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INSIGHT

A WEALTH OF **ADVICE**

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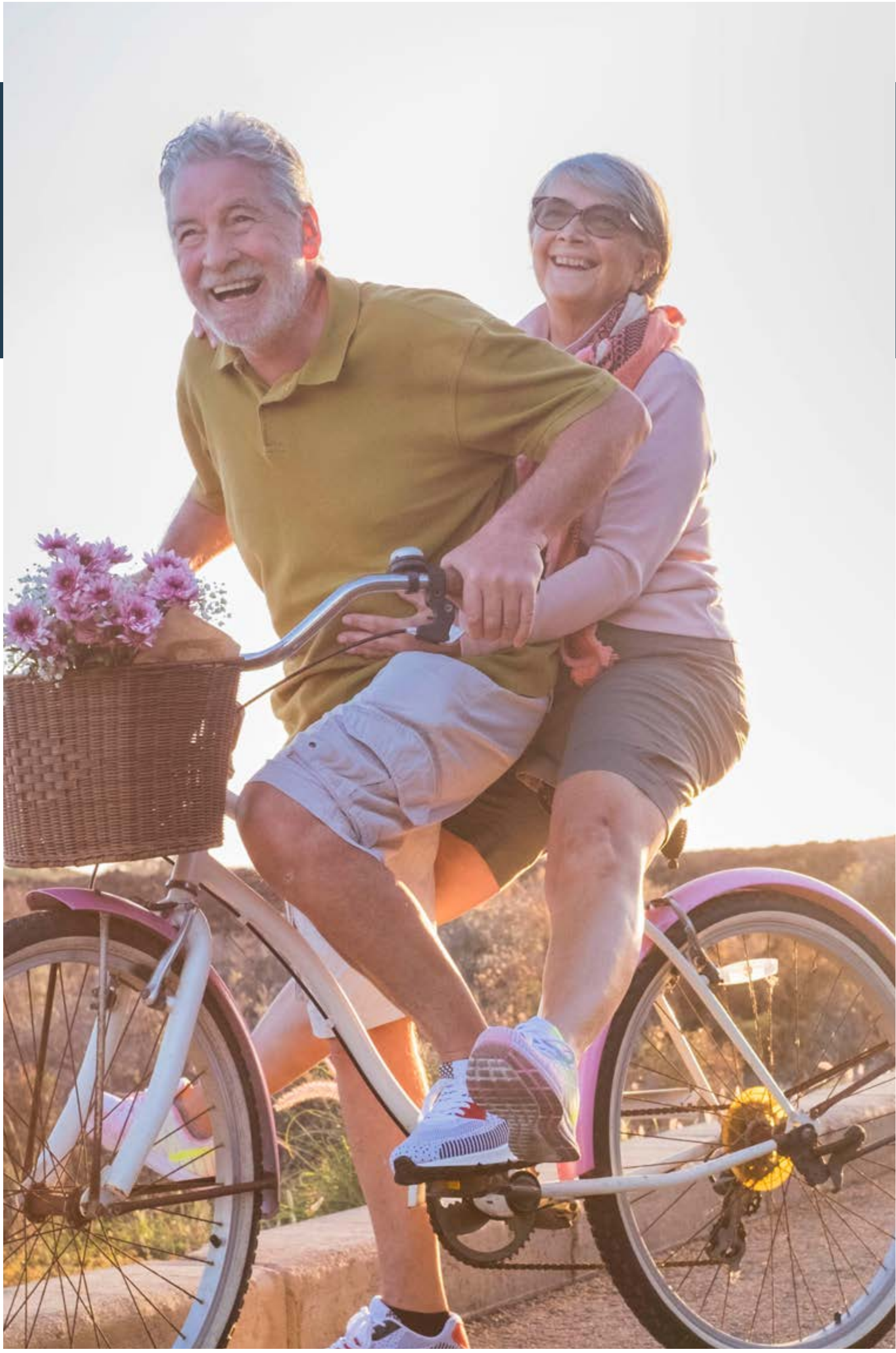

ENSURE YOUR BENEFICIARIES RECEIVE THE BENEFITS FROM YOUR PENSION

THE CURIOUS CASE OF THE OVERLOOKED RECESSION

HOW MUCH WILL YOU NEED TO RETIRE?

7 LIFETIME ADVENTURES

Our Quest

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WELCOME

Welcome to our latest issue of Insight – A Wealth of Advice

Inflation is continuing to fall but despite this, the Bank of England is holding interest rates at 5.25%. Our Fund Manager, Richard Cole, discusses how this could play out throughout the rest of the year and explains why the markets are not fazed by the UK's technical recession.

Also included in this edition of Insight:

How can you ensure your beneficiaries receive the maximum benefit from your pension? Pensions are an attractive savings mechanism and upon death funds held in a pension are not included in valuing your estate. However, this isn't always straightforward...

