



**AF5 – FINANCIAL PLANNING PROCESS
FACT-FIND - October 2018**

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 Johnson recently.

PART 1: BASIC DETAILS

	Client 1	Client 2
Surname	Johnson	Johnson
First name(s)	Nick	Jane
Address	15, Lark Close, Dudley	15, Lark Close, Dudley
Date of birth	15.06.1960	22.04.1962
Domicile	UK	UK
Residence	UK	UK
Place of birth	Birmingham	Stafford
Marital status	Married	Married
State of health	Good	Good
Family health	Poor	Good
Smoker	Yes	No
Hobbies/Interests	Cricket, Golf	Walking

Notes:

Nick was recently made redundant and is due to start a new part-time job within the next few weeks. Nick and Jane are considering the possibility of retiring when Jane reaches age 60. Nick has a family history of poor health and both his parents died when they were in their early 60's from heart-related issues.

PART 2: FAMILY DETAILS

Children and other dependants

Name	Relationship	Age	D.O.B	Health	Occupation	Financially dependent?
Sally	Daughter	32	01.12.85	Good	Doctor	No
Daniel	Son	26	15.11.91	Good	Builder	No

Notes:

Daniel is due to purchase his first home soon and Nick and Jane are considering assisting him with this purchase.

PART 3: EMPLOYMENT DETAILS		
Employment	Client 1	Client 2
Occupation	Telecoms Engineer	Accountant
Job title	Engineer	Accounts Manager
Business name	Aston Communications	Dudley Allied
Business address		
Year business started		
Remuneration		
Salary	£36,000 (from 01.11.18)	£54,000
State Pensions		
Overtime		
Benefits		
Benefits-in-kind		
Pension Scheme	See Part 11	See Part 11
Life cover	See Part 8	See Part 8
Private Medical Insurance	See Part 9	N/A
Critical Illness cover	See Part 9	N/A
Income Protection Insurance	See Part 9	N/A
Self Employment		
Net relevant earnings	N/A	N/A
Accounting date	N/A	N/A
Partnership/Sole trader	N/A	N/A
Other Earned Income		
Notes:		
<p>Nick is due to join Aston Communications on a part-time basis on 1 November. He has been offered a range of employee benefits. He is able to join the company Income Protection scheme, as well as the employer Private Medical Insurance scheme. The company also offers group Critical Illness cover of £36,000.</p> <p>Nick will have automatic membership of the company death-in-service scheme, which offers four times basic salary on death whilst in service when he joins the company qualifying workplace pension scheme.</p>		
Previous Employment	Client 1	Client 2
Previous employer	Arden Link	
Job title	Manager	
Length of service	25 years	
Pension Scheme	See Part 11	
Notes:		
<p>Nick worked for Arden Link for 25 years on a full-time basis and was made redundant in August. Arden Link offered a defined benefit pension scheme and Nick was a member of this throughout his career with them. Nick received a redundancy payment of £40,000 when he left the company. This was the net payment after tax.</p>		

PART 4: OTHER PROFESSIONAL ADVISERS

	Client 1	Client 2
Accountant		
Bank	Securebank	Securebank
Doctor		
Financial Adviser		
Solicitor	Briggs LLP	Briggs LLP
Stockbroker		
Other		

Notes:**PART 5: INCOME AND EXPENDITURE****Income**

	Client 1		Client 2		Joint	
	Monthly £	Annually £	Monthly £	Annually £	Monthly £	Annually £
State Pensions						
Private Pensions						
Salary (gross)	3,000		4,500			
Benefits-in-kind						
Investment income (gross)						1,740
Rental (gross)						
Dividend (gross)		2,400				

Notes:

Nick's income is based on his new salary from Aston Communications where he starts his new job on 1 November 2018.

