



Diagnose and prescribe

Our experiences don't just treat the symptoms; they look for the cause as well.

The well-known saying “prevention is better than cure” remains just as relevant today as it was when it was coined by Dutch philosopher Desiderius Erasmus in the 1500s. With our suite of experiences, we aim to uphold this principle and provide our new and long-standing clients with immeasurable financial health benefits.

The importance of early diagnosis and its potential value was evident in a recent meeting with two potential clients, whom we will refer to as John (age 57) and Sally (age 55). John, who works at Astra Zeneca, earns a salary of £250,000, along with a £50,000 bonus and share options valued at £450,000. While he enjoys his job, it can be quite stressful, and Sally believes he should consider retiring soon. However, John is hesitant, as he worries about losing his sense of purpose without work.

In addition to his job, John also owns 50% of a family business with his brother. This business typically pays an annual gross dividend of £350,000 and is currently being sold for £12 million, with John expecting to receive net proceeds of £5 million. John's brother manages the business on a day-to-day basis, and John's relationship with his brother's wife is strained.

In terms of legal documentation, the business lacks any safeguards for its shareholders, leaving them vulnerable. Additionally, both John and Sally have yet to establish wills or powers of attorney, leaving their personal affairs unprotected.

Throughout his career, John has accumulated a final salary pension (also known as a defined benefit pension that pays a guaranteed annual income for life) which is estimated to pay him £50,000 from age 60, as well as a money purchase pot (also referred to as a defined contribution pension to provide income in retirement) valued at £375,000. However, he has paid little attention to these assets over the years. Together, John and Sally have amassed £1 million in cash savings, with no specific plans for it. They have



no mortgage and no immediate plans to move from their home, which serves as a thriving family hub for their three married children (aged 28, 30, and 33), who between them have three children of their own and another on the way.

While the traditional approach of a financial planner would involve proposing suitable investment products and tax planning after the initial meeting, we believe that is merely a basic requirement. This is where our Equilibrium experiences, based on the concept of “diagnose and prescribe” truly shine.

The life plan serves as the starting point for our initial diagnosis (see ‘This is your life plan’ on pages 12-13). Through further conversations, we

will then create an initial prescription with a timeline for the treatment plan.

As the sale of John’s business progresses smoothly, there is no immediate need for our “Setting sale” experience. However, if the sale falls through, it may be worth revisiting, especially considering John’s strained relationship with his brother’s wife and lack of shareholder protection. It may also be beneficial for John to bring his mother, Carol (age 82), to our “Care conundrum” masterclass, as she is a widow living alone in her home of 50 years.

Given John and Sally’s current hectic lifestyle, it will be crucial to manage the pace at which they take their medication for maximum effectiveness. The initial prescription

can be tailored and adjusted throughout, based on their priorities and desired speed of progress.

The case of John and Sally exemplifies the importance of the order in which the treatment plan is implemented. While the content may be similar for each experience, the personalised dosage aims to ensure a clean bill of financial health for our clients.

The example used in this article is for illustrative purposes only, but it is based on a real-life scenario.

*For your diagnosis and prescription, please reach out to your usual Equilibrium contact or alternatively if you’re new to Equilibrium, please call us on **0161 383 3335**.*

Patients name: John & Sally

Plan Year	Diagnosis	Prescription
Initial	Sort out basic legal needs such as the will and pension nominations.	Law in order (light dose)
1	With potential cash to invest of £6 million and little investment experience, it will be important that John and Sally have the necessary guidance to help them understand the fundamentals. It will also be key for them to understand the psychology and financial behaviours associated with investing.	Volatility - victim or victor Money and your mind
	It will be valuable for John and Sally to recognise the importance of establishing powers of attorney.	Law in order (Power of attorneys masterclass)
	Revisit first year treatment plan and adjust dose where necessary.	This is your life (repeat prescription)
2	The need for clarity around what is important for the family by having courageous conversations with the children. Furthermore, it is crucial to consider how this can be effectively integrated into the realm of inheritance tax planning.	Nearest and dearest Inheritance tax - the bottom line Gift of giving
	Review to ensure treatment is still effective.	This is your life (repeat prescription)
3	Consider what retirement might look like for John and Sally by understanding their accumulated retirement provision. This will then bring financial clarity to their plans ensuring they transition into retirement with a purpose.	Relishing/resisting retirement
	Discuss their investment journey so far to ensure they remain comfortable.	Volatility - victim or victor Money and your mind
	Check the plan is still appropriate and that legals are still suitable.	Law in order This is your life