INSIGHT

ISSUE 14 ■ AUTUMN 2019

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WELCOME

Welcome to our latest issue of *Insight* from Armstrong Watson. Inside, you'll find an array of articles about how we can help you further to plan, grow, protect and preserve your wealth. As we all know, the ultimate goal money can buy is financial freedom.

We have seen a new Prime Minister being voted in by the Conservative Party, and Boris Johnson is using aggressive tactics in pursuing a revised departure deal from the EU, further increasing the chances of a No-Deal BREXIT. However, in his article on page 9, our Fund Manager, Richard Cole, discusses what assets are faring better since we voted to leave and other factors which are affecting investment and pension portfolios.

What is the difference between being rich and being wealthy? On page 11, we discuss how the breadth of our business at Armstrong Watson can help all of our clients make their dreams become reality. However, financial planning is not just about investing money. What if something happens to you and those bills cannot be paid such as a mortgage or providing for a family? Having a financial plan to make sure your loved ones are taken care of, and the ways you can do this are discussed on page 5.

Finally, not only are Armstrong Watson Chartered Accountants, but we are proud to say that our Financial Planning and Wealth Management business have held the status as a Chartered Financial Planning firm for ten years now. On page 14, our Co-Managing Director, David Squire, explains what this means for you and the standards as a firm we must adhere to.

The full list of the articles featured in this issue appears opposite, and we hope you enjoy this Autumn issue of our magazine. If you would prefer to download a digital copy or subscribe to new issues electronically, please visit https://www.armstrongwatson.co.uk.

Paul Dickson
Chief Executive and Managing Partner

SMART INVESTING

Should I invest into a pension or an ISA?

INVESTORS LOOKING FOR TAX-EFFICIENT WAYS TO BUILD A NEST EGG FOR RETIREMENT OFTEN LOOK TO BOTH INDIVIDUAL SAVINGS ACCOUNTS (ISAS) AND PENSIONS. TAX-EFFICIENCY IS A KEY CONSIDERATION WHEN INVESTING BECAUSE IT CAN MAKE A CONSIDERABLE DIFFERENCE TO YOUR WEALTH AND QUALITY OF LIFE.

However, the type of investment and tax-efficiency is a common dilemma faced by many people. Which is better – an ISA or a pension? In truth, there's a place for both, and it's easy to argue the case for each of them.

ISAs allow you to invest in the current 2019/20 tax year up to £20,000 each year, providing tax-efficient growth and income. Withdrawals are tax-free because the money paid in was from after-tax income.

Pensions are also very tax-efficient. All contributions within allowance limits receive tax relief from the Government payable at up to your highest rate of tax. For example, it would only cost a basic-rate taxpayer £80 to contribute £100 into their pension because they would receive tax relief at 20%. This is added to the £80, representing the 20% tax they would have paid if they had earned that £100.

For higher earners, it is even better, with higher-rate taxpayers able to claim back up to a further £20 and additional-rate taxpayers being able to claim back up to a further £25 via self-assessment.

Tax relief is given on personal contributions up to 100% of your earnings (or £3,600 if greater). If total contributions from all sources, including your employer if applicable, exceed the annual allowance (£40,000 for most people but can be less for higher earners or those who have flexibly accessed a pension), you will suffer a tax charge on the excess funding if it can't be covered by unused allowances from the previous three years.

So, pensions give you tax relief on money going in, but when it comes to drawing on your pension, tax will be payable at your marginal rate apart from the tax-free lump sum (normally 25% of your benefits).

ISA investments don't allow for tax relief on the money being invested, but they do give you total tax exemption on any gains made within the ISA. So with an ISA, when you come to withdraw funds, you will not pay a penny of Income Tax or Capital Gains Tax.

Put simply, the right option will be different for different people. There will be some for whom the right answer is a pension, others for whom the right answer is an ISA. If it was clearly one or the other, it would be far simpler.

An important point to remember is that you cannot normally access your pension until age 55, whereas your ISA is accessible any time. ■

INCREASE YOUR WEALTH BY MAKING YOUR MONEY WORK HARDER

If your goal is to live an idyllic retirement lifestyle, we can help you build wealth with a clearly focused strategy. To find out more, please contact us – we look forward to hearing from you.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS.

ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

A PENSION IS A LONG-TERM INVESTMENT.

THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD BE AFFECTED BY INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS. THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION, WHICH ARE SUBJECT TO CHANGE IN THE FUTURE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

INVESTORS DO NOT PAY ANY PERSONAL TAX ON INCOME OR GAINS, BUT ISAS DO PAY UNRECOVERABLE TAX ON INCOME FROM STOCKS AND SHARES RECEIVED BY THE ISA.

Stuart Smith
Financial Planning Consultant

PROTECTING WHAT MATTERS

Those dearest to us, and those financially dependent upon us

IF SOMETHING SHOULD HAPPEN TO YOU, THE LAST THING YOU WANT IS FOR YOU OR YOUR FAMILY TO BE WORRYING ABOUT MONEY. ONE OF THE MOST IMPORTANT ASPECTS OF YOUR FINANCIAL PLANNING SHOULD BE TO ENSURE THAT YOU'VE MADE PROVISION FOR YOUR FAMILY AND ANY DEPENDENTS IN THE EVENT OF A SERIOUS ILLNESS, INJURY OR UNTIMELY DEATH.

Financial planning is not only about fulfilling our needs and aspirations, but it is also about protecting those dearest to us, and those financially dependent upon us. Of course, illnesses and deaths are not things that we like to think about, but failing to protect against such eventualities can have severe consequences for our loved ones, from struggling to pay the mortgage to a potential Inheritance Tax bill. Here are just some of the policies that need to be considered.

LIFE ASSURANCE

Generally speaking, anybody with dependents or an outstanding mortgage should look at taking out a life assurance policy. At the very least, this should cover any borrowing and ensure the family can keep their home, but preferably it should provide an additional sum to help cushion the shock to your family finances at such a difficult time.

The level of cover should match your specific circumstances, which means it's crucial to choose the right term and sum to insure. And by putting the benefits paid on death into an appropriate trust, this can be a very useful way of ensuring they are passed on to the intended beneficiaries at the right time. The proceeds also won't form a part of your estate when considering any Inheritance Tax liabilities.

INCOME PROTECTION

Being unable to work can quickly turn your world upside down. These policies typically pay out between 50% and 60% of your salary, tax-free, if you are unable to work due to illness or injury. They are an essential form of cover for those with dependents, but the terms and conditions vary – some pay out until retirement or death, or until you return to work. Almost all will only pay out once a pre-agreed period has passed, ranging from three months to a year.

Some policies will also only pay out if you cannot return to your own occupation. Others pay out only if you are incapable of doing any job, so it's important that you obtain professional financial advice to make sure the right policy is put in place for your needs.

These plans typically have no cash in value at any time, and cover will cease at the end of term. If premiums stop, then cover will lapse.

CRITICAL ILLNESS

This cover gives you the comfort that, should you face a terminal diagnosis or a specified critical illness, your policy pays out a tax-free lump sum as opposed to an income. Critical conditions include suffering a heart attack, stroke and certain types of cancer – but each policy will have its own definitive list.

Typically, the proceeds are used to fund paying off a mortgage and any other debts, or they could be used to pay off school fees that are no longer affordable or to provide a financial legacy. ■

BEING PREPARED FINANCIALLY FOR ALL EVENTUALITIES

No one likes to think of the worst happening. But when it does, we can help make sure you're prepared financially for all eventualities. We'll guide you through all aspects of how to protect you and your family. Please contact us to find out more.

IF THE PLAN HAS NO INVESTMENT ELEMENT IT WILL HAVE NO CASH IN VALUE AT ANY TIME AND WILL CEASE AT THE END OF THE TERM. IF PREMIUMS ARE NOT MAINTAINED, THEN COVER WILL LAPSE.

CRITICAL ILLNESS PLANS MAY NOT COVER ALL THE DEFINITIONS OF A CRITICAL ILLNESS. THE DEFINITIONS VARY BETWEEN PRODUCT PROVIDERS AND WILL BE DESCRIBED IN THE KEY FEATURES AND POLICY DOCUMENT IF YOU GO AHEAD WITH A PLAN.

