

Financial Illustration

Prepared for:

Ben J Min



Prepared by:

Mr PPOL REMOTE DEMO
Independent Financial Adviser

PPOL

Caradoc House
Abbey Foregate
Shrewsbury
Shropshire
SY2 6AP

Cashflow Model

This plan has been prepared using your current financial position as a starting point which is then projected forward into the future using the planned income, expenditure and savings. A number of different outcomes can be considered as part of the cashflow planning process representing different assumptions, expectations or choices you make in your planning.

Cashflow modelling is designed to illustrate the financial outcome(s) resulting from a specific set of choices and demonstrate if you have insufficient wealth to meet all of your objectives or that you have surplus wealth which continues to increase throughout your life. This information will help you make informed decisions about your future including reducing or increasing expenditure or protecting your estate.

Ben's Financial Scenario

Ben has requested that analysis is raised of whether he can retire early or not.

Events modelled in this illustration:

- Reflect retirement at aged 66

Basic Information

Illustration	56 to 86
Retirement Age	66
State Pension Age	66
Inflation Rate	2% per annum
Initial Cash	£20000
Interest Rate	0.5% per annum

General assumptions:

- Figures shown may fluctuate in reality and could have a significant positive or negative effect on your finances
- Regularly reviewing the cashflow reports and the assumptions used will increase the accuracy of the forecasted outcomes
- The interest return for cash is set at 0.5% per annum. This reflects the current low interest rates being offered by investing in deposit accounts.

Income

	From	To	Amount	Frequency	Adjust
Current Employment	56	65	£22000	Annually	By Inflation
ABC Final Salary Pension	66	86	£7800	Annually	By Inflation
LV PPP	66	86	£3600	Annually	By Inflation
State Pension	66	86	£7500	Annually	By Inflation

Spending

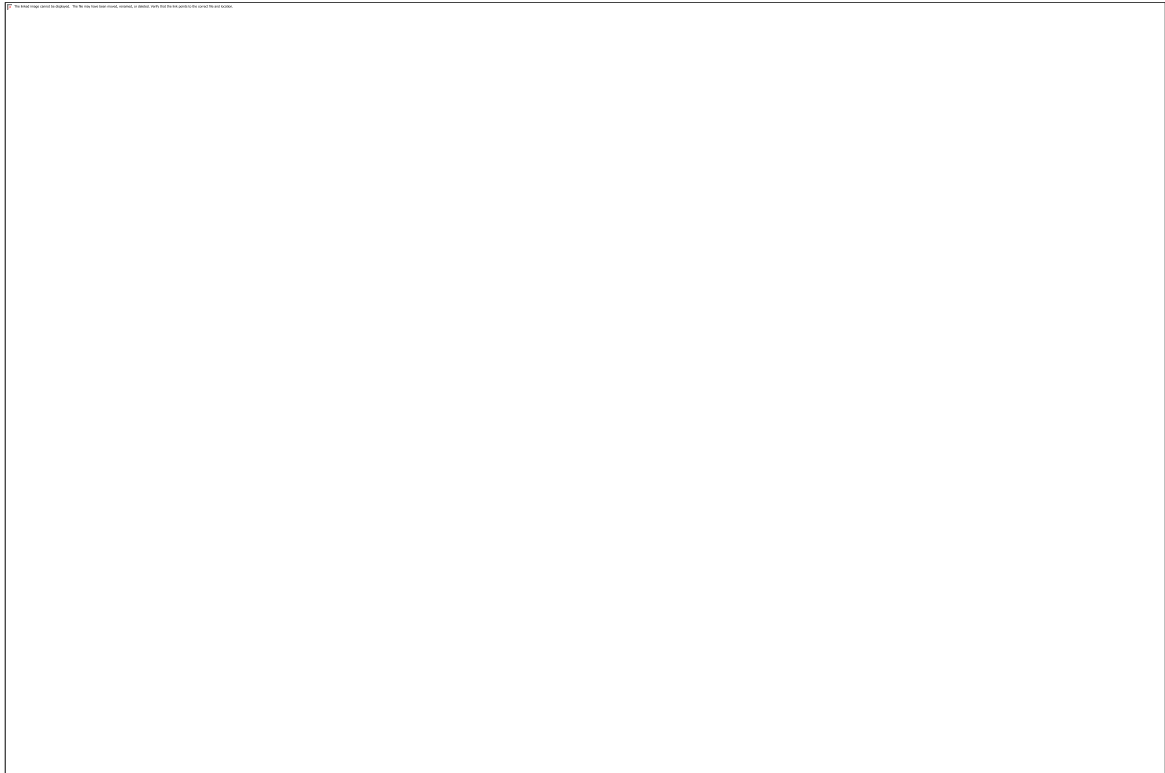
	From	To	Amount	Frequency	Adjust
DD's & Bills	56	65	£500	Monthly	By Inflation
	Then	86	£575	Monthly	
Personal	56	65	£400	Monthly	By Inflation
	Then	75	£650	Monthly	
Holidays	Then	86	£500	Monthly	By Inflation
	56	65	£2000	Annually	
	Then	75	£4000	Annually	
	Then	86	£1500	Annually	

