

APPENDIX A - NET WORTH STATEMENT

The following shows the net position of your estate as it stands today (August 2013) assuming you remain alive.

			Harry	Joan	Joint	Total
			£	£	£	£
<b><u>Assets</u></b>						
<b><u>Readily Realisable Assets</u></b>						
<b>Cash Deposits</b>						
Bank accounts			0	0	0	0
Savings accounts (instant access)			0	0	40,000	40,000
Cash ISAs			50,000	50,000	0	100,000
NS&I Premium Bonds			0	0	0	0
<b>Investments</b>						
Equity ISAs			0	0	0	0
OEICs			0	0	0	0
Investment trusts	Holding	CurrentPrice	0	0	0	0
Witan Pacific IT	10000	£2.4650	24,650			24,650
Baillie Gifford Shin Nippon IT	10000	£2.8100	28,100			28,100
Blackrock North American Income IT	5000	£1.1775		5,888		5,888
<b><u>Assets NOT Readily Realisable</u></b>						
<b>Property</b>						
Principle Private Residence					180,000	180,000
<b>Pension Funds</b>						
Pension Funds						
<b>Other Assets</b>						
Contents / Personal Effects					100,000	100,000
Car(s)						0
			-----	-----	-----	-----
<b>Total Assets</b>			<b>102,750</b>	<b>55,888</b>	<b>320,000</b>	<b>478,638</b>
<b><u>Liabilities</u></b>						
Repayment mortgage					0	0
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<b>TOTAL NET ASSETS</b>			<b>102,750</b>	<b>55,888</b>	<b>320,000</b>	<b>478,638</b>
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<b><u>SUMMARY</u></b>						
Total readily realisable assets			102,750	55,888	40,000	198,638
Total land & buildings			0	0	180,000	180,000
Total pension funds			0	0	0	0
Total other assets			0	0	100,000	100,000

APPENDIX B - INCOME & EXPENDITURE STATEMENT					
Analysis of annual income and expenditure for the complete tax year ending 5 April 2014					
I have assumed your income and expenditure figures have remained the same for this period.					
<b>INCOME</b>			Harry	Joan	Total
			£	£	£
<b>Earned Income</b>					
Harry's Local Government Pension			20,000.00		20,000.00
Joan's pension (level or escalating?)				6,000.00	6,000.00
Joan's state pension				5,727.80	5,727.80
			-----	-----	-----
Sub-Total			20,000.00	11,727.80	31,727.80
			-----	-----	-----
<b>Other Income</b>					
Bank account interest			0.00	0.00	0.00
Savings account interest			200.00	200.00	400.00
Cash ISA interest	2.00%		1,000.00	1,000.00	2,000.00
Equity ISA			0.00	0.00	0.00
Investment Trust dividends			465.61	215.88	681.49
			-----	-----	-----
Sub-Total			1,665.61	1,415.88	3,081.49
			-----	-----	-----
<b>Total Gross Income</b>			<b>21,665.61</b>	<b>13,143.68</b>	<b>34,809.29</b>
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Estimated Income Tax			2,198.56	307.15	2,505.71
Estimated National Insurance Contributions			0.00	0.00	0.00
<b>EXPENDITURE</b>					
<i>Figures extracted from Expenditure Questionnaire</i>					16,000.00
Household					
Utilities					
Housekeeping					
Motor					
School fees					0.00
Life assurance					0.00
Mortgage payments					0.00
Holidays			3,000.00	3,000.00	6,000.00
					-----
Sub-total excluding Income Tax & NIC					22,000.00
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<b>Sub-total including Income Tax &amp; NIC</b>					<b>24,505.71</b>
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<b>SUMMARY</b>					
<b>Total Gross Income</b>					<b>34,809.29</b>
<b>Total Expenditure including Tax &amp; NIC</b>					<b>24,505.71</b>
<b>Net Surplus Income</b>					<b>10,303.58</b>

APPENDIX C - INCOME TAX & NATIONAL INSURANCE CALCULATIONS

Breakdown of Income Tax & National Insurance Contribution Calculation for Tax Year ending 5 April 2014

