companies.

Harrow Tan Ltd's interest in Uta Far Ltd is 72% (80% x 90%), such that all five companies are in the Harrow Tan Ltd capital gains group.

The implications of this are:

1. Rollover relief is available in respect of the gain on the building sold by Uta Far Ltd on 1 May 2017.

   The whole of the gain can be rolled over if there are qualifying additions in the qualifying period of at least £1,800,000. Any amount of the sales proceeds which has not been used to acquire qualifying business assets cannot be relieved and will be subject to corporation tax up to a maximum of the gain of £85,000.

2. There may be other qualifying additions.

   - Qualifying business assets can be acquired by any company in the same capital gains group as the company which has sold a qualifying business asset.
   - The qualifying period is the four-year period starting one year prior to the date on which the disposal of a qualifying business asset occurred.

Part C of Corella's schedule

The land and building qualify for rollover relief.

Further information is needed in respect of the machinery; it must be fixed, rather than movable, if it is to qualify for rollover relief.

Patents and trademarks are intangible assets which are not qualifying additions for the purposes of chargeable gains rollover relief.

(iv) Tosca Ltd – promotion of new product

Increase in turnover

Tosca Ltd should notify HM Revenue and Customs that it expects its turnover to exceed the annual accounting turnover limit of £1,600,000. The company may then be required to leave the scheme. Once its turnover for an accounting year does exceed this limit, it will be required to leave the scheme.

Once the company is no longer in the annual accounting scheme, it will have to submit four VAT returns a year rather than one.

Its VAT payments will then fluctuate because they will be calculated by reference to its outputs and inputs in the quarter rather than being based on its VAT liability for the previous year.

Entertainment and gifts

Tosca Ltd will not be able to recover the input tax in respect of the cost of entertaining its customers.

It will not be necessary to account for output tax on the gifts of the pens, provided the total cost of any gifts made to the same person does not exceed £50 in a year. The related input tax will be recoverable in full.

It will also not be necessary to account for output tax on the gifts of the new product, even though its value exceeds £50, because it is a sample of the company's own products. Again, the related input tax will be recoverable in full.

2 Florina, Kanzi and Winston

(a) Florina and Kanzi

Florina's remuneration from Flight Hip Ltd

Payment of dividend of £20,000

	£
Income tax:	
£3,500 (£5,000 – £1,500) x 0%	0
£16,500 x 32·5%	5,362
Tax cost (equal to the tax saving if the dividend is not paid)	5,362

Payment of pension contributions of £20,000

	£	£
Corporation tax saving (£20,000 x 20%)		4,000
Income tax:		
On the employer pension contributions	0	
On future pension income (£20,000 x 75% x 20%)	3,000	
		(3,000)
Net tax saving		1,000

The total tax saving would be £6,362 (£5,362 + £1,000).

Provision of free petrol

	Florina £	Kanzi £
Income tax payable by Florina (note) on the fuel benefit:		
Car used by Florina (£22,200 x 26% x 40%)	2,309	
Car used by Kanzi (£22,200 x 23% x 40%)		2,042
Cost of private petrol:		
Florina (£3,000 x 17,000/19,000)	(2,684)	
Kanzi		(800)
Financial benefit/cost of the free petrol:		
Florina – income tax is less than cost	375	
Kanzi – income tax is more than cost		1,242

It would be financially beneficial for Kanzi to stop receiving free petrol from Flight Hip Ltd, as Florina's tax liability in respect of the benefit exceeds the cost of the petrol.

Tutorial note: *The provision of the car and free petrol to Kanzi will give rise to a taxable benefit for Florina. This is because Kanzi is not an employee of Flight Hip Ltd but is a member of Florina's household.*

Sale of shares in Landing Properties Ltd

Gift from Florina to Kanzi – gift relief

Landing Properties Ltd is an unquoted company. However, for gift relief to be available, it must also be a trading company.

On the assumption that gift relief is available, Florina should sell sufficient shares to realise a chargeable gain equal to her annual exempt amount of £11,100, i.e. 1,387 shares (£11,100/£32,000 x 4,000).

The remaining 2,613 shares should be given to Kanzi in order to use his annual exempt amount and to take advantage of the fact that he is a basic rate taxpayer as opposed to a higher rate taxpayer. Florina's chargeable gain in respect of this gift will be held over against Kanzi's base cost in the shares.

