



# Your Legacy is Arthur Ransome's Future

## Introduction: Arthur Ransome...

Arthur Ransome is known best as a children's author who, since the 1930s to the present day, has enthused children and adults with his *Swallows and Amazons* stories. From Dame Ellen McArthur to Sir Richard Branson and HRH Prince Charles, children have learned to sail, explored in their imaginations, camped and sought adventure, through being inspired by his writing.

In addition, he wrote much more widely – as a journalist, fisherman, literary critic and biographer, and may well have been a “spy” during the Russian Revolution.

It is perhaps surprising, therefore, that unlike other authors, such as William Wordsworth and Beatrix Potter, there is no “home” in the Lake District to celebrate and interpret the life and work of Arthur Ransome.

Although the *Swallows and Amazons* books have never gone out of print and sales are healthy, knowledge of Arthur Ransome is diminishing and fewer children now encounter his writing at school or elsewhere. By drawing attention to Arthur Ransome, the Trust hopes to promote readership as well as celebrate his writing.

## ...and the Arthur Ransome Trust

The Arthur Ransome Trust is a registered charity, founded in 2010, with the aim of establishing a permanent Ransome Centre in the southern Lake District. Running alongside this aspiration is a programme of temporary exhibitions, lectures and the development of study materials, intended to promote the life and work of Arthur Ransome.

The Trust is a small charity with a big ambition, the success of which relies entirely on the good will of benefactors – of people who have been touched by his stories and wish to see his legacy live on and promoted to widen readership and enjoyment of his work.

Although fundraising through day-to-day donations will help to meet the Trust's running costs, experience indicates that much of the funding needed to purchase and equip a permanent exhibition and activity-based centre is likely to come from legacies. If you are considering donating to charity, then a gift in your Will could well be the catalyst that to help the Trust realise its ambitions.

The Trust's charitable status means not only that it can benefit from gifts and legacies, but you may also have the opportunity to reduce tax due on your estate. Details of this and ways in which legacies can be made are included in the accompanying documents, which includes examples of different types of bequest and wording within Wills.

## Different types of legacy gifts explained

There are five common forms of legacy:

### Pecuniary legacy (also known as a monetary legacy)

This involves leaving a specific amount of money. The disadvantage of this method is that inflation will erode its value over time and so can distort your original intention. In order to prevent this you could set aside a proportion of your Estate to your beneficiaries using one of the options shown below.

### Residuary legacy

The way to protect the real value of your gift is to make what is known as a Residuary Legacy - which may be a percentage or fraction of the residue of your net Estate after any specific bequests have been made and any debts and other expenses have been settled. This has the advantage of ensuring that your bequest keeps pace with inflation.

### Conditional legacy

If you feel that you would quite like to leave all or part of your Estate to the Arthur Ransome Trust, yet feel also that someone else has a stronger claim to the gift, then you can make a Conditional Legacy. This means that you make a bequest to a particular person or body, but state in your will that in the event that he or she should predecease you or in the event that the legacy is refused, then that bequest would go to the Trust instead, rather than going back "into the pot" for distribution to the residuary beneficiaries of your will (a residuary beneficiary is a person who takes a share of your estate once specific bequests have been paid).

### Reversionary legacy (a life interest)

The Arthur Ransome Trust appreciates the concern all of us have for those we leave behind, to ensure that first and foremost proper provision is made for those close to us. In this case, what is known as a Reversionary Legacy can be used, whereby you leave all or part of your Estate to the Trust, but on condition that the benefit of your estate is enjoyed by your spouse or relative for their lifetime and only passes to the Trust after they die. This means that they enjoy your assets during their lifetime (subject to any conditions which you may impose in order to protect the assets), but afterwards everything, or a designated portion, passes to the Trust rather than being dealt with in accordance with their will.

### **Specific legacy or bequest in kind**

Your gift can take any form, and it is quite possible to leave gifts in the form of shares or items of property such as houses, pictures or other valuables. The Trust could then use the asset or sell the asset and utilise the proceeds as the Trustees see fit. This can be an attractive option where the asset has appreciated in value over the years and a high Capital Gains Tax liability exists. The form of wording is the same as a pecuniary gift, except that the gift is set out in your will as a specific, named asset instead of a cash sum.

## **Wording for your will**

### **Correct forms of wording:**

The following are sample wordings for making Pecuniary, Residuary, and Gift-in-Kind bequests, as well as an example of a Codicil which one adds to an existing Will. It is recommended that, in all cases, you discuss your particular requirements first with your legal adviser in the light of your personal circumstances.

