

## APPENDIX A - NET WORTH STATEMENT

The following shows the net position of your estate as it stands today (August 2012) assuming you remain alive.

<b>Assets</b>	Charles £	Jennifer £	Joint £	Total £
<b><u>Readily Realisable Assets</u></b>				
<b>Cash Deposits</b>				
Bank accounts	0.00	50,000.00	0.00	50,000.00
Savings accounts	0.00	0.00	0.00	0.00
Cash ISAs	0.00	0.00	0.00	0.00
NS&I Premium Bonds	0.00	0.00	0.00	0.00
<b>Investments</b>				
Equity ISAs	0.00	0.00	0.00	0.00
OEICs	0.00	0.00	0.00	0.00
Investment trusts	0.00	0.00	0.00	0.00
<b><u>Assets NOT Readily Realisable</u></b>				
<b>Property</b>				
Principle Private Residence			500,000.00	500,000.00
<b>Pension Funds</b>				
Pension Funds	220,000.00	85,000.00		305,000.00
<b>Other Assets</b>				
Contents / Personal Effects				0.00
Car(s)				0.00
<b>Total Assets</b>	<b>220,000.00</b>	<b>135,000.00</b>	<b>500,000.00</b>	<b>855,000.00</b>
<b><u>Liabilities</u></b>				
Repayment mortgage			100,000.00	100,000.00
<b>TOTAL NET ASSETS</b>	<b>220,000.00</b>	<b>135,000.00</b>	<b>400,000.00</b>	<b>755,000.00</b>

### **SUMMARY**

Total readily realisable assets	0.00	50,000.00	0.00	50,000.00
Total land & buildings	0.00	0.00	500,000.00	500,000.00
Total pension funds	220,000.00	85,000.00	0.00	305,000.00
Total other assets	0.00	0.00	0.00	0.00

APPENDIX B - INCOME & EXPENDITURE STATEMENT

Analysis of annual income and expenditure for the complete tax year ending 5 April 2013  
I have assumed your income and expenditure figures have remained the same for this period.

<b>INCOME</b>	Charles £	Jennifer £	Total £
<b>Earned Income</b>			
Charles's earnings	60,000.00		60,000.00
Jennifer's earnings		15,000.00	15,000.00
Sub-Total	----- 60,000.00 -----	----- 15,000.00 -----	----- 75,000.00 -----
<b>Other Income</b>			
Bank account interest	0.00	0.00	0.00
Savings account interest	0.00	0.00	0.00
Cash ISA interest	0.00	0.00	0.00
Equity ISA (UK shares - assume acc)	0.00	0.00	0.00
<b>Child Benefit</b>		1,752.40	1,752.40
Sub-Total	----- 0.00 -----	----- 1,752.40 -----	----- 1,752.40 -----
<b>Total Gross Income</b>	<b>60,000.00</b>	<b>16,752.40</b>	<b>76,752.40</b>
<hr/>			
Estimated Income Tax	13,583.11	1,379.00	14,962.11
Estimated National Insurance Contributions	4,537.36	888.96	5,426.32
<b>EXPENDITURE</b>			
<i>Figures extracted from Expenditure Questionnaire</i>			24,023.08
Household			
Utilities			
Housekeeping			
Motor			
School fees			24,000.00
Life assurance			240.00
<b>Mortgage payments</b>			4,200.00
Pension Contributions	2,400.00	600.00	3,000.00
Sub-total excluding Income Tax & NIC			----- 55,463.08 -----
<b>Sub-total including Income Tax &amp; NIC</b>			<b><u>75,851.51</u></b>
<hr/>			
<b>SUMMARY</b>			
<b>Total Gross Income</b>			<b>76,752.40</b>
<b>Total Expenditure including Tax &amp; NIC</b>			<b>75,851.51</b>
<b>Net Surplus Income</b>			<b>900.89</b>
<hr/>			

APPENDIX B(i) - INCOME & EXPENDITURE STATEMENT (WITHOUT CHILD BENEFIT TAX CHARGE)

Analysis of annual income and expenditure for the complete tax year ending 5 April 2013  
I have assumed your income and expenditure figures have remained the same for this period.