Assumptions about spending:

- Holiday and personal spends would rise once retired for a period of ten years

Cash - A summary of your opening and closing cash balances for each year is shown below.

Age	Opening	Incomes	Spending	Interest	Closing
56	20000	+22000	-12800	+100	=29300
57	29300	+22000	-12800	+147	=38647
58	38647	+22000	-12800	+193	=48040
59	48040	+22000	-12800	+240	=57480
60	57480	+22000	-12800	+287	=66967
61	66967	+22000	-12800	+335	=76502
62	76502	+22000	-12800	+383	=86085
63	86085	+22000	-12800	+430	=95715
64	95715	+22000	-12800	+479	=105394
65	105394	+22000	-12800	+527	=115121
66	115121	+18900	-18700	+576	=115896
67	115896	+18900	-18700	+579	=116676
68	116676	+18900	-18700	+583	=117459
69	117459	+18900	-18700	+587	=118246
70	118246	+18900	-18700	+591	=119038
71	119038	+18900	-18700	+595	=119833
72	119833	+18900	-18700	+599	=120632
73	120632	+18900	-18700	+603	=121435
74	121435	+18900	-18700	+607	=122242
75	122242	+18900	-18700	+611	=123054
76	123054	+18900	-14400	+615	=128169
77	128169	+18900	-14400	+641	=133310
78	133310	+18900	-14400	+667	=138476
79	138476	+18900	-14400	+692	=143669
80	143669	+18900	-14400	+718	=148887
81	148887	+18900	-14400	+744	=154131
82	154131	+18900	-14400	+771	=159402
83	159402	+18900	-14400	+797	=164699
84	164699	+18900	-14400	+823	=170023
85	170023	+18900	-14400	+850	=175373
86	175373	+18900	-14400	+877	=180749



Incomes - A summary of your current income streams and future estimated income streams is shown below.

Age	Current Employment	ABC Final Salary Pension	LV PPP	State Pension	Total
56	22000	0	0	0	22000
57	22000	0	0	0	22000
58	22000	0	0	0	22000
59	22000	0	0	0	22000
60	22000	0	0	0	22000
61	22000	0	0	0	22000
62	22000	0	0	0	22000
63	22000	0	0	0	22000
64	22000	0	0	0	22000
65	22000	0	0	0	22000
66	0	7800	3600	7500	18900
67	0	7800	3600	7500	18900
68	0	7800	3600	7500	18900
69	0	7800	3600	7500	18900
70	0	7800	3600	7500	18900
71	0	7800	3600	7500	18900
72	0	7800	3600	7500	18900
73	0	7800	3600	7500	18900
74	0	7800	3600	7500	18900
75	0	7800	3600	7500	18900
76	0	7800	3600	7500	18900
77	0	7800	3600	7500	18900
78	0	7800	3600	7500	18900
79	0	7800	3600	7500	18900
80	0	7800	3600	7500	18900
81	0	7800	3600	7500	18900
82	0	7800	3600	7500	18900

