

Financial planning with a purpose makes sense

MONEY MATTERS

Jenny Ives, a chartered financial planner at Exeter-based wealth management firm Seabrook Clark, looks at how a beauty pageant motto could serve as a prompt to align your financial planning to your long-term life ambitions and goals



This weekend will see the crowning of Miss England and Mr England at the Riviera International conference centre in Torquay. Devon beauty Charlotte Holmes is the reigning Miss England and she will hand over the crown to her successor on Saturday. The organisers of the event are keen to point out the strong focus on raising funds for charity under the Miss World's Beauty with a Purpose banner.

'Beauty with a purpose' has a melodic ring and led me to think about 'financial planning with a purpose'. Understanding and defining your life goals and financial objectives is crucial to successful financial planning. What is that you want from your wealth and investments? I suggest that before consulting a financial adviser you should give some thought to how your wealth is aligned with your life goals.

In the business world setting SMART goals has become fairly commonplace. SMART is the acronym for specific, measurable, achievable, realistic and time bound. To set meaningful goals for your financial plans you are more than likely going to reflect on your values and what is important to you. The risk of not basing your financial plans on a clear purpose is that your decision making is influenced by emotions such as fear and greed.

I was delighted to read that our regulator, the Financial Conduct Authority (FCA) is paying attention to behavioural finance. It seems that due to behavioural traits the consumers' choice in financial services products are prone to error. An example of this would be the scandal of the mis-sold Payment Protection Insurance – since January

2011 approximately £9.6 billion compensation has been paid.

In addition to the complexities associated with some financial products there are also a number of behavioural factors which affect clients' choices. These include having to make decisions that involve a trade-off between the present and future. We see this where lifestyle may need to be sacrificed now to provide a secure retirement in the future, or in the case of inheritance tax planning where control over capital is forfeited to benefit from a tax saving on later death. Clients' judgment can be impaired when it comes to making decisions that involve risk-taking and uncertainty.

Often people rely on their emotions and make decisions driven by anxiety and fear of losses instead of evaluating the costs and benefits. A financial adviser can provide objective advice and help ensure decisions are appropriate for your circumstances.

For a young lady and gentleman a dream will come true along with a year of fundraising for 'beauty with a purpose'. Alas, I cannot promise you the glitz and glamour associated with beauty titles, but I can say that the peace of mind and confidence that comes with sensible, goal based financial planning will endure for many years to come.

This article is not personal advice based on your circumstances. If you are unsure about the suitability of an investment, you should seek professional advice. For further information www.SeabrookClark.co.uk or telephone 01392 875 500. About author: Jenny Ives AFPS is a chartered financial planner at Seabrook Clark Wealth Management an Exeter based firm.

SEABROOK CLARK
WEALTH MANAGEMENT

Remedying 'sick' offices can reduce cost of staff absences

PI BRIEF

Are you sitting comfortably? **Alan Scott-Davies**, senior legal claims advisor at South West personal injury solicitors Harris Fowler, begins his first column for Westcountry Business, by exploring workplace ergonomics



Being an office worker myself, I was surprised to see in the news that badly setup desks and chairs cost companies more than £7 billion a year in sick pay according to one study.

That is a staggering amount of money and it's clear that many employers haven't learned the lessons from employees seeking compensation for a variety of illnesses which range from lower spinal displacement, migraines and on some occasions anxiety and depression.

These incidents have led to time off work, often prolonged absences, and the cost to the employer is significant.

Some employees argue that they work in a 'sick office' where they feel generally unwell for much of the time and for some it has led to them leaving their job. Other employees complain about not being supplied with essential desk equipment including very low numbers using ergonomic back support. Other examples include the wrong furniture at the wrong height, or the wrong shape for the room and many end up rearranging their workspace to get comfortable.

A significant number of employees declare that they have never had a risk assessment carried out on their workstation in the previous 12 months despite this being a legal requirement.

Employers should be following the Display Screen Equipment (DSE) Regulations 1992 but they only apply to employers whose workers regularly use DSE, ie computers or laptops, as a significant part of

their normal work, daily for continuous periods of an hour or more. These workers are known as DSE users. However, these regulations do not apply to workers who use DSE infrequently or for short periods of time.

It is important to look at the layout of your workstation to assess and reduce risks. Providing the right desks, chairs, footrests and computer equipment are essential as is proper training, eyesight tests on request, and special spectacles if needed.

Regulations do change – so employers need to keep up to date and carry out a risk assessment when the user or the DSE changes. There are some simple changes that you can make to improve your workstation which should include:

- Ensuring that your forearms are approximately horizontal and the keyboard is placed so that your upper arms hang vertically.

- Adjusting the height of your chair so that your feet are flat on the floor or use a footrest.