Required retirement income rises by up to 34% - how much will you need to retire? The expected level of income needed in retirement has risen sharply according to new research from the Pensions and Lifetime Savings Association (PLSA) find how what this looks like and what you can do to ensure you get the retirement you want.

We hope you enjoy this issue of our magazine. If there are any topics you would like us to cover in a future edition of Insight, please get in touch. If you would prefer to download a digital copy or subscribe to new issues electronically, please visit:

www.armstrongwatson.info/Insight

PAUL DICKSON
CHIEF EXECUTIVE AND MANAGING PARTNER
ARMSTRONG WATSON LLP

INSIDE THIS ISSUE

How can you ensure your beneficiaries receive the maximum benefit from your pension?

Pensions are attractive to many due to their tax-efficient nature. Tax relief is applied upon contributions, turning, for example, £80 into £100 in an instant, furthermore, higher and additional rate taxpayers can claim further tax savings in line with their marginal rates. Once invested, the growth in the pension will be free from personal income and Capital Gains Tax, and when the time comes to withdraw funds you can take up to 25% of the holding free from any tax.

Another attractive tax quality that pensions provide is that upon death, funds held in a pension are not included in valuing your estate. This means that when calculating Inheritance Tax (IHT), if this applies to your estate, your pension funds aren't included and therefore won't be subject to a 40% tax.

Another attractive tax quality that pensions provide is that upon death, funds held in a pension are not included in valuing your estate.

However, as with many aspects of financial planning, it isn't always this straightforward as the following example highlights.

A married couple with children own their £350,000 home outright, have a second property worth £150,0000, and savings and investments worth a further £300,000. This brings their combined estate value to £800,000.

Each individual has a nil rate band, of £325,000, which represents the value one's estate can be before becoming liable for IHT. Furthermore, those who own their own property and leave it to their direct descendants, may benefit from the residence nil rate band (RNRB) of up to £175,000 per person.

This is the case for our example clients, who have wills and plan to leave their entire estate to their children. They therefore have combined allowances of £1m, and of course, their estate falls well within these allowances.

In addition to these aforementioned assets, they each hold defined contribution pensions which are both valued at £400,000. They've been diligent and completed nomination forms so that the upon their passing, the surviving spouse would receive the deceased's pension.

All so far, so good.

However, an issue with significant IHT consequences could arise if they've failed to check as to how the death benefits are paid out. Pension schemes can do this in a couple of different ways:

- Paid out as a lump sum
- By way of a nominee flexi-access drawdown

Whilst legislation allows for either method, some providers and pension schemes do not. This means that they only have the ability to pay the proceeds out by way of a lump sum. This tends to be the case with those schemes that were in place prior to Pension Freedoms legislation being introduced in 2015.

If we look back at our couple. Following the death of the first spouse, their pension pays out a lump sum equal to the value of the pension holding, tax-free, to the surviving partner. The deceased made no use of their IHT allowances, which are inherited by the survivor and therefore their £1m IHT allowance is maintained. However, the survivor now has:

House	£350,000
Rental Property	£150,000
Savings / Investments	£700,000
Total	£1,200,000

On the death of the second partner this then means 40% tax is due on the value of holdings above £1m and therefore the estate on the second death will face an £80,000 IHT bill (40% of the £200,000 over the £1m threshold). Like a lot of IHT, this could have been avoided had the couple reviewed the death benefits on their pension schemes and taken action to address this concern prior to the death of the first partner.

To understand the impact your death would have on the value of your pensions and to review how the proceeds would be passed on, please get in touch via one of the options below.

Call 07590 205 918 or email stuart.smith@armstrongwatson.co.uk

STUART SMITH
CHARTERED FINANCIAL PLANNER - CARLISLE

The curious case of the overlooked recession

The UK economy is now officially in a recession, having experienced two consecutive quarters of negative economic growth (-0.1% for Q3 2023 and -0.3% for Q4). A recession can be hugely damaging for businesses and individuals alike, but the current situation has not been consistent headline news.

Historical context

To understand why this downturn is attracting relatively small amounts of attention it may be useful to consider the driving factors and to compare the current recession with that of the two other contractions the UK has experienced over the past 20 years.

During the Global Financial Crisis (GFC) of 2008 and 2009, the economy had quarterly losses of -0.5% in Q2 2008, then -1.5%, -2.1%, -2% before -0.3% in Q2 2009 (source: ONS). The 2008 recession occurred against the backdrop of banking failures and concern around the viability of the global financial system, which therefore led to large losses in markets over a sustained period.

A shorter, but much sharper recession occurred in the first half of 2020 with quarterly figures of -2.7% and -20.3%. In this case, the cause was the Covid lockdown and the uncertainty of the pandemic. Markets fell heavily too during this recession, but recovered quickly as a huge level of fiscal and monetary stimulus rebuilt investors' confidence, as did the developments of successful covid vaccines.

