GREAVES WEST & AYRE
CHARTERED ACCOUNTANTS

SUMMER 2026
NEWS
Quality Advice • Quality Service

What the 2027 Pension Inheritance Tax Changes Mean for You

The Autumn 2024 UK Budget, delivered by Chancellor Rachel Reeves, introduced one of the biggest changes to estate planning in recent years. Set to take effect from 6 April 2027, most unused pension funds and death benefits will become subject to Inheritance Tax (IHT). This marks a significant shift in how pensions are treated on death and could have significant implications for many families.

Read the full article on page 2.

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What is changing?

Under the current rules, most defined contribution pensions sit outside your estate for Inheritance Tax purposes.

However, from 6 April 2027, the Government intends to bring most unused pension funds and death benefits within the scope of Inheritance Tax.

What could this mean for you?

For some individuals, there may be little or no impact. If the value of your estate remains below the available Inheritance Tax allowances, your beneficiaries may not face any additional tax liabilities.

However, if your estate is already close to or above the available nil-rate bands, including the value of your pension could significantly increase your estate's tax liability. Inheritance Tax is generally charged at 40% on the value of an estate above the available allowances.

For many years, pensions have played a dual role. They have provided retirement income while also serving as an efficient way to pass wealth to the next generation. As a result, many retirees have deliberately spent savings held in ISAs, investment portfolios or bank accounts first, allowing their pension funds to continue growing.

Could beneficiaries face both Inheritance Tax and Income Tax Liabilities?

One aspect of the proposed changes that has attracted considerable attention is the potential for what is often described as "double taxation."

Under the current rules, if you die after the age of 75, your pension can usually be inherited by your chosen beneficiaries, but any withdrawals they make are subject to Income Tax at their own marginal rate.

From April 2027, if your unused pension is also included within your estate for Inheritance Tax purposes, there may be situations where the pension fund is effectively taxed twice. Firstly, Inheritance Tax could be payable on the value of the pension as part of your estate. Then, when your beneficiaries withdraw money from the inherited pension, those withdrawals may also be subject to Income Tax.

The combined tax burden could, in some circumstances, be significant, particularly where beneficiaries are higher or additional rate taxpayers. While the exact outcome will depend on individual circumstances and how benefits are taken, it reinforces the importance of reviewing your retirement and estate planning strategy.

Do I need to make a change?

The new rules are likely to encourage many people to revisit their wider estate planning arrangements.

Areas that may need reviewing include:

- Your retirement income strategy and which assets you draw from first.
- Your pension beneficiary nominations to ensure they remain up to date.
- Your overall estate value and potential Inheritance Tax exposure.
- The use of gifts during your lifetime, where appropriate.
- Existing trusts or other estate planning arrangements.
- Whether life assurance could help provide funds to meet a future Inheritance Tax liability.

These are not new planning techniques, but the proposed changes may make them more relevant than before.

It is important not to make hasty decisions

While these changes are significant, it is important not to rush into major financial decisions.

Pensions continue to offer considerable benefits, including tax-efficient investment growth and Income Tax advantages while saving for retirement. For many people, they will remain one of the most effective long-term savings vehicles available.

The proposed changes simply mean that pensions may no longer provide the same Inheritance Tax advantages that many individuals have become accustomed to.

Any changes to your retirement or estate planning should form part of a broader financial strategy rather than being driven by one tax change alone.

Every family's circumstances are different

The impact of these changes will vary considerably depending on your personal circumstances.

Factors such as the size of your estate, whether you are married or in a civil partnership, the availability of the residence nil-rate band, previous gifts, business or agricultural reliefs, and the size of your pension fund will all influence whether these changes affect you.

For some clients, no action may be required. For others, a review of their retirement and estate planning could prove highly beneficial.

How we can help

The proposed changes from April 2027 represent one of the most significant reforms to pension estate planning in many years. While they may reduce one of the long-standing tax advantages of pensions, they do not diminish the important role pensions continue to play in retirement planning.

The good news is that there is still time to seek advice. Careful planning, tailored to your own circumstances, can help ensure your financial plans remain aligned with your goals.

