

Financial Report prepared for

**David & Ruth East**

on

19 July 2007

This report is a summary of discussions held with

Nick Bewley

on

11 May 2007

The following recommendations are based upon the information contained in your Personal Fact Find.

When selecting products and funds, we have taken into account your attitudes to risk and future requirements as stated in your Fact-Find.

In discussion, we have agreed levels of inflation and growth which we believe to be reasonable and attainable

## Pensions Summary for David

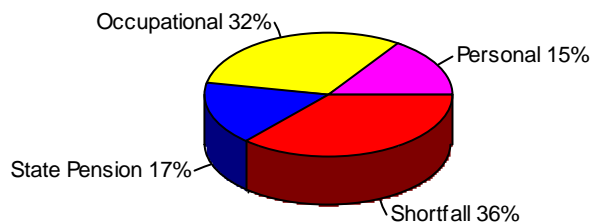
Current Gross Annual Income	£35,500
As you have elected to retire at 65 and your view that inflation will average at 4.00% p.a., at retirement we estimate that your income will be	£84,132
Based on your assessment of your requirements at retirement being 62.93% of your income at retirement, you will require an annual income of	£52,944

### Summary of Existing Pensions

Assuming 5.00% Growth and an Escalating Pension @2.5% (or RPI if higher) and a Joint Life annuity assuming a 50% Widow's Pension

Provider	Type	Fund	Lump Sum	Income
Merryweather Co Ltd	Final Salary 29/80ths (£69,068 Salary)	£0	£75,112	£16,692
Legal & General	AVC	£110,834	£27,709	£2,975
Standard Life	Personal Pension	£193,349	£48,337	£5,189
State Pension		£0	£0	£7,018
Secondary State Pension (S2P)		£0	£0	£1,771
<b>Totals</b>		<b>£304,183</b>	<b>£151,158</b>	<b>£33,644</b>

	At Retirement
Total Pension Commencement Lump Sum (PCLS)	£151,158
Total Income Required	£52,944
Total Income From Existing Pensions	£33,644
<b>Income Shortfall</b>	<b>£19,300</b>



### Assumptions & Notes

Figures quote basic tax relief of 22%. Higher rate taxpayers can claim income tax relief at 40% on all or part of the contributions made to these pensions at the end of the tax year.

Pension limits increased by 5% p.a. after 2010.

If your pension funds exceed the maximum lifetime limit when benefits are taken, you will be subject to a tax charge of 55% on the excess. Disclaimer: These figures are for guidance only. They are approximations based on our understanding of limits given in the relevant pension legislation after 6 April 2006. Actual figures on the amount of cash and pension income available will depend on personal circumstances. Documentation should be obtained from individual providers by your Independent Financial Adviser.

## Pensions Summary for Ruth

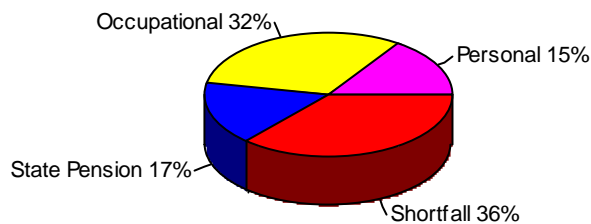
Current Gross Annual Income	£21,360
As you have elected to retire at 65 and your view that inflation will average at 5.00% p.a., at retirement we estimate that your income will be	£84,132
Based on your assessment of your requirements at retirement being 62.93% of your income at retirement, you will require an annual income of	£52,944

### Summary of Existing Pensions

Assuming 5.00% Growth and an Escalating Pension @2.5% (or RPI if higher) and a Joint Life annuity assuming a 50% Widow's Pension

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State Pension		£0	£0	£7,018
Secondary State Pension (S2P)		£0	£0	£1,771
<b>Totals</b>		<b>£304,183</b>	<b>£151,158</b>	<b>£33,644</b>

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Total Pension Commencement Lump Sum (PCLS)	£151,158
Total Income Required	£52,944
Total Income From Existing Pensions	£33,644
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### Assumptions & Notes

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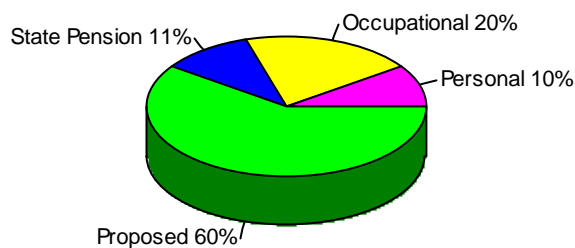
If your pension funds exceed the maximum lifetime limit when benefits are taken, you will be subject to a tax charge of 55% on the excess.  
 Disclaimer: These figures are for guidance only. They are approximations based on our understanding of limits given in the relevant pension legislation after 6 April 2006. Actual figures on the amount of cash and pension income available will depend on personal circumstances. Documentation should be obtained from individual providers by your Independent Financial Adviser.

