

Mr M Burford  
60 Ullswater Road  
Lancaster  
Lancashire  
LA1 3PS

11<sup>th</sup> October 2024

Dear Mark,

**Re: Annual Review 2024**

This report aims to summarise your objectives and then provide recommendations in order to keep your financial plan on track to meet these objectives.

Following on from the objectives and recommendations there is supporting information in the appendices including analysis that you may find useful.

**Objectives**

Your retirement objective remains unchanged in that you expect to retire at 65. You have noticed that your company has been accumulating surplus cash; therefore, you have decided to award each director (you and Martin) an employer pension contribution of £2,000.

**Recommendation**

Invest your £2,000 employer contribution and £1,000 of available cash held in your Standard life Wrap SIPP as follows:

- £1,000 – Royal London Short Duration Gilt M Inc
- £500 – Trojan O acc
- £500 – Slater Growth acc
- £1,000 – Fundsmith Equity I Acc

**Rationale**

The funds recommended when added to your existing holdings conform with your agreed risk profile and have the potential for capital growth you require. The funds not mentioned within this report remain suitable; thus, we recommend they remain in situ.

We trust that this letter provides an accurate summary of our discussions and our recommendations are clear; however, should you have any concerns or wish to discuss any of the issues raised in more detail please do not hesitate to contact us.

Yours sincerely  
For Harwood Financial Planning

**Ryan J Woodhouse**  
**Independent Financial Adviser/Director**

To confirm you have read this report, your acceptance of our fact find, recommendation and consent for us to carry out this transaction, please email us ([enquiries@harwoodfp.co.uk](mailto:enquiries@harwoodfp.co.uk)).

## Appendix 1: Disclosure

The scope of our service is explained in the client agreement we provided you with on 13<sup>th</sup> December 2023 and you confirmed you did not wish to place any restrictions on the types of products or investment strategy when making our recommendation.

Our advice provided to you is based upon the information you have disclosed and therefore if this letter does not coincide with your view of the situation, or you require any further clarification, please let us know at your earliest convenience. It is important to emphasise any information in relation to your circumstances that has not been disclosed could have affected our advice to you.

Our recommendation has been limited to your objective of reviewing your pension as these are the only financial planning areas you wish to review at present. Therefore, you may have other financial planning needs that are not addressed by this report. **In particular, we note that you may have a shortfall in your life insurance/business protection needs. We would recommend that you address this area at your earliest opportunity.**

## Appendix 2: Your Attitude to Investment Risk

In order to understand what would represent an acceptable level of risk for you we follow a 3-step process. Firstly, we assess your psychological approach to risk through a risk questionnaire. Secondly, we assess your circumstances including your capacity for loss and investor experience and the final step is to combine the first two steps to arrive at a suitable level of investment risk.

The funds recommended are based on the level of risk you are prepared to accept. This was discussed following the initial completion of a risk profiling questionnaire. Your risk profile was mapped to a 7 on a scale of 1 to 10 (a Growth investor).

### 7 – Growth Investor

As a growth investor, you are happy to take on investment risk and understand that this is crucial in terms of generating long-term return. You are willing to take risk with most of your available assets. This would typically mean a portfolio invested in a combination of bond, property, and UK and International shares – the shares component for a growth investor could be between 40% and 85% of the portfolio value.

It is important to note that a growth investment can fall as well as rise in value and it would be quite common for this type of investment to rise or fall by 30% over a 12-month period. Although your investment is unlikely to fall by more than 30% over a 12-month period it is still possible.

Your risk profile will be reviewed on an annual basis or if you inform us of a change in your circumstances.

### Investment experience

Judging your investment experience is an important part of determining your overall risk profile. We say this, because the risk profile tool in isolation is a theoretical exercise i.e., it deals with hypothetical situations, whereas investing for real tests how you have reacted/responded to certain situations in reality. The way you respond to setbacks when investing is an important factor that can determine the ultimate success/failure of your investment.

