



CILEX Level 6 Single Subject Certificate/CILEX Level 6 Professional Higher Diploma in Law and Practice/CILEX Level 6 Graduate Fast-Track Diploma

Unit 5 – Equity and Trusts

Question paper

June 2026

Time allowed: 3 hours and 15 minutes (includes 15 minutes reading time)

Instructions and information

- It is recommended that you take **fifteen** minutes to read through this question paper before you start answering the questions. However, if you wish to, you may start answering the questions immediately.
- There are **two** sections in this question paper — Section A and Section B. Each section has four questions.
- You must answer **four** of the eight questions — at least **one** question must be from **Section A** and at least **one** question must be from **Section B**.
- This question paper is out of 100 marks.
- The marks for each question are shown — use this as a guide as to how much time to spend on each question.
- Write in full sentences — a yes or no answer will earn no marks.
- Full reasoning must be shown in your answers.
- Statutory authorities, decided cases and examples should be used where appropriate.
- You are allowed to make notes on your scrap paper during the examination.
- A basic calculator is provided should you require the use of one.
- You can use your own unmarked copy of the following designated statute book – ***Blackstone’s Statutes on Property Law 32nd edition, Meryl Thomas, Oxford University Press, 2024***
- You must comply with the CILEX Exam Regulations – Online Exams at Accredited Centres/CILEX Exam Regulations – Online Exams with Remote Invigilation.

SECTION A
(Answer at least one question from this section.)

1. Critically analyse whether the existence of separate tests for liability in relation to knowing receipt and dishonest assistance can be justified.

(25 marks)

2. Critically assess the extent to which the common law and equity are now fused.

(25 marks)

3. Critically analyse:
 - (a) the differences between equitable remedies and common law remedies;

(8 marks)

 - (b) with reference to case law, the extent to which specific performance exemplifies the characteristics of equitable remedies.

(17 marks)

(Total: 25 marks)

4. Critically assess whether the distinction between discretionary trusts and mere powers retains any real importance.

(25 marks)

SECTION B
(Answer at least one question from this section.)

Question 1

In 2018, Anton and his girlfriend Bettina decided to live together. At that time, Anton was in the process of buying a new house. Bettina had just received an inheritance of £30,000 and so, after Anton asked her to move in with him, she used this to pay the deposit on the new house.

Anton obtained the rest of the purchase price by way of a mortgage in his sole name. The property was purchased in Anton's sole name.

From 2018 until June 2023, Anton and Bettina contributed equally from their respective salaries to a joint bank account out of which they paid all their living expenses. However, Anton funded all the mortgage repayments entirely from his own salary.

In June 2023, Anton was made redundant. Bettina made the mortgage repayments until Anton secured a new job in April 2025, at which point Anton resumed making the mortgage payments entirely from his own salary.

In August 2025, Anton's brother (Chris) came to live with Anton and Bettina. Anton told Chris that if Chris converted the existing integral garage at the property into a further bedroom and installed ensuite facilities, Chris could live at the property rent-free for as long as he wanted. Anton paid for the materials but Chris alone carried out the necessary works over a period of two months.

Bettina and Chris are now in a relationship. Anton has asked them both to leave but each has claimed that they have a proprietary interest in the house.

Advise Anton.

(25 marks)

Question 2

Darius died last month. His duly executed Will contains the following legacies.

- (1) 'I give £750,000 to my old school, Rydells, on trust to provide scholarships to pupils who wish to pursue an academic career at a university in England or Wales'.
- (2) 'I give £25,000 to the Kempston Literary Society, of the Manor House, Kempston, so that they may establish a reading room dedicated to housing a collection of first editions of all my novels'.
- (3) 'I give the residue of my estate to my niece, Esme'.

Darius also appointed Esme as the sole executrix of his Will.

Rydells is a private school. It charges fees of £30,000 a year and has 750 pupils.

