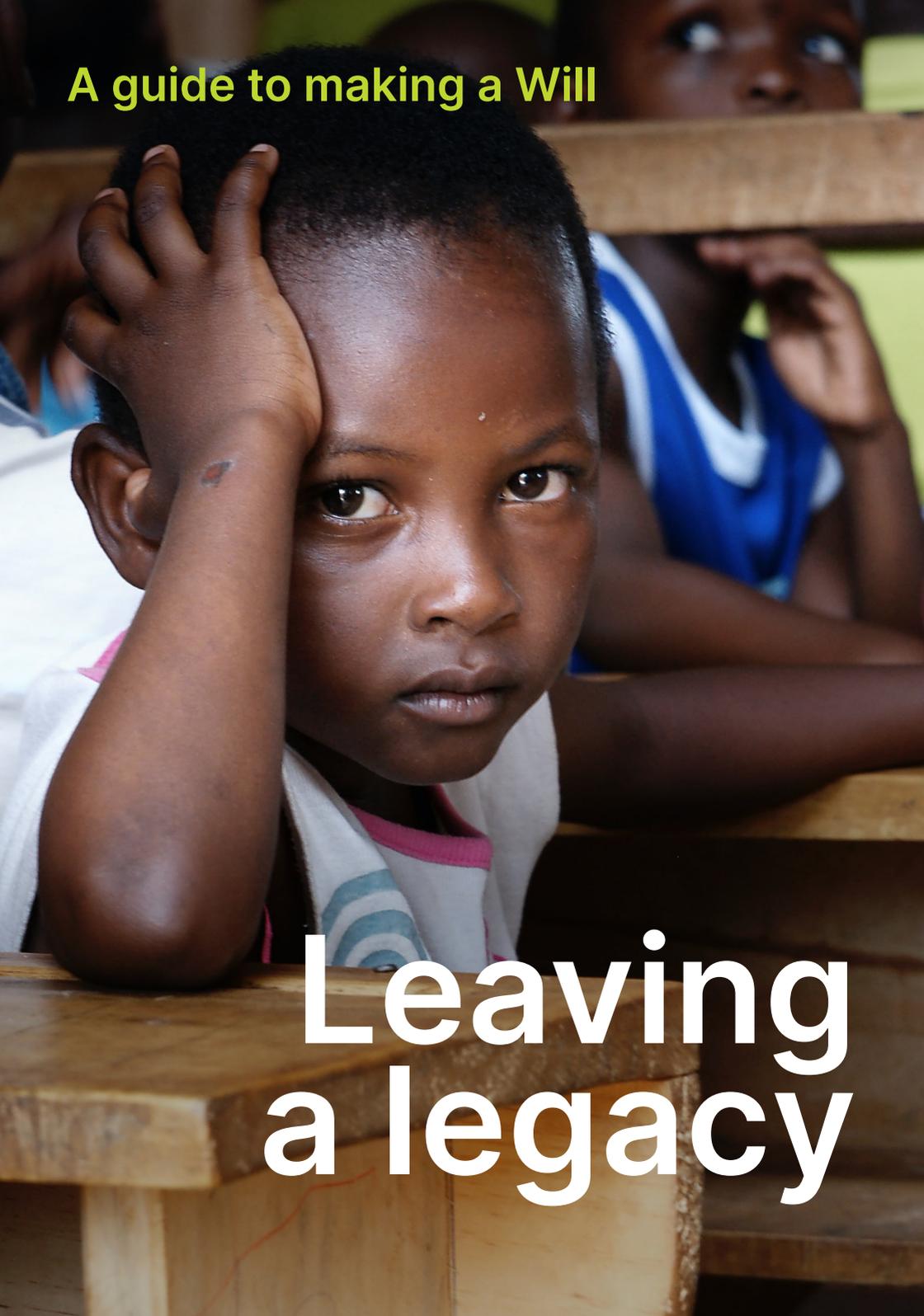