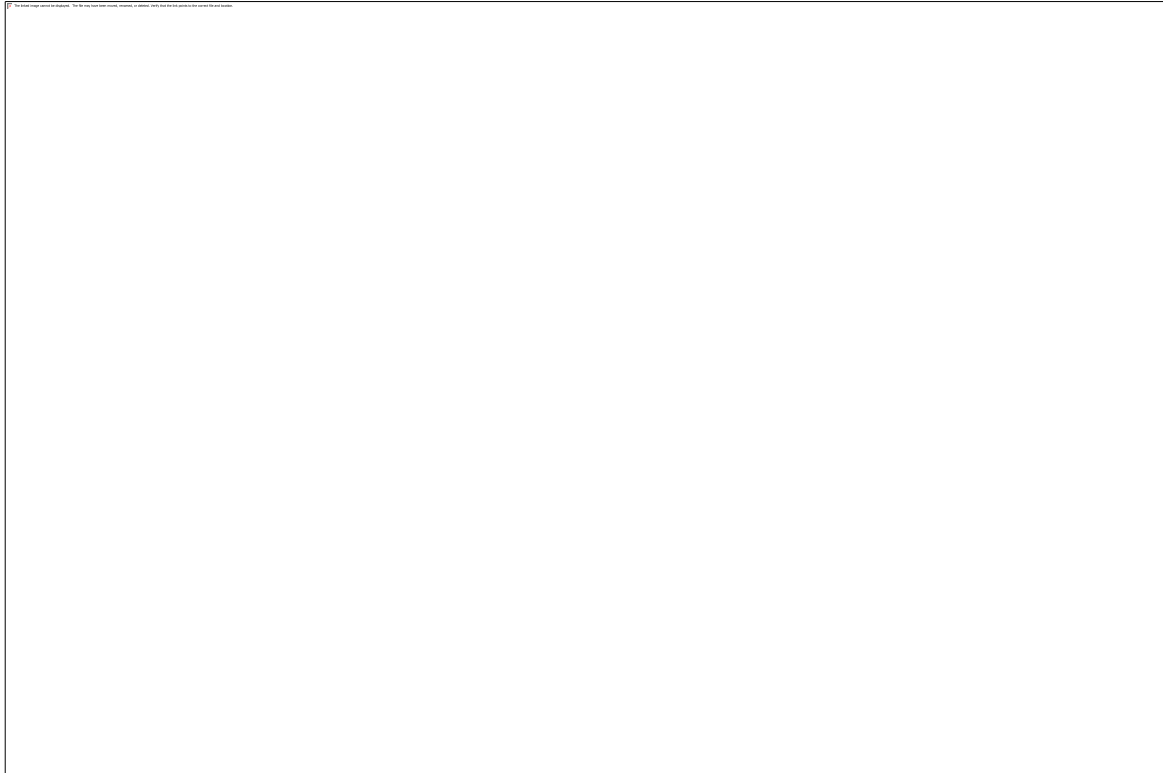
83	0	7800	3600	7500	18900
84	0	7800	3600	7500	18900
85	0	7800	3600	7500	18900
86	0	7800	3600	7500	18900



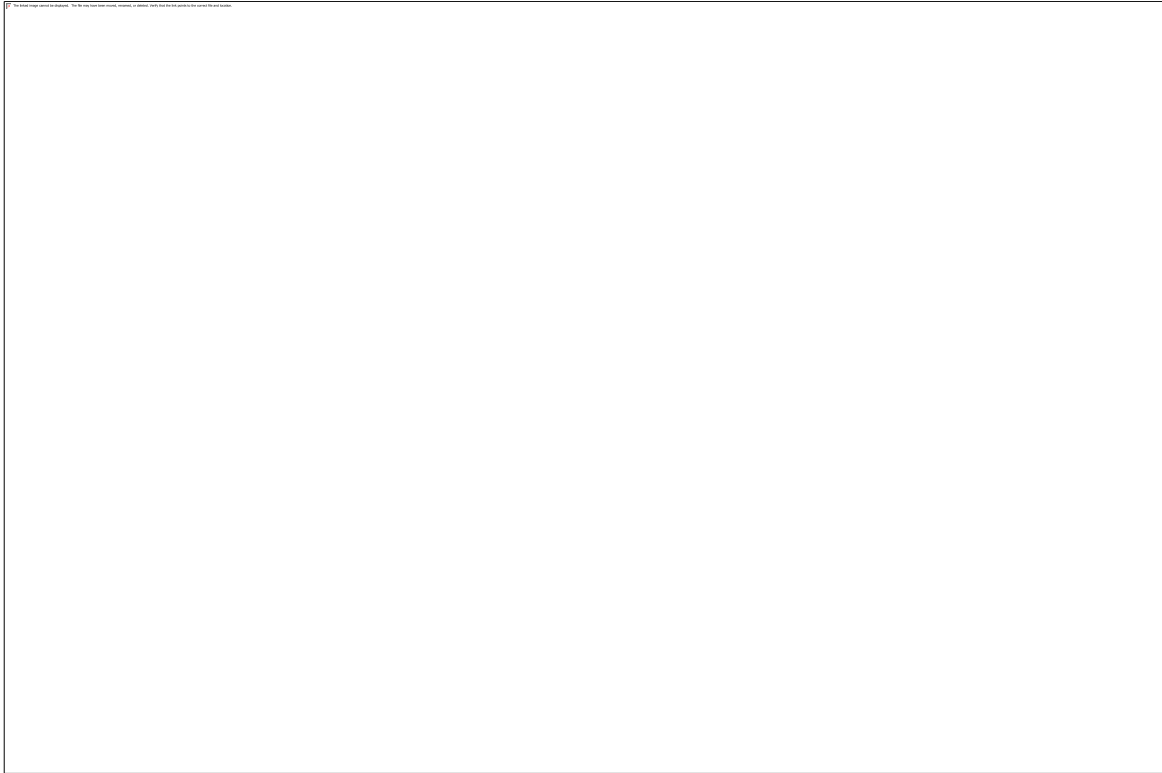
Spending - A summary of your current spending and future estimated spending is shown below.

