

Petula has been employed as a sales manager by Downtown plc since 6 April 2009. The following information is available in respect of the tax year 2016–17:

- (1) During the tax year 2016–17, Petula was paid a gross annual salary of £230,000.
- (2) In addition to her salary, Petula has been paid the following bonuses by Downtown plc:

Amount	Date of payment	Date of entitlement	In respect of the six-month period ended
£			
21,200	30 April 2016	1 April 2016	31 December 2015
18,600	31 October 2016	1 October 2016	30 June 2016
22,400	30 April 2017	1 April 2017	31 December 2016

- (3) During the tax year 2016–17, Petula used her private motor car for both private and business journeys. The total mileage driven by Petula throughout the tax year was 26,000 miles, with all of this mileage reimbursed by Downtown plc at the rate of 60p per mile. However, only 21,000 miles were in the performance of Petula's duties for Downtown plc.

- (4) Petula pays an annual professional subscription of £630 which is relevant to her employment with Downtown plc. Petula also pays an annual subscription membership fee of £1,840 to a golf club which she uses to entertain Downtown plc's clients. Downtown plc does not reimburse Petula for either of these costs.

- (5) During the tax year 2016–17, Petula paid interest of £140 on a personal loan taken out on 6 April 2016 to purchase a computer for sole use in her employment with Downtown plc.

- (6) Each tax year since 6 April 2009 (including the tax year 2016–17), Downtown plc has contributed £30,000 into the company's HM Revenue and Customs' registered money purchase occupational pension scheme on Petula's behalf. Petula has never personally made any pension contributions.

(7) Petula owns a freehold house which was let out furnished throughout the tax year 2016–17. The total amount of rent received during the tax year was £12,000.

During August 2016, Petula purchased a new washer-dryer for the property at a cost of £730. This was a replacement for an old washing machine which was scrapped, with nil proceeds. The cost of a similar washing machine would have been £420.

During November 2016, Petula purchased a new dishwasher for the property at a cost of £580. The property did not previously have a dishwasher. The other expenditure on the property for the tax year 2016–17 amounted to £1,640, and all of this is allowable.

(8) During the tax year 2016–17, Petula rented out one furnished room of her main residence. During the year, she received rent of £8,900 and incurred allowable expenditure of £2,890 in respect of the room. Petula always uses the most favourable basis as regards the tax treatment of the furnished room.

(9) On 1 July 2016, Petula purchased £250,000 (nominal value) of gilts paying interest at the rate of 3% for £300,000. Interest is paid half-yearly on 30 June and 31 December based on the nominal value. Petula sold the gilts on 31 October 2016 for £302,500 (including accrued interest).

(a) Calculate Petula's taxable income for the tax year 2016-17.

Note: Your computation should list all of the items referred to in notes (1) to (9), indicating with the use of zero (0) any items which are not taxable or deductible. (12 marks)