

The Chartered Tax Adviser Examination

November 2025

Application and Professional Skills

Inheritance Tax, Trusts & Estates

Pre-seen information

You may print this copy of the pre-seen information but you will not be permitted to take this into the test centre. It will be contained in the final Exhibit in each question.

Pre-seen information

File information for the Colin Northwood Discretionary Trust

Client name

Trustees of the Colin Northwood Discretionary Trust.

Settlor

Colin Northwood.

Current trustees

Margie Briggs and Anne Northwood (the settlor’s daughters).

Engagement letter

The firm’s GDPR compliant engagement letter was signed by the trustees on 12 October 2025.

Family background

Colin Northwood (born 6 September 1948) is widowed and UK resident and domiciled. Colin had made no other lifetime transfers at the date of the trust’s creation and paid any Inheritance Tax due on the transfer of assets to the trust. Colin has three children, Margie Briggs (55), John Northwood (52), and Anne Northwood (50). Neither John nor Anne has any children.

Principal trusts

The trust is discretionary and primarily held for the benefit of the settlor’s grandchildren, Lily and Rose Briggs (Margie’s children), and their remoter issue. The trustees have wide powers to appoint any trust assets on trust for the benefit of any of the discretionary beneficiaries during the trust period, which is 125 years from the date of the trust’s creation.

File information for Margie Briggs

Client name

Margie Briggs.

Occupation

Retired teacher.

Engagement letter

The firm’s engagement letter was signed on 1 October 2025 and covers both tax compliance and tax advisory work.

Client background

Margie Briggs was on born 12 August 1970. She and her late husband, Owen Briggs, have two adult children Rose (31) and Lily (29).

Neither Rose nor Lily is married or in a civil partnership and they do not have any children or other dependants.

Margie, Rose and Lily are all UK resident and domiciled in England and Wales. They are all higher rate taxpayers and all utilise their Capital Gains Tax annual exempt amounts on quoted share disposals each tax year.

Both Rose and Lily live and work in London: Rose in the retail industry and Lily as a solicitor.

Will

Margie’s Will leaves her residuary estate on discretionary trusts for the benefit of her children and remoter issue. The letter of wishes to Margie’s Will requests that Lily and Rose are broadly treated equally, with any substantial lifetime gifts after the date of the Will brought into account. The trustees have wide powers to appoint any part of the estate on trust for the benefit of any of the discretionary beneficiaries.

Assets

	<u>Current value</u>
	£
Orchard House, Essex (Margie’s home)	1,500,000
30 ordinary shares in KA Motors Ltd (a trading company)	520,000
Cash held in savings accounts and ISAs	320,000
Quoted share portfolio	<u>2,600,000</u>
Total	<u>4,940,000</u>