Age	DD'd & Bills	Personal	Holidays	Total
56	6000	4800	2000	12800
57	6000	4800	2000	12800
58	6000	4800	2000	12800
59	6000	4800	2000	12800
60	6000	4800	2000	12800
61	6000	4800	2000	12800
62	6000	4800	2000	12800
63	6000	4800	2000	12800
64	6000	4800	2000	12800
65	6000	4800	2000	12800
66	6900	7800	4000	18700
67	6900	7800	4000	18700
68	6900	7800	4000	18700
69	6900	7800	4000	18700
70	6900	7800	4000	18700
71	6900	7800	4000	18700
72	6900	7800	4000	18700
73	6900	7800	4000	18700
74	6900	7800	4000	18700
75	6900	7800	4000	18700
76	6900	6000	1500	14400
77	6900	6000	1500	14400
78	6900	6000	1500	14400

79	6900	6000	1500	14400
80	6900	6000	1500	14400
81	6900	6000	1500	14400
82	6900	6000	1500	14400
83	6900	6000	1500	14400
84	6900	6000	1500	14400
85	6900	6000	1500	14400
86	6900	6000	1500	14400



Spending v Income - A comparison of spending versus income is shown below.



Conclusion

A steady rise of cash can be seen with the exception of the ten year period once retired. But overall cash surplus is very good.

Cashflow Model

Ben Retiring Early Scenario

Events modelled in this illustration:

- Reflect retirement at age 61

Basic Information

Illustration	56 to 86
Retirement Age	61
State Pension Age	66
Inflation Rate	2% per annum
Initial Cash	£20000
Interest Rate	0.5% per annum

General assumptions:

- Figures shown may fluctuate in reality and could have a significant positive or negative effect on your finances
- Regularly reviewing the cashflow reports and the assumptions used will increase the accuracy of the forecasted outcomes
- The interest return for cash is set at 0.5% per annum. This reflects the current low interest rates being offered by investing in deposit accounts.

Income

	From	To	Amount	Frequency	Adjust
Current Employment	56	60	£22000	Annually	By Inflation
ABC Final Salary Pension	61	86	£5700	Annually	By Inflation
LV PPP	61	86	£2800	Annually	By Inflation
State Pension	66	86	£7500	Annually	By Inflation

Spending

	From	To	Amount	Frequency	Adjust
DD'd & Bills	56	60	£500	Monthly	By Inflation
	Then	86	£575	Monthly	
Personal	56	60	£400	Monthly	By Inflation
	Then	75	£650	Monthly	
	Then	86	£500	Monthly	
Holidays	56	60	£2000	Annually	By Inflation
	Then	75	£4000	Annually	
	Then	86	£1500	Annually	

Assumptions about spending:

- Holiday and personal spends would rise once retired for a period of fifteen years

Cash - A summary of your opening and closing cash balances for each year is shown below.

Age	Opening	Incomes	Spending	Interest	Closing
56	20000	+22000	-12800	+100	=29300
57	29300	+22000	-12800	+147	=38647
58	38647	+22000	-12800	+193	=48040
59	48040	+22000	-12800	+240	=57480
60	57480	+22000	-12800	+287	=66967
61	66967	+8500	-18700	+335	=57102
62	57102	+8500	-18700	+286	=47188
63	47188	+8500	-18700	+236	=37224
64	37224	+8500	-18700	+186	=27210
65	27210	+8500	-18700	+136	=17146
66	17146	+16000	-18700	+86	=14532
67	14532	+16000	-18700	+73	=11904
68	11904	+16000	-18700	+60	=9264
69	9264	+16000	-18700	+46	=6610
70	6610	+16000	-18700	+33	=3943
71	3943	+16000	-18700	+20	=1263
72	1263	+16000	-18700	+6	=-1431
73	-1431	+16000	-18700	-7	=-4138
74	-4138	+16000	-18700	-21	=-6859
75	-6859	+16000	-18700	-34	=-9593
76	-9593	+16000	-14400	-48	=-8041
77	-8041	+16000	-14400	-40	=-6481
78	-6481	+16000	-14400	-32	=-4914
79	-4914	+16000	-14400	-25	=-3338
80	-3338	+16000	-14400	-17	=-1755
81	-1755	+16000	-14400	-9	=-164
82	-164	+16000	-14400	-1	=1436
83	1436	+16000	-14400	+7	=3043
84	3043	+16000	-14400	+15	=4658
85	4658	+16000	-14400	+23	=6281
86	6281	+16000	-14400	+31	=7913



Incomes - A summary of your current income streams and future estimated income streams is shown below.

