

RW plc



A new era for Rutherford Wilkinson

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Rutherford Wilkinson: The best is yet to come

In these tough times, it's heartening to know that some companies are bucking the doom-and-gloom trend. Financial planners Rutherford Wilkinson Ltd can look back over a year of unprecedented success and change, confident in the knowledge that the best is still to come. Karen Southern reports.

WHEN INDEPENDENT financial consultants Rutherford Wilkinson accepted a takeover bid late last year, the phones - unsurprisingly - never stopped ringing.

But the calls weren't from clients anxious about the future of their investments, as senior director Peter Rutherford explains.

"The most common query I received was: 'You're not about to retire, are you?'" The answer: "Most definitely not! Our message is that it's still business as usual here at Northumbria House."

This solid show of faith - in what have been extraordinarily turbulent times - first became apparent when the crash decimated the money markets in October.

“We always remind clients that even in the worst of times there are still positives”
- Ian Wilkinson

"While there are stories of IFAS refusing to answer calls, our phones stayed silent. There couldn't have been any better indicator of how well our services are regarded," Peter continues. "We certainly haven't seen a downturn in business or experienced job losses at RW, despite what's happening in the industry at large."

"Our continued commitment to integrity, honesty and first class client service is really reaping dividends."

Since Peter and pensions director Ian Wilkinson first pooled their formidable talents in 2002, the company's progress has been breathtaking, with profits rocketing 600 per cent and turnover up by 300 per cent. One of the key drivers for the merger in 2002 was the belief by both firms of the need to specialise, on the same basis as other professionals such as solicitors and accountants did, as they believe it is impossible to be a specialist in all areas of financial planning. The advisory team has more



The RW Ltd management team, from left: senior director Peter Rutherford, directors Richard Hornby, Ian Wilson and Trevor Clark, and pensions director Ian Wilkinson.

than doubled since 2002 to 17, and the firm employs individuals who are recognised as specialists in all of the major key areas, including Corporate, Taxation and Trusts, Wealth Management, Long Term Care, Divorce, and the provision of advice for doctors and dentists.

So it was little surprise that last year, a number of unsolicited takeover bids were made and politely rebuffed... until Cheshire-based Perspective Financial Group appeared on the scene.

"We weren't seeking to sell," Peter explains, "but Perspective's philosophy really appealed to us as they weren't interested in changing our operations and management structure."

"They wanted to let us do what we do and we felt that their approach was the one that best complemented ours. Their strategy is like a breath of fresh air - they were not looking at size, but less quantifiable issues such as quality and integrity, and we fitted the bill perfectly."

Ian appointed Robert Thompson of Ward Hadaway, given his acknowledged expertise on deals of this sort and having seen first hand what a great job he had done for his previous clients. He reveals: "We wanted an adviser whose judgement we could trust and who would get us the best deal possible, Robert and his team delivered on all fronts"

All the five directors at RW, Ian, Peter, Trevor Clark, Richard Hornby and Ian Wilson have remained, maintaining the continuity of management.

"Perspective is keen for us to grow, and as its North East hub, we have been given the funds to acquire other firms. To this extent, we're already making good progress," Ian points out.

To understand RW's phenomenal rate of growth, it's necessary to look back at its launch in 2002.

Ian continues: "The old attitude towards financial services tended to be one size fits all, but we didn't want to be shoehorned."

"My background in corporate pensions planning and Peter's expertise in personal finance, trusts and investments have proved to be a great blend. We have become specialists in a niche market which happens to be in huge demand."

RW provides tailored financial advice for high-net worth individuals and companies, based on principles first laid down by Ian's late dad Mitch, founder of Wilkinson Hatton, the first fee-based IFA firm in the region (if not the UK).

Ian points out: "Dad moved away from the traditional commission-based service because he wanted to offer clients better value for money."

"I'm determined to continue his ground-breaking work at RW, and be the best and most successful at what I do in his memory. I think our success is a fitting legacy to all he stood for."

It's small wonder the directors are bullish about future prospects. Ian explains: "We always remind clients that even in the worst of times there are still positives."

"Difficult times mean more advice is needed, not less, and opportunities for investment are there for the taking."

"Investments are here for the long term, and really successful investors remain committed even when markets are volatile."

"We see 2009 as an exciting year of challenge, and a chance to further establish RW as the North East's premier financial planning firm."



The team at work at Northumbria House headquarters in Seaton Burn.

What RW does...

There are two main strands to the business.

Personal financial planning;

The service aims to advise clients on securing their financial and personal objectives.

Typical clients are;

- Asset-rich, time-poor professional and business people;
- The mass affluent;
- Trustees - this specialist investment service ensures compliance with the Trustee Act for total peace of mind.

Corporate planning;

The pensions department has been instrumental in RW's increase in turnover and profit margins. Headed by Ian Wilkinson (now also head of Corporate Pensions for PFG), much of the growth has been generated by the firm's ability to plan and execute liability reduction programmes for defined benefit pension schemes.

There have been large increases in costs associated with such schemes over the past decade, making it the single largest overhead for many firms. Many have resorted to closing schemes to further accrual, altering the rate at which benefits accrue, and the definition of final pensionable salary - usually with only a small effect on the funding position.

Ian believes the only way to reduce liabilities is by offering a liability reduction programme, transferring some (or all) of member benefits into a suitably approved pension scheme. Unlike consulting actuaries - who have a vested interest in schemes continuing - RW's main aim is to reduce liabilities as much as possible.

Over the past few years RW has been directly involved in four liability reduction programmes. A summary of one is provided below:

A large European group with a UK operation

- The inclusion of the FRS17 liability on the company balance sheet had reduced its credit rating, which led to reduced payment terms offered by its main supplier of raw materials, further placing a strain on profitability and cash flow.
- The employer funding rate was due to increase from 17.9 per cent to 23 per cent.
- The deficit on wind-up was in excess of £10 million.
- RW was appointed in March 2007 when the scheme was still open to future accrual. All the scheme's liabilities were discharged by the end of April 2008 at a cost of £3.6 million (including associated costs) which is around £6.4 million less than the funds required to secure benefits via deferred annuities.

"Increased specialism is the key to future success" is a firm belief of Ian's, and that is exactly what RW is doing:

Specialist contacts



Ian Wilkinson - Corporate Planning
& G60 Pensions
Specialist

Peter Rutherford - Trustee
Investments &
IHT Planning

Trevor Clark -	Pensions and Divorce & G60 Pensions Specialist
Rick Hornby -	Wealth Management
Ian Wilson -	G60 Pensions Specialist & Wealth Management
Mike Gordon -	G60 Pensions Specialist & Long Term Care
Gemma Law -	Wealth Management
Sarah Chandler -	Mortgages & Lifetime Mortgages
Rob Kinniburgh -	G60 Pensions Specialist & Wealth Management
Ray Prince -	Doctors and Dentists
Graeme Urwin -	Doctors and Dentists
Jamie Tocher -	Wealth Management
Alan Wall -	Wealth Management
Brian Smith -	Wealth Management
Richard Wailes -	Wealth Management
Graeme Pegman -	Wealth Management
Mark Chamberlain -	Wealth Management

For full details of RW's range of expert advice and services, telephone (0191) 217 3340 or visit www.rwplc.co.uk

The company is based at 21-23 Brenkley Way, Blezard Business Park, at Seaton Burn.