You have been investing in your Standard Life pension since 2017; therefore, have experience of investing through a range of market conditions including the Covid Pandemic and the high levels of inflation experienced in the aftermath. You have reacted well to situations where your funds have fallen in value showing a good long term investment temperament.

#### Capacity For Investment Loss

When assessing your pension/investments, it is our responsibility to assess your ability to 'absorb' investment losses and whether this would have a detrimental impact on your standard of living. The following factors that are important to you in this respect are as follows:

As this investment is a pension and the contributions are employer based the main determinant of your capacity for loss is your investment timeframe. At present this is just over 11 years; therefore, we feel confident that a short-term fall in the value of your investments in line with the volatility levels outlined previously would not mean that you suffer a drop in living standards.

Your risk profile will be reviewed on an annual basis or if you inform us of a change in your circumstances.

#### **Appendix 3: Plan Information**

<b>Plan</b>	<b>Fund Value</b>
Standard Life Wrap SIPP	£25,481.81

#### **Appendix 4: Risks**

All the risks associated with this investment are detailed in the product literature provided to you when you started your plans. You should refresh your understanding on this information. In addition, you should take note of the following risks:

- You should remember that unit prices and the value of your investment can fall as well as rise and there is no guarantee you will receive a return of your original capital. Past performance is no guarantee of future returns.

### **Appendix 5: Estimated Fee's/Charges (next 12 months)**

We believe it is important to review your investment strategy at regular intervals to ensure it continues to meet your aims and objectives. Full details of our service proposition are contained within our client agreement. We will review your plans annually.

Following this recommendation, the estimated ongoing charges/fees on your Standard Life Wrap SIPP will be as follows (based on a value of 27,481.81):

<b>Type of Charge</b>	<b>Charge (%)</b>	<b>Charge (£)</b>
Fund Charges	0.92	252.83
Product Charge	0.35	96.18
Ongoing Adviser Charge	0.80	219.85
<b>Total Charge</b>	<b>2.07%</b>	<b>£568.86</b>

## **Appendix 6: Miscellaneous**

### Product Documentation

The documentation provided at outset is important and contains information regarding the product which we have recommended, particularly with regards to how the product works, its aims, risks and charges, together with its legal status, tax treatment and your cancellation rights. Therefore, please ensure you have read this document carefully. If there are any points on which you are unsure, or require further clarification, please contact us and we will be pleased to explain these in greater detail.

### Tax Treatment and Law

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and His Majesty's Revenue and Customs (HMRC) practice. Levels and basis of tax relief are subject to change.

### Financial Services Compensation Scheme (FSCS)

You may have full rights to the Financial Services Compensation Scheme (FSCS). The FSCS provides compensation should your chosen provider become insolvent and be unable to honour a claim under your policy. The levels of compensation vary depending on the type of contract concerned and the limits for each type of category are available at [www.fscs.org.uk](http://www.fscs.org.uk).

### Wills and Lasting Powers of Attorney

You advised me that you do not have a valid Will in place or Lasting Powers of Attorney. I strongly recommend that you have a Will written as soon as possible as there can be tax-planning advantages from Will writing and this can ensure that as much as possible of your estate goes to those intended.

It would also be prudent to set up and register Lasting Powers of Attorney for "property and financial affairs", to ensure that in the event of your incapacity, your spouse/partner/relative could act on your behalf.

### Nomination on death

You have previously completed a nomination of beneficiary/expression of wish form. In the event of your death the policy proceeds, subject to the trustees' discretion, are paid to your chosen beneficiaries. Your chosen beneficiaries are your wife Nicola (90%) and your daughter Ellyn (10%).

### What happens when you die? –

Should you die before age 75, the nominated beneficiary can receive a lump sum, drawdown an income or purchase a dependents annuity. All these options are paid free of tax.

Where you die after the age of 75 the same options are available, but tax is paid at the beneficiary's marginal rate of tax