INCOME	Charles £	Jennifer £	Total £
<b>Earned Income</b>			
Charles's earnings	60,000.00	0.00	60,000.00
Jennifer's earnings	0.00	15,000.00	15,000.00
Sub-Total	60,000.00	15,000.00	75,000.00
<b>Other Income</b>			
Bank account interest	0.00	0.00	0.00
Savings account interest	0.00	0.00	0.00
Cash ISA interest	0.00	0.00	0.00
Equity ISA (UK shares - assume acc)	0.00	0.00	0.00
<b>Child Benefit</b>		1,752.40	1,752.40
Sub-Total	0.00	1,752.40	1,752.40
<b>Total Gross Income</b>	<b>60,000.00</b>	<b>16,752.40</b>	<b>76,752.40</b>
Estimated Income Tax	13,284.00	1,379.00	14,663.00
Estimated National Insurance Contributions	4,537.36	888.96	5,426.32
<b>EXPENDITURE</b>			
<i>Figures extracted from Expenditure Questionnaire</i>			24,023.08
Household			
Utilities			
Housekeeping			
Motor			
School fees			24,000.00
Life assurance			240.00
<b>Mortgage payments</b>			4,200.00
Pension Contributions	2,400.00	600.00	3,000.00
Sub-total excluding Income Tax & NIC			55,463.08
<b>Sub-total including Income Tax &amp; NIC</b>			<b>75,552.40</b>
<b>SUMMARY</b>			
<b>Total Gross Income</b>			<b>76,752.40</b>
<b>Total Expenditure including Tax &amp; NIC</b>			<b>75,552.40</b>
<b>Net Surplus Income</b>			<b>1,200.00</b>

APPENDIX C - INCOME TAX & NATIONAL INSURANCE CALCULATIONS

Breakdown of Income Tax & National Insurance Contribution Calculation for Tax Year ending 5 April 2013

	Charles £	Jennifer £	Total £
<b>Earned Income</b>			
Charles's earnings	60,000.00		60,000.00
Jennifer's earnings		15,000.00	15,000.00
Sub-totals	60,000.00	15,000.00	75,000.00
<b>Other Income</b>			
Jennifer ASSUME EXCLUSION OF INTEREST		0.00	0.00
Sub-totals	0.00	0.00	0.00
<b>Statutory Total Income</b>	<b>60,000.00</b>	<b>15,000.00</b>	<b>75,000.00</b>
Less Personal Allowance	8,105.00	8,105.00	
<b>Taxable Income</b>	<b>51,895.00</b>	<b>6,895.00</b>	<b>58,790.00</b>
<b>Less</b>			
Tax on Charles's earnings & interest, first plus extension to BRT band re e'ee pension conts	34,370.00 at 20%	6,874.00	
	3,000.00 at 20%	600.00	
	14,525.00 at 40%	5,810.00	
Child Benefit Tax charge (70% of benefit)	89/365 days x 1226.66	299.11	
Tax on Jennifer's earnings & interest, first	6,895.00 at 20%	1,379.00	
<b>Total Income Tax Payable</b>	<b>13,583.11</b>	<b>1,379.00</b>	<b>14,962.11</b>
<b>National Insurance Contributions</b>			
Charles (class 1 between primary threshold & upper earnings limit at 12%)	4,187.04		
Charles (class 1 above upper earnings limit at 2%)	350.32		
Nasreen (class 1 between primary threshold & upper earnings limit at 12%)		888.96	
	<b>4,537.36</b>	<b>888.96</b>	<b>5,426.32</b>
<b>Your total net income after taxation &amp; NICs is:</b>	<b>41,879.53</b>	<b>12,732.04</b>	<b>54,611.57</b>
<b>Average Overall Rate of Tax &amp; NICs (broadly)</b>	<b>30.20%</b>	<b>15.12%</b>	<b>27.18%</b>

