So what if you haven’t managed to exercise every day or to start that diet or to leave the practice earlier – don’t berate yourself for this, because there’s still plenty of room for change. The resolutions you shouldn’t ignore are those that have an impact on everything else that goes on in your life. This year, with a darkening financial cloud ahead of us, there are very real reasons to make and stick to our New Year’s financial fitness resolutions. Here are our top tips to ensure that you and your loved ones remain in peak financial condition.

Say you will
Make sure you have a will and it is up-to-date. No apologies for making this our number one tip. The nightmare situation is if you have children and die intestate (without a valid will) your married or civil partner will only receive:
• Your personal effects (the deceased’s personal belongings and chattels).
• £125,000 free of inheritance tax.
• A life interest in half the remainder of the estate.

By not preparing a will, you invariably cause difficulties for your family at a time which is already distressing enough. Imagine this very real scenario:
• Your next of kin have burrowed through your drawers and realised that no will exists so they go through the courts to gain the power to deal with your estate. This is time consuming and can be costly.
• When they eventually reach the point where they can gain access to your estate they then have to distribute it according to the Laws of Intestacy. If you are not married or have a civil partnership the position is even worse as the survivor would get nothing from the other’s estate.
• After many months or even years without access to their share of your assets, it is quite possible your next of kin could suffer financial hardship and possibly go into debt.
• With a will it would simply be a matter of applying for probate (a process that is far quicker and easier to complete) with the net proceeds reaching the right hands much quicker and distributed as you would have wished.

Ensure you insure
Can you say yes to all the following statements?
• If I die, all my borrowings can be repaid and my family will not need to compromise their lifestyle.
• If I’m disabled and unable to work, my practice costs will be covered and in the event of long-term illness, I can repay all my borrowings and my family will survive without financial hardship.
• In the event of an unexpected incident at work, such as a fire, theft or the loss of utilities, my business will not suffer financially.

Resolutions for financial fitness
The New Year is a time of renewal, often of the resolutions that we failed to keep the previous year! Peter Dunn reassures you there’s still time to put them right.
If you can’t wholeheartedly agree with all of these statements, your insurances need to be urgently reviewed!

Update your accounts
In the current climate this is even more important than usual. Management accounts give you a strong indicator of how the practice is doing on a month-by-month basis and whether any remedial action is needed. If you wish to expand your practice or purchase new equipment, asset finance companies are now much more stringent with their lending practices.

If you need a cash injection or you have to raise finance for a capital purchase, having everything you need to hand will reduce delays and the chances of a knock back. What might you need? Here’s a brief list:

- Your latest accounts should be signed off and your monthly management accounts should be up-to-date.
- Have invoices or order details available to show the purpose of the borrowing is genuine. Raising money at the last minute to cover an unexpected tax bill is no longer an easy option!
- Never miss a domestic mortgage payment. Defaulting on your most important loan will give you the highest rating of negativity and dramatically reduce your chances of raising finance.

Cash is king
Put aside the equivalent of three months income in a cash account to provide a buffer against unexpected expenditure. Remember that cash problems are easiest avoided if you are aware and managing your cash cycle. Do you have a cash flow forecast and are you able to predict the peaks and troughs of your cash cycle? Financial institutions are more resistant to lending now so you should communicate with them when a problem is foreseen rather than after it has happened - this shows that you are managing your business rather than reacting to circumstances that arise.

Review your investments
Are your investments and pensions in line with your tolerance to investment risk? In simple terms, how much are you prepared to lose in the short term in the quest for greater returns? Your risk tolerance is likely to vary according to age, income requirements and your financial goals. For example, a 60-year-old dentist approaching retirement will generally have a lower risk tolerance than a single 50-year-old dentist. The big question is, have your investments been reviewed recently? Does the investment strategy put in place some time ago still suit you today? This leads nicely on to our last tip!

Meet a specialist
You can make good on everything on our financial fitness list with one call to your financial adviser. Book a meeting, allocate ample time and resolve to get your finances up-to-date. The predictions for 2009 might be gloomy but there is always 2010 and beyond, and that’s where sound financial planning will pay dividends. Resolve to at least do that.

Peter Dunn is director and senior consultant for Heritage Financial Advisers, a team of independent, fee-based financial planning specialists dedicated to the dental sector. Peter has over 20 years’ experience of working within the dental industry in financial services companies allied to Dental Business Solutions and Practice Plan. In 2001, he relocated to Newbury with what is now Heritage Financial Advisers and assumed joint control of the company in 2006. To contact him, call 01635 48727 or email info@hfadvisers.co.uk.

About the author

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