Sale of 2,613 shares by Kanzi

	£	£
Proceeds (£40,000 x 2,613/4,000)		26,130
Less: Cost:		
Market value of gift from Florina	26,130	
Less: Gain held over ((£40,000 – £8,000) x 2,613/4,000)	(20,904)	
		(5,226)
Chargeable gain		20,904
Less: Annual exempt amount		(11,100)
Taxable gain – falls within basic rate band		9,804
Capital gains tax (£9,804 x 10%)		980
Capital gains tax saving (£4,180 – £980)		3,200

Tutorial notes:

1. *Florina and Kanzi are not married, and so a gift of shares would not be a no gain, no loss transfer.*
2. *Kanzi's gain can be calculated more simply as £32,000 x 2,613/4,000.*

(b) Winston's charitable donation

Lifetime gift – inheritance tax on death estate

Gifts to charity are exempt from inheritance tax.

	£
Death estate (£1,400,000 – £150,000)	1,250,000
Less: Nil rate band (£325,000 – £200,000)	(125,000)
	1,125,000
Inheritance tax at 40%	450,000

Gift via Winston's will – inheritance tax on death estate

	£
Death estate	1,400,000
Less: Exempt legacy	(150,000)
Less: Nil rate band	(125,000)
	1,125,000
Inheritance tax at 36% (note)	405,000

It is more tax-efficient for Winston to make the charitable donation via his will.

Note: The reduced rate of 36% is applicable because the charitable legacy of £150,000 exceeds 10% of Winston's death estate before deduction of the charitable legacy but after deduction of the available nil rate band, i.e. £1,275,000.

(c) Becoming Winston's tax adviser

Professional competence

We must ensure that we have access to the appropriate expertise to carry out the sophisticated tax planning required by Winston.

Objectivity

It is possible that providing advice to Winston in connection with his estate planning could give rise to a conflict of interest, because a course of action which reduces Winston's total inheritance tax liability may not necessarily be beneficial for Florina.

We should obtain permission from both Florina and Winston to act for both of them and should consider making a different member of the firm responsible for each of them.

Confidentiality

Winston and Florina have attended a tax-planning meeting together and so do not appear to require their affairs to be kept confidential from each other. However, we should ensure that we have clear guidelines in place in order to maintain confidentiality where necessary and we should obtain written permission to discuss the affairs of one of them with the other when it is appropriate to do so.

3 Damiana plc

(a) Relief for research and development (R&D) expenditure

As Damiana plc is a large company for R&D purposes, it can claim an 'above the line' (ATL) tax credit for its qualifying R&D expenditure of £169,000. The amount of the credit is calculated as 11% of the qualifying R&D expenditure in the accounting period. This is treated as a taxable receipt of £18,590 (11% x £169,000), and a tax credit to be offset against its corporation tax liability equal to the same amount.

Accordingly, the total corporation tax saving attributable to the R&D expenditure is:

	£
Qualifying R&D expenditure	169,000
ATL credit (taxable receipt)	(18,590)
Net amount deductible for corporation tax	150,410
Corporation tax saving (20% x £150,410)	30,082
Add: ATL tax credit deducted from liability	18,590
Total corporation tax saving	48,672

(b) Late filing of corporation tax returns

There are two accounting periods within the 18-month period ended 31 March 2016 for which corporation tax returns should have been filed. The first is the 12 months ended 30 September 2015 and the second is the six months ended 31 March 2016.

Both returns should have been filed by 31 March 2017 (12 months after the end of the 18-month period of account).

As the returns have been filed more than three months late, each return will attract a fixed late filing penalty of £200, as previous returns have been filed on time.

Tutorial note: *It has been assumed that HM Revenue and Customs issued notices requiring the returns to be made before 1 January 2017, so that the later three-month filing rule does not apply.*

(c) Alternative 1 – transfer of shares to Luiza on 1 November 2017

As Luiza is an employee of Damiana plc, she will be treated as receiving a taxable benefit equal to the amount underpaid in respect of her shares. She is an additional rate taxpayer, so she will incur an income tax liability of £52,875 ((£24·50 – £1) x 5,000 = £117,500 x 45%) in the tax year 2017/18. The shares are in a quoted company, so fall within the definition of 'readily convertible assets', therefore Luiza will also have a liability to Class 1 national insurance contributions (NICs) of £2,350 (£117,500 x 2%).