## CHILD BENEFIT TAX CHARGE

### CHILD BENEFIT 2012/13

Charles adjusted net income

Earnings 60000

less gross e'ee pension conts 3000

Adjusted net income 57000

Child Benefit entitlement tax charge of  
1% for every £100 of income over £50,000

=> **70% charge**

Child benefit for 2 children 1,752.40

Charge on Charles's income 1226.68  
299.11

24.38%

For 2012/13

Days from 7 Jan - 5 Apr 2013

89 / 365 = 24.38%

Jan 25

Feb 28

Mar 31

Apr 5

### CHILD BENEFIT 2013/14

Charles adjusted net income

Earnings 62100

less gross e'ee pension conts 3105

Adjusted net income 58995

Child Benefit entitlement tax charge of  
1% for every £100 of income over £50,000

=> **90% charge**

Child benefit for 2 children 1,787.45

Charge on Charles's income 1607.809

### CHILD BENEFIT 2014/15

Charles adjusted net income

Earnings 64273.5

less gross e'ee pension conts 3213.675

Adjusted net income 61059.83

Child Benefit entitlement tax charge of  
1% for every £100 of income over £50,000

=> **111% charge**

Child benefit for 2 children 1,823.20

Charge on Charles's income 1,823.20



APPENDIX E(i) - RETIREMENT PLANNING ANALYSIS - PROJECTING CHARLES'S PENSION

Calc date 01/08/2012  
 Objective: to retire in 2022  
 Charles's date of birth 01-Aug-1957 Age 55  
 Jennifer's date of birth 01-Aug-1967 Age 45  
 Retirement date 01/08/2022 (Charles aged 65)  
 Premium escalation pa 3.50% assume premiums go up in line with annual allowance  
 Assumed fund growth pa 3.93% for low-medium cautious risk strategy (4.53 - 0.6)  
 (assume 0.6% amc)

Charles

Year	PP fund b/fwd	Annual Premiums	Growth 3.93%	PP fund c/fwd
2012	220,000	6,000	8,882	234,882
2013	234,882	6,210	9,475	250,567
2014	250,567	6,427	10,100	267,094
2015	267,094	6,652	10,758	284,504
2016	284,504	6,885	11,452	302,841
2017	302,841	7,126	12,182	322,149
2018	322,149	7,376	12,950	342,475
2019	342,475	7,634	13,759	363,868
2020	363,868	7,901	14,611	386,379
2021	386,379	8,177	15,506	410,063
2022	410,063			
<b>PCLS</b>	<b>102,516</b>			
OMO	307,547	410,063		

IL annuity rate 3.08% 3.08%  
 IL annuity 9,478 12,637 gross pa

Assumed Annuity Interest Rate at retirement  
 Assume CPI for Index-Linked Pension at retirement  
 PA90 Mortality Rates, downrating on age (10 yrs)  
 Escalating annuity with 5 year guarantee & 2/3 spouse's benefit

Total PCLS  
**139,172**  
 Charles &  
 Jennifer

---

PA90			
Male aged	65 less	10	55
Spouse aged	55 less	10	45
AIR			2.0%
Escalation			2.0%
Member, single life, 5 year guarantee			21.914
Reversionary annuity to spouse			15.803
Annuity rate			3.08%

---

PA90			
Female aged	55 less	10	45
Spouse aged	65 less	10	55
AIR			2.0%
Escalation			2.0%
Member, single life, 5 year guarantee			36.128
Reversionary annuity to spouse			1.472
Annuity rate			2.69%