				Harry £	Joan £	Total £
<b>Pension Income</b>						
Harry's Local Government Pension				20,000.00		20,000.00
Joan's pension (level or escalating?)					6,000.00	6,000.00
Joan's state pension					5,727.80	5,727.80
Sub-totals				20,000.00	11,727.80	31,727.80
<b>Other Income</b>						
Savings accounts (instant access)	40,000.00	at	1.00%	200.00	200.00	400.00
Witan Pacific IT (divide by 0.9)	24,650.00	at	1.70%	465.61		465.61
BlackRock North American Income (divide by 0.9)	5,887.50	at	3.30%		215.88	215.88
Sub-totals				665.61	415.88	1,081.49
<b>Statutory Total Income</b>				<b>20,665.61</b>	<b>12,143.68</b>	<b>32,809.29</b>
Less Personal Allowance				9,440.00	10,500.00	19,940.00
<b>Taxable Income</b>				<b>11,225.61</b>	<b>1,643.68</b>	<b>12,869.29</b>
<b>Less</b>						
Tax on Harry's pension	10,560.00	at	20%	2,112.00		
Tax on Harry's interest	200.00	at	20%	40.00		
Tax on Harry's dividends	465.61	at	10%	46.56		
Tax on Joan's pension	1,227.80	at	20%		245.56	
Tax on Joan's interest	200.00	at	20%		40.00	
Tax on Joan's dividends	215.88	at	10%		21.59	
<b>Total Income Tax Payable</b>				<b>2,198.56</b>	<b>307.15</b>	<b>2,505.71</b>
<b>National Insurance Contributions</b>						
Harry				0.00		
Joan					0.00	
				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Your total net income after taxation &amp; NICs is:</b>				<b>18,467.05</b>	<b>11,836.53</b>	<b>30,303.58</b>
Average Overall Rate of Tax & NICs (broadly)				10.64%	2.53%	7.64%

School Fees Planning								
4.00% pa assumed rate of escalation of fees								
Year	Ian 11	Sue 10	Matt 9	Sally 8	Totals	Discount Rate pa	Discounted Lump Sum	
2013	2,500	2,500	2,500	2,500	10,000	0.50%	10,000	
2014	2,600	2,600	2,600	2,600	10,400	0.50%	10,348	
2015	2,704	2,704	2,704	2,704	10,816	0.50%	10,709	
2016	2,812	2,812	2,812	2,812	11,249	1.16%	10,865	
2017	2,925	2,925	2,925	2,925	11,699	1.64%	10,962	
2018	3,042	3,042	3,042	3,042	12,167	2.86%	10,567	
2019	3,163	3,163	3,163	3,163	12,653	4.08%	9,954	
2020		3,290	3,290	3,290	9,869	4.08%	7,460	
2021			3,421	3,421	6,843	4.08%	4,969	
2022				3,558	3,558	4.08%	2,483	
<b>Totals</b>	<b>19,746</b>	<b>23,036</b>	<b>26,457</b>	<b>30,015</b>	<b>99,254</b>		<b>88,316</b>	

DISCOUNT RATE WORKINGS																						
Proposed Asset Allocations					Assumed Asset Returns				Less Assumed On-going Charges				Assumed Portfolio Returns					Associated portfolio asset allocation				
Cash	Fixed Interest	Property	Equities	Total	Cash	Fixed Interest	Property	Equities	Cash	Fixed Interest	Property	Equities	Cash	Fixed Interest	Property	Equities	Total	Cash	Fixed Interest	Property	Equities	
100%				100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.50%	0.00%	0.00%	0.00%	0.50%	10,000	0	0	0	
100%				100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.50%	0.00%	0.00%	0.00%	0.50%	10,348	0	0	0	
100%				100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.50%	0.00%	0.00%	0.00%	0.50%	10,709	0	0	0	
70%	20%	10%		100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.35%	0.48%	0.34%	0.00%	1.16%	7,605	2,173	1,086	0	
50%	30%	20%		100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.25%	0.71%	0.68%	0.00%	1.64%	5,481	3,288	2,192	0	
25%	30%	20%	25%	100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.13%	0.71%	0.68%	1.35%	2.86%	2,642	3,170	2,113	2,642	
	30%	20%	50%	100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.00%	0.71%	0.68%	2.69%	4.08%	0	2,986	1,991	4,977	
	30%	20%	50%	100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.00%	0.71%	0.68%	2.69%	4.08%	0	2,238	1,492	3,730	
	30%	20%	50%	100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.00%	0.71%	0.68%	2.69%	4.08%	0	1,491	994	2,485	
	30%	20%	50%	100%	0.50%	3.00%	4.00%	6.00%	0.00%	0.62%	0.62%	0.62%	0.00%	0.71%	0.68%	2.69%	4.08%	0	745	497	1,241	
																		46,785	16,091	10,365	15,075	88,316
																		52.97%	18.22%	11.74%	17.07%	