The 2008 recession was the result of a banking system on the brink of collapse following years of excessive risk taking and overly lax regulation. The 2020 recession occurred during a devastating global pandemic. The current recession, however, had been widely predicted and is the result of an inflationary problem which began in 2021.

An expected recession

The cause of this inflationary period has been multi-faceted, with factors such as Covid-related supply chain issues, Russia/Ukraine-linked energy and food price rises, and high wage growth resulting from low unemployment all contributing.

Rising prices have been challenging enough for consumers, but the interest rate rises necessary to quell inflation have compounded these difficulties, with the cost of mortgages and other borrowing jumping. Together, these have reduced the ability of consumers to maintain financial commitments, a situation which has become known as the

cost-of-living crisis. This has been a difficult period for the economy, but it has not come as a surprise. Inflation has been above target since early-2021 and has been considered a major problem since mid-2022. Throughout the subsequent period, expectations of higher interest rates have been met by central bankers taking more aggressive positions and all the while economists, investors and the media arrived at a consensus of recession being imminent.

That has clearly now emerged, but with such expectations already in place, it is no great shock. In fact, with the small size of the economic contraction in the UK, and the complete absence of one in the USA, conditions are better than had been predicted.

An improving path ahead

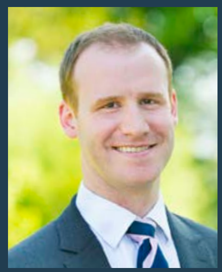
Inflation has fallen from its peak of 11.1% in October 2022 to the current 3.4%, as detailed in March's data release, and with expectations that the rate will fall towards the 2% target level over the coming months, the majority of the economic pain appears to be already behind us.

> **It is not the presence of a recession itself that is dominating conversation, but rather the prospects for future inflation**

As such, it is not the presence of a recession itself that is dominating conversation, but rather the prospects for future inflation and what action the Bank of England and its international peers will take. In mid-March, the Bank held interest rates steady at 5.25%, and it is expected to do so again at its next meeting in early May. But, once we move into the summer months, current expectations suggest the first interest rate cuts will arrive, which, if this comes to pass, will be a stimulus for the economy and would likely be welcomed by investment markets.

By that time, we will have also received the quarterly GDP figures for the start of this year. The second half of 2023 created the conditions for a technical recession to be declared, and it is possible that this will continue once Q1 and Q2 2024 data is released. However, early indications are more positive for the UK economy, with January's monthly GDP figure among a number of indicators pointing towards a quick return to growth.

This suggests that, while we have been experiencing a recession, it is unlikely to be prolonged or severe. Given such a situation, it is perhaps unsurprising then that the 'R' word hasn't been plastered all over the headlines in recent months. Attention has instead been focused on the path ahead, and that path seems likely to be characterised by falling inflation, lower interest rates and improving economic conditions.



RICHARD COLE
FUND MANAGER
FUTURE MONEY LTD

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, does not constitute financial advice or necessarily reflect the views of the author and is subject to change.

It remains the responsibility of the financial adviser to verify the accuracy of the information and assess whether the fund is suitable and appropriate for their customer.

Past performance is not a reliable indicator of future performance. The value of investments and the income derived from them can fall as well as rise and investors may get back less than they invested.

Required retirement income rises by up to 34% - how much will you need to retire?

The expected level of income needed in retirement has risen sharply with new research from the Pensions and Lifetime Savings Association (PLSA) revealing increases to its Retirement Living Standards for all retirement lifestyles.

The PLSA's Retirement Living Standards have been developed as a guide to help people plan and save the required amount for their desired standard of living in retirement at three levels - Minimum, Moderate and Comfortable.

For a Moderate retirement lifestyle for a single person, the income need has risen by 34% since the last data 12 months ago.

	SINGLE			COUPLE		
PSLA Retirement Living Standards	**2024 level of income**	**Previous level**	**% Increase**	**2024 level of income**	**Previous level**	**% Increase**
Minimum	£14,400	£12,800	13%	£22,400	£19,000	18%
Moderate	£31,300	£23,300	34%	£43,100	£34,000	27%
Comfortable	£43,100	£37,300	16%	£59,000	£54,500	8%

PSLA: Updated figures (excluding London) February 2024

PSLA says a shift in the increasing importance people place on spending time with family and friends outside of the home, and increases to the cost of living have largely impacted the levels of retirement income.

This news comes after a year of rising inflation and interest rates which has often seen savers prioritise short term needs over long term retirement planning.

The State Pension triple lock has also provided people with peace of mind. The recent increase of 8.5% will see the State Pension exceed £11,500 per annum for a number of people.

However, this still falls short of the minimum suggested income need, and the State Pension will not always fall in line with our own individual retirement aspirations, often we will wish to retire sooner than 67 or 68.

What can you do?

The good news is that for many there is still time to take control of your retirement planning.