---

APPENDIX E(ii)- RETIREMENT PLANNING ANALYSIS - PROJECTING JENNIFER'S PENSION

Calc date 01/08/2012  
 Objective: to retire in 2022  
 Charles's date of birth 01-Aug-1957 Age 55  
 Jennifer's date of birth 01-Aug-1967 Age 45  
 Retirement date 01/08/2022 (Jennifer aged 55)  
 Premium escalation pa 3.50% assume premiums go up in line with annual allowance  
 Assumed fund growth pa 3.93% for low-medium cautious risk strategy (4.53 - 0.6)  
 (assume 0.6% amc)

Jennifer

Year	PP fund b/fwd	Annual Premiums	Growth 3.93%	PP fund c/fwd
2012	85,000	1,500	3,399	89,899
2013	89,899	1,553	3,594	95,046
2014	95,046	1,607	3,798	100,451
2015	100,451	1,663	4,013	106,127
2016	106,127	1,721	4,238	112,087
2017	112,087	1,782	4,475	118,344
2018	118,344	1,844	4,723	124,911
2019	124,911	1,908	4,984	131,803
2020	131,803	1,975	5,258	139,036
2021	139,036	2,044	5,544	146,625
2022	146,625			
<b>PCLS</b>	<b>36,656</b>			
OMO	109,969	146,625		

IL annuity rate 2.69% 2.69%  
 IL annuity 2,963 3,951 gross pa

Assumed Annuity Interest Rate at retirement  
 Assume CPI for Index-Linked Pension at retirement  
 PA90 Mortality Rates, downrating on age (10 yrs)  
 Escalating annuity with 5 year guarantee & 2/3 spouse's benefit

---

PA90			
Male aged	65 less	10	55
Spouse aged	55 less	10	45
AIR			2.0%
Escalation			2.0%
Member, single life, 5 year guarantee			21.914
Reversionary annuity to spouse			15.803
Annuity rate			3.08%

---

PA90			
Female aged	55 less	10	45
Spouse aged	65 less	10	55
AIR			2.0%
Escalation			2.0%
Member, single life, 5 year guarantee			36.128
Reversionary annuity to spouse			1.472
Annuity rate			2.69%

---



PORTFOLIO RETURN ASSUMPTIONS

Allocation	Asset Class	Return	Portfolio Return	
	5% Index-Linked Bonds	2.50%	0.13%	
	40% Corporate Bonds	3.00%	1.20%	
	5% Commercial Property	4.00%	0.20%	
	50% Equities	6.00%	3.00%	
			-----	
			4.53%	-----
				4.53%
			2.00% less inflation	-----
				0.61% less portfolio TER
			-----	-----
			2.53% real return before charges and tax	3.92%
				-----
				2.00% less inflation
				-----
				1.92% real return before tax

FUND CHOICE & PORTFOLIO TER

Asset Class	Allocation	Amount Fund Name	TER	Rebate	Net TER	TER <i>workings</i>	Net TER <i>workings</i>	TR Assumption	Composite Return
Index Linked Bonds	5.00%	£1,500 L&G All Stocks IL Gift Index Trust	0.25%	0.00%	0.25%	0.0125%	0.0125%	2.50%	0.13%
Corporate Bonds	20.00%	£6,000 Fidelity Moneybuilder Income	1.00%	0.50%	0.50%	0.2000%	0.1000%	3.00%	0.60%
Corporate Bonds	20.00%	£6,000 M&G Strategic Corporate Bond	1.16%	0.25%	0.91%	0.2320%	0.1820%	3.00%	0.60%
Commercial Property	5.00%	£1,500 M&G Property Portfolio	1.66%	0.50%	1.16%	0.0830%	0.0580%	4.00%	0.20%
UK shares	25.00%	£7,500 L&G UK Index Trust	0.56%	0.25%	0.31%	0.1400%	0.0775%	6.00%	1.50%
Overseas shares	20.00%	£6,000 L&G International Index	0.88%	0.25%	0.63%	0.1760%	0.1260%	6.00%	1.20%
Overseas shares	5.00%	£1,500 First State Global Emerging Market leaders	1.58%	0.50%	1.08%	0.0790%	0.0540%	6.00%	0.30%
<b>Totals</b>	<b>100.00%</b>	<b>£30,000</b>	<b>0.92%</b>		<b>0.61%</b>	<b>0.9225%</b>	<b>0.6100%</b>		<b>4.53%</b>



