

Last-Orders Ltd ceased trading on 31 January 2017, having traded profitably for the previous ten years. The ordinary share capital of Last-Orders Ltd is owned 80% by Gastro Ltd and 20% by Gourmet Ltd.

Last-Orders Ltd's summarised statement of profit or loss for the ten-month period ended 31 January 2017 is as follows:

	Note	£
Revenue		176,790
Operating expenses		
Depreciation		
Employee costs	1	(142,400)
Lease of motor car	2	(1,600)
Other expenses	3	(299,810)
Operating loss		(276,480)
Other income		
Property business income	4	11,500
Profit on disposal of freehold office building	5	47,400
Loss before taxation		(217,580)

Note 1 – Employee costs are as follows:

	£
Counselling services provided to employees who were made redundant	5,200
Pension contributions paid on behalf of employees	12,200
Employer class 1 national insurance contributions (NICs)	11,890
Employer class 1A NICs payable on benefits provided for employees	1,160
Employee bonuses declared but unpaid – these will not be paid during 2017	10,400
Balance of expenditure (all allowable)	101,550
	142,400

Note 2 – Lease of motor car

The lease is in respect of a motor car with CO2 emissions of 120 grams per kilometre.

Note 3 – Other expenses are as follows:

	£
Entertaining UK suppliers	1,920
Entertaining overseas customers	440
Qualifying charitable donation	800
Balance of expenditure (all allowable)	296,650
	299,810

Note 4 – Property business income

During the ten-month period ended 31 January 2017, Last-Orders Ltd let out a freehold office building. The following income and expenditure was received or incurred during the final 12 months of trading:

Date received/(paid)		£
1 February 2016	Rent for the six months ended 31 July 2016	19,200
1 February 2016	Insurance for the 12 months ended 31 January 2017	(1,800)
1 August 2016	Rent for the six months ended 31 January 2017	19,200
21 November 2016	Repairs following a fire (not covered by insurance)	(7,700)

Note 5 – Profit on disposal of freehold office building

The office building was sold on 31 January 2017. The profit has been calculated as disposal proceeds of £126,800 less cost of £79,400. The indexation allowance is £12,900. The office building was never used for business purposes.

Additional information

Plant and machinery - On 1 April 2016, the tax written down value of Last-Orders Ltd's main pool was £24,200. All of the items included in the main pool were sold for £13,600 on 31 January 2017, with none of the items sold for more than their original cost.

Last-Orders Ltd has previously always made up its accounts to 31 March.

Both Gastro Ltd and Gourmet Ltd are profitable and make up their accounts to 31 March.

(c) Explain the alternative ways in which Last-Orders Ltd's unused trading loss for the ten-month period ended 31 January 2017 could be relieved. (4 marks)