



Ian Bowyer
Partner
T +44 (0)20 7242 0631
E ibowyer@greenwoodsgrm.co.uk



Kerri Pellington-Woodrow
Partner
T +44 (0)1733 887675
E kpellington-woodrow@greenwoodsgrm.co.uk



Clare Harris
Associate
T +44 (0)1223 785289
E ceharris@greenwoodsgrm.co.uk

More people are considering establishing a trust, either in their lifetime by a trust deed, or in their Will. Here are some basic facts about trusts along with explanations of key terms.

What is a Trust?

A trust is a legal arrangement, whereby one or more people (“the settlor(s)”) transfer assets to others (“the trustees”) for the benefit of a third party (“the beneficiary”).

What is a Settlor?

The settlor is the person who has put the assets into trust. Assets can be added to the trust at any time and by more than one person. Each person who adds assets would be a settlor.

What is a Trustee?

Trustees are the legal owners of the assets held in the trust. There must be at least one trustee, and often it is necessary to have a minimum of two.

Trustees are in general responsible for:

- Managing the trust on a day-to-day basis
- Carrying out the settlor’s wishes
- Deal with the assets in accordance with the trust deed
- Pay any and all tax owing
- Decide how best to invest the assets

Their duties and responsibilities depend on the type of trust created by the settlor.

What is a Beneficiary?

Anyone who can or does benefit under the trust. There can be more than one beneficiary. Often classes of beneficiaries are defined in the trust deed; for example, my children, my nieces and nephews.

What assets can be in a Trust?

A trust can hold most assets and the assets are generally referred to as the “Trust Property”.

They can include:

- Cash
- Furniture
- Land
- Paintings
- Jewellery
- Investments
- Houses or buildings

The cash and investment part is usually called the “Trust Fund” or “Capital”.

Trusts : The Basics

Why would you use a Trust?

Trusts are used for a number of reasons, usually for tax planning purposes or to protect Assets. Other reasons can include:

- Disability
- Minor children
- Personal injury
- Charitable purposes

How can Greenwoods GRM help?

Contact +44 (0)1733 887665 and ask to speak to a member of our Private Client Team.

Follow us:



@GreenwoodsGRM



Greenwoods GRM LLP

Monkstone House
City Road
Peterborough PE1 1JE
T +44 (0)1733 887700

Compass House
Vision Park
Cambridge CB24 9AD
T +44 (0)1223 785300

1 Bedford Row
London
WC1R 4BZ
T +44 (0)20 7242 0631

E info@greenwoodsgrm.co.uk
W www.greenwoodsgrm.co.uk

Whilst Greenwoods GRM LLP stands by the views and advice given in this document, the fact that two situations are rarely the same means that you should seek legal advice before relying on its contents.