

THE CHARTERED INSURANCE INSTITUTE

AF5—FINANCIAL PLANNING PROCESS

FACT-FIND

October 2011

You are a financial adviser authorised under the Financial Services and Markets (FSMA) Act 2000. You completed the following fact-find when you met Mr and Mrs Platt recently.

PART 1: BASIC DETAILS

	Client 1	Client 2
Surname	Platt	Platt
First name(s)	Roger	Gillian
Address	Stoneways, Millhouse Lane, Solihull	Stoneways, Millhouse Lane, Solihull
Date of birth	07.08.1963	01.03.1965
Domicile	UK	UK
Residence/Ordinary residence	UK	UK
Place of birth	UK	UK
Marital status	Married	Married
State of health	Good	Good
Family health	Good	Good
Smoker?	No	No
Hobbies/Interests	Golf; junior football coach	Travelling; music

Notes:

Roger and Gillian have been married for 20 years.

PART 2: FAMILY DETAILS

Children and other dependants

Name	Relationship	Age	D.O.B	Health	Occupation	Financially dependent?
Josie	Daughter	19	11.09.1992	Good	N/A	Yes
Luke	Son	16	23.04.1995	Good	N/A	Yes

Notes:

Josie has just started her first term at university on a three year psychology course. The tuition fees are set at £3,200 per annum and have already been paid for the 2011/2012 academic year.

Luke is at a local grammar school studying for his A-Levels. He would like to study languages at university and spend a year abroad as part of his four year course.

Roger and Gillian have committed to paying all tuition fees and living costs for university so that Josie and Luke can leave education without any debts.

PART 3: EMPLOYMENT DETAILS

	Client 1	Client 2
Employment		
Occupation	Manager	Translator
Job title	Head of Sales	International Business Coordinator
Business name	Carruthers Electronics Limited	WestCo Bank
Business address	Redditch	Coventry
Remuneration		
Earnings	£61,000	£32,100
State Pensions	Nil	Nil
Overtime	Nil	Nil
Benefits		
Benefits-in-kind	£9,700	No
Pension Scheme (see Part 11)	Yes	Yes
Life cover	Yes	Yes
Private medical insurance	Yes	No
Permanent health insurance	No	No
Self Employment		
Net relevant earnings		
Accounting date		
Partnership/Sole trader		
Other Earned Income		

Notes:

Roger is the manager of a small sales team at Carruthers, who sell electronic components to the haulage industry. The company was set up in 1972 by two brothers, Michael and James Carruthers. Roger joined the firm in 1993.

Roger's current benefits are death-in-service of three times salary, company car and an employer sponsored Private Medical Insurance plan which covers the whole family. Carruthers will also pay full salary for six months, then 50% salary for a further six months if Roger is ill. There is no nomination on the death-in-service benefits.

Gillian has always held a position at WestCo Bank, although she took two years off when both Josie and Luke were born. She has death-in-service benefits of three times salary which is nominated to Roger. This is provided via the WestCo Bank final salary pension scheme. WestCo Bank will also pay full salary for six months, then 50% salary for a further six months if Gillian is ill.

	Client 1	Client 2
Previous Employment		
Previous employer	Cardell Components Limited	
Job title	Sales Manager	
Length of service	8 years	
Pension benefits (see part 11)	Yes	

Notes:

PART 4: OTHER PROFESSIONAL ADVISERS

	Client 1	Client 2
Accountant		
Bank	WestCo	WestCo
Building Society		
Doctor	Dr Hale	Dr Hale
Estate Agent		
Financial Adviser		
Insurance Agent		
Solicitor	Burnett & Luck LLP	Burnett & Luck LLP
Stockbroker	Peter Hill	Peter Hill
Other		

Notes:

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PART 5: INCOME AND EXPENDITURE**Income**

	Client 1		Client 2		Joint	
	Monthly £	Annually £	Monthly £	Annually £	Monthly £	Annually £
State Pensions						
Private Pensions						
Salary		61,000		32,100		
Benefits-in-kind		9,700				
Investment income (gross)				2,310		288
Rental (gross)						
Dividend (net)		1,719				

Notes:

Roger's benefits consist of a company car and Private Medical Insurance.

