



# Renaissance Legal

## Helpful definitions

A quick-reference guide to legal jargon, helping you understand trust administration.

### Trust

the formal transfer of assets from a person(s) to others to hold for the benefit of someone else.

### Trustees

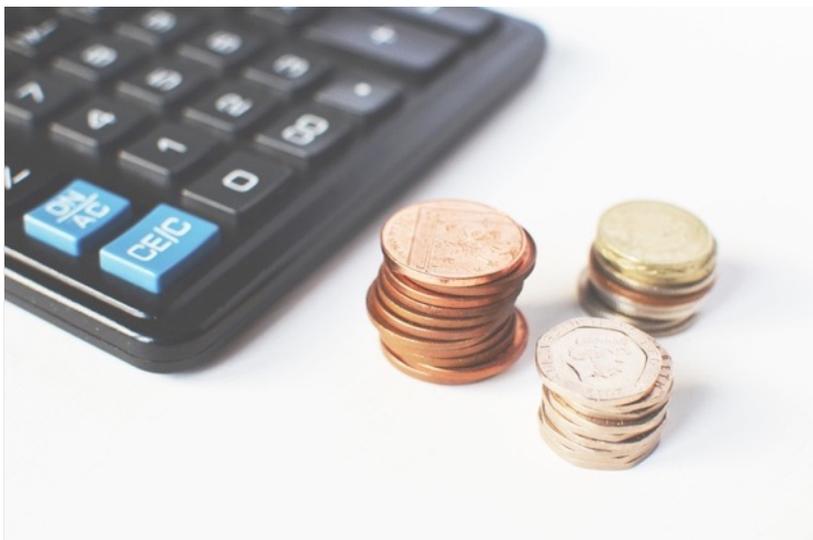
the people (or trust company) holding the assets

### Beneficiaries

the person(s) who will benefit from the assets held in trust

### Trust deed

a legal document setting out how the assets in a trust should be used



## Administration of Trusts

### What are the duties of a Trustee

The trustees are under a duty to deal with the assets in the best interests of the Beneficiaries and, if they fail in this duty, they will be in breach of trust. The Beneficiaries can ask the Court to make sure that the terms of the Trust are carried out.

The duties of a Trustee are set out in legislation but can be altered or added to. Trustees must act in the best interests of the beneficiaries and not for their own benefit.

In order to carry out their duties, the Trustees have a range of powers that are defined by law or set out in the Trust. General powers will cover matters such as investment, dealing with land, delegation to agents or nominees, insurance and remuneration of a professional trustee.

The trust deed may include additional powers relating to advancement of capital, appropriation of assets, maintenance for beneficiaries (usually in the case of minors), appointment of trust assets and lending funds.

## The main duties of a trustee at a glance

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- Read and understand the trust documents;
- Find out about the beneficiaries of the trust;
- Find out about the trust property (if applicable);
- Observe the terms of the trust;
- Act impartially between beneficiaries;
- Exercise a reasonable standard of care;
- Act personally;
- Exercise powers unanimously with other Trustees;
- Act without payment or remuneration;
- Provide information.

## Complementary Services

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When creating a trust it is a good opportunity to review your financial circumstances, any tax planning you have in place and consider making a Lasting Power of Attorney.

As lawyers we are not permitted to provide you with financial planning advice but we work closely with local and national Independent Financial Advisors.

## What records does a Trustee have to keep?

It is essential that full records are kept by the Trustees. It is necessary to keep bank statements for any Trust accounts and detailed statements for any Trust investments. Records of any interest received, any expenses incurred and any other information required for tax purposes will also be necessary.

The Trustees should also record any decisions they make, including explanations of any payments made from the Trust's assets. It is advisable for Trustees to hold annual meetings to consider the Trust's assets and the needs of the Beneficiaries. Minutes should be taken of these meetings.

## How can Renaissance Legal help?

Fulfilling the role of a Trustee can be complex and it can be difficult for Trustees to understand what is required of them in order to manage a Trust on a day to day basis. Many trustees find it useful to seek professional advice to help them fulfil their roles. We can help with this - advising, as necessary, on the nature and extent of your powers and duties as a Trustee.

We can also deal with the ongoing administration of the Trust by preparing annual accounts and tax returns, completing Inheritance Tax returns, advising Trustees on distributions from the Trust and any tax consequences, agreeing a suitable investment policy with investment advisers and monitoring investment performance. In addition, we can act as a Trustee as we have experience of the technical and personal decisions required by Trustees.

If you would like to discuss this further then please call us on 01273 610 611 or email at: [info@renaissancelegal.co.uk](mailto:info@renaissancelegal.co.uk)