

LOOKING FOR THE BEST IN FINANCIAL PLANNING?

Follow that dream

Financial planning can change your life by putting you on the path to wealth.

But it will only have that effect if it is a genuine financial plan, which incorporates your earning potential, taxation and loan liabilities, saving capacity, insurance obligations, and superannuation and investment needs into a single coordinated plan.

It must begin with an analysis of your current financial position and future needs, defining your short- and long-term goals and creating strategies that are capable of achieving these objectives. As part of this process, your financial plan must be regularly reviewed to ensure it incorporates any changes to your circumstances and/or your needs.

Targeting the gains

A sound financial plan will seek to achieve:

- a realistic and affordable utilisation of cash flow (income from salary and other sources) to create real capital growth.
- investment of assets in a manner that provides an acceptable level of security and an optimum level of return.
- minimisation of taxation with the framework of the law.
- preservation of the purchasing power of capital.
- a debt plan structured in the most advantageous way.
- a budgeting program that anticipates the inflow and outflow of cash.
- protection against catastrophe (via insurance).
- a stable standard of living with prospects of improving it.
- an acceptable trade-off in current lifestyle to achieve a desired future lifestyle.
- security for you and your dependants.

- a commitment to review financial goals at regular intervals.

The way to create wealth

What does it take to create wealth?

A long-term, systematic financial plan.

Many salary earners believe it is not possible to get wealth on what they earn. What they overlook is that there are wealth creation tools which can give more power to their dollars – tools such as gearing, tax planning, compound interest and portfolio diversification.

Wealth can be accumulated by converting a proportion of cash flow (salary) into capital. The key part of a financial plan, therefore, is a cash flow analysis, which should:

- clearly identify your financial goals and objectives.
- identify any financial problems
- allocate your assets and organise your surplus cash flow in a manner that fulfils your needs for income and/or capital growth.
- set time frames for resolution of your problems and a step-by-step achievement of your goals.
- provide an adequate level of liquidity (accessible cash).
- Make allowances for the need to be flexible (be able to react appropriately in times of economic change).
- Include a strategy for risk management.

Depth of knowledge

Many of our members now hold an additional designation, Financial Planning Specialists (FPS), and are fully qualified licensed financial planners. Therefore, in addition to offering you more insightful tax advice, your licensed CPA (FPS) can offer you a greater depth of knowledge and innovative thinking on the ways to achieve real financial independence. This covers the total spectrum – from

developing your personal portfolio to advising on better budgeting, smarter investing and estate planning.

CPA Standards

A CPA is best equipped to help you with strategies to start your business.

CPAs are leaders in business, finance and accounting advice. The right to use the CPA designation is only given to degree-qualified professionals who have undertaken rigorous and comprehensive post-graduate study, the CPA program.

In addition, CPAs are required to constantly enhance their knowledge and undergo ongoing professional development. This is achieved by undertaking structured professional development programs, including attendance at seminars, workshops, lectures and discussion groups.

CPAs are also bound by a strict Code of Professional Conduct and subject to regular quality assurance audits administered by CPA Australia.

With this combination of qualifications, skills and experience, CPAs remain at the leading edge of their profession, so you can be assured you will receive the best advice the next time you 'Ask your CPA'.

Your financial planning checklist

If your objective is to create wealth:

- Do you have a budget that leaves a cash flow surplus each month?

- Is your surplus directed towards the investment in assets that will achieve capital growth?

- Do any of these assets carry taxation benefits?

- Have you evaluated the benefits of using your tax status and cashflow position to acquire assets through gearing (borrowing)?

If your objective is to create income:

- Are your investments diversified to maximise returns and minimise risk?

- Have you evaluated a range of relevant products on the market?

- Is your income flow wholly taxable or is some of it non-taxable or eligible for rebates?

- Are your assets allocated in a form that will insulate your returns against inflation?