John Hunt
Financial Planning Consultant, Dumfries

GIVE A TRIPLE BOOST TO YOUR CHILDREN

Don't miss out on this little-known tax rule

FOR THOSE PARENTS WHO HAVE SPARE CASH, PUTTING MONEY INTO THEIR CHILDREN'S PENSION WILL BOOST THE RETIREMENT PROSPECTS OF THEIR OFFSPRING. THE MONEY WILL BE TOPPED UP BY THE ADDITION OF TAX RELIEF AND COULD ALSO EARN THEIR CHILDREN A TAX REFUND IF THEY ARE HIGHER-RATE TAXPAYERS AND REDUCE THE PENALTY THEY FACE IF THEY ARE A HIGHER EARNER RECEIVING CHILD BENEFIT.

Under current rules, there is nothing to stop a parent making a contribution into the pension of an adult child. With millions of younger workers having been newly enrolled into a workplace pension, many now have a pension for the first time but are only making very modest contributions.

BUILDING A MORE MEANINGFUL RETIREMENT POT

An additional contribution from parents early in their working life, benefiting from compound interest as it grows, could help them to build a more meaningful retirement pot and is money that cannot be touched until later in life.

A campaign has been launched by Royal London to make parents aware of the 'hidden advantages' of paying into the pension pot of their adult children. It is a little-known fact that a parent who puts money into their child's pension could be doing them a favour three times over.

IMPROVING LONG-TERM FINANCIAL SECURITY

Firstly, the recipient will get a boost to their retirement pot, including tax relief at the basic rate. Secondly, recipients who are higher-rate taxpayers can claim higher-rate tax relief on their parents' contributions, which will increase their disposable income. And thirdly, recipients affected by the high-income child benefit charge can see this penalty reduced because of their parents' generosity.

Not every parent has spare cash to pay in to their children's pensions, but many will be in a better financial position than their children can expect to enjoy. By paying in to their children's pension, they can give them a triple boost and improve their long-term financial security.

RECIPIENT RECEIVES BASIC-RATE TAX RELIEF

A little-known feature of the pensions system, however, is that the contribution by the parent is treated as if it had been made by the recipient. So, for example, if a parent pays £800 into their child's personal pension, the recipient will get basic-rate tax relief on the contribution, taking the amount in the pot up to £1,000.

In addition, there are two further benefits to the recipient:

- If the recipient is a higher-rate taxpayer, he or she can claim higher-rate relief on the contribution made by the parent; this

would be done through the annual tax return process and would reduce the tax bill of the recipient

- If the recipient is affected by the 'high-income child benefit charge' and is earning in the £50,000–£60,000 bracket or slightly above, the money contributed by the parent is deducted from their income before the high-income child benefit charge is worked out, thereby reducing their tax charge; for example, if the recipient is earning £60,000 and therefore faces a child benefit tax charge of 100% of their child benefit amount, a pension contribution by the parent of £8,000 grossed up to £10,000 by tax relief would reduce the recipient's income to £50,000 for purposes of the child benefit charge and would completely eliminate the tax charge

REDUCING A FUTURE INHERITANCE TAX BILL

Apart from generally wanting to help their children, parents may be interested in this idea particularly because they may be up against their own annual limits for pension contributions and may therefore have spare cash. Contributions may reduce future Inheritance Tax bills if they qualify for one of the standard exemptions, such as regular gifts made from regular income.

The amount that the parent can contribute with the benefit of pension tax relief is not limited by the parent's pension tax relief limit but by the limit that their children face – which in many cases will be up to their annual salary or £40,000, whichever is the lower.

CONTRIBUTING MONEY INTO A CHILD'S PENSION

Parents can also contribute money into a child's pension, which will reduce the size of their estate for Inheritance Tax purposes on death if a valid Inheritance Tax exemption applies or after seven years if there isn't a valid exemption.