Age	Current Employment	ABC Final Salary Pension	LV PPP	State Pension	Total
56	22000	0	0	0	22000
57	22000	0	0	0	22000
58	22000	0	0	0	22000
59	22000	0	0	0	22000
60	22000	0	0	0	22000
61	0	5700	2800	0	8500
62	0	5700	2800	0	8500
63	0	5700	2800	0	8500
64	0	5700	2800	0	8500
65	0	5700	2800	0	8500
66	0	5700	2800	7500	16000
67	0	5700	2800	7500	16000
68	0	5700	2800	7500	16000
69	0	5700	2800	7500	16000
70	0	5700	2800	7500	16000
71	0	5700	2800	7500	16000
72	0	5700	2800	7500	16000
73	0	5700	2800	7500	16000
74	0	5700	2800	7500	16000
75	0	5700	2800	7500	16000
76	0	5700	2800	7500	16000
77	0	5700	2800	7500	16000
78	0	5700	2800	7500	16000
79	0	5700	2800	7500	16000
80	0	5700	2800	7500	16000
81	0	5700	2800	7500	16000
82	0	5700	2800	7500	16000

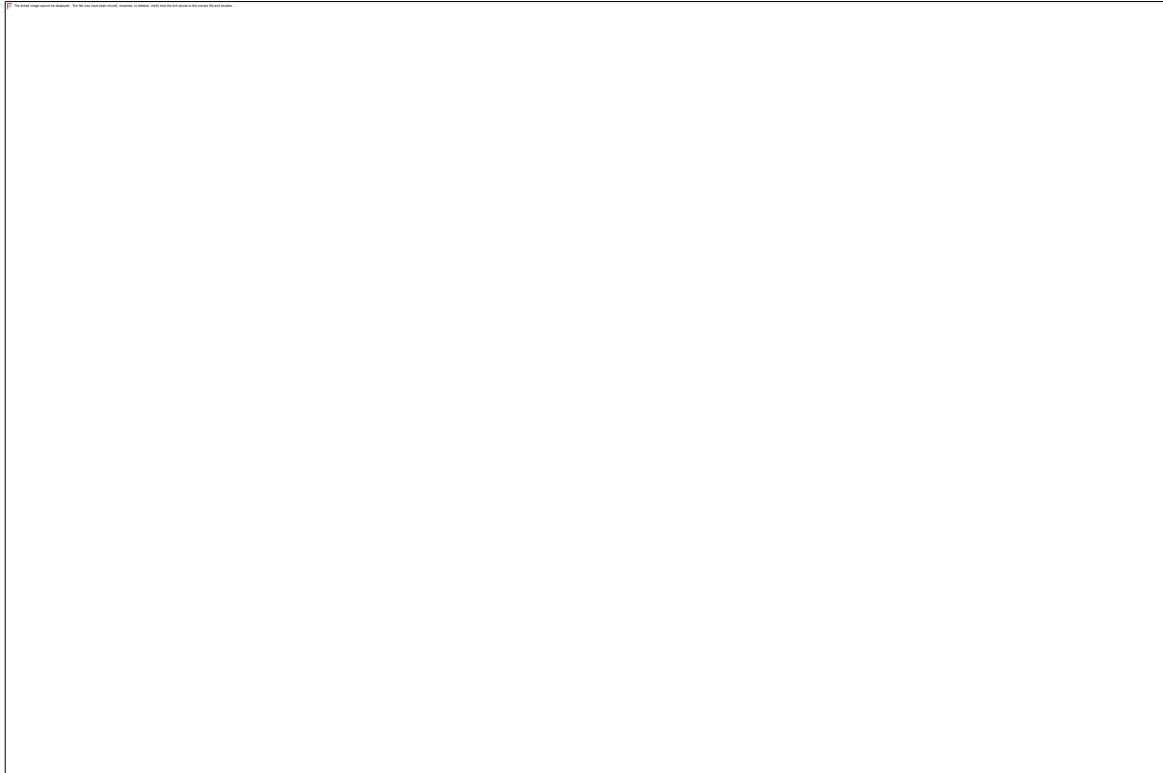
83	0	5700	2800	7500	16000
84	0	5700	2800	7500	16000
85	0	5700	2800	7500	16000
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Spending - A summary of your current spending and future estimated spending is shown below.

