

APPENDIX A - NET WORTH STATEMENT - IHT Calculation on Second Death				
Assets	Phil Denham	Sue Denham	Joint	Total
	£	£	£	£
<u>Readily Realisable Assets</u>				
Cash Deposits				
Bank accounts	6,000	2,500	44,000	52,500
Building Society accounts	65,000	370,000	30,000	465,000
Cash ISAs	0	0	0	0
NS&I Premium Bonds	30,000	18,000	0	48,000
Investments				
Equity ISAs	85,000	60,000	0	145,000
Quoted shares / investment trusts	92,000	35,000	0	127,000
Unit trusts / OEICs	40,000	20,000		60,000
<u>Assets NOT Readily Realisable</u>				
Property				
Principle Private Residence (joint tenants)			700,000	700,000
French apartment			250,000	250,000
Pension Funds				
Pension Funds PPs	650,000	75,000		725,000
Final salary lump sum DiS	240,000			240,000
Other Assets				
Contents / Personal Effects UK			60,000	60,000
Contents / Personal Effects France			20,000	20,000
Car(s)	15,000	12,000		27,000
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Total Assets	1,223,000	592,500	1,104,000	2,919,500
<u>Liabilities</u>				
Offset mortgage re UK			60,000	60,000
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TOTAL NET ASSETS	1,223,000	592,500	1,044,000	2,859,500
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<u>NRB calculation</u>				
Discretionary trust set up when Susie born 9 years ago, so initial settlement no longer reduces NRB				
Additions to discretionary trust since have been no more than £5,000pa so within annual gift allowance				
Assume unused annual capital gift allowance of couple is £1,000 pa (i.e. £500 pa each) x 2 yrs				
4 years ago Phil & Sue gave £30,000 to Andrew & Gemma counting as a PET				
Assume Phil's share of gift was £14,000 (i.e. £15,000 less 2 x £500 remaining annual gift allowance) & same for Sue				
All assets in marital estate, which after remaining NRBs will attract IHT at 40%				
				2,859,500
Remaining NRBs (assume Phil & Sue have £500 each remaining annual gift allowance x 2yrs				
				-624,000
& £14,000 PET from 4 years ago, reducing NRB by £13,000 to £312,000 each)				

				2,235,500
				x 40%

IHT payable				894,200

APPENDIX A - NET WORTH STATEMENT - IHT Calculation - On Second Death After Estate & Will Planning 7 Years Hence

Assets	Phil Denham	Sue Denham	Joint	Total
	£	£	£	£
<u>Readily Realisable Assets</u>				
Cash Deposits				
Bank accounts	6,000	2,500	44,000	52,500
Building Society accounts	65,000	20,000	30,000	115,000
Cash ISAs	0	0	0	0
NS&I Premium Bonds	15,000		0	15,000
Investments				
Equity ISAs	85,000	60,000	0	145,000
Quoted shares / investment trusts	92,000	35,000	0	127,000
Unit trusts / OEICs	40,000	20,000		60,000
<u>Assets NOT Readily Realisable</u>				
Property				
Principle Private Residence (joint tenants)			700,000	700,000
French apartment				0
Pension Funds				
Pension Funds PPs				0
Final salary lump sum DiS				0
Other Assets				
Contents / Personal Effects UK			60,000	60,000
Contents / Personal Effects France			20,000	20,000
Car(s)	15,000	12,000		27,000
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Total Assets	318,000	149,500	854,000	1,321,500
<u>Liabilities</u>				
Offset mortgage re UK				0
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TOTAL NET ASSETS	318,000	149,500	854,000	1,321,500
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<u>NRB calculation</u>				
ASSUME 7 YEARS HAVE PASSED				
Discretionary trust set up when Susie born 9 years ago, so initial settlement no longer reduces NRB				
Additions to discretionary trust since have been no more than £5,000pa so within annual gift allowance				
Assume unused annual capital gift allowance of couple is £1,000 pa (i.e. £500 pa each) x 2yrs				
All assets in marital estate, which after remaining NRBs will attract IHT at 40%				
				1,321,500
Remaining NRBs (assume Phil & Sue have £500 each remaining annual gift allowance x 2yrs)				-977,000
PLUS ALSO 100% NRB FROM SUE'S FIRST HUSBAND				-----
				344,500
				x 40%