For example, the 'normal expenditure from income exemption', which is unlimited, would apply if the contributions are not at such a level so as to reduce the current standard of living of the parents and are made on a regular basis, such as an annual contribution from the parents' regular income. ■

COLLECTIVE WEALTH TO SUPPORT EACH OTHER

Intergenerational financial planning is about how families use their collective wealth to support each other during their lifetimes. If you would like to discuss the options available to you and your family, we'd like to hear from you.

A PENSION IS A LONG-TERM INVESTMENT.

THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

PENSIONS ARE NOT NORMALLY ACCESSIBLE UNTIL AGE 55. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS. THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION, WHICH ARE SUBJECT TO CHANGE IN THE FUTURE.

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Kerry Chaloner
Financial Planning Consultant, Northallerton

MAKING INVESTMENT DECISIONS INTO OLD AGE

Seven in ten retirees have not set up a Lasting Power of Attorney

MORE THAN 615,000 PENSIONERS ARE ON COURSE TO MAKE INVESTMENT DECISIONS INTO OLD AGE, BUT NEW RESEARCH[1] SUGGESTS TENS OF THOUSANDS HAVE NOT SET UP A LASTING POWER OF ATTORNEY (LPA), WITH SEVEN IN TEN (70%) PEOPLE IN RETIREMENT NOT HAVING SET UP AN LPA.

The findings, which coincided with Dementia Action Week, revealed a financial planning blind spot which could leave tens of thousands of pensioners financially vulnerable in retirement. An LPA is a very important part of advance planning for a time when a person may not be able to make certain decisions for themselves.

AT THE HEART OF ANY DECISION

Dementia is a devastating condition which strips a person of their memories, relationships and identity. That's why it's so important that time is taken for advance planning, always ensuring that individuals living with dementia are at the heart of any decision to get an LPA or deputy, so they have the right to make important decisions about their life that might come later.

Four years ago, an overhaul of the pension rules gave people the freedom to keep their pensions invested in retirement and draw an income as and when they like. Based on the latest FCA[2] data, it is estimated as many as 615,000 people have since switched their savings into drawdown.

MAKING COMPLEX DECISIONS

DIY investors managing drawdown without professional financial advice need to make decisions on where to invest and how much to withdraw at a time when their physical or mental health might be deteriorating. But without an LPA in place, their families or friends would be unable to quickly step in to help them without facing a lengthy court process.

Registering an LPA has become even more crucial since the pension reforms. Hundreds of thousands of people are now making complex decisions about their pension into old age, when the risk of developing illnesses such as dementia increases.

ALL STAGES OF YOUR RETIREMENT

Despite this, a vast number of retirees are unprepared for a time when managing their pension might become hard, or even impossible. This problem is creating a potential time bomb as the population in drawdown expands and ages. Obtaining professional financial advice will help you to make the most of your savings and ensure you have the right plans in place for all stages of your retirement.

Four in five (80%) of all Britons have not registered an LPA, with women (82%) marginally less likely to have set one up than men (78%). Among over-55s, seven in 10 (73%) don't have an LPA, rising to more than four in five (82%) 45-54-year-olds.

WORST-CASE SCENARIOS

According to the Alzheimer's Society, there are currently 850,000 people in the UK living with dementia. This could increase to over one million by 2025, and by 2051 to two million.

Not having an LPA – in worst-case scenarios – can lead to situations where assets and equity may be lost and those in a vulnerable position are forced to make decisions they are not capable of making. ■

ARE YOU READY TO START A CONVERSATION?
The future is full of questions. We'll help you understand the choices you have and recommend the right options for you. To find out more, please contact us.

Source data:

[1] All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,012 adults. Fieldwork was undertaken between 8–9 May 2019. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

[2] FCA Retirement Income Data Bulletin September 2018 shows 435,769 people took out drawdown between April 2016 and March 2018. If numbers grew at the same pace as October 2017 to March 2018 (90,504), Zurich estimates the population in drawdown would have increased by 181,008 between April 2018 and March 2019, resulting in 616,700 people in drawdown.

Matthew Slessor
Chartered Financial Planner

DEAL OR NO DEAL

How are your assets affected?

