

What you need to know about...

Components of a financial plan

You may have read our other materials on financial planning, and how this differs from traditional transactional financial advice. This leaflet explains all the elements of a comprehensive financial plan, and how this can benefit you to reach your long term goals. The point is that this is a rigorous and ongoing process to tell you the truth about where your financial life is going.

Data collection

Your planner will collect data from you across a range of financial sources. This enables us to keep up to date with your changing circumstances and ensure that we understand how your financial products interact.

Goals and objectives

Your plan will include a statement of your goals and objectives, as well as time frames for completion of these objectives. This is then used to build on for the rest of your plan, so all other areas should come back to try to achieve your objectives.

Identification of issues and problems

You need to be aware of all potential issues and problems which may affect your ability to achieve your goals. This could be things like major illness, death, tax, or other more personal issues.

Assumptions

This is a vital element of the plan, since these assumptions will have a big effect on whether your goals are deemed to be achievable. Ultimately, it is important to be realistic in this area.

Assumptions will be made on things like inflation, investment growth, how long you will live etc.

Net worth

We will examine how your assets and liabilities interact, so you are aware of how this affects you.

This will be broken down to show you how your assets form part of your overall wealth.

Income and outgoings

Your family budget is vital to the plan, as this is the foundation for all your financial decisions. After all, if you spend more than you earn you will eventually have to stop putting money aside for your long term future.

Your income does not just include your earned income, but will also take into account other sources such as investments, interest and state benefits.

We would then examine the spending of this income to show you how you use money towards your household, debt servicing, taxes and other outgoings.

Many clients find that this is a useful process since it makes them realise just how much money they spend!

Taxation

We will examine your tax situation, including income tax and any other relevant taxes for that year. This is important since it shows how much of your gross income goes towards taxes, but also will impact on your future decisions.

Continued overleaf...

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01206 266882 or email **advice@woodruff-fp.co.uk**

Protection

Our philosophy is that you should attempt to safeguard what you already have before you try to build up more assets. This would involve looking at your exposure to the risk of getting ill, or dying early. After all, if a main breadwinner was not available in your household, your lifestyle would be affected very quickly.

The aim of this analysis is to ensure that you are covered against such risks, and would also involve examining your existing policies to ensure that you are adequately covered.

Savings & Investments

We examine your existing investments and will look at areas such as the risks taken by your portfolio compared to how much risk you are prepared to take. We also look at liquidity and diversification of your portfolio.

Retirement

We look into how likely you are to achieve your retirement income requirements. We can examine factors such as state pensions, personal and company pensions as well as other sources.

Estate planning

Your plan will examine the effect of inheritance tax on your estate after your death. We will also discuss relevant areas such as wills, trusts and powers of attorney.

Recommendations for action

Your plan is nothing without recommendations. You need to be able to review action points from each of the above areas to be able to take action.

Regular reviews

We will set up regular reviews so that you can gradually work towards your goals. This will enable us to update your progress, and achievement of goals.

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