On the sale of the shares on 10 November 2020, there will be a chargeable gain of £41,000 ((£32·70 – £24·50) x 5,000) arising in the 2020/21 tax year. As Luiza will have already used her annual exempt amount, capital gains tax will be payable on £41,000 at the rate of 20%. Entrepreneurs' relief will not be available as Luiza will not hold 5% of the shares in Damiana plc. The capital gains tax payable will therefore be £8,200 (£41,000 x 20%).

Luiza's net increase in wealth will be £95,075 ((£32·70 x 5,000) – (£1 x 5,000) – £52,875 – £2,350 – £8,200).

Alternative 2 – Enterprise management incentive (EMI) scheme

The value of shares in the scheme on 1 November 2017 will be £122,500 (£24·50 x 5,000), which is within the £250,000 limit.

No income tax or NICs will be payable by Luiza on the granting of the options in 2017/18.

On exercise of the options on 2 November 2020, income tax and NICs will be payable on the difference between the market value at the date of grant and the exercise price of the options, i.e. £7,500 ((£24·50 – £23) x 5,000). This is the amount chargeable as it is less than the difference between the market value at the date of exercise and the exercise price. The income tax and NICs payable are therefore £3,525 (£7,500 x 47%).

As before, a chargeable gain will arise on disposal of £41,000. The gain will be charged at 10% as entrepreneurs' relief will be available. This is because for an EMI scheme there is no requirement for the shareholder to have a minimum 5% shareholding in the company, as long as the option was granted at least one year before the date of disposal, and the individual has worked for the company for at least one year prior to the date of disposal. The capital gains tax payable will therefore be £4,100 (£41,000 x 10%).

Luiza's net increase in wealth will be £40,875 ((£32·70 x 5,000) – (£23·00 x 5,000) – £3,525 – £4,100).

4 Meg and Laurie

(a) (i) Taxable trading profit

	£
2016/17	
Year ended 31 December 2016	17,000
2017/18	
15 months ended 31 March 2018	9,000
Less: Relief for overlap profits	(7,400)
	1,600

Tutorial note: *As Meg has changed her accounting date to 31 March, all the overlap profits from commencement are relieved. This represents three months' profits from 1 January 2012 to 5 April 2012.*

(ii) Disadvantage of 31 March year end

A year end of 31 March means that the taxable profit for the current tax year is unlikely to be known with certainty until after the end of the tax year on 5 April. This means that payments to be made within the tax year – such as a payment on account or pension contributions – will have to be based on estimates.

A year end of 31 March gives the minimum interval between earning profits and paying the associated tax liability. The profits earned in January, February and March of any calendar year will be taxed one year earlier than they would have been if Meg had retained a 31 December year end.

Note: Only ONE disadvantage was required.

(b) (i) Allowable trading losses if Laurie is an employee

	£
Tax adjusted trading loss in 2018/19 before any payment to Laurie	20,000
Add: Salary paid to Laurie	12,000
Employer's NIC (Note)	0
Allowable trading loss for Meg in 2018/19	32,000

Laurie will not have an allowable trading loss in this case.

Note: Laurie's salary of £12,000 each year is an allowable expense for Meg's business. No Class 1 employer's national insurance contributions (NIC) will be payable in respect of this as they will be covered by the £3,000 annual employment allowance.

Allowable trading losses if Laurie is a partner

	Total	**Meg**	**Laurie**
	£	**£**	**£**
Tax-adjusted trading loss (allocated 75:25)	20,000	15,000	5,000

(ii) Loss relief available to Meg

In the tax year 2018/19 Meg has an allowable loss of £32,000, if Laurie is taken on as an employee, and £15,000, if Laurie becomes a partner.

Loss relief is available against Meg's total income of 2018/19 and/or 2017/18. In 2018/19 Meg's only income will be £8,600 rental income. In 2017/18 her income will include a taxable trading profit of £1,600 (see part (a)(i)) in addition to the rental income of £8,600. In both these tax years her total income is covered by her personal allowance for the year, and therefore a loss relief claim will not result in any tax saving in either year.

Alternatively, the full amount of the loss can be carried forward for relief against the first available future profits from the same trade, which are expected to occur in 2019/20. The maximum rate of relief will be 20% on the amount of Meg's taxable income (all non-savings), which falls within the basic rate band.

