



Fair Trade is going Bananas



As usual, Barchester Green went Fair Trading this year, conceiving and sponsoring a competition among schoolchildren and youth groups to find a new 'Jingle for Fair Trade'.

Involving schools in their Music, Technology and Humanities departments, the jingles they produced and recorded, were played on Salisbury's local radio, Spire FM, in the run-up to Fair Trade fortnight.

The winners were the Wilton Explorer Scouts, whose members are pictured receiving a £250 cheque from managing director, Geoff Griffiths. The idea of the banana ensured its inclusion in the local paper.

"It was great just to have the idea and let the local Fair Trade committee do all the work," said Geoff, pictured here with the winning group. Other Fair Trade committees are invited to use the idea for next year.

The ad can be heard online at www.salisburyfairtrade.org.uk

Water Saving Device the Dragons missed

For a cost of just under £20 you can fit a device in your lavatory cistern which can save up to 30 litres a day per person in your house.

Given the figures in our 'How we use Water' item on page 5, you can see the value. The Interflush valve works by releasing just the amount of water you need until you release the lever.

Featured on the BBC2 series 'Dragons Den' last year, the panel failed to see the commercial potential of this product. Perhaps we know

better. Perhaps they do now!

The Interflush joined the 'Water Technology List' on 1 November 2006. Products on the list qualify for **100% first year tax relief** on

fitting and purchase, a subsidy to encourage the uptake of water saving devices. For details see www.interflush.co.uk, or call 0845 045 0276.



An IHT tip for the Tolerably Wealthy

As you probably know, when you die, you are allowed to leave £285,000 to the next generation, without liability to inheritance tax (IHT). Because there is no tax payable on this, it is known as the 'nil-rate band'. Everything above this is likely to be taxed at 40%, unless you leave it to your legal spouse or civil partner.



Those who are very wealthy and well-advised (the two do not always go together) do precisely that, so that when the surviving spouse dies, s/he also gets the £285,000 allowance and they have, between themselves, passed on £570,000 without tax.

“Save up to £114,000 for your heirs and successors”

However, if you are only 'tolerably' wealthy, with most of your wealth tied up in your house, it might be difficult to earmark the grand sum of £285,000 for the kids, without leaving your widow(er) short of cash. So the nil-rate band is only used on the second death, meaning that they only get £285,000 through the net. But there is a way! Enter the 'Nil-rate Band Discretionary Trust' which your

solicitor can draw up for you fairly cheaply. It can divert up to £110,000 (the 40% tax you would pay on a taxable £285,000) to your heirs, rather than the taxman.

Here's how it works. Instead of leaving cash, you could leave your share of the house, up to the value of the nil-rate band. It works perfectly if your house is worth £570,000, but it still works well on lower values and, of course, in some instances, it might be possible to top up a lower amount with some cash.

But first you need to change the nature of the ownership of the house from 'joint tenants' – the way most married couples own their house – to 'tenants in common', an arrangement in which each of you owns half of the house, and therefore can leave that half to someone else in their Will. Cohabiting couples normally use this type of ownership.

The trust wording makes it plain that it is either half of the house or that part of the value that is equal to the nil rate band,

whichever is the lesser. The band will not always be £285,000, nor will your house's value remain as today, so the wording is flexible.

You then need to have a 'loanback' arrangement whereby the children loan their portion of the house back to the surviving spouse. An alternative to this is to set a charge against the surviving

spouse's eventual estate. Different lawyers have different approaches, but the aim is to ensure that the surviving spouse is safe in their home.

There were early instances whereby an errant son or daughter has taken a mortgage on the security of their share of the parental home – and defaulted on their obligation, resulting in the house having to be sold. A good lawyer will guide you round that particular hazard!

Whether or not we believe that 'tax is the price we pay for civilisation' there is no reason why the 'tolerably wealthy' should deprive their heirs of up to £110,000 extra inheritance, that the very wealthy – and the well-advised – currently enjoy.

And, remember, common law spouses have no rights and cannot inherit any of your property unless a Will is in place. It is just a little ink on a little paper.

FREE IHT Audit

Like to know how much inheritance tax you would be liable to pay for at this point in time? Ask us for a FREE Inheritance Tax Audit using the coupon.

Or ring us on freephone:
0800 328 6818.



An IHT tip for the socially responsible

Another neat way of using IHT reliefs to benefit the next generation is based on the rule which allows each individual to gift £3,000 each year to their children – or grandchildren.

Of course, whilst some parents (of TV's Lauren or Kevin, perhaps) might blanch at this, there is a way in which it can be used beneficially, by setting up a Trust. Don't worry, it's just an insurance company form with a couple of names and signatures on it.

Instead of giving the £3,000 to the children directly, it is placed into a 'whole of life, last survivor policy', which is owned by the trust and therefore outside of both parents' estates immediately.

On the first death, nothing happens, which is why these policies offer such high cover for relatively low costs. A husband and wife, aged, say, 65 and 62, could have cover of £184,403 because both parents have to die

Male	Female	Sum assured
50	47	£453,071
55	52	£337,873
60	57	£250,510

before the insurance company has to pay out. And, for this plan, only one of you has to be insurable.