## Maximum Additional Pension Contributions

### David

	Monthly	Annually
The maximum contribution allowed based on your gross income is	£2,805	£33,664
Your current gross pension contributions total to	£32	£384
The maximum additional gross contribution allowed is therefore	£2,773	£33,280
Which, after tax relief at 22% would be a net cost to you of	£2,162	£25,949

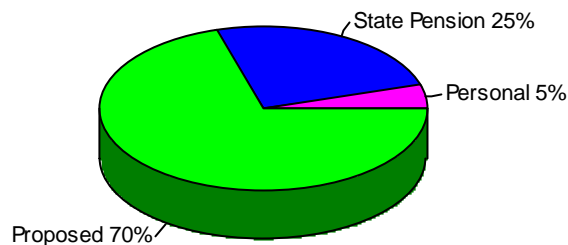
Assuming 5.00% growth, this would produce a fund at retirement of	£1,858,875
Resulting in additional potential annual income of	£66,518
Or alternatively, a tax free cash sum of	£464,719
And a reduced additional annual income of	£49,888



### Ruth

	Monthly	Annually
The maximum contribution allowed based on your gross income is	£1,180	£14,160
Your current gross pension contributions total to	£32	£384
The maximum additional gross contribution allowed is therefore	£1,148	£13,776
Which, after tax relief at 22% would be a net cost to you of	£895	£10,745

Assuming 5.00% growth, this would produce a fund at retirement of	£911,206
Resulting in additional potential annual income of	£31,765
Or alternatively, a tax free cash sum of	£227,802
And a reduced additional annual income of	£23,823



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We believe this to be an accurate view of your current situation and future requirements.

Where statutory limitations are imposed and exceeded we have made notes against these items.

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Produced on 19/07/2007

## Proposed Additional Pension Contributions

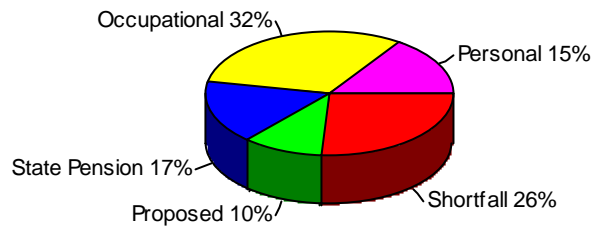
### David

	Single	Annual	Monthly
You have proposed additional net contributions of	£10,000	£0	£200
Which, at 22% tax rate would be a gross equivalent of	£12,820	£0	£256

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This would produce a fund at retirement, at 5.00% growth, of			£200,475
Resulting in a potential annual income of			£7,174

Or alternatively, a tax free cash sum of			£50,119
And a reduced additional annual income of			£5,380



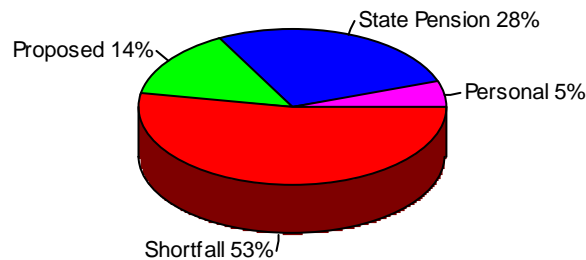
### Ruth

	Single	Annual	Monthly
You have proposed additional net contributions of	£5,000	£0	£150
Which, at 22% tax rate would be a gross equivalent of	£6,410	£0	£192

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This would produce a fund at retirement, at 5.00% growth, of			£167,095
Resulting in a potential annual income of			£5,825

Or alternatively, a tax free cash sum of			£41,774
And a reduced additional annual income of			£4,369



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## Life Cover Summary for David & Ruth

### Existing Life Policies

Owned	Provider	Type	Type of Cover	Sum Assured	Maturity Date	Under Trust
David	Scottish Widows	Mortgage	Convertible Term Assurance	£45,000	12/01/2016	No
David	Standard Life	Mortgage	Capital & Interest	£30,000	20/01/2016	Yes
David	Friends Provident	Life	Whole Life	£20,000	00:00:00	No
David	Canada Life	Life	Level Term Assurance	£52,000	11/09/2010	No
David	Merryweather Co Ltd	Final Salary	DISB	£100,000	Unspecified	N/A
Ruth	Canada Life	Life	Level Term Assurance	£80,000	03/05/2013	