We can assess your current position, understand the potential impact on your estate and discuss whether any adjustments to your retirement or estate planning strategy would be appropriate. This will ensure your wealth is structured in a way that supports your retirement objectives while helping you pass assets to your loved ones as efficiently as possible.

If you would like to discuss how these changes could affect you or your family, please get in touch. We would be delighted to review your existing arrangements and help you plan with confidence for the future.

This article is for information only and does not constitute investment advice or a personal recommendation.

MGTS Qualis Funds - Three Years On

A strong start built on diversification, discipline and fund selection

Three years ago, the MGTS Qualis Funds were launched to give investors access to carefully managed, diversified portfolios designed to respond to changing markets.

Since then, investors have faced a challenging environment. Portfolios have been tested by inflation, higher interest rates, volatile Government Bond markets, shifting equity leadership and geopolitical uncertainty. Through all of this, the Qualis investment approach has remained consistent: diversify properly, select strong underlying funds, and avoid relying on any single market view being right.

That discipline has been rewarded.

Since it's launch, **MGTS Qualis Growth has returned 49.91%**, while **MGTS Qualis Defensive has returned 19.06%**. These results are not the outcome of one individual decision, but of a repeatable investment process that has helped the funds capture opportunities while managing risk.

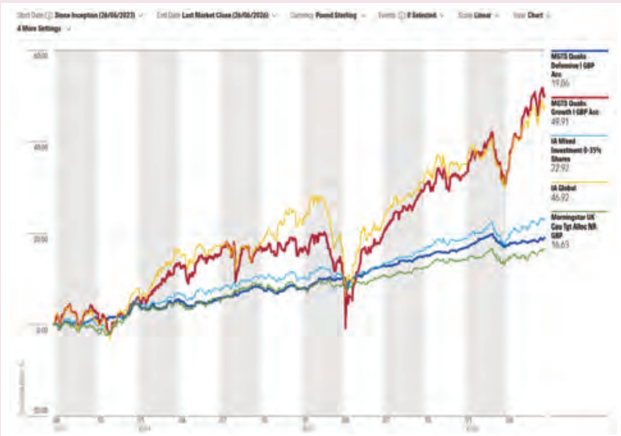

Chart shows 3 Yr performance from 26 June 2023 to 26 June 2026. Source: Morningstar

Diversification that has added value

Diversification is often discussed as a way to manage risk. For the MGTS Qualis Funds, it has also been an important source of return. Rather than building portfolios with excessive exposure to one region, asset class or investment style, the funds have been spread across a carefully selected range of opportunities. This has allowed them to benefit from areas of the market that have performed well, while reducing reliance on any single theme.

This became particularly important from the beginning of 2025, when equity market leadership started to broaden away from the US. MGTS Qualis Growth was already well positioned to benefit from this shift, with exposure to areas such as Europe, Japan and Emerging Markets. As investors increasingly looked outside the US for value and opportunity, the fund was able to participate in that rotation.

This positioning was not a short-term trade. It was the result of the same disciplined process used since it's launch: identify attractive opportunities, select high-quality managers and build portfolios that can perform across different market conditions.

Growth: accessing a broader global opportunity set

MGTS Qualis Growth has performed strongly by looking beyond the most crowded areas of the market. The US remains an important part of global equity investing, but the fund has also benefited from meaningful exposure to regions where valuations were more attractive and expectations were lower.

Strong fund selection has also played an important role. The underlying managers chosen for the portfolio have helped add value across different regions and investment styles. This combination of regional diversification and manager selection has been central to the fund's first three years.

For investors, the message is simple: MGTS Qualis Growth has not relied on one narrow part of the market to deliver returns. Its strength has come from a broad, active and carefully constructed approach.

Defensive: resilience when bonds were volatile

MGTS Qualis Defensive was designed for investors seeking a smoother investment journey, while still aiming to deliver a meaningful return over time.

That has been a difficult objective in recent years. Government Bonds, traditionally seen as the safer part of many portfolios, have experienced significant volatility as interest rate expectations have moved. As a result, many cautious investors have faced a less comfortable environment than they might have expected.

