

P R O T E C T   Y O U R

# L I F E S T Y L E



For David and Brenda Lewis

**Presented by:**

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This sample report is for  
information purposes  
only

# Important Notes

This report illustrates your financial lifestyle, or your hypothetical cash flow and its effects on your net worth. This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your planning needs. It can serve as a guide for discussions with your professional advisers. The quality of this analysis is dependent upon the accuracy of data provided by you. Calculations contained in this analysis are estimates only.

Actual results may vary substantially from the figures shown. All rates of return are hypothetical and are not a guarantee of future performance of any asset, including insurance or other financial products. All inflation rates are estimates provided by you.

This analysis contains very specific computations concerning the value of your assets today. These computations are based on assumptions you provided concerning the value of your assets today and the rate at which the assets will appreciate. These assumptions must be carefully reviewed for their reasonableness. These assumptions are only a "best guess". The actual values, rates of growth, and tax rates may be significantly different from those illustrated. The actual taxes due may be significantly greater or smaller than those illustrated. No guarantee can be made regarding values and taxes when actual appreciation rates and tax rates cannot be known at this time.

For illustrative purposes, many assumptions must be made concerning the sale of properties or the change of property ownership. These are for illustrative purposes and not to be considered as legal advice; only your solicitors or legal counsel should provide such advice. No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Please discuss legal and accounting matters directly with your advisers in each of those areas. Because your planning concerns and goals may change in the future, periodically monitoring actual results and making appropriate adjustments are essential components of your programme. Annual updating allows a year of estimated values to be replaced with actual results and can be very helpful in your determining whether your plans are on your desired course.

Strategies may be proposed during the course of planning, including the acquisition of insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required) will be provided for your review.

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# Protecting Your Family's Lifestyle

When you think of protection, you think of your family. You think about protecting the lifestyle you have and are continuing to build together. Protection is best achieved through preparation. The following report uses the information you have shared—your assets, your wishes, and your thoughts about the future.

This report uses estimated calculations based on this information so that you can better consider your options. Of course, the actual results may vary substantially from the figures shown. There are many areas of protection for your lifestyle. This report just considers the following:



## Education Expenses



## Immediate Cash Needs if Death Occurs

### Education Expenses

The education of your children continues to increase in importance. With educational costs increasing faster than inflation, it is necessary to prepare in advance in order to assure your children an education.

### Immediate Cash Needs if Death Occurs

Life can be unpredictable. If something were to happen to you, would your family have the ability to pay the expenses associated with your death? These expenses are immediate cash needs such as funeral expenses, legal fees, taxes, mortgages, and debts.

# Your Current Situation

**Total Net Worth Today: £611,000**

<b>Your Assets:</b>	£816,000
<b>Your Liabilities:</b>	- £205,000
<b>Your Net Worth Today:</b>	£611,000

Your financial lifestyle is determined by (a) your financial goals and desires and (b) your saving and spending habits. This analysis examines your current assets and liabilities, reviews the cash flow necessary for you to maintain your lifestyle, and then shows you the results or consequences of various scenarios. Below is a summary of your current financial situation.

## Your Assets

<b>Liquid Assets</b>	<b>£117,000</b>
current (Joint)	£1,000
Santander ISA (David)	£6,000
Invesco ISA (David)	£110,000
<b>Retirement Plans</b>	<b>£199,000</b>
Davids Personal Pension (David)	£126,000
Brendas personal pension (Brenda)	£73,000
<b>Residence</b>	<b>£500,000</b>
Main home (Joint)	£500,000
<b>Total</b>	<b>£816,000</b>

## Your Liabilities

<b>Mortgages</b>	<b>£205,000</b>
Loan for Main home (Joint)	£205,000
<b>Total</b>	<b>£205,000</b>

# Education Funding

	Education Description	Start in Year <sup>1</sup>	Annual Cost Today	Years
Education Funding Shortfall Today:	Sally – University funding	2023	£9,000	3
£18,819				

Education costs have been rising at 6.3%, or more than twice the rate of inflation.<sup>2</sup> Putting one child through private school and funding three years of university is likely to cost around £150,000 –as much as buying the average UK house.<sup>3</sup>

## How Will You Pay For Education?

- Hope for scholarships
- Use student loans
- Pay as you go
- Begin a savings and investment strategy



### Lump Sum Needed Today to Fund Education Needs £26,884

The amount needed today to fund all education goals invested at 5% provides the total costs for all years of education of £42,067 at the start of the individual education goal. This amount assumes inflation at 6.00% but does not consider your education assets or funding provided by other sources.

### Lump Sum Education Funding Shortfall Today £18,819

The remaining funds needed today consider your assets designated for education (current value £0) as well as anticipated funding from other sources. This amount is assumed to be invested until needed and with 5% growth would provide the additional money needed by the start of each education goal.