### Current Debts

Owned	Lender	Type	Outstanding	Protected	Final Payment Date
David	Bank of Scotland	Credit Card	£8,600		
David	MBNA	Credit Card	£6,230		
Joint	Natwest Mortgage Services	Mortgage	£92,762		25 Jan 2018

	David	Ruth
Unprotected Debts (Credit Cards & Loans)	£14,830	£1,520
Mortgage Shortfall on Death	£17,762	£47,762
Income Required (taken from Protection Planning)	£17,453	£14,164
Less Mortgage Payment p.a.	£4,592	£4,592
Less Policy Premiums p.a.	£2,813	£214
Less Pension Contributions p.a.	£2,220	£384
Less Investment Contributions p.a.	£1,800	£0
Less Widow(er)'s Pension received p.a.	£1,247	£0
Annual Income Required	£17,453	£14,164
Fund Required to Provide Income	£402,323	£229,714
Total Life Cover Required	£434,915	£278,996
Less Current Life Cover	£172,000	£80,000
<b>Shortfall in Life Assurance</b>	<b>£262,915</b>	<b>£198,996</b>

### Fund Required to Provide Income Breakdown - (David / Ruth)

		Initial Fund		Initial Fund	
Initial Fund		£402,323			£229,714
Year 1	£24,000	£393,456	Year 1	£12,000	£228,600
Year 2	£24,840	£384,235	Year 2	£12,600	£227,430
Year 3	£25,709	£373,770	Year 3	£13,230	£225,571
Year 4	£26,609	£361,983	Year 4	£13,892	£222,959
Year 5	£27,541	£348,789	Year 5	£14,586	£219,520
Year 6	£28,504	£334,099	Year 6	£15,315	£215,181
Year 7	£29,502	£317,818	Year 7	£16,081	£209,859
Year 8	£30,535	£299,848	Year 8	£16,885	£203,467
Year 9	£31,603	£280,086	Year 9	£17,729	£195,911
Year 10	£32,710	£258,422	Year 10	£18,616	£187,090
Year 11	£33,854	£234,741	Year 11	£19,547	£176,898
Year 12	£35,039	£208,922	Year 12	£20,524	£165,219
Year 13	£36,266	£180,838	Year 13	£21,550	£151,929
Year 14	£37,535	£150,355	Year 14	£22,628	£136,898
Year 15	£38,849	£117,333	Year 15	£23,759	£119,984
Year 16	£40,208	£81,624	Year 16	£24,947	£101,036
Year 17	£41,616	£43,072	Year 17	£26,194	£79,893
Year 18	£43,072	£0	Year 18	£27,504	£56,384
			Year 19	£28,879	£30,323
			Year 20	£30,323	£0

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## Health Cover Summary for David & Ruth

### David's Existing Health Policies Current Income Protection Policies

Provider	Type	Type of Cover	Monthly Income Covered	Maturity Date
Employer	Health	Income Protection	£500	Unspecified
Maximum PHI Cover per Month			£1,479	
Less Existing Cover			£500	
<b>Shortfall</b>			<b>£979</b>	
Note: Total outgoings on Mortgages & Unprotected Debts are			£1,167	

### Current Critical Illness Policies

Provider	Type	Type of Cover	Critical Illness Cover	Maturity Date
Cigna Healthcare	Life	Critical Illness (CIC)	£50,000	12 Apr 2019
Minimum Critical Illness Cover suggested			£113,397	
Suggested Maximum Cover			£434,062	
Based on replacing Income for			10 years	
Existing Cover			£50,000	
<b>Minimum Top-up required based on outstanding mortgages and debts</b>			<b>£63,397</b>	
<b>Recommended Maximum Top-up cover based on current income</b>			<b>£384,062</b>	

### Ruth's Existing Health Policies Current Income Protection Policies

Provider	Type	Type of Cover	Monthly Income Covered	Maturity Date
Maximum PHI Cover per Month			£590	
Less Existing Cover			£0	
<b>Shortfall</b>			<b>£590</b>	
Note: Total outgoings on Mortgages & Unprotected Debts are			£811	

### Current Critical Illness Policies

Provider	Type	Type of Cover	Critical Illness Cover	Maturity Date
Minimum Critical Illness Cover suggested			£94,282	
Suggested Maximum Cover			£268,664	
Based on replacing Income for			10 years	
Existing Cover			£0	
<b>Minimum Top-up required based on outstanding mortgages and debts</b>			<b>£94,282</b>	
<b>Recommended Maximum Top-up cover based on current income</b>			<b>£268,664</b>	

### Waiver of Premium

It is recommended that you add 'waiver of premium' to your plans. A prolonged absence from work through illness or injury can seriously disrupt your planning. For a small additional cost, this benefit ensures that, if you are unable to work due to illness or injury, the insurance company will continue to pay your contributions on your behalf.