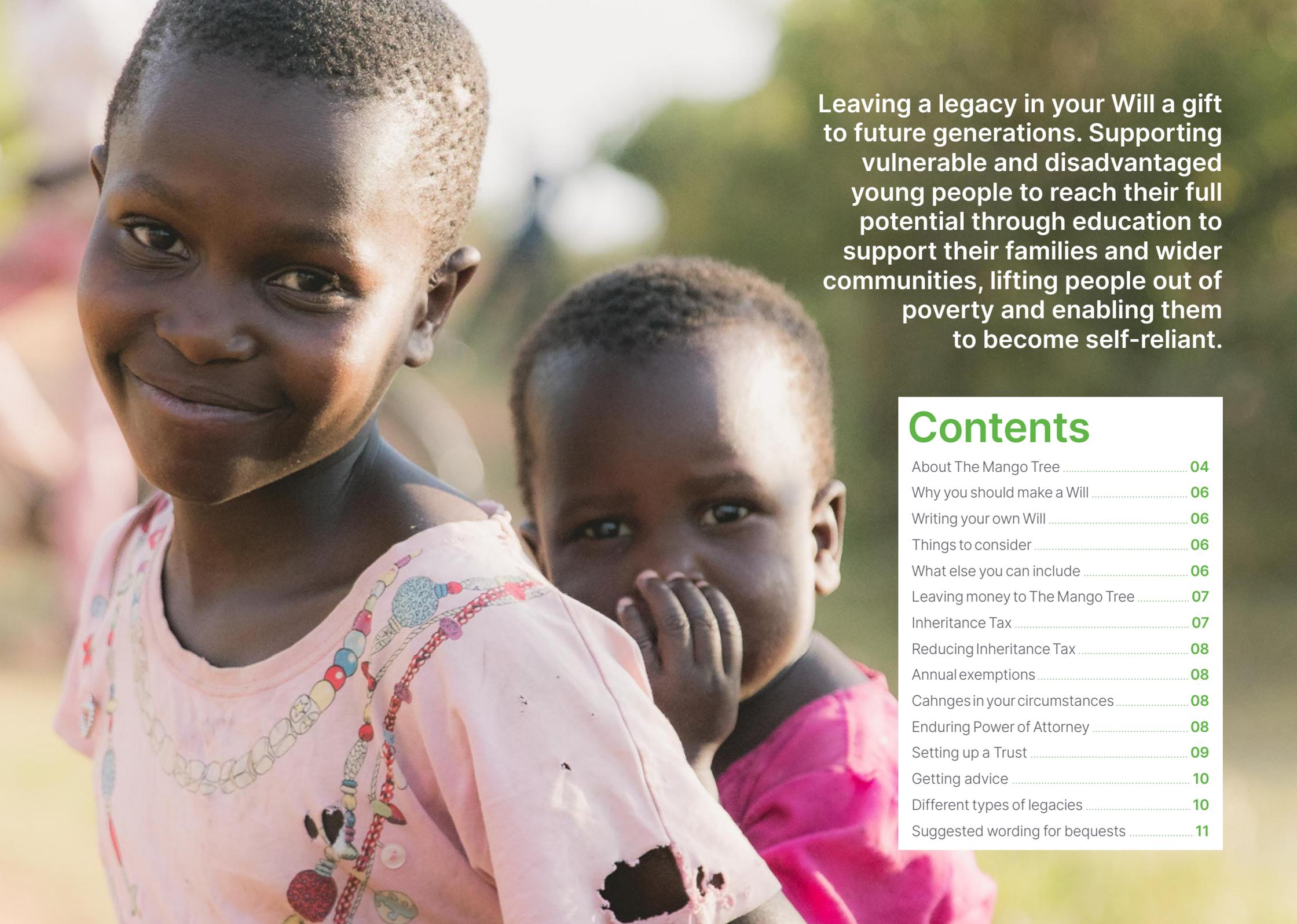


