



Broadway  
Financial Planning

# BROADWAY BULLETIN

## WELCOME TO THE SUMMER NEWSLETTER

Welcome to our Summer edition of our newsletter and it seems we are finally enjoying some beautiful weather. Firstly, may I take this opportunity to thank all of you who so kindly donated to Pancreatic Cancer UK in respect of our Midsummer Challenge. You will see below that it proved quite a challenge but hugely rewarding and worthwhile for all involved.

As I write, we are waiting to see the outcome of the challenge for a new Prime Minister, and the political turbulence continues to dominate our news and the investment volatility. We were interested to read 7IM's view on politics recently and the effect on investment performance and hope you will enjoy the article from Ahmer Tirmizi.

Deadlines are looming in respect of Help to Buy ISAs and when Capital Gains Tax (CGT) will fall due on the sale of residential property. If you think either of these will affect you, then please get in contact.

We're very excited about our upcoming "Estate Planning" seminar on 19th September with leading lawyers, Charles Russell Speechlys. This is an area that we regularly discuss with clients but not necessarily with their families... and indeed, not even with our own. I recently found out that my 80-year-old father had no idea I could give him some guidance with his own planning! Full details will shortly be on our website and we will be inviting you directly in due course.

I hope you enjoy the rest of the summer... I'm off to the Emerald Isle so hoping the sunshine continues there.

Best wishes

**Keri Carter, CFP™**  
CERTIFIED FINANCIAL PLANNER™ Practitioner  
Managing Director

## SEMINAR – GENERATIONAL FINANCIAL PLANNING



For many, finances and estate planning are not subjects that we tend to discuss with our families. It is a discussion that just doesn't fit into every day life.

On 19th September we are teaming up with the solicitors, Charles Russell Speechleys, to deliver a seminar covering the benefits of estate planning with your family, introducing your children to your professional advisers and having these discussions about your arrangements.

If you feel that this would be of benefit to your family, we would love for you to bring them along and introduce them to us.

Venue: **The Lygon Arms Hotel, Broadway**  
Date: **19th September 2019**  
Time: **6.00pm**

If you would be interested in attending, or have any queries, please email Claire at:  
[claire@broadwayfp.co.uk](mailto:claire@broadwayfp.co.uk)

## LET'S GET POLITICAL

We've talked to a number of clients about the impact that politics has (or doesn't have) on investments. In this article Ahmer Tirmizi, Investment Manager at Seven Investment Management, has an interesting view on how the current political situation could affect markets and the importance of staying invested.

"Once upon a time, the world looked simple. As long as economies were undisturbed by the whims of politicians, people thought the pie would grow to everyone's benefit. Politicians, for their part, used to go along with this. The hands-off approach to managing the economy was known as the Washington Consensus and investors liked this approach. It's hard enough trying to figure how economies work, no one wants to have to second-guess politicians.

Alan Greenspan, the former Chair of the Federal Reserve (Fed), went as far as to say "it hardly makes any difference who will be the next president" regarding the 2008 campaign. It would be a surprise to hear the Fed chairman say that now.

Voters, in many countries, no longer buy this story. Inequality has risen and they want politicians to intervene. The problem is, politicians tend to be seduced by easy solutions and don't like to talk about the costs. With the aim of getting elected, they ignore the unintended consequences that their policies can create.

Take the recent US-China trade war. About trade deficits, President Trump will often claim something like "Asian countries have been ripping us off for years" and "China has been killing us". He implies that trade deficits need to be stopped at all costs. The solution? Make Chinese goods more expensive by slapping tariffs on them. Simple, right?

Not necessarily. In 2009, the Obama administration tried to apply tariffs on tyre imports from China. American chicken farmers were hit when the Chinese targeted them by banning chicken feet imports (a delicacy in China). One study found that, for all this trouble, the tariff preserved only 1,200 jobs. But Americans had to spend an extra US\$1.1 billion on tyres – almost US\$1 million per job!