POLITICAL VOLATILITY HAS BEEN HIGH FOR A NUMBER OF YEARS IN BOTH THE UK AND IN INTERNATIONAL MARKETS, AND THIS UNCERTAINTY HAS ESCALATED FURTHER IN RECENT MONTHS. PRIME MINISTER BORIS JOHNSON HAS USED AGGRESSIVE TACTICS IN PURSUING A REVISED DEPARTURE DEAL FROM THE EU, AND WITH THIS, THE CHANCE OF A NO-DEAL DEPARTURE HAS INCREASED.

Unhappy at this direction, parliament is increasingly at odds with the Government, with MPs and the PM engaged in manoeuvres. The Government has lost its parliamentary majority, and therefore a General Election seems likely in the coming months. Yet, in the meantime, Mr Johnson continues to search for alternative avenues through the current impasse. As such, few Brexit outcomes can be ruled out at this stage.

MARKET REACTIONS

On the whole, market participants view a hard Brexit as damaging to the UK economy, and currency markets are the clearest way to see this. Sterling fell heavily following the EU referendum in 2016, and it has experienced renewed falls since Theresa May's failure to get the Withdrawal Agreement through parliament. Precise currency predictions are extremely difficult to make, but should a no-deal exit occur, then we will likely see further falls in the value of the British pound. What this will do to stock markets is more nuanced, however.

Stocks focused on the domestic economy have suffered at times when momentum has shifted towards a hard-Brexit, or indeed a no-deal departure, and this trend will likely continue. Stocks with significant overseas earnings, however, have a major cushion in the form of a jump in the value of these earnings when sterling falls. This is why the FTSE 100, whose constituents, on average, have a high proportion of non-sterling earnings, performed very well following the EU referendum of June 2016. This trend has continued in the three years since. In our view, should a no-deal occur, this looks likely to continue, with internationally focused stocks outperforming domestically orientated companies.

CONSIDER ALL FACTORS

Brexit is a key concern for most in the UK, but for investors it should not be the only consideration. A more important factor in the overall direction of markets, both in the UK and globally, is the US/China trade war. Fear in markets has been growing since early 2018 with Donald Trump pushing a policy of protectionism. Escalating tariffs between the US and China have been the main manifestation of this, and with each occurrence, stock markets around the world have suffered.

De-globalisation, such as we are seeing from this this trade war, has the potential to trigger the next global recession. While we don't think we are there yet, the situation needs careful monitoring. Political machinations are at the heart of current investment market instability. Predicting the exact outcomes will be extremely difficult, and therefore investment portfolios should be carefully monitored, diversified and managed in collaboration with professional financial advice. ■

IMPORTANT INFORMATION

Please note that the contents are based on the author's opinion and are not intended as investment advice. This information is aimed at professional advisers and should not be relied upon by any other persons. Any research is for information only and does not constitute financial advice.

Richard Cole
Fund Manager – Future Money Asset Managers

ENGAGING WITH A TRUSTED ADVISER

Advice is crucial in times like these

WHEN TIMES ARE GOOD AND CONFIDENCE IS HIGH, MOST FINANCIAL ADVISERS SHOULD BE ABLE TO HELP GENERATE AT LEAST REASONABLE RETURNS. HOWEVER, AT TIMES SUCH AS THESE WE ARE CURRENTLY EXPERIENCING, IT'S IMPERATIVE THAT YOU HAVE THE REASSURANCE OF A 'TRUSTED HELPER' YOU CAN RELY UPON TO GUIDE, SUPPORT AND ADVISE YOU.

ENGAGE WITH A TRUSTED ADVISER

First and foremost, does your financial adviser really know and understand you, your objectives, exactly what you are trying to achieve, and your attitude to what risk, if any, you are prepared to take to help achieve your aims and objectives?

Understanding how much risk you are prepared to take, or indeed are currently taking on an existing investment or pension portfolio, is crucial. This is very personal to you and can change over time, depending on your objectives, your experiences and current circumstances.

IDENTIFY YOUR ATTITUDE TO RISK

Attitudes to risk vary greatly, with some individuals looking to take a more cautious approach with their investments during these uncertain times, whereas others wish to take a more bullish approach, as they have greater levels of confidence in what lies ahead.

Only when your financial adviser really understands you and your personal approach to risk are they in position to advise you.

