

EXAMINABLE DOCUMENTS – JUNE AND DECEMBER 2014

Paper FTX (UK) Foundations in taxation

The following notes refer to Paper FTX (UK) only. Guidance for other variant papers – where available – is published on the ACCA website.

Legislation which received Royal Assent on or before 30 September annually will be assessed in the examination sessions being held in the following calendar year. Therefore, examinations in June and December 2014 will be assessed on legislation which received Royal Assent on or before 30 September 2013.

Finance Act

The latest Finance Act which will be examined in Paper FTX (UK) at the June and December 2014 sessions is the Finance Act 2013.

With regard to prospective legislation where, for example, provisions included in the Finance Act will only take effect at some date in the future, such legislation will not normally be examined until such time as it actually takes effect. The same rule applies to the effective date of the provisions of an Act introduced by statutory instrument.

The study guide offers more detailed guidance on the depth and level at which the examinable documents should be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Articles

The following relevant articles have been published in *Student Accountant* and are also available on the ACCA website:

FTX (UK):

- Finance Act 2013 – September 2013
- Corporation tax – January 2014
- How to answer multiple choice questions – January 2014

Supplementary Instructions and Tax Rates and Allowances

The following supplementary instructions and tax rates and allowances will be reproduced in the exam paper in the June and December 2014 exams. In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

SUPPLEMENTARY INSTRUCTIONS			
1.	Calculations and workings need only be made to the nearest £.		
2.	All apportionments should be made to the nearest month.		
3.	All workings should be shown when answering section B.		
Income tax			
		Normal rates	Dividend rates
		%	%
Basic rate	£1 – £32,010	20	10
Higher rate	£32,011 to £150,000	40	32.5
Additional rate	£150,001 and over	45	37.5
A starting rate of 10% applies to savings income where it falls within the first £2,790 of taxable income.			
Personal allowances			
			£
Born on or after 6 April 1948			9,440
Income limit for personal allowance			100,000
Car benefit percentage			
The relevant base level of CO ₂ emissions is 95 grams per kilometre.			
The percentage rates applying to petrol cars with CO ₂ emissions up to this level are:			
75 grams per kilometre or less			5%
76 grams to 94 grams per kilometre			10%
95 grams per kilometre			11%
Car fuel benefit			
The base figure for calculating the car fuel benefit is £21,100.			
Pension scheme limits			
Annual allowance			£50,000
The maximum contribution that can qualify for tax relief without any earnings is £3,600			
Authorised mileage allowances: cars			
Up to 10,000 miles			45p
Over 10,000 miles			25p
Capital allowances: rates of allowance			
Plant and machinery			%
Main pool			18
Special rate pool			8
Motor cars			
New cars with CO ₂ emissions up to 95 grams per kilometre			100
CO ₂ emissions between 96 and 130 grams per kilometre			18
CO ₂ emissions over 130 grams per kilometre			8
Annual investment allowance			
First £250,000 of expenditure (since 1 January 2013)			100
Corporation tax			
Financial year	2011	2012	2013
Small companies rate	20%	20%	20%
Main rate	26%	24%	23%
Lower limit	£300,000	£300,000	£300,000
Upper limit	£1,500,000	£1,500,000	£1,500,000
Standard fraction	3/200	1/100	3/400
Marginal relief			
Standard fraction x (U – A) x N/A			

Value added tax (VAT)		
Standard rate		20%
Registration limit		£79,000
Deregistration limit		£77,000
Capital gains tax		
Rates of tax – Lower rate		18%
– Higher rate		28%
Annual exempt amount		£10,900
Entrepreneurs' relief – Lifetime limit		£10,000,000
– Rate of tax		10%
National insurance contributions (not contracted out rates)		
		%
Class 1 Employee	£1 – £7,755 per year	Nil
	£7,756 – £41,450 per year	12.0
	£41,451 and above per year	2.0
Class 1 Employer	£1 – £7,696 per year	Nil
	£7,697 and above per year	13.8
Class 1A		13.8
Class 2	£2.70 per week	
	Small earnings exception limit	£5,725
Class 4	£1 – £7,755 per year	Nil
	£7,756 – £41,450 per year	9.0
	£41,451 and above per year	2.0
Where weekly or monthly calculations are required the Class 1 limits shown above should be divided by 52 (weekly) or 12 (monthly) as applicable.		
Official rate of interest (assumed)		4.0%