



In conversation with...

## Hannah Roynon-Jones, Director, Alex Picot Trust

Bridging generations: why you should consider a family trust

Until ancestry websites made it easy to search multiple archives and documents, most of us could only really trace our family history back three or maybe four generations. What's perhaps harder to do well, or even agree on, is what to do with your financial and moveable assets, especially if there are one or two generations set to become beneficiaries.

Jersey's trust industry is sought out by people all over the world for the simple purpose of ensuring assets are passed on and used properly. But that success of helping people around the world could mean some here are overlooking services they could benefit from. Hannah Roynon-Jones, Director of Alex Picot Trust, is keen to change the perception that the trust industry is too focused on large international families.

So why might a Jersey resident family consider setting up a trust?

For those with children and grandchildren who are resident in the UK, a trust offers an opportunity to protect the family's assets – which may well have been earned in, and be located in Jersey - from being taxed at 40% in the UK.

"A trust is a way of keeping your assets together for the long term" Hannah

explained. "If you've got five children and you split your assets five ways, some of your children might be very sensible and have the knowledge to invest their inheritance wisely, but others might not be and an inheritance could be lost in a generation. That is where a trust can be very useful; the trustee's job and duty is to preserve the family wealth and provide for the remaining generations."

"There are life events such as divorce or mental illness, where a trust can provide protection and comfort that there is an independent professional looking after your assets. Equally, as someone gets older and indeed after their death, that protection becomes more important in the knowledge that the family wealth is being independently and professionally managed, and not affected by life events."

Families are more complicated these days and with many more islanders having family in the UK or elsewhere, managing financial assets is not always straight forward. If you include the emotion and disagreements that all families could have, there can be further complications. As Hannah explains, having someone who is

removed from the pull of family life is important.

"In these situations, it's having an independent person who's not emotionally involved, who can make sure that the wishes of the person who set up the trust are met as closely as possible. A letter of wishes is not legally binding, but it's guidance to the trustees on how they want it run, who they want it to benefit and what they want it for, such as helping with school fees or assisting with a property purchase. The trustees will be very supportive of that and will act as a barrier in potential family conflicts. The trustees will consider the best interests of the entire family without favouring one over the other. That's where a trustee's role becomes very important."

Being a trustee is all about long-term relationships and Alex Picot Trust can trace at least one of those relationships to when it first provided fiduciary services to clients, almost 10 decades ago. Hannah, a history graduate, has been delving into the firm's records.

"1932 is the date we can first find any reference to company administration services. We've found a minute in our archives which relates to a family who we still look after today, nearly 100 ►

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years later. Finding a record that shows we were providing services to a family who are still trust clients now is very special."

That's nearly 100 years of professional guidance and management, administrative and tax filings, and most importantly building and maintaining a strong relationship between the firm and the family.

Alex Picot Trust is unusual in the local trust sector in that over half its clients are Jersey residents. "I like having local clients as I am able to meet them and their families regularly. On one side you're professionally managing assets, which is where our expertise and professional qualifications come into play, while on the other you are dealing with people. We are here to know our clients, keep up to date with them, understand the family dynamics and relationships. It's about keeping in touch and where possible meeting them face to face. We often bump into our clients in the street and that really focuses you on making sure you deliver a professional service."

The firm is proud of its heritage and longevity, tracing its roots to 1885, and when two of the senior directors retired a few years ago, the firm carried out a succession plan and now all the shareholder directors are in their 30s and 40s. Hannah says this was about taking the business forward into the next generation, much in the same way as they do for clients.

"We are owner-managed so we're not under pressure from a private equity owner to squeeze profit margins before trying to sell the business on, which would be unsettling for staff and clients. It's a good space to be where we can say that we are an independent Jersey firm here for the long term in the local market."

When trusts are set up it is usually for a long-term purpose. With families that means future generations will become involved and that's why it's important that good relationships are built up with the trustees.

"Going from one generation to the next can be a lengthy and delicate process. We've done that with our own business and we're mirroring it with our clients."

I would say to families when they're considering a trustee, that it's worth doing your research because you've got to know what their plans are. Will your trustees be there for the long term too?"

Hannah started out working in tax at a Big 4 accountancy firm and looks after all the tax services provided by Alex Picot Trust, alongside the core offering of trustee services and company administration. Other services such as estate planning, executorship, bookkeeping and financial statement preparation are all carried out and managed from the Alex Picot Trust office in Jersey.

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Will your trustees be there for the long term too?