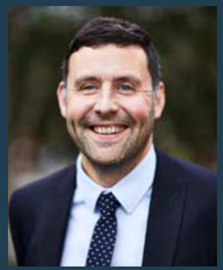
Workplace pension schemes (through automatic enrolment) have largely been a success with high numbers of employees remaining opted in and benefiting from both employee and employer pension contributions. A number of employers offer above minimum contribution levels and many schemes tend to offer good value and a range of investment options.

Personal pensions have also benefited from a number of positive legislation changes over the last 12-18 months.

1. Annual Input Allowance increased to £60,000 (subject to earned income).
2. Money Purchase Annual Allowance increased to £10,000.
3. Tapered threshold increased to £260,000 for high earners.
4. Lifetime allowance tax charge was abolished.

Additionally, there is access to advice irrespective of whether you have a personal pension, are a member of a workplace pension or don't yet have one.

Cash flow modelling is a powerful tool to allow you to see the ways of meeting your retirement objectives, and, when used in regular annual reviews, allows you to make adjustments as required.



If you have not reviewed your retirement planning or would like to discuss how changes to Retirement Living Standards could impact you, please get in touch by emailing help@armstrongwatson.co.uk or call 0808 1445575 to speak to a financial planning consultant.

MARCUS DODDS
CHARTERED FINANCIAL PLANNER - CARLISLE

FEATURED ARTICLE

7 lifetime adventures

Thinking about a trip of a lifetime? Aren't we all! The world has so much to offer, but if you're not quite sure where the journey might take you, here is a little inspiration to get you tapping your feet and raring to get planning.

1. African safari

Nothing beats the thrill of seeing wild animals in their natural habitat, and a safari is a great way to combine adventure and comfort. There are various destinations - including Kenya, Tanzania, Botswana and South Africa – where you can stay in upscale lodges or camps that offer amenities like pools, spas, and gourmet dining. Enjoy activities such as game drives, bush walks, hot air balloon rides, or cultural visits to local communities and cosmopolitan cities.

2. Antarctic expedition

For intrepid explorers, an expedition to Antarctica is unparalleled. James Cook sparked international interest in the world's most southern continent, crossing the Antarctic Circle in 1773, and it is a destination that adventurers are keen to explore. Witness icebergs, penguins, and otherworldly landscapes you won't find anywhere else on earth.

3. Japan

Japan is a fascinating country that offers a unique blend of tradition and modernity. You can immerse yourself in its rich culture by visiting ancient temples, shrines, castles, and gardens, as well as vibrant cities, museums, and markets. Experience culture, sample a taste of authentic Japanese cuisine, travel by bullet train, stay in traditional ryokans, and enjoy the hospitality of the Japanese people.

4. New Zealand hiking trip

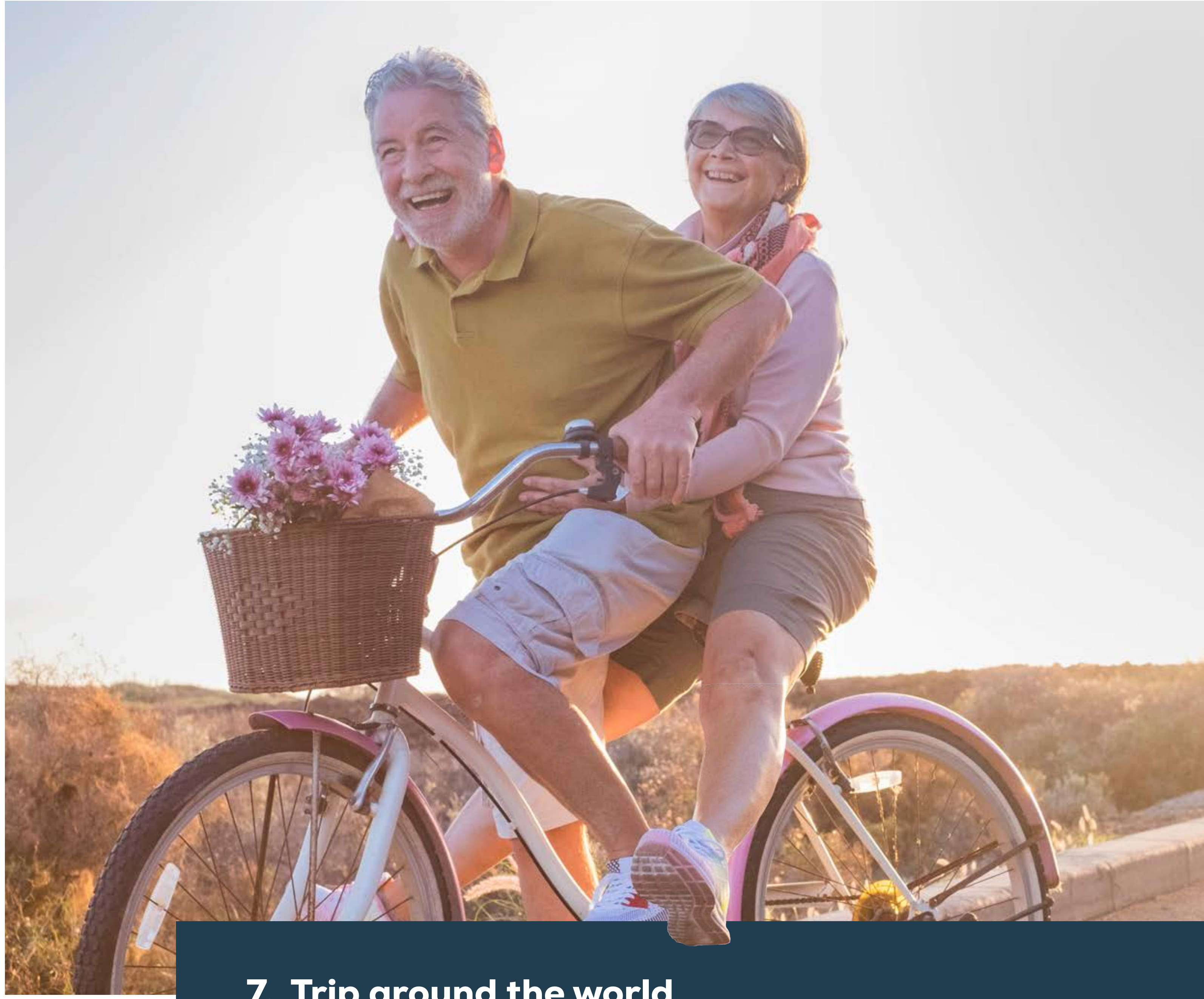
New Zealand is a paradise for nature lovers and outdoor enthusiasts. Discover breathtaking landscapes on the country's famous hiking trails and admire the beauty of its diverse scenery including glaciers, fjords, beaches and lakes. Experience Māori culture and New Zealand's wildlife such as kiwis, penguins and dolphins.

