ROUSE

INTELLIGENT FINANCIAL PLANNING

Finely tuned finances

Specialists in pensions, mortgages investments and tax planning

www.rouseltd.co.uk

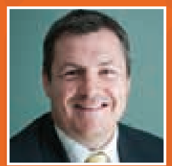
Who's who at Rouse?

Meet the team at Rouse

Contacting a member of our admin team in the first instance will quicken the response time for your enquiry. You can be assured that the appropriate action will be taken immediately and your issue speedily resolved.

Ben Rouse:
Managing Director
& Financial Planner
(Chartered Financial Planner
& Chartered Wealth Manager)

Ben Silk:
Director & Financial Planner
(Certified Financial Planner
& Chartered Wealth Manager)

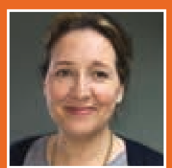


Andy White:
Director & Financial Planner
(Certified Financial Planner
& Chartered Wealth Manager)

Linda Thorne:
Financial Planner & Paraplanner
(Certified Financial Planner
& Chartered Wealth Manager)

Matt Jones:
Financial Planner & Paraplanner
(Chartered Financial Planner
& Chartered Wealth Manager)

Phil Moore:
Property Finance Adviser
(Certificate in Mortgage Advice
& Certificate in Equity Release)

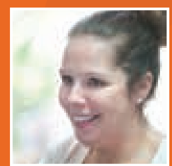


Vicky Curtis:
Paraplanner
(Diploma in Financial Planning
& Certificate in Mortgage Advice)

Jon Silk:
Paraplanner
(Diploma in Regulated
Financial Planning)

Liam Webb:
Financial Analyst

Paul McDine:
Account Administrator
& PA to Ben Rouse



Jenni Le Mon:
Business Administrator

Sharon Hayles:
Client Liaison Officer

Lisa Butler:
Director & Office Manager

For further details, contact us on: **01983 535740**
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Welcome to Rouse

Financial planning is integral to everyone's lives, whether they take professional help or not.

We all make financial choices, on some level or other, every day. For some, seeking qualified financial advice is a 'no-brainer', others might not understand how it could have value within their lives. So in this issue we hope to give a clearer view of our role as guardians of your wealth management. We also focus on some of those financial issues that affect all of us at some point in our lives: how to move forward on the road to homeownership, what to think about when planning your retirement. We also look at the difference between tax avoidance and evasion – it's not all about cloudy offshore waters – with valued input once again from Chartered Tax Adviser, Claudia Roberts (Glanvilles Legal Services).

Wherever your road is taking you or whatever milestone event you might be approaching, Rouse Limited is committed to ensuring the advice we give is appropriate for you. We're with you every step of the way.

Contents

What does it all mean?

It's not just a bunch of made up job titles – our qualifications represent a dedication to providing you with the best possible service and peace of mind that your wealth management is in good hands.

Who sets the industry standard and what do our job titles mean for you?

Until late 2015 the Institute of Financial Planning (IFP) and the Chartered Insurance Institute (CII) set the industry standard for knowledge and professionalism in the financial services sector. The IFP has now merged with the Chartered Institute for Securities and Investment (CISI). As members we adhere to its core values of knowledge through professional qualifications, continuing professional development to maintain standards and upholding the highest standards of integrity.

Chartered Financial Planner

Chartered status is the indicator of the highest standard of learning, ethical behaviour and experience. This gold standard assures clients that individuals have satisfied requirements to maintain up to date knowledge and to comply with an ethical code that puts the interests of clients first.

Certified Financial Planner

Certified Financial Planner (CFP) status is the only globally recognised mark of excellence in financial planning. To obtain CFP status professionals must successfully complete a rigorous assessment, which tests their technical ability, and must also be able to demonstrate practical and relevant work experience.

Chartered Wealth Manager

This title is the mark of an up to date, experienced and qualified financial industry professional. It is achieved through an in-depth examination of an individual's knowledge of financial markets, portfolio construction theory and applied wealth management.

Paraplanner

Paraplanners provide technical support, research and analysis to help a Financial Planner give appropriate advice.

Financial Analyst

This role involves research and analysis, covering functions such as cash flow forecasting, and within a financial planning team provides admin support to both Paraplanners and Financial Planners.

Diploma in Financial Planning

Holders of this qualification have passed a series of challenging examinations that assess both their technical knowledge and their ability to apply that knowledge by producing an effective financial plan. It meets the regulatory exam standards for those advising on retail investment products.

