

What is a charitable trust?

A person or persons may decide by

- Will,
- entering a deed of trust, or
- making a declaration

that certain property is to be applied in a particular way.

The person making a Will is called a 'testator'. A person creating a trust while he or she is alive is called a 'settlor'. The persons entrusted with carrying out the wishes of the testator or settlor are called 'trustees'. In family and other private arrangements, the persons who will benefit are called 'beneficiaries'. If someone declares publicly that they hold certain property for others, that person is equivalent to a trustee and those who will benefit are the beneficiaries. In all these – a Will, a deed of trust or a declaration – the beneficiaries might be named (for example, my children A and B) or might be identifiable by description (for example, my grandchildren living at the date of my death).

Private arrangements of this nature are not registrable. The trustees will administer the trust for the benefit of the named beneficiaries within the maximum time of 80 years that the law allows.

All trusts must make it clear what the purpose of the trust is, what property is the subject of the trust and who the trustees are to be.

[What happens when the trust will benefit the community in a charitable way](#)

If the testator or settlor or the person declaring that he or she holds property wishes to benefit the community instead of named or identifiable beneficiaries in a way that the law considers to be charitable, some different considerations apply.

[Incorporating under the Charitable Trusts Act 1957](#)

A Board is a body corporate of the same nature as a company or an incorporated society. These are created by an Act of Parliament (the Charitable Trusts Act 1957, the Companies Act 1993 and the Incorporated Societies Act 1908) to give a group of people a single identity for legal purposes.