5. Indian yoga retreat

India is the birthplace of yoga and has a long tradition of spiritual practice and meditation. Join a retreat in locations, including Rishikesh, Goa, Kerala, or Dharamsala and practice yoga with experienced teachers while learning about its philosophy and benefits. You can also explore the culture and heritage of India by visiting its temples, monuments, markets, and festivals.

6. Canada by train

Travel across this vast country by train to experience the landscapes and attractions it has to offer. Take iconic routes, such as the Rocky Mountaineer, and enjoy the comfort and convenience of the train carriages, taking in the majestic mountains, lakes, forests, and wildlife of the Rockies, as well as cosmopolitan cities such as Toronto and Vancouver.



7. Trip around the world

If you want to see as many places as possible without the hassle of packing and unpacking, a cruise around the world might be your ideal option. You can hop aboard a luxury ship that will take you to dozens of countries and experience the best of what they have to offer. Alternatively, you might decide to create your own globe-trotting itinerary so you can travel at your own pace, by land, air and/or sea, ticking off the list of destinations you've always longed to visit.

These are just ideas to spark your imagination. Wherever your trip of a lifetime takes you - and whether you enjoy nature, culture, adventure, or relaxation - it will certainly enrich your experience and create lasting memories.

Maximising your State Pension and increasing retirement income

The rising cost of living is affecting most of us in some way shape or form. One impacted group are those in retirement or approaching retirement, as retirees face many years of potentially lower or unknown levels of income.

Private pension income is crucial in supporting your goals in retirement, however, equally so is the State Pension.

How much State Pension will you receive?

Once you receive State Pension, it is a guaranteed income that increases annually, in line with the highest of either inflation (as measured by the Consumer Price Index), average earnings or 2.5% (known as the triple lock).

The maximum State Pension in the 2024/25 tax year will be £221.20 per week. Each individual must have 35 qualifying years of National Insurance Contributions to qualify for the full amount. However, many will fall short of the full State Pension and could be more financially vulnerable in retirement. Gaps in your National Insurance (NI) record will result in fewer qualifying years.

Why might there be gaps in your National Insurance record?

Life circumstances can lead to gaps in your NI record. These gaps may occur if you were:

- Employed with low earnings
- Unemployed without claiming benefits
- Self-employed with minimal profits
- Living or working outside the UK
- 'Contracted out' of a pension scheme in the past

How to find out if you have National Insurance gaps?

First, review your NI record. This can be done online via the Government Gateway, by calling the Department of Work and Pensions, or by completing a BR19 form. This will highlight if you qualify now or are likely to qualify for the full State Pension by your State Pension Age by accruing enough years of National Insurance Contributions.

If you have gaps in your National Insurance record, you can explore National Insurance credits if you're unable to work, unemployed, or a full-time caregiver. Paying voluntary contributions can also fill gaps in your National Insurance record. This can ensure you have enough qualifying years for the full State Pension or other benefits.