Diploma in Regulated Financial Planning

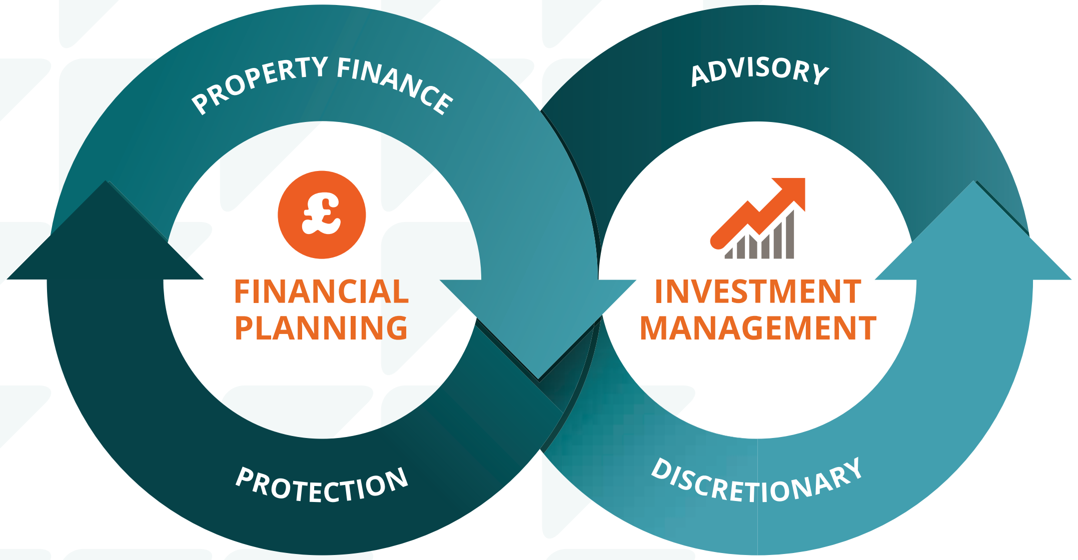
This is the benchmark qualification for those advising on retail investment products. It develops core technical knowledge and financial planning capabilities.

Certificate in Mortgage Advice

This is the mortgage industry's qualification of choice and meets the FCA's exam requirements for mortgage advisers. Holders of this certificate will have developed an understanding of the various types of mortgage product and repayment options as well as the giving of mortgage advice.

Certificate in Equity Release

This is the essential qualification for the home reversion and lifetime mortgage advice sector. Holders of this qualification have developed an understanding of the different types of equity release products available, the associated risks to the consumer, and the application of suitable and appropriate equity release solutions.



lifetime financial planning

Defining what you do can be a useful exercise to carry out - for yourself as much as for others. With so many changes having taken place in the financial industry over recent years we thought it might be appropriate to take a moment to clarify our function as Independent Financial Planners.

The basics

We will help you define your priorities so that your money can do its best to provide the things you need as well as those you want, whether that's for your property, retirement, investment portfolio or savings. It's an ongoing process that aims to help you make sensible decisions about your money that will in turn help you achieve your life goals.

We are Independent Financial Planners, which means our advice is based on a whole-of-market assessment. For non-investment insurance and mortgage products we offer products from a range of providers on the basis of a fair and comprehensive analysis of the market.

Whether you approach us about a particular issue regarding your financial arrangements, as many people do, or whether you want end-to end financial services to support you - from investments, savings and pensions, tax and trust planning, to mortgage and protection advice - we're here to take your worries away.

The professional hub

We like to consider ourselves a hub for professional advisers – a 'one-stop shop' for all your financial services needs. We work closely with accountants and solicitors, and other financial services companies, who share our core values and approach to clients' well being, so as to provide a seamless and valuable service.

Our team is qualified to give advice in most areas of financial planning but we call on our trusted panel of experts on those occasions when a specialist from a particular discipline might be required. This could be, for example, a tax enquiry that needs the input of a tax specialist, or a solicitor to draw up a Will.

The detail – and the Rouse difference

Along with providing guidance on how to make the most of your money, financial planning can also involve property finance and protection. To get a mortgage there are currently more hoops to jump through than for a performing seal but qualified mortgage advice can help guide you through this process as well as help you to put together a protection package that's appropriate for you.

With that in mind, we know life can present many challenges, making it difficult to control our financial futures, so as part of our financial planning process, we offer a cash flow forecasting facility. By using industry standard, specialist software we can help you examine how decisions you make today regarding your spending, savings and investments will affect your plans for the future.

