

The Chartered Tax Adviser Examination

November 2024

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

Client 1: Trustees of the Susan Wood Will Trust

Settlor: Susan Wood

Date of Settlement: 8 June 2012

Current trustees: Claire Ireland (Susan's sister) and Paul Wood (Susan's husband)

Client 2: Paul Wood (personally)

Paul's assets consist of cash and quoted investments of just over £400,000. Paul has not made any lifetime gifts in the last seven years.

Family background

Susan Wood died on 8 June 2012 domiciled in England and Wales. Susan was survived by her husband, Paul Wood (born 31 July 1956) and two children from her previous marriage, Rebecca (born 15 October 1989) and Shaun (born 1 February 1995).

Paul has one daughter from his previous marriage, Poppy (born 1 March 1982) and one grandchild (Poppy's daughter), Emily (born 30 April 2006).

Susan and Paul had been married for 12 years at the time of Susan's death.

All family members are domiciled in England and Wales and UK resident. Both Paul and the trustees of the Susan Wood Will Trust have up to date and GDPR compliant engagement letters in place covering compliance and advisory work.

Provisions of Susan's Will

Legacies

A cash gift of her nil rate band to Rebecca.

Residuary estate

The balance of Susan's estate is left to her trustees on the following trusts:

- 1) On a life interest trust for Paul.
- 2) Subject to the above, on a discretionary trust for the benefit of a class of discretionary beneficiaries.

The above provisions are subject to the trustees' wide overriding powers to benefit any of the discretionary beneficiaries during the trust period, which is 125 years from the date of Susan's death. These powers include appointing any trust assets for the benefit of any discretionary beneficiary and the creation of any other provisions as the trustees see fit including any dispositive trusts or other powers for the benefit of any discretionary beneficiary.

The class of discretionary beneficiaries includes Paul, Shaun, Rebecca, Poppy and remoter issue of both Susan and Paul.