

What you need to know about...

Principles of Financial Planning

Our core service aims to build a comprehensive financial plan for you and your family. This is a process through which we can meet your financial life goals such as buying a home, saving for a wedding, or planning for your retirement. The process allows us to take a snapshot of your finances both now and into the future, and takes clear steps to achieve your goals. The purpose of this leaflet is to show the process that we go through to meet your objectives.

Step 1 - Establishing the client-planner relationship

This is very important since we need to clearly demonstrate to you the services that we offer, and what this means to you. We also need to make clear your responsibilities in the process.

Step 2 - Gathering data and setting goals

We go through a rigorous process to gather all the data we need on your financial life. This means that we would need information such as your income, and outgoings, assets, liabilities and any other financial information that is relevant.

More importantly, we need you to think about your personal financial goals for the rest of your life, such as where you want to be in 5 years, or indeed the rest of your life. We need to be able to assess the impact that your current lifestyle will have on your future financial well-being, so we will ask searching questions about your expectations. This part of the process looks at the big picture, but it is also important to set achievable targets.

Setting goals

We need to be able to set measurable targets of what you want to achieve, and when you want this to happen. We need to know what this means in monetary terms, so that we can measure your progress. Don't worry if you have never thought about this, as we can help with the process.

Examples of common goals

To retire at a particular date, on a set income

To ensure that your family is secure no matter what happens

To provide for education or university fees or to fund a future wedding

To avoid paying inheritance tax on your death

Step 3 - Analysing and evaluating your financial status

We go through a comprehensive process to map out your financial status as it is now, and how this will impact on your future life.

Typically, this includes:

1. Working out your budget (cash inflows and outflows)
2. Analysing your assets & liabilities
3. Examining what happens if something goes wrong
4. Saving for retirement
5. Investing for your future
6. Tax strategies

The plan recognises that each aspect of your financial

Continued overleaf...

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life has an impact on the rest. Thus, you cannot spend more than your income over the long term if you expect to build up enough money for your retirement. The plan aims to put you in control by showing you how your decisions impact on your life.

Step 4 - Presenting recommendations

We go through your plan with you in a dynamic way, showing you the effects of various scenarios depending on your situation.

For example, you may currently be short of your goal to retire on a certain level of income. The solution to our problem may take different forms such as saving more money, generating greater returns through higher risk, reducing your expectations, retiring later, or even earning more money! The point is that the solutions lie in the options open to you as an individual. We simply show you the effects of taking different courses of action.

We aim to put you in the place to make informed decisions about your finances, and revise our projections according to the action you take.

Step 5 - Implementing recommendations

Once you have decided to take action in a particular area we can help you to set up solutions. This may be in the form of further research on appropriate products in our capacity as independent financial advisers. Alternatively, we can act as your coach if you would prefer to do this yourself.

Step 6 - Monitoring your progress

We need to regularly review your plan as your circumstances change and your goals adjust. This works like a course correction so that you maintain your progress towards your goals over time. If your situation changes we need to be prepared to adapt.

How to make your plan work for you

Set measurable goals

Setting specific targets will help you evaluate your progress, and make appropriate changes.

Understand how your finances are inter-linked

Each decision will have an effect on other areas of your finances. For example, if you save money towards your child's education, you will divert resources away from your retirement funds.

Review your progress regularly

You need to constantly adapt your plan to meet these changes in your life. For example, you may change your goals due to marriage, birth, house purchase, change of job or receipt of an inheritance.

Start now

The longer you delay the process, the harder it will be. Financial planning sets up good habits such as saving, budgeting and investing for the future.

Be realistic in your expectations

The financial planning process is based on sound common sense principles. It is a long-term process and will not change your situation overnight.

Take charge of your future

Why use us?

1. **Free** initial consultation
2. **Guaranteed** satisfaction with our advice
3. **Fee-based** - no commission hungry salesmen
4. **Fully independent** from insurance companies
5. **State of the art research tools**
6. **Regular contact & services to suit you**

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The Colchester Centre
Hawkins Road
Colchester, Essex
CO2 8JX

www.woodruff-fp.co.uk

Dan Woodruff, trading as Woodruff Financial Planning, is and adviser with Julian Harris Financial Consultants who are independent financial advisers regulated and authorised by the Financial Services Authority No. 153566.