We work with individuals, companies, charities and trusts and, as a team, our clients range from professional footballers to a man who puts up streetlights. We like and respect all our clients. Once you become a client of Rouse Limited, you are part of the Rouse family and we will be available to you for all your financial planning needs for as long as you need us.

Our clients are at the heart of everything we do. As Chartered and Certified Financial Planners we follow a specific six-step process to ensure we help you identify your priorities to help you achieve the life you have planned.

01 Meet

We'll spend time talking to you and helping you to identify your financial objectives. Essential to good financial planning is having a strong relationship between client and Financial Planner. Ideally the Financial Planner should be able not only to understand a client's financial situation but also to support other aspects of their life within that.

02 Profile

Next, with your help, we'll collect and then assess all your relevant personal and financial data, including establishing your attitude to risk and to investments. We'll help you by taking you through financial questionnaires and using approved tools to identify your financial approach. This will help us when we begin to analyse which investments and approaches will be appropriate for you.

03 Analyse

We'll then take all the data and your responses away to analyse and then assess the most appropriate way for us to help you reach your financial goals. Financial planning is the over-arching function under which there are different disciplines, all of which dovetail to help you arrange your affairs as efficiently as possible. You might not need them all – part of our job is to identify the areas of financial planning that might be useful to you.

04 Plan

We'll put together a written plan that describes how to make the most effective use of the financial resources we have available to us in order to help achieve your financial goals and that also focus on your particular interests. We'll take you through the plan and get your go ahead for implementation...

05 ...which we'll then carry out for you

If we manage investments for you the role can cover advisory or discretionary investments. Within the advisory function, we advise you of what is happening within the markets and each time a decision is required we discuss with you the most appropriate way to proceed. Within the discretionary function, you leave it to our discretion regarding the day-to-day function of your account. We provide you with regular updates regarding the action we are taking and then regularly evaluate your portfolio - as we do with all accounts.

As caretakers of your wealth management we have an Investment Committee the key function of which is to provide the wider picture that will allow us to ensure that all investment portfolios are kept in line with each client's individual aims, ethics and attitude to risk.

06 Review

Lastly, we'll regularly review your progress against your financial goals and will modify the plan as necessary. We'll also meet with you regularly (quarterly, half-yearly or annually, depending on what we agree is appropriate) and make sure that your money continues to work for you with the aim of achieving your life goals. This means we can take the responsibility for the fine detail away from you so you can go out and enjoy your life as you wish.

We work hard to understand your needs and wants for your money and we listen to you and guide you to make sure the money you have works hard for you. We're with you every step of the way.

Contact us to find out how we can help you:

01983 535740

Saints or sinners?

Tax evasion and tax avoidance

Tax is a thorny issue for most people. Who wants their hard-earned money taken away before they've had a chance to even look at it? But, along with death, taxes are one of life's certainties: the vast majority of people don't have much choice in whether or not they pay what they owe.

So it's not surprising that news of individuals and corporations managing to significantly reduce their tax bills results in the red mist of rage descending on the man in the street. However, it's important to keep some perspective and understand there is quite a wide range of legal activities that fall within the spectrum that starts with financial efficiency and ends with what is criminal activity. You are quite likely to be taking advantage of some of these activities yourself – perfectly legally. So before we start grabbing pitchforks and flaming brands, we'll examine the details.

Back to basics

Tax evasion is illegal. This involves deliberately hiding income, earnings or investments from HMRC (the Revenue) in order to reduce your tax bill. If you do this, you could go to prison.

Tax avoidance is not illegal. Much of every day financial planning activities involve what is essentially tax avoidance but tend to be more to do with efficient organisation of financial arrangements than avoiding the Revenue's radar. Use an ISA, for example and you're wrapping your money up so the taxman can't get at your savings. Most people wouldn't use the term tax avoidance to describe a popular method of saving - and the government has been positively promoting their use – but since it helps you to avoid paying tax it falls within the spectrum, albeit at the very bland end.

Morals and money

But the spectrum can include activities that bend the rules to gain an advantage that was not intended. And this is where it can get messy and opinions divided. Some tax avoidance activities are akin to vanilla ice cream, meaning that they just make sure your money is working as efficiently as possible while others are closer to dark chocolate with chilli in it – those that could be described as being within the letter, but not the spirit, of the law.