A guide to making a Will

A young child with dark skin and short hair is sitting at a wooden desk in a classroom. The child is looking directly at the camera with a thoughtful expression, resting their head on their hand. In the background, other children are visible, some looking towards the camera and others looking away. The lighting is natural, and the overall tone is serious and contemplative.

Leaving a legacy



Leaving a legacy in your Will a gift to future generations. Supporting vulnerable and disadvantaged young people to reach their full potential through education to support their families and wider communities, lifting people out of poverty and enabling them to become self-reliant.

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About The Mango Tree

Improving educational opportunities and supporting sustainable livelihoods for disadvantaged children and young people.

Our approach

Our charitable investments tackle rural poverty sustainably. We strive to make education more accessible, improve health, introduce effective natural resource management, increase food security, reduce unemployment and lift families and communities out of poverty. Our projects provide education bursaries, new educational infrastructure, family-based foster care, access to health and welfare, HIV awareness and testing, clean water and sustainable agriculture, forestry and fishing.

Our impact

Over 50,000 people and communities have benefited from our community-led and volunteer-centred projects since 2003.

Where we work

Homabay County, Kenya, Kyela & Ilembula Districts, Tanzania and Mwanza District, Malawi are all areas badly affected by HIV/AIDS with high poverty levels.



Why you should make a Will

Making a Will is the only way you can be sure that your wishes will be followed after you die. Without a Will part, or all, of your estate may go to people who you never intended to benefit and Inheritance Tax legislation means that, if you don't prepare properly, a substantial part of what you leave behind may go to the State instead of the people or causes you wish to benefit. Thankfully it is easy, quick and inexpensive to have a Will drafted by a properly qualified professional.

Writing your own Will

Homemade Wills can be disastrous. You may omit particularly important details, such as what you wish to happen if the main beneficiary does not survive. It's always worth talking to a professional to make sure everything you need to cover is included in your Will.

Things to consider when writing a Will

Wills aren't solely about passing on your assets. You can also include specific funeral arrangements: for instance, burial, cremation or the use of your body for medical research. You may also want to appoint legal guardians to care for your children if you and your partner should die before they are 18.

One other important consideration is the appointment of your Executors – the people who will deal with your estate. Ideally, these should be business-minded family or friends or professional advisers. Three is an ideal number – for instance, two family members and a professional.

What else you can include in your Will

You may choose to use your Will to pass on business interests: for instance, you could leave shares in the family company to a son or daughter who has come into the business. This is a very tax-efficient way to leave assets to your intended beneficiaries. Personal items like jewelry, paintings and heirlooms can also be covered in a Will, as can any gifts you wish to make to The Mango Tree.

Leaving money to The Mango Tree

If you would like to leave something to The Mango Tree the donation can be as small or as large as you like. However much you decide to give, you can rest assured that The Mango Tree will use your money to provide support for orphans and vulnerable children. You may wish to leave assets to The Mango Tree by setting up a Trust. Some tax advantages apply, and you can also arrange for The Mango Tree to start benefiting from your donation before you die. If you feel that it would be appropriate to leave a donation in your Will, your solicitor will be able to advise you on what exactly is best suited to your circumstances.

Inheritance Tax (IHT)

Inheritance Tax is the tax that is paid on your estate when you die, as well as on some assets that you may have given away during your lifetime. Any gift made to a charity such as The Mango Tree Orphan Support Programme (Charity 1095767) can reduce your exposure to IHT. Under current legislation, if the estate you leave behind is less than the 'nil-rate' band (which varies each tax year and at the time of writing is £325,000) your beneficiaries will not have to pay Inheritance Tax. However, if your estate is worth more than this threshold, they will have to pay Inheritance Tax on anything beyond the nil-rate band. Further details of the current tax threshold are available on the Inland Revenue website:

www.inlandrevenue.gov.uk

One way to avoid Inheritance Tax is to leave your assets to your spouse or civil partner, as they will be exempt from the tax. However, this does not apply to couples living as 'partners' rather than married couples or civil partnerships. Also, once your spouse dies, there can be no such exemption and his or her whole estate will be eligible for Inheritance Tax.