	Client 1	Client 2
Income Tax	£	£
Personal allowances	11,850	11,850
Taxable income		
Tax		
National Insurance		
Net Income		

Notes:

Expenditure

Household Expenditure	Monthly £			Annually £		
	Client 1	Client 2	Joint	Client 1	Client 2	Joint
Mortgage/Rent						
Council tax						2,000
Buildings and contents insurance						480
Gas, water and electricity						1,400
Telephone			40			
TV licence and satellite			60			
Property maintenance						700
Regular Outgoings						
Life assurance (see Part 8)						
Health insurance (see Part 9)						
Savings Plans (see Part 10)						
Car tax, insurance and maintenance				800	750	
Petrol and fares	180	150				
Loans (see Note 1)						
School fees						
Childcare						
Further education						
Subscriptions	20					
Food, drink, general housekeeping			800			
Pension contributions (see Part 11)		108				
Other Expenditure						
Magazines and newspapers			20			
Entertainment			150			
Clubs and sport				1,200		
Spending money						5,000
Clothes				600	2,000	
Maintenance						
Other (Holidays)						7,200
Total Monthly Expenditure	200	258	1,070			
Total Annual Expenditure	2,400	3,096	12,840	2,600	2,750	16,780
Total Outgoings						40,466

Notes:

See below.

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

Nick and Jane may provide £50,000 to Daniel within the next six months to assist him with the purchase of his first home.

PART 6: ASSETS

	Asset	Client 1 £	Client 2 £	Joint £	Income (Gross) £
1.	Main residence			450,000	
2.	Contents/car			60,000	
3.	Current account – Securebank			8,000	
4.	Deposit Savings Account – Securebank			145,000	1,740
5.	Individual share portfolio				
6.	National Savings & Investments Premium Bonds	40,000			
7.	Stocks and shares ISAs	220,000	170,000		
8.	Unit Trust – European Equity fund	160,000			2,400
9.	Onshore Investment Bond – With-Profit fund			295,000	

Notes:

Nick and Jane have made full use of their Individual Savings Account allowances each year by making lump sum investments.

Nick's redundancy payment is now held in National Savings & Investments Premium Bonds.

Nick's stocks and shares ISA is invested in a range of US Equity Growth funds and Jane's ISA is invested in several UK Corporate Bond funds. All of these funds are invested in accumulation units. Jane is not very happy with the performance of her ISA holdings and would like to review these funds in the light of their retirement plans.

Nick has a Unit Trust holding in a European Equity fund. Nick is keen to retain this fund as it has performed well although he is slightly concerned as to the longer-term suitability of this fund for both himself and Jane.

Nick and Jane hold an Onshore Investment Bond that was purchased with a lump sum of £130,000. This was funded using part of an inheritance from Nick's father. This Bond is invested in a unitised With-Profit fund and following a recent statement, they have been advised that the Bond is reaching its twenty-year anniversary when they can withdraw from the Bond without penalty. They have not taken any withdrawals from this Bond. The With-Profit fund offers a guaranteed annual bonus of 4% and they are pleased with the performance of this Bond.

PART 7: LIABILITIES

Mortgage Details	Client 1	Client 2	Joint
Lender			
Type of mortgage			
Amount outstanding			
Start date			
Term/maturity			
Monthly payment			
Interest rate			
Life policies (see Part 8)			

Notes:

Nick and Jane repaid their mortgage some years ago with the inheritance received from Nick's late father.

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

Notes:

Nick and Jane have no outstanding loans.

Other Liabilities (e.g. tax)**Notes:**

Nick and Jane have no other liabilities.

PART 8: LIFE ASSURANCE POLICIES

	Life/Lives assured	Ownership	Sum assured £	Premium £	Term	Start date	In trust ?	Surrender Values £
1.	Jane	Jane	162,000	N/A	To retirement			N/A

Notes:

Jane has an employer death-in-service policy offering three times her basic salary on death whilst in service. Jane has completed a nomination form in favour of Nick.

Nick will become a member of his employer's death-in-service scheme which offers a benefit of four times his basic salary when he joins the qualifying workplace pension scheme.

PART 9: HEALTH INSURANCE POLICIES

Type	Life Covered	Current Sum Assured £	Start Date	Term/Review	Deferred Period	Premium £

Notes:

Nick will join the Aston Communications' company Income Protection scheme which is provided for all staff.

Nick has been offered membership of Aston Communications' company Private Medical Scheme and Group Critical Illness scheme. Nick has not yet decided if he will join either of these schemes.

PART 10: REGULAR SAVINGS

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

Notes:

Nick and Jane are not making any current regular savings.