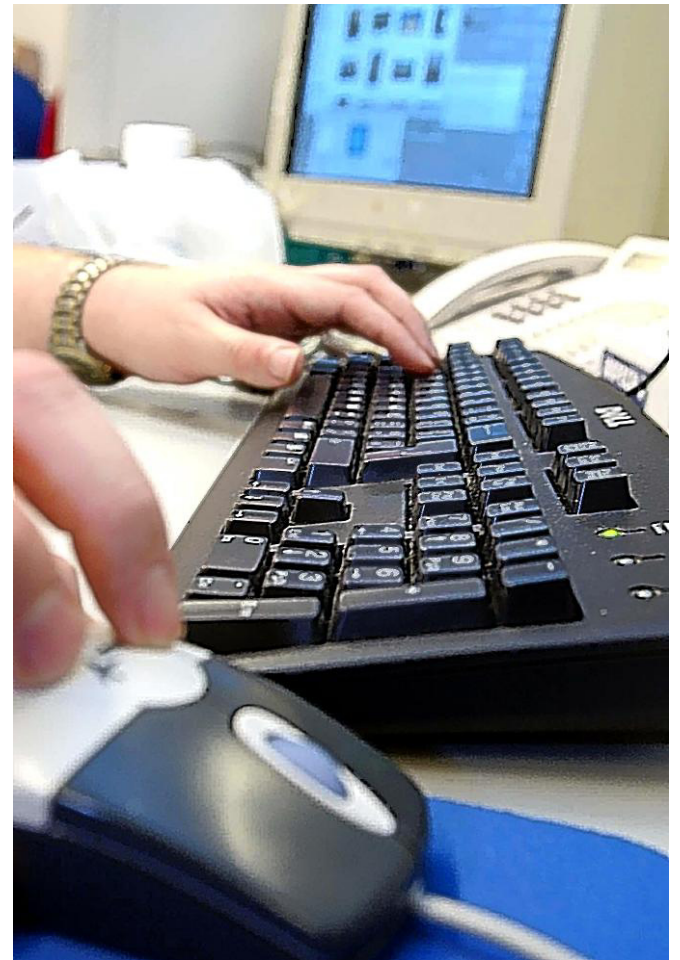
- Making sure that there is adequate space under your desk to move your legs.

- Positioning your monitor so that the centre is at eye level and avoid glare or bright reflections.

- Making sure there is enough work space to accommodate all your equipment. Using a document holder may help avoid awkward neck and eye movements.

- Adjusting curtains or blinds to prevent intrusive light.

Whilst there is a legal responsibility on employers to ensure that these regulations



Office workers need to ensure that their equipment is set up correctly

are followed, employees could also help themselves by being more proactive. Asking your employer for help with your workstation set-up could make a significant improvement to your working day because going home exhausted and stressed just because your office desk isn't right and will inevitably impact on your personal life – and who needs that! Of course if employers ignore the DSE regulations, and ignore genuine requests from their staff to improve their workstations, then illness, sickness and time off work are

going to be the result – as will the inevitable litigation which impacts financially on the employer.

Harris Fowler has a team of specialist personal injury solicitors who can offer advice to anyone who suffers a personal injury whilst at work. Free and confidential legal advice is available on 0800 213 214 or visit our website www.harrisfowler.co.uk. Harris Fowler is a trading name of Harris Fowler Limited and is authorised and regulated by the Solicitors Regulation Authority no. 558271.

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Pre-pack administrations in a nutshell -- consideration and balance are key

What exactly is a pre-pack administration? In a nutshell, this is where a company is put into administration and its business and assets are sold immediately after the administrator is formally appointed by the court.

The benefits of this are:

- The business can be transferred almost seamlessly ensuring a continuity of trade.
- It helps to preserve customer and employee confidence.
- It can be very effective for a business whose value is mainly in its goodwill; for example, a legal practice, advertising agency or high tech businesses.

A pre-pack can happen very, very quickly.

When we first meet with the directors of a business we assess their finances, ask them what their objectives are

BUSINESS MATTERS

This week, **Lisa Thomas**, an insolvency practitioner with Plymouth-based Neville & Co, details the processes involved in executing a pre-pack administration, a procedure which safeguards the future of a failing firm's core trade



and then go through the options available to them.

If the company has a good core business but needs to reduce its liabilities in order to survive then we may suggest a pre-pack administration. It may also be very close to running out of money and cannot continue trading as it is.

There are special regulations covering pre-packs because of the controversy caused by a very quick sale of the business often to the same directors who ran it before.

To comply with these rules we instruct an independent valuer and business agent to value the company assets and market them for sale before the pre-pack happens.

This is carried out confidentially in order to maintain employee and customer confidence but has to be enough exposure to the market to have a proper go at trying to actually sell the businesses.

Often this is a balance – the directors want very limited marketing because of the reputational damage, but we

need to make sure it is being sold at a fair value.

The agent we use invites bids to be received by a deadline of noon usually within two or three weeks. Offers can be made by anyone including the current directors.

Very often there will be a number of bids. The offers are assessed and the agent will recommend the best offer to accept. A sale is then agreed with a completion date set for the date of administration. Hence the term pre-pack. It has all been lined up to happen and is 'pre-packaged.'

At the date of transfer, the new company takes over and continues to trade as seamlessly as possible.

We meet with the employees and explain their rights because of the transfer of employer. We also write to all of

the creditors within a week advising them of the sale and asking them to confirm how much they are owed. Within ten weeks from the date of the administration we usually hold a creditors meeting.

The directors would normally attend this meeting and all creditors are invited to attend. At this meeting the formal strategy is discussed and the outcome is decided as to what will ultimately happen to the company. This could be:

- The company moves into liquidation to enable a dividend to be paid out;
- The administration continues;
- The administration ends and the company is dissolved.

If the only person who will be paid out of the adminis-

tration is the bank then we do not normally hold a creditors meeting unless asked to do so by at least 10% of the creditors.

Initially suppliers (the creditors) who are owed money are quite upset when they find out about the pre-pack after it has happened. I can see why – quite often the same directors are just running the same business. A pre-pack needs to be very carefully considered and justified before it can be used and that there was no better alternative.

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Neville & Co are a firm of licensed insolvency practitioners. Contact Lisa on 01752 786800