	Client 1	Client 2
Income Tax	£	£
Personal allowances	7,475	7,475
Taxable income	65,279	27,079
Tax		
National Insurance		
Net Income		

Notes:

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Expenditure

	Monthly			Annually		
	Client 1	Client 2	Joint	Client 1	Client 2	Joint
Household Expenditure						
Mortgage/Rent			1,737			
Council tax			185			
Buildings and contents insurance						690
Gas, water and electricity			165			
Telephone			48			
TV licence and satellite			49			
Property maintenance						1,200
Regular Outgoings						
Life assurance (see part 8)	59		22			
Health insurance (see part 9)						
Savings Plans (see part 10)						
Car tax, insurance and maintenance					1,825	
Petrol and fares	140	65				
Loans						
Hire purchase						
School fees						
Childcare						
Further education						
Subscriptions						
Food, drink, general housekeeping			1,050			
Pension contributions (see part 11)						
Other Expenditure						
Magazines and newspapers						
Entertainment						
Clubs and sport				1,100	900	
Spending money			400			
Clothes				500	650	
Maintenance						
Other (Holidays)						4,000
Total Monthly Expenditure	199	65	3,656			
Total Annual Expenditure	2,388	780	43,872	1,600	3,375	5,890
Total Outgoings						57,905

Notes:

Do you foresee any major/lump sum expenditure in the next two years?

Notes:

Luke and Josie's university tuition fees and living expenses, and purchase of a flat for Josie at university (see part 15).

PART 6: ASSETS

	Asset	Client 1 £	Client 2 £	Joint £	Income (Gross) £
1.	Main residence	240,000	240,000		
2.	Contents/car		5,000	45,000	
3.	Current account – WestCo Bank			72,000	288 p.a.
4.	Deposit Account – WestCo Bank		84,000		2,310 p.a.
5.	Stockbroking Portfolio	53,000			1,910 p.a.
6.	Stocks and shares ISAs	17,000	13,000		

Notes:

The main residence is held as tenants in common.

Interest rate on WestCo deposit account is 2.75% gross per annum. The account is easy access.

Roger's stockbroking portfolio is managed by a local firm on a discretionary basis and he has asked them to concentrate on investments in the global technology sector.

The stocks and shares ISAs are invested in WestCo's US equity fund.

PART 7: LIABILITIES

Mortgage Details	Client 1	Client 2	Joint
Lender			Midwest Mutual
Type of mortgage			Repayment
Amount outstanding			£203,850
Start date			15 March 2010
Term/maturity			13 years
Monthly payment			£1,737
Interest rate			Tracker – base rate + 2%
Life policies (see part 8)			

Notes:

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Other Loans	Client 1	Client 2	Joint
Lender			
Type of loan			
Amount outstanding			
Start date			
Term/maturity			
Monthly payment			
Interest rate			
Payment protection			

Notes:
Roger and Gillian do not have any loans.

Other Liabilities (e.g. tax)

Notes:
Roger and Gillian have no other liabilities.

PART 8: LIFE ASSURANCE POLICIES

	Life/Lives assured	Ownership	Sum assured £	Premium £	Term	Start date	In trust	Surrender Values £
1.	Roger	Roger	100,000	59 per month	Whole of life	April 1995	No	8,890
2.	Joint	Joint	80,000	22 per month	25 years	March 1993	No	Nil

Notes:
Roger was advised to take out the unit-linked whole of life policy by WestCo when Luke was born. The premium has increased following the latest review.
Roger and Gillian took out a joint life first death level term assurance policy to cover the mortgage on their first property.

PART 9: HEALTH INSURANCE POLICIES

Type	Life Covered	Current Sum Assured £	Start Date	Term/ Review	Deferred Period	Premium £
Employer sponsored PMI	Family	N/A	March 1993	Annual	N/A	2,600

Notes:
Roger's Private Medical Insurance is a comprehensive plan covering the whole family and has been provided by his employer.

PART 10: REGULAR SAVINGS

Type	Company	Ownership	Fund	Amount Saved £	Sum Assured £	Maturity Date	Current Value £

Notes:

Roger and Gillian do not have any regular savings.