Normally, it is only possible to make voluntary contributions for the past six years. However, there is an extension in place currently whereby eligible individuals can make voluntary contributions from 6 April 2006 to the present day.

Making voluntary contributions

Filling gaps in your National Insurance record is payable at the Voluntary Class 3 National Insurance rate in the 2022/23 tax year. This means that for every missing week for the year, the rate of voluntary contributions will be £15.85 per week. Some years will be partially full and this will be reduced accordingly, however, to fill a full year of National Insurance Contributions would cost £824.20.

Paying just one year could increase your State Pension by £275.08 per year. This means that in just under three years, you will "break even" and make your money back.

Maximise your retirement income

The State Pension is guaranteed for life and is linked to inflation and as such, in many cases it does make sense to maximise your state provision via voluntary contributions. However, this is not the only solution for those planning for retirement.

Private pensions and investments can also be used to increase your future retirement income; this involves strategic planning and understanding your options. With the introduction of auto-enrolment in 2012, many will have one or more workplace schemes that can be drawn upon in retirement. These can be used in conjunction with the State Pension to fund your retirement. Financial planning is crucial to understand what options are available to you and how sustainable or unsustainable your retirement goals are.

Retirement is a significant period of time and funding your retirement is an investment in your future wellbeing.

If you would like more information and advice about LPAs, please contact our Financial Planning Team on 0808 144 5575 or email help@armstrongwatson.co.uk

CHELSEA WHITTOCK

FINANCIAL PLANNING CONSULTANT - CARLISLE

Your stories: Weaving company's fascinating history sewn into its success

Wyedean Weaving is a company with roots dating back to the Industrial Revolution. Initially formed in Coventry in the 1850s as Dalton, Barton & Co, its founders were pioneers in the narrow fabric industry, and around the turn of the 1900s the company had grown to become the world's largest haberdasher, with a department store in London.

But after 100 years in business, Dalton, Barton & Co found itself at a crossroads. It had rebuilt and adapted after the Blitz devastated both its factory and department store, but by the late 1950s, a decline in haberdashery, coupled with labour competition from the motor industry, meant the company needed a new direction.

David Wright joined in 1959 and was tasked with reshaping the business. It moved to Coleford in Gloucestershire which was where its new name was coined – after the river Wye and the Forest of Dean. In the 1960s legislation was being brought in for every car to have a seatbelt fitted in the driver's seat and so the company shifted its focus. Unfortunately, so too did every other narrow fabric manufacturing company in Europe, which led to a price war and the company was a risk.

David saw that Wyedean's sideline of military uniform accoutrement could be profitable, albeit very small, but enough to sustain a family company with a long-term future. He struck a deal with the owners, and in 1964 brought Wyedean back to his birthplace in Haworth, West Yorkshire, renting a small premises at Bridgehouse Mill, where it has specialised in the production of military braid and uniform accoutrement for the past 60 years.

Now, one of the largest employers in Howarth, Wyedean is once again a thriving business led by David's son and Managing Director Robin Wright. In 2023 the business was awarded a seven-year contract to replace all British Armed Forces Standards and Colours with the King's insignia and the Tudor Crown.

FEATURE ARTICLE

> **Whilst diversification is a part of the process, military will always be at the core of our business.**

In his time, Robin, who joined the business 45 years ago, has overseen the diversification of the company's product range, introduced e-commerce and moved part of the production offshore, establishing and managing a global supply chain.

He explains that while military accoutrement will always be at the heart of Wyedean's business, the company has needed to look at other ways it can continue to diversify and grow.

"We've had to seek new markets and broaden the range of products we make," said Robin. "Rather than being just focused on textiles, we've now gone into metal insignia and equine, supplying all the products for horses in ceremonial roles, such as the saddles and bridles. Combined with that, we've looked for new markets overseas. They tend to be places that follow British tradition; Commonwealth countries such as Australia, New Zealand, the Gulf States and Canada. We have to buck the trend and build additional business to compensate for the reduction in the number of badges.

In addition to our core business of military uniform accoutrement, we are also looking at what other sectors we can get involved with. That's taken us into the technical textile sector, and we're now weaving glass fibre for high-temperature applications.

We're also making accessories for dogs – collars, leads and harnesses - but at a very high-end level. We're looking to the markets in California, New York and Tokyo, where we can really provide a bespoke item. But whilst diversification is a part of the process, military will always be at the core of our business."

Witnessing some of this success, Armstrong Watson has worked with Wyedean over the past seven years and Robin says the firm's support and advice has been beneficial in a number of ways.

"There are many different areas you require assistance and Armstrong Watson has the depth to bring specialists out in whichever area we might need, whether it be research and development, tax advice, or investment advice about where best and how best to invest our funds for the future," he said.

"It's good to have the sounding board about how you plan and how you manage the future directions of the business."

How could the 2024 Spring Budget impact your finances?

From a financial planning perspective, the 2024 Spring Budget was low on headlines. Having got through the pre-election banter it required a dive into the details to understand how the changes announced might impact individuals.

