



## HKFAS's Financial Planning Process

Financial Planning is an ongoing process. If the process is strictly followed, we believe the chances of meeting your objectives and achieving financial independence will be considerably improved. HKFAS has developed a six stage process which is summarised below.

### ★ Stage 1 – Discovery Process

The starting point is to understand what your goals and objectives are. How can we produce a financial plan without knowing where you want to go?

As well as gaining an understanding of your financial situation, it is vital we learn about your personal circumstances as the family dynamic can have a big influence on financial planning.

In this initial meeting we will also outline our service offerings and explain how we are paid for our services.

### ★ Stage 2 – Analysis

The second stage is to analyse your current position and consider your objectives to determine the 'gap' between your goals and the reality for both now and the projected future. This 'Gap Analysis' will enable you and us to clearly understand any changes required in order to achieve your goals.

We will also assess your attitude to investment risk (ATR) and discuss other risks which could impact on your financial situation such as inflation or poor health. We believe your ATR can have an impact to every aspect of a financial plan. Therefore, we ensure that we truly understand your willingness and ability to tolerate risk through the use of an unbiased Risk Profiler, along with an engaging conversation around the areas of risk more generally. We will qualify your understanding of risk before carrying out a more detailed analysis of existing plans and whether they remain suitable to achieve your goals.

### ★ **Stage 3 – Strategy presentation**

The third stage is to present both our findings from the Discovery stage as well as our specific recommendations in the form of a Financial Plan. We will explain any changes that need to be made and the impact of these changes, such as the costs that will be incurred or the taxation implications.

We will address any queries or concerns you have. We will re-visit the financial objectives agreed at outset to demonstrate how by implementing the Financial Plan you have an improved probability of achieving your goals.

### ★ **Stage 4 – Checkpoint**

Following the strategy presentation we will then agree what action (if any) will be taken, the timescales and make any adjustments that are needed.

It may be that other family members need to be involved at this stage or we need to consult with your other professional advisers such as your accountant or solicitor.

### ★ **Stage 5 - Implementation**

The fifth stage of the process is to implement the plan. This stage includes an action plan and if appropriate an investment strategy document, both of which will be provided once we have agreed the Financial Plan.

Without the implementation stage, the rest of the planning process can be worthless.

### ★ **Stage 6 - Review**

The final stage is to regularly review the plan and make changes where necessary. The overall aim of the financial planning process is to help you reach your financial goals and develop or maintain your desired lifestyle, in the most efficient way possible.

We believe the review process is vital as any changes in personal circumstances, legislation or the investment markets may impact on your financial plan and the eventual results. The review process will also deal with other important aspects such as the utilisation of tax allowances and new investment opportunities.

We will also reassess your ATR as this may change over time and we will ensure your portfolio is re-balanced so that it continues to reflect your agreed level of risk.

One of the unique benefits of being within the group, is that we have access to the expertise of a number of accountants and tax specialists that could provide assistance at the review stage if needed.

#### **HK Financial Advice Service**

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