Avoidance at the dark chilli-chocolate end, whilst legal, can still land you in trouble if the Revenue decides you have deliberately taken steps to reduce your tax bill. Recent examples of excessive rule-bending have involved celebrities such as Jimmy Carr and Gary Barlow. In each case their accountants created phantom businesses with the sole aim of shuffling money through them to reduce their tax bills.

Pirates of the Caribbean

As with all things in life, there will inevitably be individuals and corporations who will be breaking the law, and there will also be those who test the elasticity of tax rules, and the moral tolerance of the general public, but without actually breaking the law.

Treasure islands

Take tax havens, for example. We tend to have Pavlovian recoil at the mention of tax havens and assume all business carried out 'offshore' involves dark deeds and dodgy money but in reality a lot of the business carried out offshore is mundane and is for non-tax reasons. For instance if two businesses based in different countries want to set up a joint venture it makes sense to incorporate on neutral ground and locations such as the Cayman Islands and Hong Kong are able to accommodate such arrangements. Unfortunately, owing to their having low or sometimes non-existent levels of taxation, offshore financial centres are also used to dodge taxes and hide money and it's this type of activity that understandably tends to grab the headlines. But whilst dubious activity goes on it is not the sole reason for using offshore financial services and many of the biggest tax havens operate within the letter of the law.

Smugglers

It's also easy to think of tax evasion being the preserve of fat cats and criminals hiding their booty in the balmy recesses of an offshore account. However, some people have come closer to tax evasion than they perhaps would like to think about. For instance, it might surprise you to learn that should you buy items abroad (outside of the EU), such as a new iphone perhaps, and the cumulative value is more than £390, if you fail to declare the purchase at Customs on your return to the UK (even if you've paid sales tax at the point of purchase), you have committed tax evasion.

Smoke and mirrors

At around 20,000 pages, the UK's tax code has more than trebled in size in the last twenty years and is the longest in the world. Some argue that a simpler, clearer system would prevent so much subversion and actually bring more money into the Treasury. Hong Kong's tax code is just 276 pages and is considered one of the most efficient, but we can only speculate how the UK's coffers would be affected by a simplification.

Take advantage of your tax allowance – everyone can benefit from arranging their money as tax efficiently as possible.

Keep calm and carry on tax planning

Everyone can benefit from arranging their money as tax efficiently as possible, whether you're saving in an ISA, a pension, or taking advantage of tax allowances.

Claudia Roberts, Partner and Chartered Tax Adviser at Glanvilles Legal Services, says: 'when it comes to all taxes, other than Inheritance Tax (IHT), tax avoidance is simply a case of tax efficiency. IHT is kind of a grey zone as the whole purpose of IHT planning is usually to avoid tax. IHT, in my view, is a voluntary tax – you only pay it if you have not reduced your estate to below the thresholds on death using perfectly legitimate rules. Sometimes there could be another reason, such as helping children during your lifetime rather than on death, but in most cases the driving force is to avoid paying tax on hard earned monies for a second time.'

Financial planning can sometimes involve considering offshore investment structures, such as funds and insurance-based investment bonds, as these offer legitimate tax deferment that is specifically allowed within the rules and which can deliver a legitimate, tax efficient outcome. So while some engage in criminal activities, it's important to understand that just because something is tax efficient doesn't mean it will automatically be dodgy.

If you would like to know more about any of these points, please contact us on 01983 535740.

It's your life plan to Enjoy it

YOUR RETIREMENT CHECKLIST

Before you sail off into the sunset of retirement, take some time to consider what you'll need to stay afloat.

Life has an unfortunate habit of passing in the blink of an eye. Much as the opportunity to retire can be an attractive one, it also requires making decisions that will have a huge effect on the so-called golden years.

Despite the rising retirement age we won't all be able to work forever and whether it's decades before you retire or just a few years, planning is key. You should start planning as early as possible but many people start to think about retirement roughly ten years before they plan to stop working. And the five years leading up to retirement are particularly important - preparing yourself could make a huge difference to your future.

Retirement is one of the biggest changes we will experience and can be one of life's positive milestones. But, not only are we living longer, we've also turned things on their head and we're more likely to get married and have a family later, get divorced in our fifties and sixties and, with the increasing retirement age, many will be working for longer. We also have more freedom now when it comes to deciding what to do with our pensions.

All of these factors need to be considered when planning your retirement - and it's never too early to start.

Everyone's situation will be different and the detail will be personal to your own expectations for your later life but to help guide you in the process we have created a checklist of the elements you will need to consider.