Age	DD'd & Bills	Personal	Holidays	Total
56	6000	4800	2000	12800
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58	6000	4800	2000	12800
59	6000	4800	2000	12800
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62	6900	7800	4000	18700
63	6900	7800	4000	18700
64	6900	7800	4000	18700
65	6900	7800	4000	18700
66	6900	7800	4000	18700
67	6900	7800	4000	18700
68	6900	7800	4000	18700
69	6900	7800	4000	18700
70	6900	7800	4000	18700
71	6900	7800	4000	18700
72	6900	7800	4000	18700
73	6900	7800	4000	18700
74	6900	7800	4000	18700
75	6900	7800	4000	18700
76	6900	6000	1500	14400
77	6900	6000	1500	14400
78	6900	6000	1500	14400

79	6900	6000	1500	14400
80	6900	6000	1500	14400
81	6900	6000	1500	14400
82	6900	6000	1500	14400
83	6900	6000	1500	14400
84	6900	6000	1500	14400
85	6900	6000	1500	14400
86	6900	6000	1500	14400



Spending v Income - A comparison of spending versus income is shown below.



Conclusion

Due to an erosion of cash between the ages of 61 and 66, I would suggest considering working part time instead of taking full retirement.

Cashflow Model

Ben Retiring Early Scenario + Part Time Work

Events modelled in this illustration:

- Reflect retirement at age 61
- Working part time from ages 61 to 66

Basic Information

Illustration	56 to 86
Retirement Age	61
State Pension Age	66
Inflation Rate	2% per annum
Initial Cash	£20000
Interest Rate	0.5% per annum

General assumptions:

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- Regularly reviewing the cashflow reports and the assumptions used will increase the accuracy of the forecasted outcomes
- The interest return for cash is set at 0.5% per annum. This reflects the current low interest rates being offered by investing in deposit accounts.

Income

	From	To	Amount	Frequency	Adjust
Current Employment	56	60	£22000	Annually	By Inflation
	Then	66	£10000	Annually	
ABC Final Salary Pension	61	86	£5700	Annually	By Inflation
LV PPP	61	86	£2800	Annually	By Inflation
State Pension	66	86	£7500	Annually	By Inflation

Spending

	From	To	Amount	Frequency	Adjust
DD'd & Bills	56	60	£500	Monthly	By Inflation
	Then	86	£575	Monthly	
Personal	56	60	£400	Monthly	By Inflation
	Then	75	£650	Monthly	
	Then	86	£500	Monthly	
Holidays	56	60	£2000	Annually	By Inflation
	Then	75	£4000	Annually	
	Then	86	£1500	Annually	

Assumptions about spending:

- Holiday and personal spends would rise once retired for a period of fifteen years

Cash - A summary of your opening and closing cash balances for each year is shown below.

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56	20000	+22000	-12800	+100	=29300
57	29300	+22000	-12800	+147	=38647
58	38647	+22000	-12800	+193	=48040
59	48040	+22000	-12800	+240	=57480
60	57480	+22000	-12800	+287	=66967
61	66967	+18500	-18700	+335	=67102
62	67102	+18500	-18700	+336	=67238
63	67238	+18500	-18700	+336	=67374
64	67374	+18500	-18700	+337	=67511
65	67511	+18500	-18700	+338	=67648
66	67648	+26000	-18700	+338	=75287
67	75287	+16000	-18700	+376	=72963
68	72963	+16000	-18700	+365	=70628
69	70628	+16000	-18700	+353	=68281
70	68281	+16000	-18700	+341	=65922
71	65922	+16000	-18700	+330	=63552
72	63552	+16000	-18700	+318	=61170
73	61170	+16000	-18700	+306	=58776
74	58776	+16000	-18700	+294	=56369
75	56369	+16000	-18700	+282	=53951
76	53951	+16000	-14400	+270	=55821
77	55821	+16000	-14400	+279	=57700
78	57700	+16000	-14400	+289	=59589
79	59589	+16000	-14400	+298	=61487
80	61487	+16000	-14400	+307	=63394
81	63394	+16000	-14400	+317	=65311
82	65311	+16000	-14400	+327	=67238
83	67238	+16000	-14400	+336	=69174
84	69174	+16000	-14400	+346	=71120
85	71120	+16000	-14400	+356	=73075
86	73075	+16000	-14400	+365	=75041



Incomes - A summary of your current income streams and future estimated income streams is shown below.