On the second death, when the estates of both of the parents come down to the children, quite a lot of inheritance tax may be payable. The policy does not stop it being payable, but it compensates the children for the loss of this family wealth.

So what is the appeal to the socially responsible? Well, if you believe that tax is the price we pay for civilisation, the taxman (or society) is not deprived – and by the wise use of the £3,000 annual allowance – nor are the children. (Isn't it odd that our culture

Male	Female	Sum assured
65	62	£184,403
70	67	£136,007
75	72	£100,030

does not have a word for adult offspring?)

It's all part of the wonderful world of inheritance tax – if you're well-advised and at least reasonably well-off. A few examples of the benefits, at various ages, are shown below based on an annual premium of £3,000. Bear in mind that £3,000 based on the maximum exempt gift – it can be less if you wish.

Figures provided by a well-known insurance company whose rates may not be competitive in all age ranges. Just contact us for details, including a full examination of the market, using the response coupon or ring Freephone 0800 328 6818.

An IHT tip for pension holders



If you are contributing to any kind of pension scheme - personal or occupational - it is likely to grow in value over the years. Hopefully to a substantial amount.

And if you die without having nominated a beneficiary, 40% of it could easily disappear. Unless you are legally married and your estate is worth less than the 'nil rate band', the taxman will swallow up a substantial chunk of your retirement fund.

However, there is a way round this. You can earmark the death benefits of your pension fund and arrange to pass the money to a person of your choice. This is usually your spouse or civil partner.

But if your spouse is already well-provided for, you can nominate your children and the money will pass to them without any liability to inheritance tax.

You could also nominate a common law partner – one of the few benefits they might enjoy, even if there is no Will in their favour. Because life cover has no value until you actually die no transfer of capital is deemed to have been made to your beneficiary.

If you have been divorced or widowed since your pension plan began, make sure to review who is your beneficiary – you may want the money to go to your children rather than a divorced ex-spouse. Equally, if you re-marry you can always change it to your new spouse.

Nominating a beneficiary is a very flexible

arrangement. But few people are aware of it and a lot of money can go to the taxman, just for the want of a drop of ink on a sheet of paper..

Wise words

"When everybody thinks the same thing, no-one is thinking"
- George Patton

"Of course you don't have to floss ALL your teeth, Honey. Just floss the ones you want to keep"
- Zig Ziglar.

"We should decide everything by minority vote. Minorities are nearly always right" - Oscar Wilde

Miscellany

Barchester Green is 21

It seems only yesterday that I walked into my garden shed office one sunny autumn morning, looked at my desk, filing cabinet and Silver Reed electric typewriter and wondered, like many people in a business start-up, "Is this all going to work?"

Well, on the 5th October 2006 we reach our 21st birthday, so I suppose it must have done. Today we are the oldest 'green' IFA in the UK, we have attracted over 20,000 enquiries, arranged over 30,000 plans and have some £700million under management

At the time, there was only one ethical fund to specialise in, but others quickly followed. Some good, some bad, but all contributing to the niche we know today. There are some 45 basic funds, some of which are available in life and pension

form – and Barchester Green has been around to see the launch of all but one.

Looking back over 21 years, clearly a lot of progress has been made since the first ethical fund. And clearly a lot of good people have contributed to our success, both those working within Barchester and those clients who have supported us with their custom and providing referrals to their friends and relatives, who have become clients in their turn.

And looking at our staff, managers and advisers today, we are well set up to serve you for the next 21 years. So it's time to say 'thank you' to you all.

Geoff Griffiths

Managing Director and Editor

New Funds

After a drought of new ethical fund launches, King & Shaxson have launched two - a Cautions Balance Income fund and a higher risk Green Solutions Fund.

Though they are a fairly new name to ethical funds, K&S have been running ethical share portfolios for some time and have a more than credible screening process. So much so that we recently appointed them as managers of our Barchester Best of Green funds.

The funds will screen out companies involved in air and road transport, all animal testing, armaments fossil fuels and the usual suspects, whilst supporting positive green initiatives. For particulars, complete the coupon or phone us on 0800 328 6818.

New faces

Barchester is pleased to welcome to its ranks Catherine Briers and Jason Tse. Jason is an addition to our London team and will be covering London E and home counties to the North East and East from his base in



W o r d f o r d Green. Jason, who has been in the financial sector since leaving Aston University is a British born Chinese, whose parents came

here from Hong Kong. He is married to Amy with a new son, Josiah. He also brings with him a formidable array of qualifications.



Catherine Briers, our new development and training manager also brings a wealth of diplomas and experience to us. Working with our advisers to keep their training up to date, she also brings her financial services management know-how into the team in Salisbury. She is married with two children.

Advisers with the X-factor

Two of our London advisers, John Ditchfield and Jonathon Clark were interviewed on national television recently. John was featured on the BBC Breakfast Show, talking about ethical investment

and Jonathon talked about renewable energy on the BBC2 business programme, "Working Lunch".

Simon Cowell would have been impressed.