MGTS Qualis Defensive has navigated this period by avoiding over-reliance on long-dated Government Bonds and using a broader range of defensive assets. Carefully selected absolute return, credit and lower-volatility strategies have helped dampen volatility and provide a more balanced outcome.

The fund's first three years show the value of a genuinely diversified defensive approach, rather than one that simply relies on bonds behaving defensively.

Well positioned for what comes next

Markets will continue to change. Interest rate expectations may shift again, political uncertainty is likely to remain, and equity market leadership may continue to broaden beyond the areas that dominated much of the previous decade. We believe the MGTS Qualis Funds are well positioned for this environment.

MGTS Qualis Growth remains focused on global opportunities, attractive valuations and high-quality underlying managers. MGTS Qualis Defensive continues to balance resilience with return potential, using a wide toolkit rather than relying on any single defensive asset class.

The first three years have demonstrated the value of the Qualis approach. For investors who backed the funds at launch, the decision has been rewarded by strong performance, disciplined portfolio construction and careful management through a complex market environment.

Next: MGTS Qualis Income

The next chapter for the Qualis range is **MGTS Qualis Income**, a global equity income fund expected to launch in **September 2026**.

The fund will use the same investment approach that has supported MGTS Qualis Growth: global diversification, valuation discipline and careful fund selection. It will aim to provide exposure to a portfolio of income-generating global equities, with an expected yield of around **4%**, while also targeting long-term capital growth.

MGTS Qualis Income will broaden the range further and give investors another way to access the Qualis investment process.

Thank you to our investors

We are proud of what the MGTS Qualis Funds have achieved in their first three years. More importantly, we remain focused on the years ahead.

Our aim is unchanged: to manage the funds with discipline, care and a long-term perspective, helping investors navigate changing markets with confidence.

QUALIS

P11Ds Are Being Phased Out – Mandatory Payrolling of Benefits from April 2027

HMRC is introducing a major change to how employee benefits are reported. From **6 April 2027**, most taxable benefits will need to be processed through payroll, bringing an end to the traditional P11D reporting process for the majority of employers.

Under the new rules, the value of taxable benefits will be incorporated into employees' pay each month, with tax collected in real time. This means benefits will be taxed as they arise, rather than being reported and taxed after the end of the tax year.

As a result, employers will no longer be required to complete and submit P11Ds for most benefits.

We will be supporting all affected clients through this transition and will be in touch from February 2027 with detailed guidance, including any actions you may need to take.

If you would like to start preparing now or review your current payroll processes, please contact our Payroll Manager, **Dianne Bradshaw**, who will be happy to assist.

Key Milestones to Be Aware Of -

- **February – March 2027**
  We will contact you to confirm which benefits are currently provided to employees.
- **April 2027**
  Relevant benefits will be included in payroll for the first time under the new system.
- **April – July 2027**
  Your final P11D will be prepared, covering the tax year ending **5 April 2027**.

GWA Golf Day 2026

We returned to The Glen Golf Club in North Berwick for our Annual Golf Day on Friday, 26 June. Memories of last year's blistering conditions and scores to settle were front of mind!

Who would take the coveted tankard and Aran knit cardigan?

The day started ominously with the course being closed just as we were about to tee off!

This was due to heavy rain and thunder & lightning in the area. However, the weather quickly improved and play soon got underway.

Once again it was **Steven Burns** who was the winner overall, taking home the tankard and the Aran knit cardigan with an impressive 40 Stableford points.

The **Graham Hush Shield** for best Partner was fiercely contested with **Richard Ayre** just beating **Robbie Dalgleish** on BB9, both scored 36 points.

David Simpson won the **Bill Renton Cup** for the 1st time with a score of 29 points.

Robbie Dalgleish won the scratch prize with a score of 76 (6 over par). **Billy Cleland** won nearest to the pin, with **Alan Potts** winning the longest drive prize.

In the afternoon, we played five holes for the **Jim Spence Salver**, which was won by **Chloe Mifsud** & **Andrew Blair** with a combined score of 18 points.

Richard Ayre (Right) receiving the Graham Hush Shield from Robbie Dalgleish (Left).