Loss relief available to Laurie

If Laurie becomes a partner in the business, he will have an allowable trading loss of £5,000 in 2018/19. His total income in each of the tax years 2018/19 and 2017/18 is £18,000, which is wholly dividend income, so he could relieve the loss in either year resulting in tax being saved at the rate of 7·5% in respect of the dividends in excess of his personal allowance and dividend nil rate band.

As 2018/19 is the tax year of commencement of business for Laurie, he can carry back the loss against his total income of the three tax years prior to the loss making year on a FIFO basis. Accordingly, he can offset the loss against his total income of 2015/16, when he was employed. This will result in a tax saving at the rate of 40% as the loss will be relieved against his employment income, and Laurie was a higher rate taxpayer in 2015/16.

(c) Implications of purchasing services from the overseas supplier

As MT Travel is registered for value added tax (VAT), this is a business to business (B2B) service, so will be treated as supplied in the UK, as this is where the business (MT Travel) is established. MT Travel must therefore pay VAT at the UK standard rate of 20% to HM Revenue and Customs under the 'reverse charge' principle. The rate of VAT overseas is irrelevant.

Input VAT can be reclaimed on this expense in the normal way.

MT Travel's VAT position is therefore the same as if the services had been purchased from the UK supplier.

5 Sabrina and Adam

(a) (i) Implications for Sabrina of the gift of Eastwick Farm to Adam on 1 January 2018

Capital gains tax

On the gift of the farm to Adam, chargeable gains will arise on the chargeable assets gifted. These will be computed by reference to the market values of the assets at the date of the transfer, i.e. 1 January 2018. Their base costs will be their market values at the date of Sam's death, i.e. 1 July 2016.

However, gift relief will be available as this is the gift of a business, and the financial adviser has assumed that this will be claimed. As no proceeds will have been received from Adam, the whole of the gain can be deferred, such that Sabrina will have no liability to capital gains tax.

Inheritance tax

The gift will be a potentially exempt transfer, so Sabrina will have no liability to inheritance tax.

(ii) Implications for Adam of the gift of Eastwick Farm on 1 January 2018

Capital gains tax

The claim for gift relief is a joint claim by both the donor and donee, so Adam will have to agree to this.

If the claim is made, the chargeable gains on the gift of the farm of £42,000 (£544,000 – £502,000) will be deferred. Adam's base cost in each of the assets will be their market value less the chargeable gain on the gift. Accordingly, if a claim for gift relief is made, Adam's chargeable gain on the future disposal of any or all of these assets will be greater.

If Adam leases the farm to a tenant farmer, entrepreneurs' relief will not be available on any subsequent disposal, as the farm will be an investment for Adam; he will not be carrying on a business. As Adam will be an additional rate taxpayer, this will generate an additional capital gains tax liability of £8,400 (£42,000 x 20%).

Inheritance tax

The gift of the farm by Sabrina on 1 January 2018 will qualify for agricultural property relief (APR) at the rate of 100% on the agricultural value on 1 January 2018 of £396,000. Sabrina has been managing the farm since her husband's death and although she has owned the farm herself for less than two years, as she inherited it from her husband on his death, his period of ownership can be added to hers, such that the two-year holding period is satisfied.

The excess of the market value over the agricultural value on 1 January 2018 of £148,000 (£544,000 – £396,000) is eligible for business property relief (BPR) at the rate of 100%, because Sabrina, as owner, has been farming the land herself, and, as above for APR, the two-year ownership requirement is satisfied.

In the case of Sabrina's death before 1 January 2025, i.e. within seven years of making the transfer, it is important that Adam still owns the farm at the date of her death. This is because, provided the farm still constitutes agricultural property, i.e. it is used for agricultural purposes by the tenant to which it is let, APR will be available on the agricultural value.

However, as Adam is not intending to farm it himself, no BPR will be available on Sabrina's death. Accordingly, the £148,000 excess of the market value over the agricultural value of the farm will be liable to inheritance tax at the rate of 40%. Sabrina's annual exemptions for 2017/18 and 2016/17 and her nil rate band have been used on the earlier transfer into the discretionary trust.

Adam will therefore have a maximum potential inheritance tax liability of £59,200 (£148,000 x 40%).

Taper relief will be available to reduce this amount if Sabrina survives until at least 1 January 2021 (three years after making the gift).

Any inheritance tax payable by Adam will be deductible when computing the chargeable gain arising on a subsequent disposal of the farm (but cannot be used to create an allowable loss).