PART 11: PENSION DETAILS**Occupational pension scheme**

	Client 1	Client 2
Member of employer's scheme	Carruthers Limited	WestCo Bank
Type of scheme	Group Personal Pension	Occupational Pension Scheme
Date joined	October 1993	April 1988
Retirement age	60	60
Pension benefits	Defined contribution	Defined Benefit
Death-in-service	Return of fund	Three times salary
Dependant's benefits		50% spouses/dependant's pension
Contracted-in/out	Contracted-In	Contracted-Out
Contribution Level (employee)	3% of basic salary	6% of gross salary
Contribution Level (employer)	6% of basic salary	
Fund type	Lifestyle	N/A
Fund value	£167,550	N/A

Notes:

Carruthers contribute a minimum of 3% to Roger's Group Personal Pension and match his employee contributions up to a further 3%. All contributions are based on basic salary excluding bonuses and benefits. Roger has recently invested his entire fund in the lifestyle fund which invests mainly in equities until five years prior to retirement when switches are made to fixed interest and cash. Roger has completed an expression of wish for this plan in favour of Gillian.

Gillian has been a member of the WestCo Bank final salary pension scheme since age 23. She has not completed a death benefit nomination.

Additional Voluntary Contributions (including free standing additional voluntary contributions)

	Client 1	Client 2
Type	Free Standing AVC	
Company	Majestic Life	
Fund	Deposit	
Contribution	No longer receiving contributions	
Retirement date	Age 65	
Current value	£21,200	
Date started	June 1988	

Notes:

Roger contributed £300 per month to the Majestic Life Free Standing AVC for five years from June 1988. An expression of wish has been completed in favour of Gillian.

Personal Pensions

	Client 1	Client 2
Type		
Company		
Fund		
Contributions		
Retirement date		
Current value		
Date started		

Notes:

Roger and Gillian have no current personal pensions.

Previous pension arrangements

	Client 1	Client 2
Employer	Cardell Components Limited	
Type of scheme	Final Salary	
Date joined scheme	October 1985	
Date left	June 1993	
Preserved benefits	£5,220 gross per annum	

Notes:

Roger's most recent benefits statement showed that as at June 2011, he was entitled to an annual pension of £5,220 gross, payable from the scheme retirement age of 65. This will increase by Retail Prices Index both in deferment and in payment and provides dependants' benefits. Roger has not completed a death benefit nomination for this scheme.

State pension

	Client 1	Client 2
Basic pension		
SERPS/S2P		
Graduated pension		
Total		

Notes:

Roger has been in paid employment since the age of 22.

Gillian has worked from the age of 23, although she has taken a total of four years off work to raise the children.

PART 12: INHERITANCES

Wills	Client 1	Client 2
Do you have a current Will?	Yes	Yes

Notes:

Roger and Gillian revised their Wills shortly after Luke was born. The Wills include the provision for a discretionary trust to be set up on first death up to the value of the prevailing Nil Rate Band. On second death the deceased's estate will pass to their children in equal shares.

Trusts	Client 1	Client 2
Are you a beneficiary under a trust?	No	No
If yes, give details		
Are you a trustee?		
If yes, give details		

Notes:

Gifts	Client 1	Client 2
Give details of gifts made and received	£60,000	See notes

Notes:

Roger recently received a gift of £60,000 from his parents which has been deposited in the WestCo current account.

Gillian's parents have committed to using their annual gift exemption each year as a means of saving Inheritance Tax. Gillian and her sister will therefore receive £3,000 each per annum for the foreseeable future.

Inheritances	Client 1	Client 2
Give details of any inheritances received or expected	See notes	See notes

Notes:

Roger and Gillian's parents are all in good health. Apart from the recent gifts, Roger and Gillian do not expect any further inheritances or financial assistance from their parents in the foreseeable future. Roger and Gillian do not want to rely on any potential inheritances in their financial planning.

PART 13: ATTITUDE TO RISK

What level of risk are you prepared to take to achieve your financial objectives?

Notes:

Roger and Gillian have a medium attitude to risk.

PART 14: BUSINESS RECORDS

Compliance		
Date fact-find completed	21.9.2011	
IDD and menu issued	21.9.2011	
Data Protection Act	21.9.2011	
Money laundering	21.9.2011	
Consultations		
Dates of meetings		
Marketing		
Client source		
Referrals		
Documents		
Client documents held		
Date returned		
Letters of authority requested		

Notes:**PART 15: OTHER INFORMATION**

Roger and Gillian would like to buy a property for Josie to live in before she starts the second year of her university course in October 2012. The cost of the property (excluding any purchase costs) will be £140,000 and they do not want to take on any further debt. They expect any rental payments from two potential flatmates to help cover Josie's living costs. They would then continue renting the property to generate further income when Josie leaves university.

Gillian has been investigating the possibility of setting up her own business translation service. She would anticipate pursuing this venture full time within the next 12 months.