A more effective way to limit Inheritance Tax is for you and your spouse to make the most of your nil-rate bands and set up a 'Discretionary Trust' in your Will. Your solicitor will be able to give you more details about how to do this. Inheritance Tax is a complex subject, and if you have a potentially large estate you should seek professional advice.

Reducing Inheritance Tax

The Budget 2011 announced that the Government will introduce a lower rate of inheritance tax (IHT) where people leave a charitable legacy of 10% or more of their estate when they die. The 10% charitable legacy will be based on the value of the estate after deducting IHT reliefs and exemptions. This change will apply for deaths on or after 6 April 2012. We strongly recommend that you take professional advice when you draw up your Will. A gift to charity of 10% or more of your estate after allowances and qualifying exemptions means that what is left is taxed at 36% not 40%.

Example: John has £100,000 of taxable estate after allowances. John leaves £10,000 to charity. John's taxable estate of £90,000 is taxed at 36% leaving his beneficiaries with £57,600. John leaves no legacy or less than 10% to charity and John's beneficiaries are left with £60,000 after IHT at the normal rate of 40%.

Annual Exemptions

You can give away gifts worth up to £3,000 in each tax year and these gifts will be exempt from Inheritance Tax when you die. You can carry forward any unused part of the £3,000 exemption to the following year, but if you don't use it in that year, the carried-over exemption expires. The annual exemption is in addition to the other gift exemptions and you should consult your solicitor on this.

Changes in your circumstances

It's important to review your Will regularly – at least once every five years. After all, life never stands still. Your family circumstances may change, as may the relevant taxation laws.

Enduring Power of Attorney

Once you have made a Will you'll be able to enjoy the reassurance of knowing that your affairs will be taken care of after your death. But did you know you can also set up an arrangement to look after things if you become incapable during your lifetime? This is known as an 'Enduring Power of Attorney.'

To ensure that your affairs will always be taken care of, you can appoint an attorney to safeguard your interests and act on your behalf if necessary. You are entitled to appoint more than one attorney to act together or separately. If you ever do begin to lose your mental capacity your attorney applies to the Court of Protection and registers the Enduring Power of Attorney and they then take over the management of your affairs. Your attorney is always subject to the Court of Protection's jurisdiction.

Setting up a Trust

If you'd like a person or cause to benefit from your assets – cash, shares or property – then a Trust could be the answer. A Trust transfers the assets to a small group of people or a Trust company (the 'Trustees') with instructions as to how they use them to benefit someone else (the 'beneficiary').

You can set up a Trust to come into effect after your death, or to function in your lifetime. If you choose the latter you can appoint yourself as a Trustee so that you retain some control of the assets.

There are two main reasons for setting up a Trust. Firstly, you may want to reduce your Inheritance Tax. For instance, by placing assets into a Trust you are effectively reducing your wealth and consequently your tax liability. And, if you use a Trust to give to The Mango Tree, you can leave unlimited assets to us, all of which can be free from all forms of tax.

The second reason for setting up a Trust is that it can be the perfect solution in certain domestic situations. For example, if you wish to leave something to children or grandchildren who are currently very young, a Trust can hold the assets until they are old enough and wise enough to receive them. Or, to take another example, if you are leaving your wealth to your spouse in your Will, you may want to ensure that some of it remains for your children. A Trust can ensure that the capital is protected.

Most Trusts fall into one of two main categories. 'Interest-in-possession' Trusts are those where the income from the Trust must be given to the beneficiary you specify. 'Discretionary Type Trusts' are where the Trustees decide how to allocate the benefits.