Age	Current Employment	ABC Final Salary Pension	LV PPP	State Pension	Total
56	22000	0	0	0	22000
57	22000	0	0	0	22000
58	22000	0	0	0	22000
59	22000	0	0	0	22000
60	22000	0	0	0	22000
61	10000	5700	2800	0	18500
62	10000	5700	2800	0	18500
63	10000	5700	2800	0	18500
64	10000	5700	2800	0	18500
65	10000	5700	2800	0	18500
66	10000	5700	2800	7500	26000
67	0	5700	2800	7500	16000
68	0	5700	2800	7500	16000
69	0	5700	2800	7500	16000
70	0	5700	2800	7500	16000
71	0	5700	2800	7500	16000
72	0	5700	2800	7500	16000
73	0	5700	2800	7500	16000
74	0	5700	2800	7500	16000
75	0	5700	2800	7500	16000
76	0	5700	2800	7500	16000
77	0	5700	2800	7500	16000
78	0	5700	2800	7500	16000
79	0	5700	2800	7500	16000
80	0	5700	2800	7500	16000
81	0	5700	2800	7500	16000
82	0	5700	2800	7500	16000

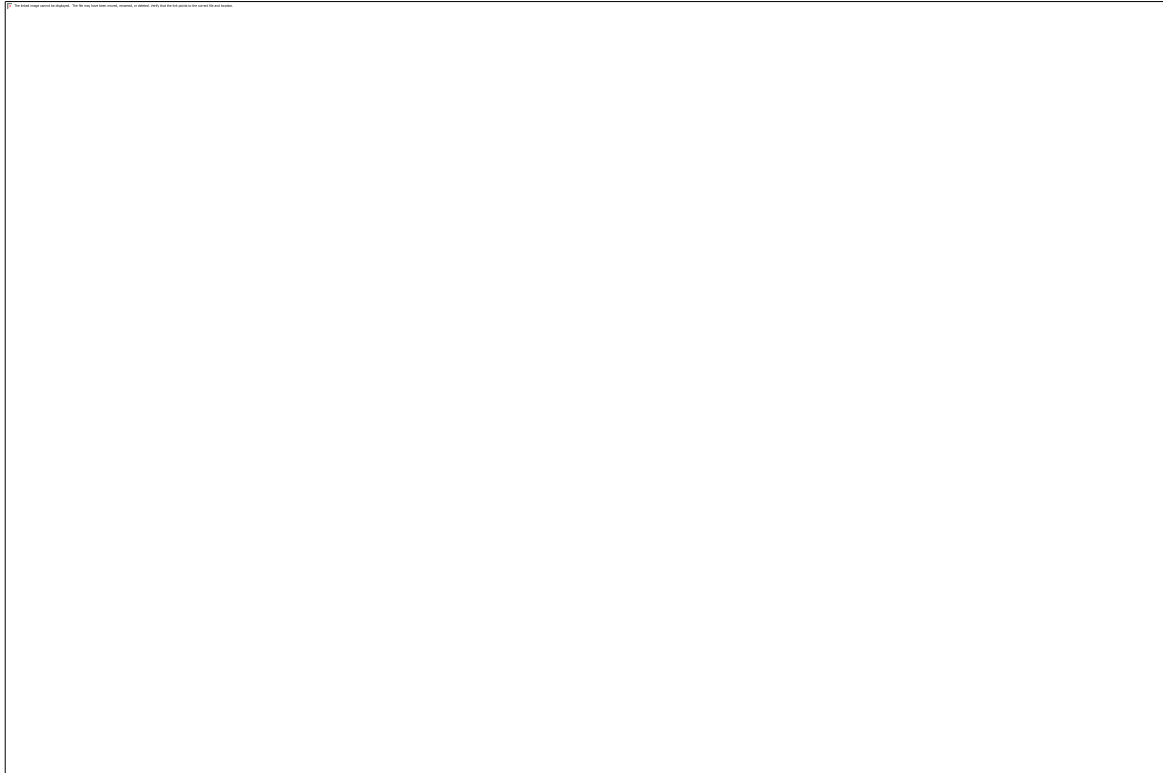
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84	0	5700	2800	7500	16000
85	0	5700	2800	7500	16000
86	0	5700	2800	7500	16000



