



360



from **AW Financial Management LLP**

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It's December! Yet again it feels like the year has flown by. In our customary slimmed-down Christmas newsletter, we bring you an overview of the financial landscape heading into 2017, and greetings for possibly the last time from Crockenhill!

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Twenty-sixteen at a glance

2016 has provided significant upheaval in the spheres of politics and economics, and one or two surprises! Following the British referendum vote to leave the European Union, Teresa May became Prime Minister, Republican candidate Donald Trump was elected to be the next President of the United States of America and, to cap it off, the Great British Bake Off is moving to Channel 4!

Only time will tell how things will change in the next year, as various trade deals are re-evaluated or potentially scrapped altogether. However, as described in our last newsletter, due to the drop in Sterling the FTSE 100 is up 13% this year (although it has been rather volatile). This is partly due to the overseas earnings potential of many of the country's largest international companies and the boost to profits from the fall in the pound.

We think it likely that there will be some difficult times ahead, so we continue to champion diversification in our portfolios so as to spread the risk. The rise of populism is a worrying one: politicians such as Trump promote the idea that there are simple solutions to national problems that involve no compromise. Trump has promised tax cuts, increased federal spending and a narrowing of budget and trade deficits. These ideas are mutually exclusive—money has to come from somewhere! It is easy to make bold, unsubstantiated claims from the sidelines but much harder to achieve when actually in government. We must hope that Trump's actual policies once he becomes President are tempered somewhat and more carefully thought-out.

This side of the pond, we have yet to hear any real news on the Brexit process and the negotiating of new terms for our international relations. If and when Article 50 is finally triggered, that's when the big questions surrounding the single market, customs union and a possible transitional period to help ease the economic disruption might finally be answered.

The Autumn Statement

A couple of weeks ago Chancellor Philip Hammond delivered his first Autumn Statement. This was a big event because it was the first time since Teresa May replaced David Cameron as Prime Minister that the government had spoken publicly on its financial plans moving forward.

The tone Mr Hammond set was one of realism, with public debt forecast to rise a further six percentage points before peaking in 2017-18 and finances forecast to be £122bn worse off between now and 2021 than forecast in March's Budget. However, public borrowing and spending as a percentage of GDP continues to fall, slowly, and the Chancellor committed to protect budgets for key services, defence, overseas aid and the "triple lock" on State pensions. £1bn will be set aside from money saved to be reinvested in "priority areas". Other highlights included:

- Personal Allowance to rise to £12,500 by 2020 and HRT band to £50,000;
- Corporation tax to fall to 17% while Insurance premium tax rises to 12%;
- National Living Wage rises to £7.50 p.h. adding £500/year for full-time workers;
- Various measures to increase availability and affordability of housing;
- New NS&I three-year savings bond offering 2.2% per annum for up to £3,000;
- Additional £10bn/year for the NHS by April 2021, plus 30hrs/week free childcare for all 3- & 4-year-olds from September next year. Tax-free childcare to roll out in 2017. Freeze on fuel duty rise for a seventh successive year.



But when the right time came, God sent his Son, born of a woman, subject to the law. God sent him to buy freedom for us who were slaves to the law, so that he could adopt us as his very own children. ~ Galatians 4:4-5, New Living Translation

Our charity support this year



Each year we choose to buy relatively cheap Christmas cards rather than have them printed. The money we save on this we are then able to direct to a charity of our choice. This year, we are choosing to support the Elimination of Leukaemia Fund (ELF), a local charity working to support those affected by blood cancer. Since 1977 it has supported the Haematology Department at King's College Hospital, and has since helped establish a DNA laboratory, a Leukaemia Treatment Suite, a Day Treatment Centre and, in 1994, a Patients' Support Group, funding a part-time counsellor and championing the need to look after patients' mental wellbeing alongside their physical treatment. The charity has since expanded its reach to cover the whole of the United Kingdom.

This charity is being supported by close friends Steve Burnett and Nigel Hewson when they run the London Marathon together. You can read their personal story by visiting their own sponsorship page at:

<http://uk.virginmoneygiving.com/team/ELF.Nigel.Steve>

Anything we can do to help organisations like this to provide care and support to families in such difficult situations is worthwhile. If you would like to sponsor Nigel and Steve, please use the Virgin Giving site. It'll be great to encourage them and help them meet their fund-raising goal.

We have now sent our usual Christmas Card donation of £250 direct to the Elimination of Leukaemia Fund.

www.elf-fund.org.uk

Celebrate Christmas with us!

If you are in or around Bexleyheath this Christmas and you would like to come to one of our Christmas services at Trinity Baptist Church (www.trinitybexleyheath.org.uk), Jon and Martin would be delighted to see you.

The highlights of the Christmas calendar at Trinity are as follows:

- Sun 18th Dec: Children's Nativity Service, 10:30am
- Sun 18th Dec: Carols by Candlelight, 5:00pm – Martin & Jon are in the choir!
- Christmas Day Family Service, 10:00am (for approximately 1 hour)

If you are planning to come to any of these please do let us know so that we can look out for you. It's also worth aiming to arrive at least ten minutes before the start of the service to ensure you get a seat. We do have plenty of room but the church fills up fast!



Our offices will be closed from Christmas Eve through to New Year.

It now appears that our move into the new offices will not happen until the 23rd of January, but we will write to you separately with our move date when we know for sure.

Christmas blessings!

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