### Monthly Savings Needed £286

The remaining funds needed today consider your assets designated for education (current value £0) as well as anticipated funding from other sources. This amount is assumed to be invested until needed and with 5% growth would provide the additional money needed by the start of each education goal.

<sup>1</sup> Annual costs are assumed paid in 12 monthly payments.  
<sup>2</sup> Independent Schools Information Council  
<sup>3</sup> Financial Mail. March 2005

# Summary of Education Needs

## EDUCATION GOALS

Education Description	Annual Education Cost Today	Start in Year <sup>1</sup>	First Year Cost <sup>2</sup>	Number of Years	Total Projected Costs <sup>2</sup>	Amount Required Today <sup>3,4</sup>
Sally – University funding	£9,000	2023	£12,767	3	£42,067	£26,884
Total					£42,067	£26,884

## EDUCATION NEEDS

Education For	Amount Required Today <sup>3,4</sup>	Portion Funded from Other Sources <sup>5</sup>	Additional Funds Needed Today <sup>6</sup>	Additional Monthly Savings Required <sup>4</sup>	Time Monthly Savings Required
Sally	£26,884	30.00%	£18,819	£286	6 yrs 5 mo.
Total	£26,884		£18,819	£286	

## ANNUAL EDUCATION NEEDS

Year	Annual Education Cost	Paid from Other Sources	Paid from Education Assets	Balance of Assets for Education <sup>7</sup>	Education Shortage For the Year
2017	£0	£0	£0	£0	£0
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	0	0	0	0	0
2023	5,319	1,596	0	0	3,724
2024	13,533	4,060	0	0	9,473
2025	14,345	4,303	0	0	10,041
2026	8,570	2,661	0	0	6,209

<sup>1</sup> Annual costs are assumed paid in 12 monthly payments.

<sup>2</sup> Estimated costs based on Annual Cost Today and inflation rate of 6.00%. Total Projected Costs is the sum of these costs throughout the education years. Annual costs are assumed paid in 12 monthly payments from August through July. The graph reflects costs by calendar year.

<sup>3</sup> The lump sum investment today that would grow to the amount needed at the start of the education need.

<sup>4</sup> Values assume that interest is earned at the rate of 5.00% each year until needed.

<sup>5</sup> Other sources may include scholarships, financial aid, gifts, or student work.

<sup>6</sup> Additional Funds Needed Today reflects the Total Projected Costs less Education Assets and the Portion from Other Sources.

<sup>7</sup> Balance includes any predetermined deposits to education assets.



# Confirmation of Facts

## PERSONAL INFORMATION

### David Lewis

Age: 44 Male  
Born: 07 Aug., 1972

### Brenda Lewis

Age: 42 Female  
Born: 09 Oct., 1974

### Mailing Address

Basepoint, The Havens  
Ipswich, Suffolk IP3 9BF

## CHILDREN AND DEPENDANTS

Name	Date of Birth	Gender	Relationship	Dependant of
Sally	01 Jul., 2005	Female	Child	David, Brenda

## SALARIES

Employer	Employee	Current Salary	Frequency	Inflation Rate
Employer	David	£4,800	Monthly	2.500%
Employer	Brenda	£2,500	Monthly	2.500%

## CURRENT BANK ACCOUNTS, SAVINGS, DEPOSIT

Account Name	Owner	Current Balance	Balance As Of	Interest Rate
current	David, Brenda	£1,000	08 Mar., 2017	0.000% This asset is the Cash Account
Santander ISA	David	£6,000	08 Mar., 2017	1.000%

## TAX-EFFICIENT INVESTMENTS

Account Name	Owner	Current Balance	Balance As Of	Interest Rate
Invesco ISA	David	£110,000	08 Mar., 2017	4.000%

## RETIREMENT PLANS

Name	Owner	Current Balance	Balance As Of	Growth Rate	Owner Contrib.	Employer Contrib.
Dauids Personal Pension	David	£126,000	08 Mar., 2017	4.000%	5.000%	5.000%
Brendas personal pension	Brenda	£73,000	08 Mar., 2017	4.000%	n/a	n/a

## RESIDENCES

### Main home

Owner	Current Value	Balance As Of	Cost Basis	Appreciation Rate
David, Brenda	£500,000	08 Mar., 2017	£0	2.800%

Personal Loan Secured by this Asset

Balance as of	Mortgage Balance	Payment	Frequency	Interest Rate
08 Mar., 2017	£205,000	£1,242	Monthly	4.000%