Summer Show Review

This year's agricultural shows across East Lothian, the Scottish Borders, and Northumberland once again offered a fantastic opportunity to reconnect with clients, colleagues, and friends. We were delighted to support both the **Haddington Show** and the **Border Union Agricultural Show**, continuing our long-standing involvement with these important community events.

Haddington Show – Saturday 27 June

We were proud to return as joint main sponsors of the Haddington Show alongside Turcan Connell, reinforcing our enduring relationship with the event.

Held at the East Fortune Race Circuit, it was a hot and breezy afternoon - perfect show weather. Our new covered veranda area was a welcome relief from the heat and sun, and we enjoyed a steady stream of visitors. The ever-popular lunchtime hog roast was a delicious highlight once again. It was a pleasure to catch up with so many clients and friends over good food and refreshments.

Runner-up for Best Trade Stand 2026 at BUAS

Border Union Agricultural Show – Friday 24 & Saturday 25 July

Kelso's Springwood Park hosted the Border Union Show, one of the most anticipated weekends in the agricultural calendar for the Scottish Borders and Northumberland.

The show delivered its signature mix of rural tradition and community spirit, featuring horse competitions, livestock parades, industrial arts, around 200 trade stands.

We were delighted to welcome clients, business colleagues, family and friends whether it was for our roast lunch on the Friday, coffee and cake or a simple refreshment pit stop.

Thank you to everyone who joined us.

Thank you

A huge amount of effort goes into preparing for the summer shows in the months leading up to the events – from behind the scenes planning and logistics to the busy show days themselves. It really is a team effort, with everyone pulling together to make it happen. Thank you to all our staff for their hard work in making both shows a great success.

Making Tax Digital: What Sole Traders and Landlords Need to Know

The way many sole traders and landlords report their income to HMRC is going through a significant transformation. The Government's Making Tax Digital (MTD) initiative is modernising the UK tax system, aiming to streamline the process, reduce errors, and encourage more timely tax compliance.

Instead of submitting the traditional annual Self-Assessment tax return, individuals within the scope of MTD for Income Tax now need to keep digital records and submit updates to HMRC using compatible software throughout the year.

Who Is Impacted?

The MTD for Income Tax rules apply to self-employed individuals and landlords who currently file Self-Assessment tax returns. At this stage, the rules do not extend to limited companies, partnerships, limited liability partnerships, or trusts.

The rollout is happening in stages, based on gross qualifying income in the prior year's tax return:

- **From April 2026:** Taxpayers with gross qualifying income in 2024/25 of more than £50,000
- **From April 2027:** Taxpayers with gross qualifying income in 2025/26 of more than £30,000
- **From April 2028:** Taxpayers with gross qualifying income in 2026/27 of more than £20,000

Gross qualifying income is calculated as the total income before expenses from all sole trade and property businesses combined. If you have both types of income, they are added together to determine if you meet the threshold. For jointly owned property, only your share of the income is counted.

What Will Change?

Once within the scope of MTD for Income Tax, you will need to maintain digital records using software that meets HMRC's requirements, submit quarterly summaries of your income and expenses, and file a final declaration at the end of each tax year. The final declaration replaces the current Self-Assessment tax return and is your opportunity to provide details of any other income sources before HMRC calculates your final liability.

Getting Ready for 2027

By understanding the requirements of MTD for Income Tax and preparing in advance - choosing suitable software, getting used to digital record-keeping, and familiarising yourself with quarterly reporting - you can ensure a smooth transition.

We are already supporting many clients with the MTD reporting that started in April 2026. On completion of the 2025/26 tax returns, we will proactively reach out to the clients who will be within the scope of MTD for Income Tax from April 2027.

If you have any questions or would like support in preparing for these changes, please get in touch with us – **MTD@gwayre.co.uk**

> I am delighted to have been appointed to this role and look forward to continuing to contribute to the success of our clients and the firm.
>
> **Sarah**

New Associate at Greaves West & Ayre

We are delighted to announce that Sarah Strathdee has been appointed Associate with effect from 1 July 2026.

Sarah joined the firm directly from school in 2010 as a Trainee Accountant and has built an impressive career over the past 16 years. She qualified as a Chartered Certified Accountant in 2019 and has developed extensive expertise across accounts preparation, tax compliance, tax planning and advisory services.