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## Mortgage Protection Shortfall Summary for David & Ruth

### Existing Mortgages

Provider	Property	Outstanding	Interest Rate	Monthly Payment	Final Payment Date	Months Remaining
Natwest Mortgage Services	1 The Hill Avenue (Main)	£92,762	4.75%	£765	25 Jan 2018	126

### Existing Mortgage-Related Policies

Owned	Provider	Type of Cover	Life Cover	Life Covered	Maturity Date
David	Scottish Widows	Convertible Term Assurance	£45,000	Joint Life 1st Death	12 Jan 2016
David	Standard Life	Capital & Interest	£30,000	Self	20 Jan 2016

Potential Mortgage Shortfall in the case of David's Death £17,762

Potential Mortgage Shortfall in the case of Ruth's Death £47,762

You may also have other Life Policies which would pay in the case of David's Death £72,000

You may also have other Life Policies which would pay in the case of Ruth's Death £80,000

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Please make sure that policies have sufficient Sum Assured and run for a long enough term to cover the outstanding debt period



## Potential Inheritance Tax Liability for David & Ruth

### Current Properties, Assets & Taxable Policies

Owned	Asset	Type	Present Value	Taxable Value
David	Dell Computer	Asset	£800	£800
David	BMW 320i	Asset	£26,000	£26,000
David	Ford Fiesta 1.3	Asset	£6,000	£6,000
David	Caravan	Asset	£2,500	£2,500
David	Scottish Widows	Life Policy	£45,000	£45,000
David	Standard Life	Life Policy	£30,000	£30,000
David	Friends Provident	Life Policy	£20,000	£20,000
David	Canada Life	Life Policy	£52,000	£52,000
David	Aberdeen Prolific (Ireland)	Investment	£17,832	£17,832
David	Scottish Provident	Investment	£16,150	£16,150
David	Fidelity Funds	Investment	£22,400	£22,400
David	Jupiter	Investment	£18,600	£18,600
David	Woolworths Plc	Investment	£29,500	£29,500
Ruth	Opal Ring	Asset	£4,500	£4,500
Ruth	Canada Life	Life Policy	£80,000	£80,000
Ruth	Nationwide Building Society	Investment	£1,259	£1,259
Joint	1 The Hill Avenue	Property	£180,000	£180,000
Joint	Apartmentos G4	Property	£85,000	£85,000
Joint	Property Contents Total	Property	£38,000	£38,000
Joint	Portman Building Society	Investment	£13,240	£13,240
<b>TOTAL</b>				<b>£688,781</b>

### Mortgages, Unprotected Debts & Policies In Trust

Owned	Asset	Type	Outstanding Amount	Deductible
David	Standard Life	Life Policy	£30,000	£30,000
David	Bank of Scotland	Debt	£8,600	£8,600
David	MBNA	Debt	£6,230	£6,230
Ruth	Tesco Finance	Debt	£1,520	£1,520
Joint	Natwest Mortgage Services	Mortgage	£92,762	£92,762
<b>TOTAL</b>				<b>£139,112</b>

Net Asset Value for David	£196,952
Net Asset Value for Ruth	£84,239
Net Asset Value in Joint Names	£268,478
Potential Asset Value on Second Death	£549,669
Less 0% Tax Exempt Level	£300,000
Taxable Amount	£249,669
Inheritance Tax to Pay	£99,868
2nd Death Policies available to pay tax	£0

The figures shown are for guidance purposes only.  
We strongly recommend that a full and detailed assessment is carried out. This is a complex area of taxation which could be affected by the length of time the asset was owned, and the date the original purchase was made.