The Kempston Literary Society is a non-charitable unincorporated association. Its 25 members are all self-published authors. Darius was the author of 30 self-published novels, none of which has ever sold more than 50 copies.

Before he made his Will, Darius gave Esme an envelope, which he told her she was not to open until after his death. Esme has now opened the envelope; in it is a letter instructing her to hold the residue of Darius' estate on trust to maintain his collection of Koi carp, a type of fish known for its vibrant colours. Esme tells you that she has carried out some online research and has discovered that Koi carp can live for over 200 years.

Advise Esme as to the validity of each of these legacies.

(25 marks)

Question 3

Karim is the sole trustee of the Winsor Trust Fund (the 'Trust Fund'). The Trust Fund was set up in January 2020 by Harry Winsor, prior to his death the following month, for the benefit of the following beneficiaries: Harry's wife, India, for her life with remainder to their children Jake and Summer (who were 12 and 8 years old respectively at the time of their father's death). The Trust Fund consisted of £750,000, which was initially invested in a savings account accruing annual interest at a rate of 3.5%. There are no investment provisions in the trust deed.

In August 2022, India asked Karim to reinvest some of the Trust Fund. She wanted a property abroad so that the children could spend their school holidays there. Karim agreed and bought a Tuscan farmhouse that India had selected, costing the Trust Fund 350,000 euro. Karim did not take advice before purchasing the farmhouse.

In September 2022, Karim received an envelope from the estate agent who had marketed the farmhouse, containing £3,000 in cash as a 'thank you' for having purchased the farmhouse. Karim did not tell the beneficiaries about this money. He used the £3,000 to buy an antique vase, which is now worth £10,000.

In December 2024, Karim consulted a reputable Independent Financial Adviser ('IFA') about the possibility of investing £100,000 of the Trust Fund in shares. The IFA recommended a small start-up tech company. Karim eventually decided against investing the Trust Fund's money in those shares (after consulting with India). However, he did invest £50,000 of his own money in the shares, which are now worth £75,000.

In January 2026, India informed Karim that the children did not like Tuscany and she asked for the farmhouse to be sold. Karim obtained a valuation from an appropriately qualified valuer, who advised that it was worth 310,000 euro but that for a quick sale, Karim should be prepared to accept 285,000 euro. In February 2026, the farmhouse was sold for 287,500 euro.

Karim has consulted you because India has told him that she is very unhappy with the way that he has administered the Trust Fund. Karim wishes to know whether he has any cause to be concerned.

Advise Karim whether he has any liability and, if so, what remedies might be sought against him in relation to:

- (a) the purchase and the sale of the farmhouse; **(12 marks)**
 - (b) the £3,000 he received from the estate agent; **(6 marks)**
 - (c) his investment in the shares of the start-up company. **(7 marks)**
- (Total: 25 marks)**

Question 4

You have been consulted by Magda, who is the executrix and trustee of Orban's Will. Magda asks your advice as to whether the following legacies in Orban's Will are effective.

- (1) 'I give my shares in Kempstons plc to my trustee on trust to hold the bulk of them for my sister, Nadia; the remainder are to go to such of her children and in such shares as my trustee thinks fit'.
- (2) 'I give my bronze statue of a dancer to my daughter, Petra, fully expecting that she will pass it on to my grand-daughter, Roxanna, when the time comes'.
- (3) 'I give my collection of vintage motorcycles to my trustee to allow any member of the Kempston Motorcycle Club living at my death to choose not more than one in remembrance of me; any remaining are to go to the children of my said sister Nadia'.

Nadia has three children: Sasha, Thomas and Ursula.

Petra and Roxanna are both alive.

Advise Magda as to the validity and/or effect of each of these legacies.

[NOTE TO CANDIDATES: Do not discuss legacy (3) as if it were a gift to the Club itself.]

(25 marks)

End of Examination Paper

© 2026 The Chartered Institute of Legal Executives