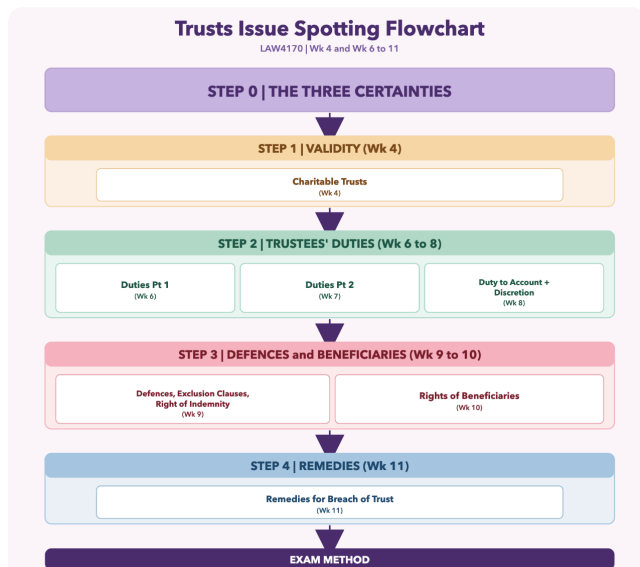


Trusts Exam Pack: what's inside

One small piece from each of the four sections, so you can see exactly how the pack works before you buy.

1. Issue Spotting Flow Chart



THE WHOLE ANSWER PATH ON ONE PAGE

2. Issue Spotting Master Checklist

WHEN YOU SEE	THINK	WEEK
Trustee buys/sells TRUST property to himself	Self dealing → voidable AS OF RIGHT, price irrelevant (Clay v Clay).	Wk 6
Trustee or their firm takes a commission, fee or kickback	No profit rule (Williams v Barton). Also a conflict.	Wk 6
Most of the fund in ONE risky asset, no advice taken	Failure to DIVERSIFY + speculative (s 7(2)(b)); duty to take advice (s 7(4)).	Wk 7
Beneficiary demands REASONS for a discretionary decision	In the RIGHT. No duty to give reasons (Re Londonderry).	Wk 8

TRAP TO WATCH: "Full price + independent valuation" does NOT save self dealing. Voidable regardless (Clay v Clay).

12 STEPS IN EXAM ORDER, PLUS 14 TRAPS

3. Reading Guide Study Guide

Week 6 · (ii) Duty to Act Gratuitously (No Profit Rule)

A trustee cannot profit from the trust unless: (1) the trust deed expressly authorises remuneration; or (2) the court orders it.

- ☐ No remuneration unless deed or court authorises it
- ☐ No indirect benefit from position (commissions, kickbacks)
- ☐ Court has inherent jurisdiction to authorise trustee remuneration

Williams v Barton [1927] 2 Ch 9: indirect commission from trust business = breach of no profit rule

In Re Drexel Burnham Lambert UK Pension Plan [1995] 1 WLR 32: court can authorise professional trustee remuneration in appropriate cases

EVERY EXAMINABLE TOPIC, WEEKS 4 TO 11

4. Case Memory Hooks

Re Shaw [1957] 1 All ER 745

Picture George Bernard Shaw inventing a 40 letter alphabet and locking it in his desk drawer: MERE INCREASE OF KNOWLEDGE without teaching or dissemination is NOT advancement of education.

Keech v Sandford (1726) Sel Cas CL 61

Picture a trustee renewing a market lease in his own pocket while the infant beneficiary stands empty handed: STRICT no conflict rule applies even where the beneficiary could not have taken the lease anyway.

Cowan v Scargill [1985] Ch 270

Picture coal miner union trustees refusing to invest outside mining for political reasons: BEST INTERESTS means best FINANCIAL interests of the beneficiaries.

A HOOK FOR EVERY CASE, PLUS QUICK RECALL