Stern Report

As we go to press, the 800-page Stern report has landed. I believe this report will galvanise public opinion on the environment, bringing about a much-needed sea change in political leadership. For investors, the range of funds investing in alternative energy, re-cycling and environmental consultancy, will add to the high returns currently being enjoyed by them and long predicted by experts. Green funds, it seems, are the place to be. Given its linkage to macro-economic factors this report will not - I predict - be the usual nine-day wonder.

More info in our upcoming e-Newsletter. Have you given us your email address yet?

See the coupon or email us on info@barchestergreen.co.uk."

12 Must-haves for The Eco-Warrior's Cleaning Cupboard

How to clean your home without releasing harmful chemicals into the environment is a dilemma we all face from time to time. So here are 12 basics you need to have on hand for cleaning virtually any stain without adding to the planet's woes:

- Baking soda
- Essential oils
- Lemons
- White Vinegar
- Salt
- Soda Water
- Cream of Tartar
- Borax
- Eucalyptus Oil
- Washing soda
- Glycerine
- Pure soap



Did you know, for instance, that you can clean ball pen ink from clothing by soaking the stained part in milk for a few hours, then washing as usual?

As to what else cleans what, you might try a £4.99 book called "Natural Stain Remover" by Angela Martin, from which the list comes. Its published by Brighton-based Apple Press – and every home should have one. And if you ring them on 01476 541 080 – and mention Barchester Chronicle – you will get a £1 discount and free p&p. **That's just £3.99 in all.**



How We Use Up Water

Environmentalists have been warning for over a decade that wars would eventually be fought over water with availability diminishing as populations move and increase.

Now, the politicians are taking serious notice and perhaps some action will be taken.

In the meantime, it might be useful for us to be more conscious about this resource,

so taken for granted in the UK – but increasingly less so in the South-East, where important reservoirs are drying up. (The following list was published in The Week.)

1. 30 litres of water go down the drain when you shower for five minutes
2. 80 litres are used in the average bath
3. 5 litres are wasted by running the tap whilst brushing your teeth
4. 1,000 litres an hour are used by a garden sprinkler
5. 4 litres a day are wasted by a dripping household tap
6. 650 litres of water are used per guest per day in an hotel
7. 10,000 litres a day irrigate an 18-hole golf course
8. One flush of a lavatory uses as much water as the average person in the developing world uses for one day's washing, drinking, cleaning and cooking.

Today, much of the UK's privatised water industry is in the hands of US and French utility companies.

Please send information...

Mr/Mrs/Miss/Ms..... Address.....

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- Send future Newsletters by email to save paper
- Send details of the FREE Inheritance Tax Audit
- Can I have my share portfolio ethically managed?
- I must do something about my Pension provision.
- King & Shaxson Ethical funds – details please
- What are my ISA Options this year?
- I need to talk to an Adviser. (Call day/evening/weekend)
- I need mortgage/remortgage advice.
- What I really want is: _____

* Please return this to: *Barchester Green Investment, FREEPOST, 45/49 Catherine Street, Salisbury, Wiltshire, SP1 2UR.*

Tick this box if you do not wish to receive further mailings from us.

Trouble-free Mortgages from our experts

If you are moving, or buying your first home, switching your mortgage, or thinking of buy-to-let then talk to us first. Choosing the wrong product can cost literally thousands of pounds extra over the term of a mortgage.

Whether you are buying a property or just moving your mortgage you can be sure that we will always be on your side throughout the process.

Diane and Tim will steer customers to the best mortgages from more than 150 lenders, avoiding the estate agency tie-in.

Diane, who heads the mortgage department, says: "We want to make the mortgage process as trouble-free as possible. We ensure our clients get the best mortgage to suit their needs. Our priority is to the client only and no-one else."

Tim says: "We will take time to discuss every aspect of the mortgage with you and keep you informed throughout. In addition, we will submit all paperwork and keep in touch with your solicitor, lender and estate agent.

There are special products for young people looking to get on the property ladder.

The 1st Start Mortgage is ideal for young people who cannot afford to get on the property ladder. Provided by a bank it lets the parents or guardians help with solving the problem.

Barchester Green Investment can offer you a number of niche mortgage products aimed at particular situations.

In fact, if Carlsburg were to sell mortgages, they'd have to head-hunt Diane and Tim - "Probably the best mortgage team in the World."



▲ Diane Blackman and Tim Bradford from our dedicated Mortgage department

This and similar products can be used in a number of different ways:

- To secure property for your children whilst they are at university and the property could be let to other students
- To help out the young earners who simply cannot otherwise afford to purchase a property in their area.
- To cope with lifestyle changes when a re-mortgage is needed as part of a divorce or separation.
- Taming consumer debt? We can offer remortgage solutions for debt consolidation.
- Raising capital for business can be achieved through re-mortgage. Highly competitive rates are available.

Of course, all mortgages are subject to status and have qualifying criteria, so please give us a call for further information.

Diane and Tim are happy to speak to you however informal your enquiry.

All calls to the office (during office hours) are answered personally. There is no automated call system or any expensive 0870 numbers. **Just Freephone 0800 328 6818.**

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

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