

The Chartered Tax Adviser Examination

May 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.

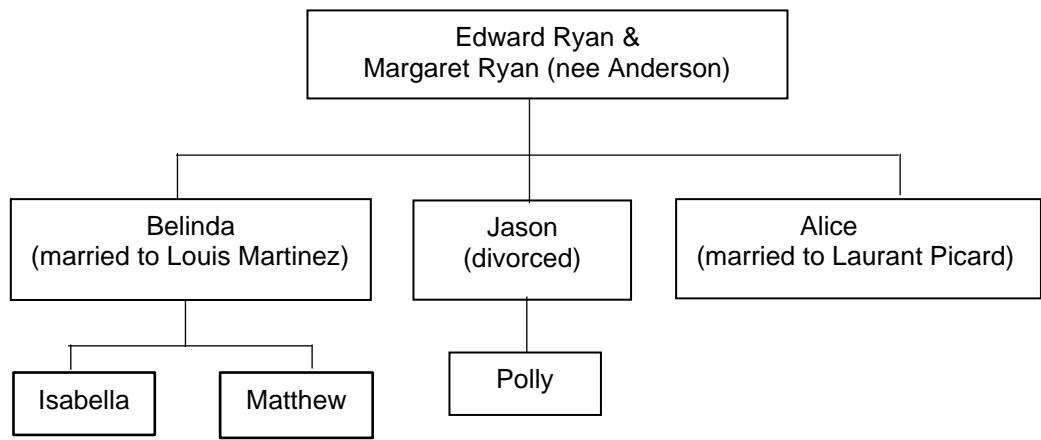
Pre-seen information

Clients

Margaret Ryan, Belinda Martinez, Jason Ryan.

The Ryan Family Discretionary Settlement and the Margaret Ryan Accumulation & Maintenance Trust.

Family Tree



Family background

Edward Ryan, a UK resident individual who was domiciled in England & Wales, inherited a holding of 349,500 shares in Bonds Chemists plc, a quoted company, from his grandfather in 1983. The shareholding was valued at £850,000 at the time. His grandfather was the owner of a chain of pharmacies which were acquired by the company in the 1970s. Edward’s inherited shares represented 0.33% of the issued share capital of Bonds Chemists plc.

On 20 April 1999, Edward transferred 300,000 shares to his wife, Margaret and £17,000 cash to each of Belinda, Jason and Alice.

On 25 August 1999, Margaret gifted 75,000 shares out of her holding to Belinda, Jason and Alice (25,000 shares to each child) when the share value was £4.05 per share.

On 17 September 1999, Edward created the Ryan Family Discretionary Settlement by transferring his remaining holding of 49,500 shares in Bonds Chemists plc and some other quoted shareholdings to trustees.

On 1 September 2000, Margaret created the Margaret Ryan Accumulation & Maintenance Trust by transferring 33,000 shares in Bonds Chemists plc and some other assets inherited from an elderly relative into trust.

Edward and Margaret also each gifted £1,000 capital to each of their three children on 6 April annually, commencing on 6 April 1999. After Edward’s death, Margaret continued to gift £1,000 capital to each child on this date.

Edward died on 7 January 2006 leaving a legacy of £150,000 to the Westlands Animal Shelter (a registered UK charity) and the rest of his estate to Margaret.

Margaret has recently updated her Will to leave a legacy of £180,000 to the Westlands Animal Shelter and £25,000 to each of her three grandchildren. The residue of her estate will pass to Belinda, Jason and Alice in equal shares.

Margaret has also made some additional lifetime gifts to her children and grandchildren and to the Westlands Animal Shelter during the 2024/25 tax year.

Other information

Belinda is the head teacher of Westlands Secondary School in Somerset and is married to Louis, who is a partner in a veterinary practice. They are both higher rate taxpayers. Jason is a pharmacist and is divorced. He is also a higher rate taxpayer.

Margaret, Belinda, Louis, Jason and all of Edward and Margaret’s grandchildren are UK resident and domiciled. Alice has lived in Switzerland since 2004 when she married Laurent and is non-UK resident, but she has retained an English domicile. Alice and Laurent run a very successful pet food manufacturing company in Switzerland. They jointly own a portfolio of UK residential and commercial properties and have other UK business interests. They are both additional rate taxpayers in the UK.

Isabella, Matthew and Polly are basic rate taxpayers.

Margaret, Belinda and Jason are long-standing personal tax clients of ABC Chartered Tax Advisers. The Ryan Family Discretionary Settlement and the Margaret Ryan Accumulation & Maintenance Trust became clients of the firm on 30 April 2025.

Continued

Signed engagement letters and privacy policies for all the individuals and the trusts are held on the firm's files.

ABC Chartered Accountants - New Trust Client Files
Information for permanent section

Name

Ryan Family Discretionary Settlement

Settlor

Edward Ryan (deceased 7 January 2006)

Date of creation

17 September 1999

Trustees

Original trustees were Edward Ryan, Belinda Martinez and Jason Ryan. Belinda and Jason continued as trustees following Edward's death.

Beneficiaries

The children and future grandchildren of Edward Ryan.

SA UTR

1242354568 (2023/24 self-assessment tax return was submitted to HMRC on 15 December 2024).

TRS

Original registration date 7 November 2017.

Last register declaration 9 December 2024 (no updates required, declaration reference 920001247341).

Name

Margaret Ryan Accumulation & Maintenance Trust

Date of creation

1 September 2000

Settlor

Margaret Ryan

Trustees

Original trustees were Margaret Ryan and Catherine Robson (Margaret's sister). They retired on 8 January 2025 and were replaced by Belinda Martinez and Jason Ryan.

Beneficiaries

The grandchildren of the settlor.

SA UTR

9534278161 (2023/24 self-assessment tax return was submitted to HMRC on 5 January 2025).

TRS

Original registration date 4 November 2017.

Last register declaration 3 January 2025 (register amended to show new trustees, declaration reference 920004389247).