### **Pecuniary legacy (also known as a monetary legacy)**

*I give the following charitable legacy absolutely:*

*To the Arthur Ransome Trust (Charity No. 1136565) of The Hayloft, Coal Gate, Broughton-in-Furness, CUMBRIA, LA20 6BP ("the Trust") the sum of £..... for the general purposes of the Trust and with the full power to expend capital as well as income for such purposes and I direct that a receipt of an authorised officer of the Trust for the time being shall be a good and sufficient discharge to my Executors for the payment to the Trust.*

### **Residuary legacy**

*I devise and bequeath (a percentage or share) of the residue of my estate absolutely to the Arthur Ransome Trust (Charity No. 1136565) of The Hayloft, Coal Gate, Broughton-in-Furness, CUMBRIA, LA20 6BP ("the Trust"), such sum to be applied for the general purposes of the Trust and with full power to expend capital as well as income for such purposes and I direct that a receipt of an authorised officer of the Trust for the time being shall be a good and sufficient discharge to my Executors for the payment to the Trust.*

### **Specific legacy or bequest in kind**

*I make the following charitable gift absolutely:*

*To the Arthur Ransome Trust (Charity No. 1136565) of The Hayloft, Coal Gate, Broughton-in-Furness, CUMBRIA, LA20 6BP ("the Trust") (a clear description of the item(s) to be bequeathed).*

*With the full power to realise such assets and to apply the proceeds to the general purposes of the Trust, and I direct that a receipt of an authorised officer of the Trust for the time being shall be a good and sufficient discharge to my Executors for the payment to the Trust.*

### **A codicil adds a bequest to an existing will**

*I ... (your name) ... of ... (your address) ... declare this to be the first (... or second etc. ...) Codicil to my Will dated and made the ... (date) ... of ... (month and year).*

*In addition to the legacies given by my said Will I give the following further charitable legacy absolutely:*

*To the Arthur Ransome Trust (Charity No. 1136565) of The Hayloft, Coal Gate, Broughton-in-Furness, CUMBRIA, LA20 6BP ("the Trust") the sum of £ ..... ( in words and figures) for the general purposes of the Trust and with the full power to realise such assets and to apply the proceeds to the general purposes of the Trust, and I direct that a receipt of an authorised officer of the Trust for the time being shall be a good and sufficient discharge to my Executors for the payment to the Trust.*

*In all other respects I confirm my said Will.*

NB A Codicil needs to be separately signed, dated and witnessed (by two independent witnesses in England, Wales and Northern Ireland, one witness in Scotland) as for a Will in its own right.

## **Inheritance Tax Relief**

From April 2012 a reduced rate of Inheritance Tax (IHT) was introduced for those who choose to donate 10% or more of their net estate to charity. This means that the estate of someone who includes a charitable legacy in their will of at least 10% of net taxable estate will benefit from a 36% rate of IHT rather than the current rate of 40%.

This has created a great opportunity for people to review any plans they have in place already, as this enables more to be given to charity without taking away from amounts left for non-charitable beneficiaries such as family members and friends.

The following example shows how the change can help:

<u>Until 4 April 2012</u>		<u>From 4 April 2012</u>	
Gross Estate	£1,325,000	Gross Estate	£1,325,000
Nil Rate Band	£325,000	Nil Rate Band	£325,000
Taxable Estate	£1,000,000	Taxable Estate	£1,000,000
<b>Legacy to charity (4%)</b>	<b>£40,000</b>	<b>Legacy to charity (10%)</b>	<b>£100,000</b>
Taxable estate	£960,000	Taxable estate	£900,000
IHT at 40%	£384,000	IHT at 36%	£324,000
<b>Net estate after tax</b>	<b>£576,000</b>	<b>Net estate after tax</b>	<b>£576,000</b>

## Getting in touch

If you wish to discuss legacies with us, you can do so in confidence with Paul Flint, trustee:

Address: Pinethwaite Lodge,  
Lickbarrow Rd,  
Windermere,  
Cumbria,  
LA23 2NQ

Telephone: 015394 44556

Email: paul.flint@hotmail.co.uk

## LETTING US KNOW YOUR INTENTIONS

The details of your will are, of course, a private matter and you may wish to keep your intentions to yourself. If you wish, however, you can use this form to let us know whether you propose to leave a legacy to the Arthur Ransome Trust in order that we can work with you to help ensure that this gift is targeted in the way you intend.

Returning this form in the envelope provided does not commit you in any way and simply includes us in your current plans and enables us to respond appropriately. Your reply will be treated with the utmost confidentiality.

At present, I intend to include a legacy to the Arthur Ransome Trust ("the Trust") in my will.

Name:

Signature:

Date:

I would like my legacy to support:

- The Trust as a whole
- "A Ransome Home" (The purchase and development of an Arthur Ransome Centre)
- A particular project (please specify):

I am interested in making the following type of gift (tick box for each type to be included):

- Pecuniary
- Residuary
- Conditional
- Reversionary
- Bequest in kind (please specify):

If you would like to indicate the approximate value of your intended legacy, please do so here:

- (£ or % of estate):

It would be helpful to talk about my plans with a trustee of the Arthur Ransome Trust:

- Please call me on : (tel number)

Name:

Address:

Postcode:

*Thank you for returning this form*