Income Surplus/Deficit	Cash Fund b/f	Post Office Income Surplus/Deficit	Cash ISA Growth 3.01%	Fund of net pa	Fund b/f	Income Surplus/Deficit	Cofunds Growth 3.92%	Fund of net pa	CASHFLOW ANALYSIS Part 2				
									Personal Allowance	Basic Rate Band 2.00%	Charles Extra BRB Re E'e pens	NIC LEL up to 2.00%	NIC above UEL @ 2% 2.00%
901	11280	901	477	12658	38720	0	1518	40238	8105	34370	3000	7592	42484
-378	12658	-378	481	12764	40238	0	1577	41815	8267	35057	3105	7744	43334
-573	12764	-573	478	12669	41815	0	1639	43454	8432	35759	3214	7899	44200
-604	12669	-604	473	12538	43454	0	1703	45158	8601	36474	3326	8057	45084
-653	12538	-653	466	12351	45158	0	1770	46928	8773	37203	3443	8218	45986
-719	12351	-719	456	12088	46928	0	1840	48767	8949	37947	3563	8382	46906
-804	12088	-804	442	11726	48767	0	1912	50679	9128	38706	3688	8550	47844
15974	11726	0	480	12186	50679	15974	2613	69266	9310	39480	3817	8721	48801
16689	12186	0	478	12663	69266	16689	3369	89324	9486	40270	3950	8895	49777
36037	12663	0	466	13150	89324	36037	4914	130275	9686	41075	4089	9073	50772
-18843	13150	0	516	13676	130275	-29200	6251	185727	9880	41897	4189	9255	51788
-11540	13676	0	538	14212	185727	-11540	8044	180231	10078	42735	4340	9440	52824
-11771	14212	0	557	14769	180231	-11771	5820	154280	10279	43589	4528	9628	53880
-12006	14769	0	579	15348	154280	-12006	5577	147851	10485	44461	4681	9821	54958
-12246	15348	0	602	15949	147851	-12246	5316	140621	10694	45350	4839	10017	56057
-12491	15949	0	625	16574	140621	-12491	5034	133464	10908	46257	5008	10218	57178
-12741	16574	0	650	17224	133464	-12741	4732	125456	11126	47183	5189	10422	58321
-12986	17224	0	675	17899	125456	-12986	4408	116869	11348	48126	5382	10631	59488
-13256	17899	0	702	18601	116869	-13256	4062	107675	11576	49089	5638	10843	60678
-13521	18601	0	729	19330	107675	-13521	3691	97845	11807	50071	5957	11080	61891
-13791	19330	0	758	20088	97845	-13791	3295	87348	12044	51072	6316	11333	63134
-14067	20088	0	787	20875	87348	-14067	2873	76154	12284	52093	6681	11591	64405
-5684	20875	0	818	21694	76154	-5684	2462	64330	12530	53135	7053	11854	65699
-5797	21694	0	850	22544	73233	-5797	2043	52000	12781	54198	7433	12121	67006
-5913	22544	0	884	23428	70079	-5913	1618	40382	13036	55282	7816	12392	68334
-6031	23428	0	918	24346	66682	-6031	1189	28893	13297	56388	8201	12667	69683
-6152	24346	0	954	25301	63028	-6152	744	18000	13563	57515	8588	12946	71052
-6275	25301	0	992	26292	59105	-6275	291	8000	13834	58666	8987	13229	72451
-6401	26292	0	1031	27323	54901	-6401	1901	50402	14111	59839	9388	13516	73870
-6529	27323	0	1071	28394	50402	-6529	1720	45583	14383	61036	9789	13807	75319
-6659	28394	0	1113	29507	45593	-6659	1528	40460	14661	62256	10211	14101	76798
-6792	29507	0	1157	30664	40460	-6792	1320	34968	14975	63502	10636	14398	78297
-6928	30664	0	1202	31866	34988	-6928	1100	29159	15274	64772	11076	14698	79816
-7067	31866	0	1249	33115	29159	-7067	866	22959	15580	66067	11527	15001	81345
-7208	33115	0	1298	34413	22959	-7208	617	16368	15891	67388	11983	15308	82894
-7352	34413	0	1349	35762	16368	-7352	353	9369	16209	68736	12454	15619	84463
-7499	35762	0	1402	37164	9369	-7499	73	1943	16533	70111	12930	15934	86052
-7649	37164	-5706	1233	32691	1943	-1943	0	0	16864	71513	13461	16253	87671
-7802	32691	-7802	976	25865	0	0	0	0	17201	72943	13992	16576	89310
-7958	25865	-7958	702	18608	0	0	0	0	17545	74402	14527	16903	90969
-8117	18608	-8117	411	10902	0	0	0	0	17896	75890	15067	17228	92648
-8280	10902	-8280	103	2725	0	0	0	0	18254	77408	15611	17559	94347
-8445	2725	-8445	-224	-5944	0	0	0	0	18619	78956	16164	17892	96066
-8614	-5944	-8614	-571	-15129	0	0	0	0	18992	80535	16716	18228	97815
-8787	-15129	-8787	-938	-24854	0	0	0	0	19371	82146	17277	18569	99594
-8962	-24854	-8962	-1326	-35141	0	0	0	1	19759	83789	17837	18916	101413