The bottom line is that tariffs are not the sure thing that they are being sold as. They may come with benefits – after all, who doesn't want to preserve jobs? But they also come with costs, mostly hidden – no one thought of the chicken farmers!

Politicians will always like to sweep costs under the carpet. But now the electorates want politicians to 'do more'. This is a recipe for easy-sounding but costly policies. Going forward, investors will have to think hard about what promises politicians make and prepare for more policy surprises and shocks. The Brexit referendum and its aftermath or US tariffs on China could just be the start.

The result could be higher market uncertainty for the foreseeable future. The story is not all negative but the range of possible outcomes is getting wider. Since the referendum, for example, UK companies exposed to foreign markets continue to make money. But at the same time, companies with the biggest exposures to the UK haven't done so well – the difference between the two sets of companies is not usually so stark. In this world, it still pays to stay invested and it's even more important to remain well diversified. "

**Ahmer Tirmizi**

Investment Manager, Seven Investment Management



## UK TAXPAYERS TO BE GIVEN SPECIAL WARNING OF 30-DAY CGT PAYMENT DEADLINE FOR PROPERTY DISPOSALS

A little known element to last year's Budget, this article from The Society of Trustee and Estate Practitioners (STEP) takes a look at the new rules which come into force in April 2020 in respect of CGT payments deadlines for property disposals.

"HMRC is taking special care to ensure that taxpayers are aware of new rules taking effect in April 2020, under which the capital gains tax (CGT) bill on residential property disposals has to be paid within 30 days of completion.

Currently, CGT due on property disposals does not have to be reported or paid until the deadline for submitting a self-assessment form, which can be up to 22 months after the disposal took place. The changes mainly affect those selling a second home or rental property on which private residence relief is not available. They will apply to UK residential properties, even where property is gifted for no consideration.

Although two years' grace has been allowed between the announcement and the implementation of the new time-window, it is likely that many taxpayers, especially holiday home owners

and small-scale landlords, will not be aware of them in time. HMRC wants to avoid a repeat of the recent cases in which late-filing penalties imposed on non-resident sellers of UK property have been overturned at tribunal because the reporting regime had not been sufficiently well publicised.

It has now published a report of research conducted to find out how best it can warn taxpayers of the new 30-day payment window before it affects them.

It found a significant number of 'one-off' taxpayers, individuals liable for CGT on one property either as a result of recently selling an inherited property or because they had rented out a property in the UK. They were least likely to be informed about CGT, because many did not use formal support, such as agents, for guidance on CGT, and those who did use agents did so on an informal or occasional basis and only to answer a specific question based on their personal CGT circumstances.

If you have any concerns regarding the new rules, please do not hesitate to contact us.

## HELP TO BUY ISA COUNTDOWN

For those hoping to get onto the property ladder by using the Help to Buy ISA, time is running out to open an account.

The Government scheme aimed at helping first time buyers closes to new savers on 30th November this year. Existing savers can keep on adding to the pot until 30th November 2029, but the bonus must be claimed by 1st December 2030.

### What is the Help to Buy ISA?

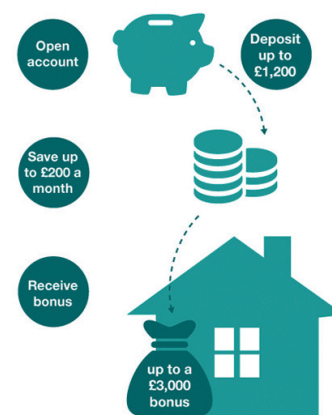
Help to Buy ISAs offer people who are saving up for their first home a 25% bonus from the Government, up to £3,000. The bonus is only available to buy your first home, which must cost a maximum of £250,000, or £450,000 in London.

If you want to take advantage of the Help to Buy ISA and you don't already have an account, you'll need to open one by 30th November this year. Then you can deposit up to £200 a month, except in the first month when you can pay in up to £1,200. Another option is the Lifetime ISA which will remain available.

