

The Chartered Tax Adviser Examination

May 2022

Application and Professional Skills

Inheritance Tax, Trusts & Estates

Pre-seen information

You may print this copy of the pre-seen information for your exam, however it will be contained in the final Exhibit in each question.

Pre-seen information

Client name

The Hartley Settlement.

The trustees signed the firm's GDPR compliant engagement letter, covering tax compliance and advisory services, on 18 June 2021.

Settlor

Geoffrey Hartley (deceased 10 December 2012).

Trustees

Peter Hartley (son of the settlor). Also a client.
Saskia Hartley (daughter in law of the settlor). Also a client.

Date of creation

8 May 1995

Principal beneficiary

Peter Hartley

Initial settlement

- 1) Land and buildings at Yew Tree Farm, Near Helston, Cornwall.
Geoffrey inherited these assets from his father on 6 October 1983.
- 2) £160,000 cash.

Terms of trust

Principal Trusts:

- 1) The settled assets shall be held upon trust to pay the income thereof to the principal beneficiary during his lifetime.
- 2) The Trustees shall have the power at any time to appoint by deed any part or parts of the settled assets to the principal beneficiary absolutely.
- 3) In default of the exercise of the above power, the settled assets shall be held upon trust to pay the income equally to any children of the principal beneficiary living at his death during their lifetime.
- 4) On cessation of the interest in the settled assets created by clause 3 above, the Trustees shall hold the settled assets for the grandchildren of the principal beneficiary absolutely and if more than one in equal shares.

Over-riding Powers of Revocation and New Appointment:

- 5) The Trustees shall have the power at any time to revoke the provisions contained in clauses 1 and 2 above in respect of the whole or part of the settled assets and the income thereof for the purpose of appointing such assets and income for the benefit of the issue of the principal beneficiary as the Trustees think fit.
- 6) Any trust appointment of the settled assets and income thereof under the power of revocation and new appointment may create any new interest or interests whether absolute or limited, including the resettlement of any part of the settled assets and income on new trusts.

Additional information relating to the Hartley Settlement and Hartley family

Geoffrey Hartley was born on 13 April 1922. His wife, Diane, died in 2003 leaving her estate to Geoffrey. Both Geoffrey and Diane were domiciled in England and Wales.

They had one child, Peter, born on 31 July 1957. Geoffrey left his entire estate to Peter and other than creating the Hartley Settlement in 1995, he made no other lifetime gifts.

Peter Hartley married Saskia Campbell in 1975 and they have one child, Luke, born 1 June 1978. Luke is married to Ella and they have two children aged three and five. Ella also has two adult children from a previous relationship.

All members of Peter Hartley’s family are higher rate taxpayers and are resident and domiciled in England and Wales. Peter and Saskia have made cash gifts of £1,500 to each of their two grandchildren on 6 April annually since they were born. These gifts are transferred from the capital account held within their joint quoted share portfolio so utilise their Inheritance Tax annual exemptions. They have made no other lifetime gifts in the last seven years.