Pensions

Over the last 18 months pensions have been the centre of attention with changes to input, taper, lifetime allowance, tax-free cash and death benefits across the defined contribution market. Many of these changes have not yet or only recently become legislation and in a number of cases providers and advisers are still adjusting. The budget avoided any more major changes of pension legislation, which should be seen as a positive, allowing some stability for good financial planning opportunities.

The Chancellor did confirm the Government will continue to consult on the 'portable pension' concept where employees have a pot for life taking it from one employment to another. The feedback to date has been overwhelmingly negative as this could create a logistical nightmare for employers, pension providers and payroll professionals.

One area of change Jeremy Hunt did expand on was UK investment within LGPS (Local Government Pension Schemes). The data suggests that these schemes hold only 6% of their assets in UK Equities. The Chancellor wants these schemes to publicly disclose their assets and encourage greater investment in the UK small and mid-cap markets. This should also aid with incentivising companies to stay invested in the UK rather than list overseas.

These changes may pose challenges for those running such schemes as they will need to balance the benefits of global diversification against the needs of the UK economy. Whilst pertinent to the overall growth objectives of the UK economy, this is out with the scope of the individual members of such schemes that offer defined outcomes.

ISAs and savings

The ISA was designed as a relatively straightforward savings wrapper that protected the individual investor from paying income tax or Capital Gains Tax on assets invested within that wrapper.

The UK (or British) ISA is the latest complication on top of the 'Help to Buy' and 'Lifetime' ISAs. The 'UK ISA' would provide an additional allowance of £5,000 per annum provided that it is invested in UK equites. The detail of this remains open to a consultation.

The concept is not dissimilar to that in the LPGS pension scheme in that it encourages investment into the UK economy. However, this change is a little more difficult to envisage as it will directly impact the concept of diversification and the risk implications of an individual's ISA.

The British Savings Bond has also been announced to be launched next month. This is a new NS&I guaranteed fixed-rate cash investment over a term of three years.

Mitigate fiscal drag

Over the last two years we have spent a lot of time discussing 'fiscal drag' and the reality remains that this is still a significant factor for individuals. The increase in interest rates, market returns, and wage inflation, coupled with static or reducing tax allowances, will pull a number of unsuspecting people into paying more tax and specifically the need to complete a self-assessment tax return.

The key takeaway is to undertake proactive financial planning on a regular and ongoing basis, and to use the reliefs and allowances that are available to mitigate fiscal drag.

If you would like advice and support about any of the issues above please call 01768 222030 or email help@armstrongwatson.co.uk to speak to one of our financial planning consultants.

JUSTIN ROURKE
FINANCIAL PLANNING DIRECTOR & HEAD OF ADVICE - PENRITH

Meet the adviser – Benjamin Walsh

FINANCIAL PLANNING CONSULTANT -LEEDS

Describe a typical working day

After an essential morning coffee, I review my calendar and emails. I like to allocate some time catching up on any market updates and news headlines which may impact some clients' portfolios.

My days are varied, with some being more client orientated, whilst others have more of an internal focus. All client meetings differ, for some we meet to review their objectives and portfolio, for others I might present NHS pension reports and complex tax planning, all aimed at helping achieve their objectives in the most efficient way.

Internal meetings enable me to connect with colleagues from other departments where we discuss recent changes in the tax regime or pensions regulations and how they will impact our clients.

What do you enjoy most about providing financial advice?

The most enjoyable part of the job is helping my clients achieve peace of mind and a true sense of financial security. It is extremely hard for everyone to not worry about what we see in the headlines and the impact this can have on our personal finances. At the heart of what we do is helping to ensure we guide our clients through these challenging times through reassurance and personalised advice.

MEET THE ADVISER

What's the best piece of advice anyone has ever given you?

'Eat The Frog' – The process of identifying the most complex task of the day and completing it before you do any other work. This means you can complete other tasks with your full focus without the other task hanging over you.

When you're not supporting and advising clients what do you enjoy doing in your spare time?

I like to spend my spare time outdoors! Whether that's ticking off the Wainwrights in the Lake District, exploring my new home in Yorkshire or watching Wigan in either football or the rugby league. It is also not uncommon to find me in the kitchen cooking up new recipes for my friends and family – they would definitely say I'm a foodie. After working in a fine dining restaurant, I developed a knowledge for all things wine. I love travelling to France to find small, family-owned wineries and trying these on a Friday night. Some would say an 'eclectic range of interests.'

You're about to retire on an unlimited budget what's the first thing you'd do?

I have a very distant dream of one day owning a winery. With an unlimited budget this dream would become my reality. I have been fortunate enough to travel around France visiting wine regions over the years. I fell in love with a small village in Burgundy, which would be my ideal place to set it up. Alternatively, I'd like a small-holding farm in the Yorkshire countryside where perhaps I could develop a Yorkshire wine.