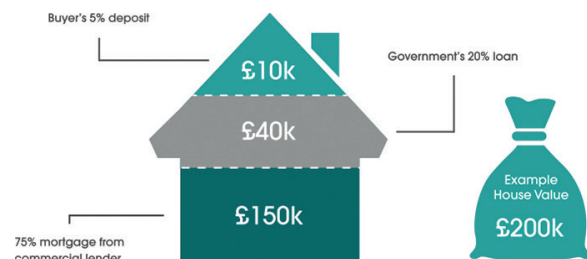
### What is the Help to Buy equity loan?

An alternative to the Help to Buy ISA is the Help to Buy equity loan. If you live in England, under the scheme, which is only available for new build properties, you need to put down a 5% deposit. The Government will lend you a further 20% of the property price (40% in London) interest free for the first five years. That means you'll only need a mortgage for the remaining 75% of the property price, reducing the amount you have to pay each month.

If you would like to discuss how to fund first time property purchases or have any queries regarding this, please do not hesitate to contact us.



Help to Buy ISA



Help to Buy equity loan



## BFP MIDSUMMER CHALLENGE – WE DID IT!

We are delighted to announce that we have raised over £3k for Pancreatic Cancer UK by walking from Cleeve Hill, Gloucestershire to Broadway Tower, Worcestershire on Friday 21st June, covering approximately 20 miles of hilly and rough terrain.

Due to the loss of a friend and client, Chris Stock, the team at BFP were keen to raise money for Pancreatic Cancer UK, to help fund research into diagnosing this killer disease more quickly.

Five of us set off on a beautiful sunny day fully kitted out with our supplies and excited about the day ahead. With four challenging hills to tackle the first was Postlip hill just outside Winchcombe. With an elevation of 950ft this was our first real challenge of the day. With this completed, we moved on through Winchcombe, still with a spring in our step, and to our next hill, Hailes. Climbing 885ft this took us up to the historic Cromwell's Seat where we took a moment to appreciate the view, and of course recover!

We were met at our halfway point by Gill and her dog Scout. Gill was our support team for the day and was on hand with food, drink and encouragement whenever it was needed. Now watered and fed we set off downhill to the beautiful Stanway House and then across into Stanton. Here we started the ascent of Shenberrow Hill. At 1000ft climb we were starting to feel it!

With Shenberrow Hill conquered we were into the last section of our walk. Walking down into Broadway we only had our fourth and final hill to go. Tired, aching and running low on energy we set off up to Broadway Tower. With a lot of encouragement from each other and using every bit of energy we had left (very little at this point), we arrived just before 9pm to the cheers of our welcoming party at the tower in time to see the sun set and raise a glass to those who are no longer with us.

We hope that the money that we have raised can help research into this awful disease and change the current statistics:

- 10,000 people are diagnosed each year – equivalent to 27 people every day

- It is often diagnosed late, and progresses quickly
- 1 in 4 people facing a pancreatic cancer diagnosis will die within a month
- Receives just 2% of the annual UK cancer research budget - three times less than breast cancer research

We would like to say a huge thank you to all of you who have supported us so far.

You can still support the team by way of sponsorship: <https://www.justgiving.com/fundraising/BFPMidsummernightchallenge> or send us a cheque made payable to Pancreatic Cancer UK.

If you'd like to know more about Pancreatic Cancer UK, please go to: <https://www.pancreaticcancer.org.uk/>

The Team at BFP.



## DOCSAFE

We have recently reviewed our Docsafe portal and now effectively it is working for us. Due to the low number of clients who use the portal, we have made the decision to cancel this facility. We will continue to communicate with clients in the most secure way possible and any sensitive data will be sent in a secure format. If there is anything you wish to extract from Docsafe, please do so before the 30th September 2019. If you have any queries do not hesitate to contact us.



## SOCIAL MEDIA

Just a reminder that we are regularly posting tips and news articles on Facebook and Twitter. Please like or follow us to keep up to date with our news and views.

Facebook @broadwayfp  
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