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

	Client 1	Client 2
Member of employer's scheme		
Type of scheme		
Date joined		
Retirement age		
Pension benefits		
Death benefits		
Dependant's benefits		
Contracted-in/out		
Contribution Level (employee)		
Contribution Level (employer)		
Fund type		
Fund value		

Notes:

Nick and Jane do not have any current occupational pension schemes.

Additional Voluntary Contributions (including free standing additional voluntary contributions).

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

Notes:

Nick and Jane do not have any Additional Voluntary Contribution schemes.

Personal Pensions

	Client 1	Client 2
Type		Qualifying Workplace Pension scheme
Company		UK Life Ltd
Fund		Balanced Lifestyle fund
Contributions		3% employer/3% employee
Retirement date		65
Current value		£114,000
Date started		August 1998

Notes:

Jane has been a member of her employer's pension scheme since it was set up in August 1998. She has completed a nomination in favour of Nick. Jane's employer will match any employee contributions up to 5% so Jane is considering an increase to her contributions as soon as Nick starts his new job.

Nick will join his new company pension scheme as soon as he starts with Aston Communications. This will offer him matched employer contributions up to 7% of his basic salary. The company scheme is a qualifying workplace scheme and offers a wide range of investment funds including several Target Date funds. The current default fund is a Cautious Lifestyle fund.

Previous pension arrangements

	Client 1	Client 2
Employer	Arden Link	Self-invested personal pension (SIPP)
Type of scheme	Defined Benefit	Midlands Life
Date joined scheme	August 1993	Inherited from late brother
Date left	August 2018	
Preserved benefits	£24,000 per annum from age 65	£280,000

Notes:

Nick was a member of the defined benefit pension scheme until he was made redundant in August 2018. The last pension statement that he received showed an annual pension of £24,000 (gross) per annum from age 65 with a 50% spouse's benefit for Jane. Nick has completed a nomination form in favour of Jane. Nick is aware that the scheme trustees will not permit early retirement other than in cases of ill health. Nick has requested further details along with a Cash Equivalent Transfer Value (CETV) from the Pension Scheme Trustees for the Arden Link scheme.

Jane's brother died last year, aged 59, as a result of an accident. He was unmarried with no dependants and had nominated Jane to receive his benefits under his SIPP. This plan is currently held in cash within the SIPP bank account, but Jane wishes to invest this to provide additional income for herself and Nick in retirement.

State Pension

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

Notes

Nick and Jane have never checked their State Pension entitlement.

PART 12: INHERITANCES

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

Notes:

Nick and Jane have up-to-date Wills leaving all of their assets to each other on first death and then to the children in equal shares on second death.

They have also recently registered Lasting Powers of Attorney to ensure that their financial affairs can be dealt with by the other in the event of serious illness.

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

Notes:

Gifts	Client 1	Client 2
Give details of gifts made and received		

Notes:

Nick and Jane have not made any gifts.

Inheritances	Client 1	Client 2
Give details of any inheritances (see below)	£250,000	£280,000

Notes:

Jane's mother died several years ago. Her father is currently in a care home and Jane holds sole Lasting Power of Attorney for his finances. Jane does not expect to receive any inheritance from her father as she believes his remaining funds will be exhausted over the next few years in the payment of care fees.

Jane inherited her late brother's self-invested personal pension with a value of £280,000 and this is now held in her name as nominee. Jane has not yet updated the nomination on this plan nor has she drawn any benefits from it.

Nick inherited £250,000 from his late father and £120,000 of this was used to repay their mortgage and the balance of £130,000 was invested into the jointly-owned Investment Bond.

PART 13: ATTITUDE TO RISK

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

Notes:

Nick considers himself to be an adventurous investor.

Jane is a cautious investor.

Risk assessments have been completed confirming these risk profiles.

Neither Nick nor Jane are concerned about investing ethically.

PART 14: BUSINESS RECORDS**Compliance**

Date fact-find completed	01.10.18	
Client agreement issued	01.10.18	
Data Protection Act	01.10.18	
Money laundering	01.10.18	

Consultations

Dates of meetings		
-------------------	--	--

Marketing

Client source		
Referrals		

Documents

Client documents held		
Date returned		
Letters of authority requested		

Notes:**PART 15: OTHER INFORMATION**