If there was one financial tip you could offer readers what would it be?

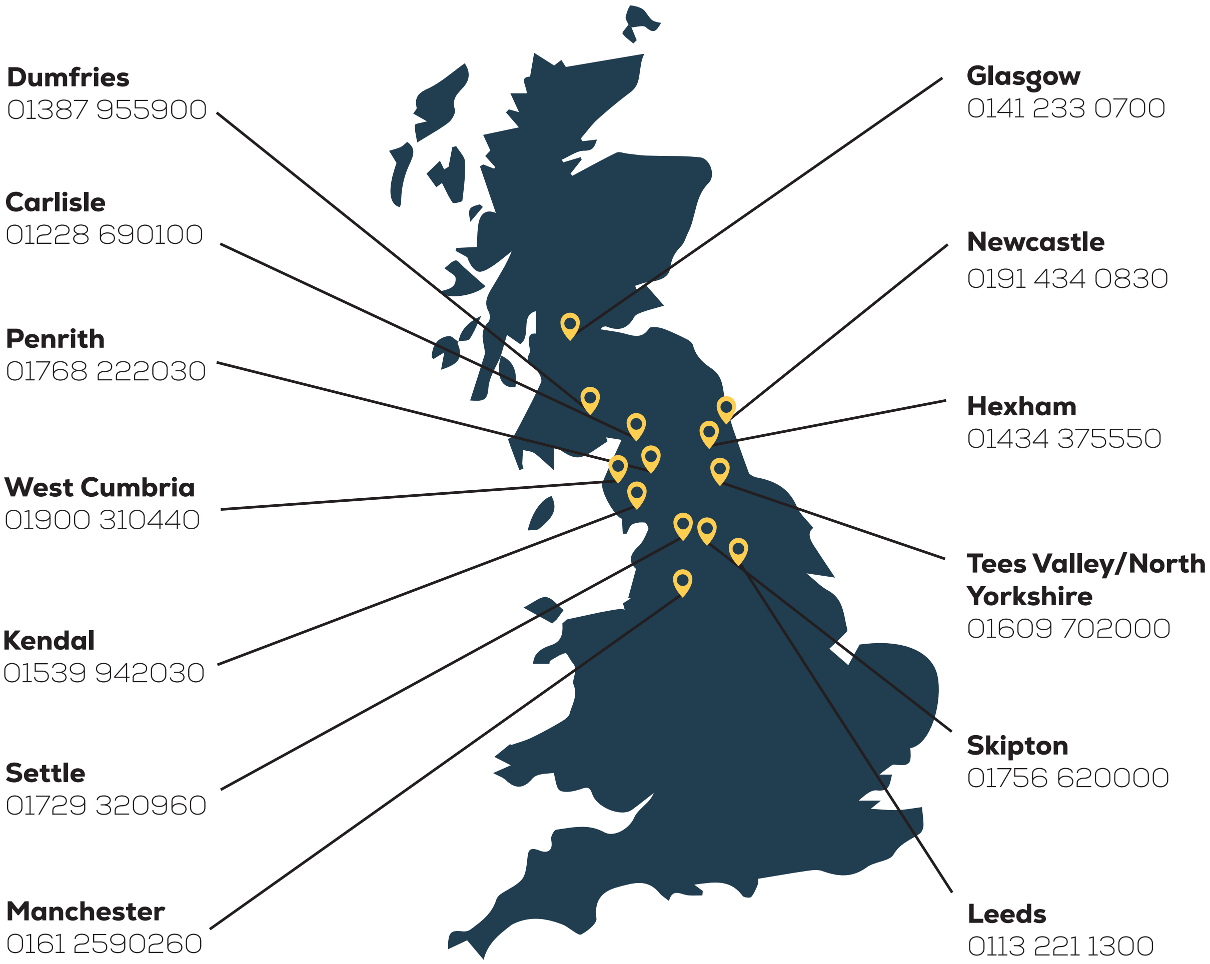
I have two key financial tips. Firstly, start as early as you can, it's important to get into the habit of saving regularly, even if it's a small amount. If you invest early, you can let time and compound returns do the hard work - making the daunting task of saving for retirement that little bit easier!

The second is the value of financial advice. There are numerous papers which highlight just how valuable advice can be. Vanguard, one of the largest investment managers in the world has claimed effective financial planning can add up to 3% per annum. This is the result of a multitude of factors which can be seen in the equation below, provided by Dimensional Fund Advisors. This redefines the value of financial advice, which is powerful in highlighting what we, as advisers, do for our clients, and the foundation of financial planning.

$$V_{fp} = (K_a + O + B_m)^r + P$$

V_{fp}	Value of financial planning
K	Knowledge: Financial planning, Risk Management, Investment portfolio
a	Application of Knowledge
O	Organisation
B_m	Behaviour Management
r	Relationship
P	Products

> I love travelling to France to find small, family-owned wineries and trying these on a Friday night.



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