## ESSENTIAL LIVING EXPENSES

Description	Amount	Frequency	Inflation	Percent Continuing after First Death	Percent Continuing after First Disability	Percent Continuing after First Retirement
Council tax	£200	Monthly	3%	100%	100%	100%
food	£600	Monthly	2.5%	100%	100%	100%
utility bills	£300	Monthly	2.5%	100%	100%	100%
motoring	£800	Monthly	2.5%	100%	100%	100%
holidays	£300	Monthly	2.5%	100%	100%	100%
insurances	£50	Monthly	2.5%	100%	100%	100%
discretionary spending	£1,500	Monthly	2.5%	100%	100%	100%

## EDUCATION EXPENSES

Description	Amount	Frequency	Percent of Estimated Aid
University funding	£9,000	Annual	30%

## DEBT

Liability Name	Owner	Payment Amount	Frequency	Current Balance	Balance As Of	Interest Rate
Loan for Main home	David, Brenda	£1,242	Monthly	£205,000	08 Mar., 2017	4.000%

# Assumptions

## David Lewis

Age: 44

Male

Born: 7 August, 1972

## Brenda Lewis

Age: 42

Female

Born: 9 October, 1974

David and Brenda are married.

## State Benefits

David is eligible for State Benefits. David's State Benefits are based on levels provided in today's terms increased by inflation. David plans to take State Retirement Benefits starting at age 65.

Brenda is eligible for State Benefits. Brenda's certain State Benefits are based on levels provided in today's terms increased by inflation. Brenda plans to take State Retirement Benefits starting at age 60.

## Ages and Events

Ages illustrated are based on the age as of the last birthday.

## Calculation Date

The starting date for the calculations in this report is 8 March, 2017. Assets that were entered with a valuation date more than one month prior to this date have their value adjusted for appreciation to approximate the value of the asset on this calculation date.

## Calendar Year Processing

Each year of the illustration ends with December. The current year will calculate from the month of the Calculation Date through December of that year.

## Nature of Monthly Calculations

Calculations are made each month, based on the amounts available at the start of the month. No attempt is made to determine the exact date within a month various transactions occur.

## Interest Rates and Earnings

Interest and earnings are credited for  $1/12^{\text{th}}$  of the annual amount requested for each month. This is for the purpose of helping to determine the applicable cash flow and does not represent a guarantee of this or any interest or earnings. All rates of return illustrated are hypothetical and are not associated with any particular investment product.

## Insurance

The numbers produced by this analysis in no way guarantee the right to purchase life insurance in the amounts illustrated. If any new life insurance is illustrated, this presentation is not valid unless accompanied by a complete illustration of proposed policy values.

## Final Expenses

**David:**

Final Expenses: £0

**Brenda:**

Final Expenses: £0

## Loans, Credit Cards, and Lines of Credit

Any form of credit illustrated is not a guarantee that such credit will be accepted by a lending institution. Different forms of credit may have a number of fees associated with various uses of the credit. Please consult the lending institution for details as well as all fees and rules for using that credit.

## Restrictive Uses of Assets

Assets that are marked for restricted use will only be used to provide cash for that purpose.

## Income Taxes

### Income Tax Rates

Basic Income Tax Rate: 20%

Higher Income Tax Rate: 40%

Additional Income Tax Rate: 45%

## Capital Gains Tax

Taxation on the gains from assets that are liable to Capital Gains Tax are deducted at the rate of 10% up to the basic tax band and 20% thereafter.

Liable gains on Investment Bonds are taxed at 20%. An individual's Annual Exemption amount is deducted from the total gains in any given year before Capital Gains Tax is applied. The current Annual Exemption amount is increased annually by the State Benefits inflation rate. Capital Gains Tax is not applied to the following asset types: Bank Accounts, Other Bonds (Government), ISAs PEPs TESSAs, Property – Main Residence, Savings (Cash Equiv.) and Venture Capital Trusts. Entrepreneur Capital Gains Tax relief is not applied.

## Assumed Retirement

Retirement is assumed to be when David reaches, or would have reached, age 65. Any change you indicated in the basic living expenses is applied at that time.

## General Inflation Rate

A general inflation rate of 2.5% is used for all basic living expenses and where indicated.

## Rate of Return for Measuring Time Shortfall

The rate of return for measuring shortfall is 5%. Value today is assumed invested at this rate to provide the amount needed for the shortages.

## Education Payments

Education costs are stated as annual amounts but are assumed to be paid in 12 monthly payments. Payments are assumed to start in August of each year unless a specific starting date is stated.

## Education Inflation Rate

An education inflation rate of 6% is used for all education funding expenses. Historically, the cost of education has experienced a rate different than the general inflation rate of all goods and services. Adjustments for the education inflation rate are made in January of each year.

## Discretionary Spending

For this illustration, it has been assumed that you will spend any excess money in your cash account in excess of £1,000. In addition, it assumes that any tax refunds are spent. "Sweeps" and all other transactions are processed prior to determining the amount of discretionary spending for each month.

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