TIMING AND DIVERSIFICATION

Whilst the potential of a no-deal Brexit, and the implications thereof, may seem daunting, a good financial adviser will help you understand the principles of investing and the techniques available for managing risk effectively, through diversification across the four main asset classes of Cash, Fixed Interests, Property and Equities.

No financial adviser, however, can claim to be able to predict the peaks and troughs of financial markets, and it's extraordinarily difficult to time exactly when the best days to invest will be. However, 'time in' the markets, not 'timing" the markets, is generally the most effective approach over the medium to long term.

TAX PLANNING

Effective tax planning can be equally as important as the style of investment chosen, particularly if there may be the potential for tax changes following Brexit. After all, there is little point in taking the time to search out the most appropriate investments to help you achieve your objectives, if tax then reduces, or even wipes out, the return.

Again, everyone is different, so it's important to take care to ensure the most appropriate tax wrapper(s), be that ISAs, Pensions, General Investment Accounts, Investment Bonds or any other investment vehicles, are selected depending on your circumstances.

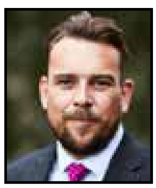
Whilst we may know what the present ISA and Pension allowances and rules are, these could change in the event of a no-deal Brexit and/or an emergency budget, so it makes sense to use all appropriate available allowance now.

PROTECTION

The potential impact of a deal or no-deal Brexit does not change some of the other fundamentals of good financial planning, such as whether you are protected against the unexpected happening, for both individuals and businesses, in terms of life insurance, critical illness cover or income protection. Unfortunately, this is a fact of life that can definitely be planned for with good advice, both before and after whatever happens with the current Brexit conundrum.

DON'T GO IT ALONE

Most importantly, now is not the time to try and go it alone – even if you think you have the knowledge and experience. Regrettably, we have seen many people where self-select investing, whilst on the face of it may save costs, has been a very expensive experiment! ■



Stephen Shovlin
Chartered Financial Planner

YOU MAY BE RICH, BUT ARE YOU WEALTHY?

Exploring the differences

AT ARMSTRONG WATSON, WE WORK WITH CLIENTS TO ESTABLISH WHAT THEY WANT TO ACHIEVE FROM RUNNING THEIR OWN BUSINESS. MANY SAY THEY WANT TO BE RICH, OTHERS SAY THEY WANT TO BE WEALTHY. SOME WOULD SAY THAT THEY BOTH MEAN THE SAME THING. ROBERT KIYOSKI, AUTHOR OF RICH DAD POOR DAD, SUGGESTS THEY MEAN ENTIRELY DIFFERENT THINGS.

Robert describes the rich as people that earn a great deal of money. Sounds good. However, the problem with most people is that as their income rises, and so too does their expenditure, and in particular their expenditure on liabilities (items that depreciate in value).

This then leads on to Robert's definition of wealth: 'How long can you live for without physically working and still maintain your standard of living?' For those that are just rich, this period of time could be a matter of weeks or even days, especially those that have borrow against their income for purchases such as cars and holidays.

RICH VS WEALTHY

Good examples of the difference can be seen with two retired Premier League footballers, one who earned £20 million over his 25-year career and was declared bankrupt in 2014, and the other who earned similar career earnings but now has net assets valued in excess of £30 million.

A big difference between them was how they spent their money. The first lived a life of spending money on lifestyle expenditure and repaying monies borrowed against his earning to further fund this lifestyle. The other set up a property company with a fellow professional and went on to invest their earnings on over 80 terraced properties in the UK. This has allowed him to have an income well beyond his playing career that does not involve him needing to work.

BECOMING WEALTHY

We work with clients to firstly become rich but more importantly help them convert being rich into becoming wealthy, with the aim of achieving financial freedom as soon as possible, allowing them to spend more time away from their business to spend time with family, go on holiday, enjoy other passions, etc.