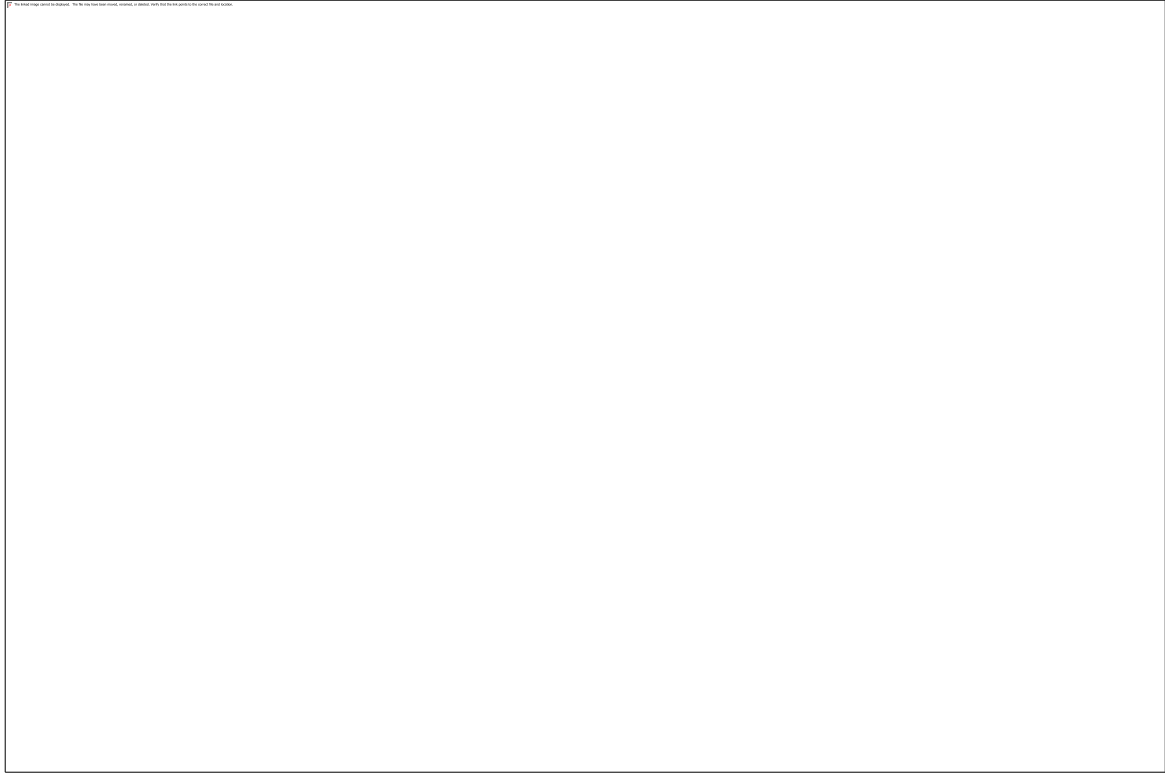
Spending - A summary of your current spending and future estimated spending is shown below.

Age	DD'd & Bills	Personal	Holidays	Total
56	6000	4800	2000	12800
57	6000	4800	2000	12800
58	6000	4800	2000	12800
59	6000	4800	2000	12800
60	6000	4800	2000	12800
61	6900	7800	4000	18700
62	6900	7800	4000	18700
63	6900	7800	4000	18700
64	6900	7800	4000	18700
65	6900	7800	4000	18700
66	6900	7800	4000	18700
67	6900	7800	4000	18700
68	6900	7800	4000	18700
69	6900	7800	4000	18700
70	6900	7800	4000	18700
71	6900	7800	4000	18700
72	6900	7800	4000	18700
73	6900	7800	4000	18700
74	6900	7800	4000	18700
75	6900	7800	4000	18700
76	6900	6000	1500	14400
77	6900	6000	1500	14400
78	6900	6000	1500	14400

79	6900	6000	1500	14400
80	6900	6000	1500	14400
81	6900	6000	1500	14400
82	6900	6000	1500	14400
83	6900	6000	1500	14400
84	6900	6000	1500	14400
85	6900	6000	1500	14400
86	6900	6000	1500	14400



Spending v Income - A comparison of spending versus income is shown below.



Conclusion

Due to an erosion of cash between the ages of 61 and 66, I would suggest considering working part time instead of taking full retirement. The income stream from part time work provides adequate cash reserves accessible during retirement.

Appendix

Personal Details

Client 1 is Ben J Min date of birth 05 / 11 / 1958.

Today's Money

Where values are described as being in *today's money* that means that, whilst the nominal (actual) amounts in future years may have increased by inflation, the values shown have been discounted by inflation to show their real value in today's terms.

For example whilst loan repayments or level annuity income might be a fixed sum each year the actual value of that amount (its buying power) will be eroded by inflation and so in future years its value is smaller in today's money.

This is useful as it allows for valid comparison of values at different times. Often nominal amounts far in the future may seem to be very large because of the compounding effect of inflation, but when seen in today's money its real value can be better appreciated