Cashflow Forecast

Year	Income	Expenditure	Capital fund
2012	£76,752	£75,851	£50,000
2013	£79,412	£79,788	£52,896
2014	£82,165	£82,738	£54,579
2015	£85,014	£85,618	£56,124
2016	£87,207	£87,980	£57,696
2017	£90,242	£90,961	£59,279
2018	£92,194	£92,999	£60,856
2019	£95,421	£94,447	£62,405
2020	£98,761	£92,072	£61,452
2021	£102,217	£86,180	£101,987
2022	£12,441	£29,284	£143,435
2023	£19,637	£31,177	£179,402
2024	£20,030	£31,801	£174,443
2025	£20,431	£32,437	£169,049
2026	£20,839	£33,085	£163,199
2027	£21,256	£33,747	£156,870
2028	£21,681	£34,422	£150,039
2029	£22,115	£35,110	£142,680
2030	£22,557	£35,813	£134,798
2031	£23,008	£36,529	£126,276
2032	£23,468	£37,259	£117,175
2033	£23,938	£38,005	£107,436
2034	£24,418	£38,738	£97,030
2035	£24,907	£39,513	£86,027
2036	£25,406	£40,303	£74,474
2037	£25,915	£41,109	£62,419
2038	£26,434	£41,931	£50,000
2039	£26,963	£42,770	£37,275
2040	£27,502	£43,625	£24,194
2041	£28,051	£44,498	£10,819
2042	£28,610	£45,388	£-7,151
2043	£29,179	£46,295	£-15,129
2044	£29,758	£47,221	£-23,167
2045	£30,347	£48,166	£-31,266
2046	£30,946	£49,129	£-39,425
2047	£31,555	£50,112	£-47,644
2048	£32,174	£51,114	£-55,923
2049	£32,803	£52,136	£-64,262
2050	£33,442	£53,179	£-72,661
2051	£34,091	£54,242	£-81,120
2052	£34,750	£55,327	£-89,639
2053	£35,419	£56,434	£-98,218
2054	£36,098	£57,562	£-106,857
2055	£36,787	£58,714	£-115,556
2056	£37,486	£59,888	£-124,315
2057	£38,195	£61,086	£-133,134

