5. Charitable Purpose Trusts

All books in this flagship series contain carefully selected substantial extracts from key cases, legislation, and academic debate, providing able students with a stand-alone resource. This chapter discusses the charitable trust — its definition and the consequences of its failure. A charitable trust is defined as a public trust for purposes that provide a benefit to the public or a section of the public and is a trust subject to supervision by the Charity Commission. A trust is only considered charitable if it is established for a purpose that the law regards as charitable. The purposes of the trust must be wholly and exclusively charitable otherwise the trust will be void. The consequences of the charitable trust failing depend on whether the failure occurs initially or subsequently. If the purpose fails initially and the settlor had a general charitable intention, the trust property can be applied for a similar charitable purpose through the application of a body of rules known as the cy-pres doctrine. If the purpose fails subsequently the cy-pres doctrine will apply automatically.