Throughout her time with the firm, Sarah has demonstrated a strong commitment to delivering excellent client service and providing practical, tailored advice to businesses and individuals across the region. Her promotion reflects both her professional achievements and her contribution to the continued success of the firm.

Commenting on her appointment Sarah said, “Being promoted to Associate is both a proud milestone and a meaningful moment in my career. I am delighted to have been appointed to this role and look forward to continuing to contribute to the success of our clients and the firm.”

Colin Frame, Partner at Greaves West & Ayre, added:

“Sarah’s appointment as Associate is thoroughly deserved. Since joining the firm as a school leaver, she has consistently demonstrated dedication, professionalism and a genuine commitment to supporting our clients. Her efforts are all the more remarkable as she has balanced the demands of having a young family alongside her career. She is a great ambassador for the firm, and it is a pleasure to recognise her contribution. All of the partner group look forward to seeing her continue to develop in this important leadership role.”

Community News

At GWA, we are proud to play an active role in the communities that make Berwick-upon-Tweed, North Northumberland and the Scottish Borders such special places to live and work. Supporting local events, organisations and initiatives is an important part of who we are, and the past few months have been particularly busy.

One of our recent community commitments has been the renewal of our support for two of the public benches on Berwick’s historic Elizabethan Walls. Through a new 10-year agreement with Berwick Town Council, we are helping to ensure these much-loved benches remain maintained and available for residents and visitors to enjoy for years to come.

Throughout the spring and summer, our team has also been delighted to support a variety of local events that celebrate the region’s rich agricultural, sporting and cultural heritage. In April, we were proud sponsors of the **Berwick RFC Rugby 7s** tournament, a fantastic event that brings together players and supporters from across the area.

June saw our continued support for Northumberland Young Farmers, including both the **Northumberland Young Farmers County Rally 2026** and the **Northern Area Field Day**. These events showcase the enthusiasm, talent and dedication of young people involved in the farming community and reflect the strong agricultural roots of our region.

We were also pleased to support several long-standing local traditions and competitions, including the **Berwick Riding of the Bounds** and the **Border Crop and Grassland Competition**, both of which celebrate the area's history, farming excellence and community spirit.

In July, we supported the **Horncliffe Beer and Music Festival**, a popular community event bringing people together to enjoy local hospitality, live entertainment and a vibrant village atmosphere.

Adding to the calendar of local celebrations, GWA proudly supported the **80th Tweed Salmon Queen Festival**, marking an important milestone for one of Berwick's most cherished annual events.

As a business rooted in the region, we value every opportunity to support the organisations, volunteers and community groups that help our area thrive. We look forward to continuing these partnerships and contributing to the success of local events and initiatives in the months ahead.

Staff Community Outreach Initiative

Through this we have supported:

- **C4G, Berwick** – Kerry Fairley
- **Berwick Town Football Club** – Mitchell Tait
- **Lanark Lodge** – Cara Hogg
- **Tillside Cricket Club** – Sarah Mulvey & Gayle Skelly
- **Glendale Curling Club** – Andrew Dixon
- **Duns Football Club** – Steven Burns

Choices 4 Growth ►

Berwick Town Football Club ▼

Lanark Lodge ►

Tillside Cricket Club ▼

Staff News

Welcome

As our practice continues to expand, we are delighted to welcome several new colleagues to our team. Each brings a wealth of knowledge, fresh expertise, and genuine enthusiasm to our offices.

David Johnstone joined us as Chief Technology Officer in March with **John Lindsay** and **Rory Harrison** joining our Wealth Team as Trainee IFAs in April.

In July **Nicola Shirreff** returned to our Account's Team and we welcomed **Andy Blyth** as Group Financial Controller.

Au Revior

Dominic Alkin retired from our Tax Team in April; we wish him a long and happy retirement.

Well Done

Congratulations to **Denise Gillespie**, **James Patterson** and **Graeme Hyland** who have all celebrated 20 years of service recently.

Late Summer Bank Holiday, Monday 31 August 2026:

All offices – CLOSED

Back to business: Tuesday 1 September 2026

At all other times you can call or email us on our usual contact details.

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