Date plan

Start by considering when you might want to retire. You need to know where the finishing post is before you start the race.

The rising retirement age and new pension freedoms put a different complexion on the criteria you might consider: it's not as straightforward as it used to be. And depending on what you find out as you go through the checklist, you might consider adjusting your answer to this question.

Where are you now?

Evaluate the here and now. How much time do you have before you plan to retire? What income do you currently have? What are your financial commitments? Do you have any dependants? What are your current debts and how do you plan to service those going forward?

Ask yourself if any of this is likely to change as you get closer to retirement and what effect that might have on your retirement planning.

Examine your lifestyle and financial commitments now and think about how you will continue to fund your life as time goes on. You might need to get used to a different pattern of income as well as a different amount.

Work out how much you might have

Do you have a recent estimate of how much you might have saved for your retirement? Look at all your pension savings and remember to include both personal and workplace pensions (are there any you've forgotten about?), including any final salary schemes. Also get a state pension statement (available at the gov.uk website).

What about any other savings or investments? Does any of this need to work in a more tax efficient way for you to maximise its potential?

You need to know as accurately as possible what you might have to live on.

Know your options

Pension freedoms have been a double-edged sword and for many have created more confusion and indecision. An annuity might still be the most appropriate way to fund your retirement – and remember you're not obliged to buy from the provider you saved with. You might be planning to take your tax free lump sum when you reach age 55. If so, remember there will be further tax implications that could affect how much you actually have to live on in retirement. Before you decide how you might access your pension savings we would suggest that you take advice from a qualified Financial Planner.

Where do you want to be?

Where do you plan to live and will your home play a part in shaping your future? For example, will you consider downsizing to release equity to fund your retirement, any care you might need, or to allow you to travel?

Think about your future lifestyle

What do you plan to do in retirement? Do you want it to be full of travel and relaxation? Do you want to be able to provide your children and grandchildren with financial help?

Work out what your costs might be in retirement and consider both living costs and how much extra you might like to spend on yourself such as on hobbies, holidays or other rewards.

Update your Will

Change happens and as you work towards retirement your household might alter. You might gain an extended family, return to being single or move house. If you currently have no Will it's important to make one, particularly if you're in a relationship but not married or in a civil partnership. Ensuring your Will is up to date, whatever your relationship status, will mean your money and possessions will be distributed according to your wishes.

Conquering the home buyer's quest

From choosing the right mortgage to finding appropriate protection, the route to homeownership can be a steep climb. It can be a confusing and daunting experience trying to decide what might be the most appropriate route. But we can be your sherpa.

Base camp

Preparing for the journey.

Research (by Legal & General) confirms that house prices are 'out of sync with wages' and that one of the major hurdles is the lack of, or too small, a deposit.

For many it's difficult to save anything at all so the government's launch of Help to Buy: ISA has been a welcome arrival. It's available through banks and building societies and works much as a normal ISA. However, the devil is in the detail.

It's open for new accounts until 2019 and is for first-time buyers aged over 16 buying their first home in the UK, and on houses worth up to £250,000 (£450,000 in London).

You can save up to £200 per month with the government contributing an additional 25% of your monthly deposit, to a maximum contribution of £3000. However, you can start your ISA with an initial deposit of £1000, which also qualifies for the 25% boost.

But the government's contribution only gets added when you buy your home – and if for any reason you don't buy a home with your savings, you won't get it.

Accounts are limited to one per person, which means if you are buying with a partner you can both benefit from the government boost. And you can use Help to Buy: ISA with any mortgage for the purchase of your main residence – but not a buy-to-let property.

If you have already opened a cash ISA in one tax year you will generally have to wait until the next tax year to open your Help to Buy: ISA – but do speak to your bank to confirm this.

Alternatively you might consider the Lifetime ISA*. Available from April 2017 it gives the opportunity to save for your home and a pension within one government-boosted savings vehicle. Offering a bonus of 25% on contributions (max £1000, payable at the end of each tax year, until you are 50) you can save up to £4000 per year. Access is penalty-free before age 60 if the money is to be used to buy a first home but saving in LISA will reduce the amount that can be paid into other ISAs.

Camp 1

Getting going with support.

Recent research has revealed that the so-called 'Bank of Mum and Dad' is on track to be behind an estimated quarter of all British mortgages, and this figure doubles if the borrower is under 35 years old.

