



PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

LOCATION
SWANSEA

LLEOLIAD
ABERTAWE

LEVEL 6

LEFEL 6

EXAMINATION PERIOD
SPECIMEN

CYFNOD ARHOLIADAU
ENGHREIFFTIOL

MODULE CODE: BMLW6011

EQUITY AND TRUSTS

TIME: 2 HOURS PLUS 15 MINUTES READING TIME

ANSWER ALL QUESTIONS

Instructions to candidates before the exam

You are permitted to take two A4 piece of paper with either handwritten or typed notes, into the examination. You are **NOT** permitted to take any other materials. Two A4 pages is defined as either one sheet of double sided notes, or two single sided sheets.

1. You must enter your **NAME** and **STUDENT NUMBER** on the front page of your answer sheet.
2. You have 15 minutes of formal reading time allocated to this examination. It is strongly recommended that you spend this time reading the examination paper, including any supporting documentation.
3. Additional documents supplied to be submitted as part of the candidate's answer:
None

This is a sample exam paper. It is not the exam paper which you will sit and has been produced to support you to understand the expectations of the exam.

Answer all questions from Part A and Part B

Part A is worth 30% of this exam

You are advised to spend 40 minutes on Part A and 1 hour 20 minutes on Part B

Part A

Part A is worth 30% of your total exam score. It contains 15 single best answer style multiple choice questions. Each question is equally weighted.

For each question in this part choose the one answer which represents the best answer to give in each question. In some cases, more than one answer may contain correct information. In these circumstances you should evaluate which of these answers is the best answer to give. Only the best answer will gain credit.

Your choice of answer should be clear to the marker. If you choose more than one answer for any question, you will be awarded zero for that question.

You should attempt all questions.

See the practice questions on moodle

Part B

Part B is worth 70% of the marks available in this exam.

Consider the following scenario

Siwan is seeking advice in relation to a trust which she wants to create, a draft of which is enclosed. She intends for the trust to take effect upon her death, and she will ensure that her will contains appropriate provisions to facilitate this. She proposes to establish a trust with three core purposes. These are to ensure:

- that Swansea is kept in floral bloom all year around
- that anybody who has been generous towards Siwan will benefit from her estate
- the families of former employees of Siwan's business, Green Light Industries Ltd.

Evaluate the draft trust deed supplied overleaf and advise Siwan in relation to the validity of the trust and its terms.

Deed of Trust

This Deed of Trust (hereafter referred to as 'the trust') is made on 24 December 2024 and outlines the terms and conditions upon which Siwan Richards of Swansea settles that the residuary of her estate be held on trust after her death.

1. The settlor

- 1.1 Siwan Richards (Date of birth: 3 May 1953) of Castle House, Swansea, UK. SA50 9FQ, hereafter referred to as 'the settlor.'

2. The beneficiaries

- 2.1 the city of Swansea
- 2.2 any other person who has shown kindness to the settlor during their lifetime, hereafter referred to as other eligible beneficiaries.

3. The trustee:

- 3.1 Blue Light Trustees Ltd, who's registered address is Floor 42, Liberty Tower, Swansea. SA50 9BH
- 3.2 Jon Richards (Date of birth: 5 July 2012), 37 IQ street, Swansea, SA50 7HJ
- 3.3 Hereafter, these trustees shall be referred to as 'the trustees.'

4. The trust property:

- 4.1 The trust property consists of the residuary of the settlor's estate, including any real or personal property, after:
 - a) the payment of any debts, taxes, funeral, testamentary and administration expenses, and
 - b) any distribution of the estate's property as otherwise indicated in the settlor's Last Will and Testament.
- 4.2 Any income or property acquired by investing the trust property shall become trust property, until otherwise distributed in accordance with the terms of this trust.

5. Beneficial Interests:

- 5.1 The trust shall, for the lifetime of three generations of the settlor's descendants, finance floral displays in Swansea, in memory of the settlor.
- 5.2 The trust shall provide that anyone who was generous to the settlor during their lifetime may benefit from full use of Castle House at any time for up to 21 years following the settlor's death, should they find themselves in hardship. Access to the house shall be provided by the trustees who have full discretion in determining the eligibility of prospective beneficiaries to make a claim, and for the length of time they might reside at Castle House.
- 5.3 The trust shall ringfence a sum of money to finance bursaries to contribute towards the costs of the education of any former employees of Green Light Industries Ltd., their children or grandchildren, wishing to pursue careers in

the pharmaceutical or health science industries. The trustees have discretion in determining the:

- number of awards made each year
- criteria to determine which prospective beneficiaries may be awarded bursaries
- the suitability of the courses identified
- the amount of such award including any stipend provided

6. Trustee Duties

- 6.1 The trustee is responsible for owning and managing the trust property at all times to fulfil the beneficial interests created by the trust. To carry out this primary obligation, the trustee shall perform all necessary administrative tasks related to the ownership and management of the trust property and ensure proper record-keeping. Any costs incurred in fulfilling these duties or in connection with the ownership or management of the trust property shall be covered by the trust.
- 6.2 The trustee has the authority to delegate the administration of any duties associated with the execution of this trust to a suitably qualified third party of their choice.
- 6.3 Provided the trustee is not otherwise required to apply or allocate all or part of the trust property, they shall invest the trust property in trust fund assets with the aim of increasing its value. The trustee shall have absolute discretion to decide on the most prudent investment strategy, which may include:
- a) investment in any UK Bank or building society account.
 - b) buying any type of asset, anywhere in the world; and
 - c) making secured or unsecured loans,
- seeking expert advice, as appropriate. In discharging its duty of investment, the trustee is empowered to dispose of any trust property, as if it was absolutely entitled to the property, with the exception of Castle House.
- 6.4 The trustee shall not dispose of Castle House unless necessary to fulfil the overriding duty outlined in clause 6.1, or if, in the trustee's informed judgment, the costs of maintaining the manor outweigh its long-term benefits. However, the trustee may generate income from the manor through other means. The trust shall bear all costs associated with the maintenance and upkeep of Castle House.
- 6.5 If Blue Light Trustees LLP is unable or unwilling to continue acting as trustee, it may resign and appoint a replacement trustee in line with its standard operating procedures. The replacement trustee must possess equivalent professional qualifications and standing to Blue Light Trustees LLP and must be capable of holding legal title to the trust property. Blue Light Trustees LLP shall ensure the prompt and smooth transfer of trust property to the successor trustee, minimizing inconvenience to the beneficiaries.
- 6.6 The trustee is entitled to full remuneration for all activities related to the management of the trust. This includes the right to set its remuneration rate in

accordance with its standard fee schedule, updated periodically. The trustee may withdraw its fees periodically from the trust funds without limitation.

- 6.7 The trustee shall be fully indemnified against any liabilities arising from the management of the trust. Any such liabilities, including legal fees incurred in defending claims or actions, shall be settled using the trust funds.

7. Commencement and termination:

- 7.1 The trust shall be deemed fully executed immediately upon the settlor's death. The settlor reserves the absolute right to fully or partly revoke or amend this trust prior to the trust's execution date.
- 7.2 The trust shall continue to operate so long as it is permitted to run according to the Law of England and Wales.

8. Interpretation and Jurisdiction:

- 8.1 The trust is fully executed in the jurisdiction of England and Wales and shall be governed by English and Welsh law.
- 8.2 Where conflict exists between this trust deed, and the settlor's last will and testament, the settlor's last will and testament shall prevail.

Signed by the settlor:

Siwan Richards

Date:

Witnessed by:

Witness 1

Witness 2

******The settlor and witnesses will sign the deed once finalised******

End of Exam Paper