CASHFLOW ANALYSIS Part 1			EXPENDITURE ITEMS								COMMENCEMENT OF CARE COSTS								
Harry's Age	Joan's Age	Year	Harry's LGPS Pension	Joan Pension	Harry State Pension	Joan State Pension	Harry's Income Tax	Joan's Income Tax	General	Holidays	Care Costs	Immediate Care	Care Costs	Immediate Care	School fees Ian 11	School fees Sue 10	School fees Matt 9	School fees Sally 8	Income Surplus/ Deficit
			2.50%	0.00%	2.50%	2.50%			2.50%	2.50%	Joan at 76	Esc	Harry at 73	Esc	4.00%	4.00%	4.00%	4.00%	
			Gross	Gross	Gross	Gross			Net	Net	4.00% Annuity for Net	Annuity for shortfall	4.00% Annuity for Net	Annuity for shortfall					
63	66	2013	20000	6000		5728	-2112	-246	-16000	-6000					-2500	-2500	-2500	-2500	-2630
64	67	2014	20500	6000		5871	-2100	-274	-16400	-6150					-2600	-2600	-2600	-2600	-2953
65	68	2015	21013	6000		6018	-2153	-304	-16810	-6304					-2704	-2704	-2704	-2704	-3356
66	69	2016	21538	6000	6168	6168	-3440	-332	-17230	-6461					-2812	-2812	-2812	-2812	1162
67	70	2017	22076	6000	6322	6322	-3526	-311	-17661	-6623					-2925	-2925	-2925	-2925	902
68	71	2018	22628	6000	6480	6480	-3614	-288	-18103	-6788					-3042	-3042	-3042	-3042	629
69	72	2019	23194	6000	6642	6642	-3704	-266	-18555	-6958					-3163	-3163	-3163	-3163	342
70	73	2020	23774	6000	6809	6809	-3797	-242	-19019	-7132						-3290	-3290	-3290	3331
71	74	2021	24368	6000	6979	6979	-3892	-218	-19494	-7310							-3421	-3421	6568
72	75	2022	24977	6000	7153	7153	-3989	-194	-19982	-7493								-3558	10067
73	76	2023	25602	6000	7332	7332	-4089	-169	-5120	-1920	-37464	20000	-37464	20000					39
74	77	2024	26242	6000	7515	7515	-4191	-143	-5248	-1968	-38963	20800	-38963	20800					-604
75	78	2025	26898	6000	7703	7703	-4296	-116	-5380	-2017	-40521	21632	-40521	21632					-1284
76	79	2026	27570	6000	7896	7896	-4403	-89	-5514	-2068	-42142	22497	-42142	22497					-2002
77	80	2027	28259	6000	8093	8093	-4514	-62	-5652	-2119	-43828	23397	-43828	23397					-2762
78	81	2028	28966	6000	8296	8296	-4626	-33	-5793	-2172	-45581	24333	-45581	24333					-3564
79	82	2029	29690	6000	8503	8503	-4742	-4	-5938	-2227	-47404	25306	-47404	25306					-4410
80	83	2030	30432	6000	8716	8716	-4861	0	-6086	-2282	-49300	26319	-49300	26319					-5329
81	84	2031	31193	6000	8933	8933	-4982	0	-6239	-2339	-51272	27371	-51272	27371					-6302
82	85	2032	31973	6000	9157	9157	-5107	0	-6395	-2398	-53323	28466	-53323	28466					-7327

CASHFLOW ANALYSIS Part 2			ATS						Cashflow Forecast			
Fund b/f	Income Surplus/ Deficit	Capital Added House & Contents	Capital Paid Out Care Fees Annuities	Portfolio 4.02%	Fund c/f	Harry's Personal Allowance 2.50%	Joan's Personal Allowance 2.50%	Basic Rate Band 1.00%	Year	Income	Expenditure	Capital fund
				net pa								
158637	-2630			6271	162279	9440	10500	32010	2013	£31,728	£34,358	£158,637
162279	-2953			6405	165730	10000	10500	31865	2014	£32,371	£35,324	£162,279
165730	-3356			6527	168902	10250	10500	32184	2015	£33,030	£36,386	£165,730
168902	1162			6837	176901	10506	10506	32505	2016	£39,874	£38,713	£168,902
176901	902			7148	184950	10769	10769	32831	2017	£40,721	£39,819	£176,901
184950	629			7460	193040	11038	11038	33159	2018	£41,589	£40,960	£184,950
193040	342			7774	201156	11314	11314	33490	2019	£42,479	£42,137	£193,040
201156	3331			8220	212707	11597	11597	33825	2020	£43,391	£40,060	£201,156
212707	6568			8815	228089	11887	11887	34164	2021	£44,326	£37,758	£212,707
228089	10067			9574	247731	12184	12184	34505	2022	£45,284	£35,216	£228,089
247731	39	366444	-466667	5931	153479	12489	12489	34850	2023	£46,266	£46,226	£247,731
153479	-604			6146	159021	12801	12801	35199	2024	£47,272	£47,876	£153,479
159021	-1284			6341	164078	13121	13121	35551	2025	£48,304	£49,588	£159,021
164078	-2002			6515	168591	13449	13449	35906	2026	£49,362	£51,364	£164,078
168591	-2762			6666	172496	13785	13785	36265	2027	£50,446	£53,208	£168,591
172496	-3564			6791	175723	14130	14130	36628	2028	£51,557	£55,121	£172,496
175723	-4410			6887	178200	14483	14483	36994	2029	£52,696	£57,106	£175,723
178200	-5329			6949	179820	14845	14845	37364	2030	£53,863	£59,193	£178,200
179820	-6302			6975	180493	15216	15216	37738	2031	£55,060	£61,362	£179,820
180493	-7327			6961	180128	15597	15597	38115	2032	£56,287	£63,613	£180,493