The Charities Aid Foundation (CAF) has a scheme whereby it acts as a Trustee to manage your legacy as a Trust. The sum you leave to CAF as part of your Will is to be used to benefit the types of causes set out by you in a Letter of Wishes. For further details of this scheme, talk to your professional adviser.

You can also contact CAF for further help and information.

Visit the CAF website: www.cafonline.org or call 01732 520 055

Trusts are one of the most flexible ways to give. Indeed, it has been said that for every family situation, there is a Trust that can be constructed to suit the need. Creating the right type of Trust to match your particular situation takes skill and expertise. If you are considering setting up a Trust it is worth talking to a professional to gain specialist help and advice.

Getting advice

If you are making a Will or setting up a Trust, it's worth speaking to your solicitor about your plans in detail. Everyone's circumstances are different, and your solicitor will be able to advise on the best options available to you. Before visiting your professional adviser you should consider these two questions:

What have I got to leave?

If you own your own home, how much is it worth? Have you any savings or investments? Valuables? Jewellery?

Who do I want to help?

Make a list of their full names and addresses for your solicitor.

Different types of legacies

- **A residuary gift:** a share of your estate, for instance 10% of the value of your estate after all other gifts and payments have been made (residue).
- **A pecuniary gift:** a specific sum of money.
- **A reversionary gift:** leaving something you want another beneficiary to have use of during that person's lifetime. Example wording of this might be: "If she survives me by 30 days to my wife £x and thereafter to The Mango Tree"

For further information on anything in this guide contact Emily at:

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Fundraising and Legacies, The Mango Tree Orphan Support Programme (Charity 1095767), 57 Bisley Road, Stroud GL5 1HF

Wording for bequests to The Mango Tree

Suggested wording for a residuary bequest:

"I give to The Mango Tree Orphan Support Programme (Charity no. 1095767) the residue (or % share of the residue) of my estate absolutely and I direct that: i) The proceeds may be used for the general purposes The Mango Tree and ii) a receipt signed by a person for the time being authorized by the UK Trustee Board shall be a good and sufficient discharge to my executors."

Suggested wording for a pecuniary bequest:

"I give The Mango Tree Orphan Support Programme (Charity no. 1095767) the sum of £ and I direct that: i) such money may be used for the general purposes of The Mango Tree and ii) a receipt signed by a person for the time being authorized by the UK Trustee Board shall be a good and sufficient discharge to my executors."

Suggested wording for a specific bequest:

"I give to The Mango Tree Orphan Support Programme (Charity no. 1095767) my (shares in ABC company, jewelry, personal effects) and I direct that: i) such assets may be sold and the proceeds used for the general purposes of The Mango Tree and ii) a receipt signed by a person for the time being authorized by the UK Trustee Board shall be a good and sufficient discharge to my executors."

Suggested wording for a codicil* for a bequest to The Mango Tree (A codicil is an addition to an already existing Will)

"This is the first (or whichever number) codicil of me (Your name) of (Your address) to my Will dated (Date of the original Will)

1) In addition to any legacies given by me by my said Will, I give to The Mango Tree Orphan Support Programme (Charity no. 1095767) the sum of £ (for a pecuniary bequest) for its charitable purposes and I declare that a receipt signed by a person for the time being authorized by A Trustee or UK staff member shall be a good and sufficient discharge to my executors."

2) **You must include this clause:** In all other respects I confirm my Will in witness thereof I have hereunto set my hand this (Date of codicil)

Signed by the said (Your full name) as a codicil to his/her Will dated (Date of Will) Signed by (Your name)

In our presence and then by us in his/hers. Signed by: (Two witness signatures with names in block capitals, addresses, and details of occupations. Ensure neither witness is a beneficiary to your Will).

Orphaned and disadvantaged children have limited life chances - we support them through their education to gain the skills that enable them to find work and support themselves, their families and enrich their communities.



The Mango Tree Orphan Support Programme
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