

**ProTrust**   
Trust Management

**Full Trust Management Service**

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## **FULL TRUST MANAGEMENT SERVICE**

### **Summary**

If we are asked to assist Trustees in taking on the management of a Trust we will first need to ascertain the scope of a number of requirements, including:

- Legal requirements;
- Taxation requirements;
- Requirements for investment of funds or assets; and
- Beneficiary requirements.

### **The work undertaken varies according to:**

- The quantity and type of assets to be managed and administered;
- The number of co-trustees to communicate with and advise;
- The number of beneficiaries and potential beneficiaries;
- The frequency and nature of reviews of financial investment;
- The frequency and nature of reviewing the trust further to requests for assistance from the Trust by any of its beneficiaries;
- The number and frequency of overall communications received;
- If there are any specific trust issues or matters to investigate or address (such as acts of previous trustees).

### **Creating a Trust Bible:**

Best practice on commencing Trust Management is to create a working 'bible' of important documents that assist the Trustees in their performance of their legal duties.

In summary, the documents and folders include some or all of the following:

- Trust Synopsis and Fact Find, Settlor Information
- Trustee Information and Due Diligence
- Family Tree and Beneficiaries Information
- Minutes of Trustee Meetings
- Details of Trust Assets and Trust Bank Account
- Trust Investment Policy Statement (TIPS)
- Trust Accounts and Documentation (Wills, trusts, deeds)
- HMRC and Tax Returns and TRS Registration
- Communications with all parties
- Financial Advisor and Accountants Details

## Regular Processes (annual):

We will suggest a course of operation for the management of the Trust but it will always be a two-way approach of working to the expectations and requirements of the Trustees.

Usually we will suggest the basic processes should involve:

- |   |                   |
|---|-------------------|
| • A quarterly review of the Trust file (estimate)   | 2 hours per annum |
| • An annual meeting with co-trustees and with relevant beneficiaries (where applicable) (estimate)  | 1 hour per annum  |
| • Communications with co-trustees and advisors regarding asset management, fund switches/changes, requests from beneficiaries (estimate: 1 hour per 6 months) | 2 hours per annum |
| • Arranging preparation or execution of appropriate documentation (estimate: 1 hour per annum)  | 1 hour per annum  |
| • Review of taxation of the Trust and assisting with preparation of appropriate tax returns (estimate: 1 hour per annum)                                      | 1 hour per annum  |

## Selling Trust Property

(or for cases where the Trust has an interest in Property);

### Circumstances

This most usually applies where a trust is a Discretionary Trust or a Life Interest Trust and the general circumstances are such that the assets are vested in a named beneficiary (or beneficiaries) who themselves manage the assets – the trust itself being largely dormant save for a restriction notice protecting a Trust interest in a loan advancement or life interest to such beneficiary.

When a sale of property takes place, the process is to seek a consent to the sale from the trustees of the Trust and that process can include a full removal of the restriction notice or indeed a removal and replacement of the notice to a new property purchased out of the proceeds of sale.

### The work required can include:

- Holding a meeting or discussion with co-trustees;
- undertaking a process of evaluation below and;
- agreeing a course of action

## Evaluation Process

- Value of the Trust Fund being protected by the restriction
- Current Legal Owner(s) of the property
- Names of beneficiaries who are currently protected by the restriction
- Reason for the request for consent or removal: Is the property being sold, or re-mortgaged? Is there going to be a sale, and then a related purchase?
- If so, will the new owner(s) be prepared to accept an Equitable Charge restriction on the new property?
- What is the value of the new property? Is the value commensurate with the existing property?
- What are the wishes and instructions of other co-Trustees?
- Do the remainder beneficiaries know and consent to the removal or consent?
- What are the instructions contained in the Trust; particularly the Memorandum of Wishes or Supplemental Trust Deeds?
- Is there any other existing security for the loan or value of the Trust Fund? (this could be a restriction on another property for example)
- If not, are there any other assets on which security or restriction notices could be placed?

## Options

- Consenting to a re-mortgage.
- Retaining the existing restriction.
- Consenting to removal of the restriction on condition that a new Equitable Charge restriction notice is placed on the new property purchased from the proceeds or other suitable property.
- Removal and agreement that no further Equitable Charge or restriction shall be entered and/or instead that a Deed of Promissory Note executed to replace the existing restriction and Equitable Charge.

## Likely Work Involved

Usually the process would involve:

- A review of the Trust (estimate)
- A discussion or meeting with any co-trustees and with relevant beneficiaries (where applicable (estimate))
- Completion of Minute of Decision covering all aspects (estimate)
- Communications with any co-trustee on decision and subsequent documentation (estimate)
- Assisting with preparation or execution of appropriate documentations (estimate)

## Retiring Trustees or Appointing New Trustees

### Charging Structure

#### Circumstances

Like any appointed trustee or executor, Robert has a duty to those people who appointed him personally to act. Robert is happy to retire from any trusteeship or executorship where it is appropriate to do so, where it is requested by all relevant parties and where it is in the best interests of proper administration of a Trust or estate. Such retirement is usually on the basis that an appropriate person or Trust company is chosen in his place (for insurance reasons primarily) and where appointment of a new trustee is reasonably deemed more cost-effective.

#### Likely Work Involved

- |  |           |
|--|-----------|
| • A review of the Trust (estimate)   | ½ hour    |
| • A discussion or meeting with any co-trustees and with relevant beneficiaries (where applicable) (estimate)                                     | 1-2 hours |
| • Communications to establish who would be appointed and ensuring suitability (estimate)   | 1-2 hours |
| • Arranging preparation or execution of appropriate documentations (including asset documentation) to transfer trusteeship (estimate: 1-2 hours) | 1-2 hours |

### Trust Registration (at the TRS: Trust Registration Service)

Please see our dedicated set of Trust Registration guidance notes for registration work. The weblink can be found at:

<https://protrust-trust-administration.onyx-sites.io/wp-content/uploads/2022/02/Trust-Registration-Service-leaflet-PT-Trust-Admin-2023.pdf>

**Dated/Updated: November 2023**

### Contact Us

For more information and for an initial discussion for advice please contact us on:

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