To achieve this requires a change of mindset from spending extra income earned on expenses to investing the additional earnings in assets that will deliver returns in the future. These assets may include investing in their business, looking at diversifying into property or investments into ISAs, pensions or bonds. ■

At Armstrong Watson, we provide bespoke accounting, tax planning, financial planning and wealth management all under one roof to ensure clients have the opportunity to achieve the level of wealth to make their hopes and dreams a reality. We can provide a review of your financial affairs with our compliments in the first instance.

Grant Smith
Accounting Partner

Helen Tansley
Financial Planning Consultant

CLIENT FOCUS

Matfen Hall, Northumberland

‘WE HAVE A LOW STAFF TURNOVER. PEOPLE ARE HAPPY TO WORK HERE, AND THAT FEELING PASSES OVER TO THE CUSTOMER.’

NESTLED DEEP IN THE BEAUTIFUL NORTHUMBERLAND COUNTRYSIDE LIES MATFEN HALL, A SUMPTUOUS LUXURY HOTEL WITH ITS OWN GOLF COURSE AND SPA. ITS ROOMS PROVIDE A HAVEN FOR RELAXATION. OPULENCE AND ELEGANCE ARE WORDS THAT ROLL OFF THE TONGUE AT THIS FORMER STATELY HOME. CHEFS CREATE FINE DINING FOR EVERY OCCASION WHILE ITS STUNNING 27-HOLE GOLF COURSE IS A FAVOURITE FOR THE REGION'S GOLFERS.

Sitting on the terrace of this historic hall with a gin and tonic, ice glinting in the late afternoon sun, surrounded by layers upon layers of rolling hills and rich honeyed meadows. You get the picture. This is bucolic charm at its very best.

There is little wonder why couples choose this pastoral setting for their wedding day; nothing but the best for the bride and groom as they embark on the journey of married life.

Whether you're in the market for a banquet or a bacon sandwich; a lavish wedding or a relaxing spa day; an exquisite round of golf or a perfect afternoon tea – Matfen Hall is the destination to choose.

No-one knows the charms of Matfen Hall more than its Managing Director Bernard Bloodworth who boasts a long and distinguished career in the hospitality industry.

Bernard has spent eight years at the helm of Matfen Hall, which first opened as a hotel in 1999 with 31 bedrooms. In 2004, a major expansion programme saw a further 22 bedrooms being added as well as the luxury Aqua Vitae spa.

The ancestral home of Sir Hugh and Lady Blackett, the Hall, which was completely rebuilt in 1832, spent 30 years under the stewardship of charity, Cheshire Homes, until the mid-nineties when the decision was taken to lovingly transform the stately home into a luxury hotel.

Despite its grand beauty and sprawling grounds, Matfen Hall retains a family feel and staff pride themselves on attention to detail – offering a real taste of Northumberland and celebrating its rich history while providing a stunning country house retreat fit for the 21st century.

In an age where the hotel industry is dominated by corporate brands, Matfen Hall has developed a renowned reputation for being one of the best independent hotels in the region.

Sir Hugh and Lady Blackett continue to be deeply involved in the development of the hotel and its facilities to ensure that it continues to be at the forefront of the hotel industry.

Matfen was named Large Hotel of the Year in 2015 North East Tourism Awards, supported by Visit England, and boasts a double AA Rosette rating for its Library Restaurant.

Bernard says, "I'm incredibly proud of what has been achieved at Matfen Hall and we're always looking for new ways to offer the absolute best service to our guests and members.

"We welcome more than 50,000 guests every year at the Hotel – the vast majority of whom are on leisure breaks in the region, making a significant contribution to the regional economy."

The Hotel also supports and engages with the local community through a variety of activities, including supporting the village fete and the cricket team and working with local schools.

Staff also choose a local charity that the hotel supports. In the past three years, more than £45,000 has been raised for Tynedale Hospice at Home and Carers Northumberland.

"Many of our staff have been here for a very long time, and that's a great source of pride too," adds Bernard who is chair of the North East Hotel Association.

"People are happy to work here and that feeling passes over to the customer.

"It is a wonderful location. I certainly can't think of a better place to live and work." ■

HOSPITALITY SECTOR SPECIALISTS

We're honoured to work with such a prestigious business as Matfen Hall and pride ourselves on the support we are able to provide to the large remit of clients we have within the Hospitality, Leisure and Tourism sector.

