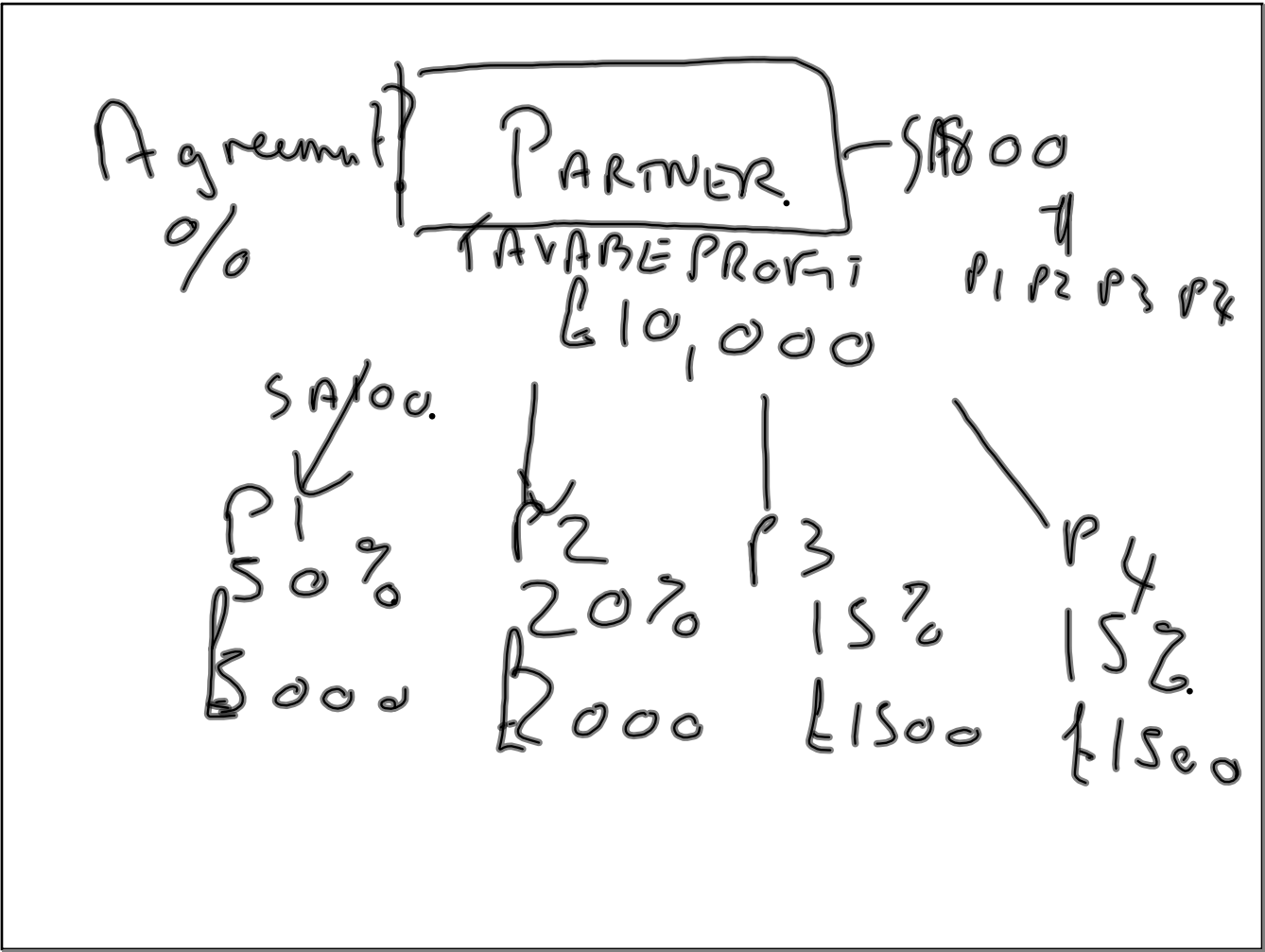


Partnerships

Trades or business

Taxed as individual partners





TRADING INCOME

Taxable Profit for Business
Partner Salaries + interest on
capital

Change in Agreement

Profit £12000

1st 6m

50/50

£6000

3k 3k

2nd 6m

75/25

6000

4500 1500

TOTAL		D	R.
A/C 4/END			
30.9.17		18000	
1.10.16 - 30.6.17			
9/12 x 18000			3/5 2/5
L 13,500			
Salary 9/12			
B 750		2250	1500
B 750		9750	
		3850	390
		8100	5400

1.7.17 → 30.9.17

	total	T	R
Profit 3/12 y1 44,500	181k	2/3	1/3

Salaries 3/12
6000 4000 2500/500 1000

2000	1333	667
4500	2833	1667

whole 181k. 10933 7067

Capital Allowances

Calculate as per side trades

Private Use of assets by
each partner

Calculate Private Use %

Commencement + Cessation

Start

Finish -

Same rules as Sole Traders
Partners taxed as individuals

→ Treated as
new business
if partner joins

Treated as
ceasing if
partner leaves.

Overlap period
may exist

Anne, Beryl + Clair example

	T.	A	B	C
YE 16	12,000	6000	6000	
← YE 30.6.17	14,000	7000	7000	
YE 30.6.18	24,000	8000	8000	8000

Anne + Beryl.

15/16 to 6.5.16
9/12 4500

16/17

overlap profit occurs! 6000

17/18

4500

7000

18/19

8000

Clair

17/18

1.7.17 to

3.4.18
9/12

6000

18/19

8000

overlap

6000

Loss

Allocated in same way as profits
Relief for partners as per sole
traders.

Partners decide INDIVIDUALLY how
to relieve losses

e.g. 3.

John, James Paul

5th April

18/19 Paul left.

George joined

Year End 5.4.19

LOSS

J + J

no opening
no TLR

Paul

TLR.

George

Opening
Year Relief.

