



Law for Life

Charitable Trusts

Thackray Williams



Thackray Williams LLP are an all-service law firm with offices in Bromley, London, Sevenoaks, and West Wickham. We offer legal services to individuals and businesses across a number of sectors.

Our overriding approach is to provide practical advice to achieve our clients' objectives as efficiently as possible.

Further details about the firm, the services we provide, and our people can be found on our website at www.thackraywilliams.com.

What is a Charitable Trust?

A Charitable Trust is a legal entity which is established with the aim of enabling you to support the people and things you believe in, ensuring you are able to make a lasting difference to what you hold dear.

The trust document will govern how the Charitable Trust operates, but they are usually created to support specific charitable purposes or organisations dedicated to objectives like social welfare, education, religion, science, or other charitable endeavours. The objectives of the trust will need to be exclusively charitable so care will need to be taken when drafting this document.

Why establish a Charitable Trust?

As well as allowing you to leave a lasting legacy to support the initiatives you care about, creating a Charitable Trust has a number of other advantages.

Making gifts to a Charitable Trust allows you to retain a degree of control over your money and ensure the funds are used for the purposes you want them to be used for. The trustees (you or other individuals selected by you) are able to receive applications for grants, and make decisions as to how, when, and to whom donations are made from the Charitable Trust. This means you will be able to see exactly how your money is being used and will be able to make the necessary decisions to ensure your charitable objectives are achieved.

Whereas gifts to individuals are subject to the seven-year rule, gifts to Charitable Trusts are free of inheritance tax and are immediately effective for tax purposes – meaning creating a Charitable Trust can be a very attractive tax planning tool for the right individual. Furthermore, if money gifted to a Charitable Trust is not immediately required, it can be invested by the trustees, and any capital growth or income is free of tax (both income tax and capital gains tax) whilst held within the Charitable Trust

How is a Charitable Trust established?

Charitable Trusts can either be set up during your lifetime, using a Deed of Trust, or alternatively can be set up and structured within your Will so it comes into force once you have passed away.

In either case, the trust document will set out who the trustees of the trust are, the charitable objectives of the trust, and the rules that govern the trust. Once the trust comes into force, whether that be during your lifetime or after your passing, the trustees can immediately get to work in supporting the causes you think are most important.

How we can help

We are experienced in advising on the structure and running of Charitable Trusts and are able to give you pragmatic advice as to whether it is the best vehicle for you to achieve your aims.

If you think a Charitable Trust might be right for you, we are able to assist in drafting the trust documents, registering the trust with the Charity Commission to ensure it fulfils your charitable goals and meets their requirements, and once established, we will be able to work with you and your trustees to ensure the Charitable Trust is performing and operating in the best possible way to ensure its objectives are continually met.

If you have any questions or would like to discuss Charitable Trusts further, please do not hesitate to get in touch.



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