(b) Personal pension scheme

As Adam's adjusted income exceeds £150,000, his annual allowance for obtaining tax relief on pension contributions has been reduced with effect from the tax year 2016/17. There is a reduction of £1 for every £2 of income in excess of £150,000. As Adam's adjusted income is £200,000, this has reduced the annual allowance by £25,000 ((£200,000 – £150,000)/2), leaving an annual allowance of only £15,000 (£40,000 – £25,000).

Individual savings accounts (ISAs)

Adam's thoughts are only partially correct.

The first £5,000 of dividend income is exempt from income tax each year, but any dividends in excess of this will be taxed at Adam's highest marginal rate of tax, which, as an additional rate taxpayer, would be 38·1% on the excess dividends over the higher rate threshold.

If he is considering investing in stocks and shares, he needs to consider his current and potential future level of dividends. If these use his £5,000 nil rate band, a stocks and shares ISA, under which all dividends are exempt from income tax, is still worthwhile.

He should also remember that the disposal of investments within a stocks and shares ISA is exempt from capital gains tax. This will be particularly relevant to him if he continues to use his annual exempt amount each year.

Adam is incorrect in relation to savings income. As an additional rate taxpayer, Adam has no entitlement to the savings nil rate band, so all his savings income will be taxable. If Adam wishes to hold money in cash deposits, then a cash ISA will still be beneficial.

Professional Level – Options Module, Paper P6 (UK)
Advanced Taxation (United Kingdom) **September/December 2017 Sample Marking Scheme**

			Available	*Maximum*
1	(i)	Substantial shareholding exemption	3·5	
		Degrouping charge		
		Explanation	4	
		Calculation	1·5	
		Rollover relief	1	
		Calculation of taxable gain	2	
		Stamp duty land tax	2·5	
			14·5	12
	(ii)	Harrow Tan Ltd	2	
		Rocha Ltd	2	
		Tosca Ltd	1	
		Uta Far Ltd	3	
			8	6
	(iii)	Capital gains group	3	
		Implications	3	
		Part C of the schedule	2	
			8	7
	(iv)	Increase in turnover	3·5	
		Entertainment and gifts	3	
			6·5	6
	Ability to follow instructions		1	
	Clarity of explanations and calculations		1	
	Effectiveness of communication		1	
	Overall presentation and style		1	
			4	4
	Total			**35**
2	(a)	Dividend or pension		
		Dividend	1·5	
		Pension contributions	4	
		Free petrol		
		Florina	2	
		Kanzi	2·5	
		Sale of shares in Landing Properties Ltd		
		Availability of gift relief	1·5	
		Strategy		
		Florina’s chargeable gain	2	
		Kanzi’s tax liability	3·5	
			17	14
	(b)	Nil rate band	1	
		Lifetime gift	2	
		Gift via will	3·5	
			6·5	6
	(c)	Competence	1	
		Objectivity	3	
		Confidentiality	2	
			6	5
		Total		**25**

				Available	*Maximum*
3	**(a)**		Above the line tax credit	2·5	
			Calculation of tax saving	2·5	
				5	5
	(b)		Returns required	2	
			Implications of late filing	2	
				4	3
	(c)		Alternative 1	7	
			Alternative 2	7	
				14	12
			Total		**20**
4	**(a)**	**(i)**	Taxable trading profits	3	3
		(ii)	Tax planning disadvantage	2	2
	(b)	**(i)**	Laurie as employee – loss available to Meg	2	
			– no loss available to Laurie	0·5	
			Laurie as a partner – split of loss in PSR	1	
				3·5	3
		(ii)	Loss relief available to Meg	5	
			Loss relief available to Laurie	4·5	
				9·5	8
	(c)		Reverse charge principle	3	
			Further implications	1·5	
				4·5	4
			Total		**20**
5	**(a)**	**(i)**	Capital gains tax	2	
			Inheritance tax – potentially exempt transfer	1	
				3	3
		(ii)	Gift relief claim/CGT payable	3·5	
			APR/BPR on original gift	4·5	
			APR/BPR as a result of Sabrina's death within seven years	2	
			Potential IHT payable	2·5	
			IHT deductible on subsequent sale	1	
				13·5	11
	(b)		Personal pension scheme	2	
			ISAs	5·5	
				7·5	6
			Total		**20**