IHT payable				137,800

APPENDIX E - RETIREMENT PLANNING ANALYSIS						APPENDIX E(ii) - PROJECTING SUE'S PENSION & PREMS				
APPENDIX E(i) - PROJECTING PHIL'S SIPP & PREMS						APPENDIX E(ii) - PROJECTING SUE'S PENSION & PREMS				
Calc date		01/09/2013				Calc date		01/09/2013		
Objective: to retire in 2017 when Phil is 65						Objective: to retire in 2017 when Phil is 65 and Sue is 61				
Phil's date of birth		01-Sep-1952		Age 61		Sue's date of birth		01-Sep-1956		Age 57
Sue's date of birth		01-Sep-1956		Age 57		Phil's date of birth		01-Sep-1952		Age 61
Retirement date		01/09/2017				Retirement date		01/09/2017		
Premium escalation pa		4.00% assume 6% prems rise with earnings				Premium escalation pa		0.00% assume premiums stay fixed		
Assumed fund growth pa		4.20% for medium risk strategy				Assumed fund growth pa		4.20% for medium risk strategy		
60% eq : 20% prop: 20% FI						60% eq : 20% prop: 20% FI				
(assume 0.8% amc)						(assume 0.8% amc)				
Phil						Sue				
Year	PP fund	Annual EE	EE Bonus	Growth	PP fund	Year	PP fund	Annual EE	Growth	PP fund
	b/fwd	Premiums	Premiums	4.20%	c/fwd		b/fwd	Premiums	4.20%	c/fwd
2013	650,000	3,600	5,000	27,661	686,261	2013	75,000	1,200	3,200	79,400
2014	686,261	3,744	5,000	29,190	724,195	2014	79,400	1,200	3,385	83,986
2015	724,195	3,894	5,000	30,790	763,879	2015	83,986	1,200	3,578	88,763
2016	763,879	4,050	5,000	32,463	805,391	2016	88,763	1,200	3,778	93,742
2017	805,391					2017	93,742			
PCLS	201,348					PCLS	23,435			
OMO	604,044	805,391				OMO	70,306	93,742		
IL annuity rate	3.53%	3.53%				IL annuity rate	3.23%	3.23%		
IL annuity	21,348	28,464	gross pa			IL annuity	2,274	3,031	gross pa	
Assumed Annuity Interest Rate at retirement						Assumed Annuity Interest Rate at retirement				
Assume CPI for Index-Linked Pension at retirement						Assume CPI for Index-Linked Pension at retirement				
PA90 Mortality Rates, downrating on age (10 yrs)						PA90 Mortality Rates, downrating on age (10 yrs)				
Escalating annuity with 10 year guarantee & 2/3 spouse's benefit						Escalating annuity with 10 year guarantee & 2/3 spouse's benefit				
PA90						PA90				
Male aged	65 less	10			55					
Spouse aged	61 less	10			51					
AIR					2.75%					
Escalation					2.50%					
Member, single life, 10 year guarantee					21.237					
Reversionary annuity to spouse					10.587					
Annuity rate					3.53%					
PA90						PA90				
Female aged	61 less	10			51					
Spouse aged	65 less	10			55					
AIR					2.75%					
Escalation					2.50%					
Member, single life, 10 year guarantee					29.318					
Reversionary annuity to spouse					2.408					
Annuity rate					3.23%					

CASHFLOW ANALYSIS Part 2

Capital Fund ATS S&S ISAs and IDAs

Fund	Income	Growth	Fund	Personal	Basic	Phil	Phil	NIC	NIC				
b/f	Surplus/ Deficit	4.20% net pa	c/f	Allowance	Rate Band	Extra PA FS E'ee pens	Extra BRB Re E'ee pens	LEL up to UEL @ 12%	above UEL @ 2%				
				2.50%	1.00%	4.00%		2.50%	2.50%	Cashflow Forecast			
										Year	Income	Expenditure	Capital fund
514500	0	21609	536109	9440	32010	2400	8600	7748	41444	2013	£71,835	£45,000	£514,500
536109	0	22517	558626	10000	31865	2496	8744	7942	42480	2014	£74,527	£46,125	£536,109
558626	0	23462	582088	10250	32184	2596	8894	8140	43542	2015	£77,222	£47,278	£558,626
582088	0	24448	606536	10506	32505	2700	9050	8344	44631	2016	£80,022	£48,460	£582,088
606536	-6163	25216	625588	10769	32831			8552	45746	2017	£43,508	£49,672	£606,536
625588	-6416	26005	645177	11038	33159			8766	46890	2018	£44,498	£50,913	£625,588
645177	-6676	26817	665319	11314	33490			8985	48062	2019	£45,511	£52,186	£645,177
665319	-6943	27652	686028	11597	33825			9210	49264	2020	£56,941	£53,491	£665,319
686028	-7218	28510	707319	11887	34164			9440	50495	2021	£58,365	£54,828	£686,028
707319	1850	29785	738955	12184	34505			9676	51758	2022	£69,176	£56,199	£707,319
738955	1793	31111	771860	12489	34850			9918	53052	2023	£70,905	£57,604	£738,955
771860	1733	32491	806084	12801	35199			10166	54378	2024	£72,678	£59,044	£771,860
806084	1671	33926	841681	13121	35551			10420	55738	2025	£74,495	£60,520	£806,084
841681	1606	35418	878705	13449	35906			10681	57131	2026	£76,357	£62,033	£841,681
878705	1539	36970	917215	13785	36265			10948	58559	2027	£78,266	£63,584	£878,705
917215	1468	38585	957268	14130	36628					2028	£80,223	£65,173	£917,215
957268	1395	40264	998927	14483	36994					2029	£82,228	£66,803	£957,268
998927	1319	42010	1042256	14845	37364					2030	£84,284	£68,473	£998,927
1042256	-56413	41405	1027249	15216	37738					2031	£86,391	£127,837	£1,042,256
1027249	-58801	40675	1009123	15597	38115					2032	£88,551	£131,898	£1,027,249
1009123	-61285	39809	987647	15987	38496					2033	£90,764	£136,095	£1,009,123
987647	-1295	41427	1027779	16386	38881					2034	£57,935	£50,387	£987,647
1027779	-1444	43106	1069440	16796	39270					2035	£59,384	£51,647	£1,027,779
1069440	-1598	44849	1112691	17216	39663					2036	£60,868	£52,938	£1,069,440
1112691	-1757	46659	1157593	17646	40059					2037	£62,390	£54,262	£1,112,691
1157593	-77789	45352	1125156	18087	40460					2038	£63,950	£131,486	£1,157,593
1125156	-80993	43855	1088018	18539	40865					2039	£65,549	£135,911	£1,125,156
1088018	-84324	42155	1045850	19003	41273					2040	£67,187	£140,492	£1,088,018
1045850				19478	41686					2041	£0	£0	£1,045,850