(Research by Legal & General)

Currently parents are tending to gift or lend their children the deposit for their first purchase. But it seems there are parents who are giving away more than they can afford - and for some the only route is to extend their own mortgage. A survey by Experian revealed that, of those aged 55 and over who helped their children in this way, 15% said they weren't financially comfortable themselves.

However, there is another option. Available via certain lenders, the 'family mortgage' is not a new product but is proving increasingly popular particularly since news of the return of the 100% mortgage via this route recently hit the headlines.

Not all lenders offer the same terms but the general idea is that a smaller deposit is needed because another party (a 'helper') puts a percentage of the purchase price into a savings account linked to the mortgage. This savings money must remain in the account for a minimum period but does earn interest. Provided the borrower pays the mortgage over that time the money can then be withdrawn from the account. Borrowers benefit from interest rates that are lower than they would normally be for a 95% or 100% mortgage as they represent a lower risk to the lender.

But it's not catch-free: the helper's money will be tied up for a minimum of three years and lenders can call on this security should the borrower fail to meet repayments. Additionally, should the value of the property fall there is a greater risk of negative equity.

The summit

You've made it!

Once you've secured your mortgage and the home of your dreams, don't risk losing it by not having appropriate protection for your income.

Research from both Aviva and Friends Life has suggested that more than half of UK mortgage payers are unprotected against the risk of being unable to work. And with many people currently not having enough savings either this leaves millions of people vulnerable to the risk of repossession.

But don't panic! Start by thinking about what income you can rely on to cover your living costs and specifically, your mortgage. Even if you're eligible for state benefits, such as Unemployment and Support Allowance (ESA) or Support for Mortgage Interest (SMI), these are very unlikely to cover all your weekly bills and living expenses.

It's easy to consider paying for any protection as wasted money but it's worth looking at an online risk calculator to see just how great the chances are of life not going to plan. There is a variety available (we used the one from LV) and a quick check will show you that for example, a 35 year old, non-smoking man has a 30% chance of being unable to work for two months or more before he reaches a retirement age of 65. Alarmingly the odds rise to almost 50/50 if you consider as a total his chance of either getting a serious illness or dying.

The types of insurance cover to protect you include:

Life insurance (level term and decreasing term)

- Level term: the amount for which you're covered remains the same throughout the term. The premiums usually remain the same too
- Decreasing term: the amount for which you're covered decreases over the term of the policy; premiums can be cheaper than for level term
- Can include mortgage protection to ensure your mortgage is paid off when you die
- Can include critical illness cover
- Pays your dependants a lump sum, or regular payments, if you die
- Pays out on your death or terminal illness

Income protection

- Pays out a regular amount if you're unable to work owing to illness or injury
- Payments are tax free
- It's not the same as PPI (which covers a particular debt and payments go to your lender)
- Policy can be tailor-made to suit your individual requirements

Critical illness cover

- Pays a tax-free lump sum if you're diagnosed with one of the serious illnesses covered by your policy
- Designed to pay off your debts, fund medical treatment or allow a change of lifestyle
- No restriction on how you use it
- Pays out once then the policy ends

What type of cover you need will depend on your individual circumstances – the other side of having no cover is having too much or the wrong type. We would suggest you seek qualified advice on how to put together a protection package that's appropriate for you.

*The value of your investments can fall as well as rise. You may not get back what you invest.

Your home may be repossessed if you do not keep up repayments on your mortgage.

If you'd like further advice on mortgages and protection contact Phil Moore on 01983 535740 or email phil.moore@rouseltd.co.uk.

Our initial consultation is always free. If you decide to proceed with us for mortgage advice, Rouse charges a typical fee of £400. The precise amount will depend on your circumstances.

Rouse news

Love is in the air

Following secret plans worthy of a WW2 operation our dear leader, Ben Rouse, married Lia Battison in New York on 4th April 2016.

You might have noticed that Linda Boynton had changed her email address. Linda married Trevor Thorne on the Isle of Wight on 25th July 2015.

The arrival of Rouse Lemon Day in February wasn't our take on Pancake Day. It was our way of celebrating that Jenni, our Business Administrator, was marrying Kevin Le Mon in Jamaica on 7th March 2016.

We consider Rouse Limited a family. And we celebrate together, just as any family would, when there are new arrivals or new unions. This includes when some long-established unions take it to next level of commitment, which is always rather special. So it is with great joy that we can announce that three weddings have recently taken place within the Rouse Limited family.

We wish all of them health and happiness in their lives together.

ROUSE
INTELLIGENT FINANCIAL PLANNING

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