Services we have provided to Matfen include:

- Preparation of annual financial accounts
- Statutory audit of financial statements
- Tax compliance services
- Tax planning services for the company and shareholders
- Strategic Business advice to the directors

To learn more about how our specialist hospitality team could help support your business please visit www.armstrongwatson.co.uk or call Richard Andrew, Head of Hospitality on **01539 942030**.

CHARTERED STATUS

Why we are proud to shout about it!

AS AN INDIVIDUAL, I'VE BEEN A CHARTERED FINANCIAL PLANNER SINCE THE TITLE WAS FIRST CREATED IN 2006. IT'S A QUALIFICATION I'M PROUD OF, AND IT STILL MARKS ME OUT, ALONG WITH SEVEN OF OUR FINANCIAL PLANNING CONSULTANTS, AS AMONGST THE MOST QUALIFIED FINANCIAL PLANNERS IN THE UK.

I was keen that Armstrong Watson Financial Planning & Wealth Management, as a business, should also achieve corporate Chartered status as soon as this became available, and we have now held this status for nearly a decade. It's something we worked very hard to earn and continue to work hard to maintain as, quite rightly, the requirements become more and more stretching.

EXCELLENCE AND PROFESSIONALISM

The Chartered Insurance Institute (CII), the body responsible for awarding Chartered status to both individuals and firms, summarises the significance:

'A corporate Chartered title is a commitment to an overall standard of excellence and professionalism, and evidence of that commitment to customers, partners and employees.'

To achieve Chartered status, we must demonstrate:

- The highest levels of technical and professional knowledge and competence through professional qualifications
- The ability to keep knowledge and skills up to date through continuing professional development
- Ethical conduct through adhering to an industry Code of Ethics.

In the CII's words, competence, knowledge and ethical behaviour are the qualities that are embodied by Chartered status. They are all qualities that we strive to deliver consistently at Armstrong Watson Financial Planning & Wealth Management. Our focus is developing deep, long-lasting relationships, and this can only be achieved through giving high-quality personalised advice that can be relied upon to stand the test of time.

VALUES AND EXPERTISE

The decision to review your retirement plans to ensure you are on track to enjoy the retirement you have dreamed of is an example of a time where you will want to be sure that the adviser and the firm you choose to deal with have the right values and expertise. Pension advice can, on occasion, involve transferring existing arrangements into new ones. This can be transfers from defined contribution plans or, on occasion, from defined benefit arrangements. There has been a lot of recent media coverage of poor advisory practices inevitably leading to poor customer outcomes, the most recent example being the many instances of British Steel employees receiving poor and expensive advice.

The Pension Transfer Gold Standard is a voluntary code of good practice for all pension transfer advice, based around a set of principles. The aim being that consumers can better understand and find good advice and be confident they are dealing with a firm that is going beyond minimum requirements when providing financial advice. The key principles are:

- Helping clients understand when advice is appropriate
- Ensuring the advice given supports the clients' overall well-being in the context of their stated objectives
- Ensuring client understanding and acceptance of all charges
- Ensuring the most appropriate and updated technical skills are applied
- Transparent management of Conflicts of Interest
- Helping clients understand the cost of transferring benefits
- Avoiding unregulated investments and introducers
- Transparency in the advice processes and outcomes
- Promoting the Consumer Guide to the Pension Transfer Gold Standard

We are proud to have met these criteria. By working with a firm that has voluntarily committed to the Pension Transfer Gold Advice, you can be confident that you will receive the best possible advice, service and support when considering any form of pension transfer.

Finding the right firm to work with is not easy but, as a starting point, making sure that they are Chartered Financial Planners and adopters of the Pension Transfer Gold standard will help you filter your search and increase your chances of achieving a positive outcome. ■

David Squire
Joint Managing Director

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Newcastle
0191 434 0830

Hexham
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Northallerton
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Skipton
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Leeds
0113 221 1300

Call 0808 144 5575 to be put through to your local office

Building trust through long term relationships, protecting individuals, their families and businesses

ArmstrongWatson®
Financial Planning & Wealth Management

www.armstrongwatson.co.uk