## Potential Capital Gains Tax Liability for David & Ruth

### Non-Business Assets

Owned	Asset	Purchase Price	Years Owned	Current Value	Capital Gain	Taxable
David	Vehicles: BMW 320i	£32,800	5	£26,000	£0	£0
David	Vehicles: Ford Fiesta 1.3	£8,200	6	£6,000	£0	£0
David	Other: Caravan	£4,500	9	£2,500	£0	£0
Ruth	Watches & Jewellery: Opal Ring	£3,600	5	£4,500	£900	£765
Joint	1 The Hill Avenue	£89,750	11	£180,000	£0	£0
Joint	Apartmentos G4	£36,000	8	£85,000	£49,000	£34,300
<b>TOTAL</b>				<b>£304,000</b>	<b>£49,900</b>	<b>£35,065</b>

### Business Assets

Owned	Asset	Purchase Price	Years Owned	Current Value	Capital Gain	Taxable
David	Computers: Dell Computer	£995	4	£800	£0	£0
<b>TOTAL</b>				<b>£800</b>	<b>£0</b>	<b>£0</b>

Non-Business Assets	£35,065
Business Assets	£0

Total	£35,065
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Less Exempt Value	£9,200
Net Value Taxable	£25,865

Potential Gains Tax	£10,346
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## Notes & Comments

The purpose of pension, life assurance and health cover is to provide a secure financial future for you and your loved ones. You should ask yourself whether you feel you would be able to maintain your present standard of living on the money that the state provides. Therefore, it is vital that we all make extra provision for our retirement through some form of savings vehicle.

At retirement, you should be looking forward to many years of leisure and enjoyment. The last thing you will want at that time are money worries. A small proportion of your income invested during your working life will provide you with that security, and the earlier you start, the less it costs.

To encourage you to save for retirement, the Government offers generous tax relief on your pension contributions. Basic rate taxpayers receive tax relief at 22% and higher rate taxpayers can receive relief at 40%. It is not often that the Inland Revenue gives away money, so it makes sense for everyone to take advantage of this tax benefit by contributing to a personal pension, which is one of the most tax-efficient ways of investing you will ever find.

Income protection is an inexpensive and essential protection for any family should any income provider within the household die prematurely. A lump sum from a Term Assurance policy can be invested to maintain the monthly income that would normally have been received and to repay any unsecured debts such as credit cards or personal loans, which otherwise would have to be paid from the estate. If this area is not fully covered, this could result in your beneficiaries being forced to sell their property or assets to repay the unsecured debts.

Permanent Health Insurance is strongly advised, particularly to cover mortgage payments as you are far more likely to become unable to work for a period through illness or injury than you are to die before retirement. This cover is particularly important to the self-employed person and to salary earners where elements such as commissions or bonuses are included in the computation of your gross income. Should you be unable to work for a long period of time due to accident or even permanent disability, your income is protected and the benefits can even be indexed to keep pace with inflation.

Critical Illness cover will provide a lump sum if you are diagnosed as having certain qualifying serious illnesses, such as cancer, a serious heart condition, a stroke, multiple sclerosis or kidney failure. The cover provided should be sufficient to at least repay any mortgages or loans to remove financial worries and it may well be advisable to cover your total income for a number of years. Policies vary widely in their cover and we will assist you in finding the most suitable policy terms.

Some form of long-term savings plan is prudent to cope with future high-cost items such as weddings or holiday homes and could also be used to assist in paying school fees or funding long-term care if you become infirmed in older age. There are several plans available such as ISAs, which offer substantial tax benefits. However, with all savings-related products, it is important to start putting money away as early as possible to allow the value of the investment to grow to provide maximum benefit.

The information, assumptions and assessments in this summary of your financial situation are offered for your guidance only and it is strongly recommended that you consult us for our suggestions on the policies that will best suit your present circumstances and ensure your future financial security.

Savings Plans, Endowments and Pensions are generally long term investments and there may be financial penalties for ending a contract prematurely.

The value of your savings can fluctuate, and may fall as well as rise. Future investment performance may not resemble the past.

## Financial Synopsis Report

Prepared for David & Ruth East by Nick Bewley on 19 July 2007  
based on the agreed levels of inflation and growth, which we believe to be reasonable and attainable.

<b>Pensions Summary</b>	<b>David</b>	<b>Ruth</b>
Total Pension Commencement Lump Sum (PCLS)	£151,158	£0
Total Income Required	£52,944	£30,442
Total Income From Existing Pensions	£33,644	£0
Income Shortfall	£19,300	£30,442

<b>Proposed Additional Pension Contributions for David</b>	<b>Single</b>	<b>Annual</b>	<b>Monthly</b>
You have proposed additional net contributions of	£10,000	£0	£200
Which, at 22% tax rate would be a gross equivalent of	£12,820	£0	£256

This would produce a fund at retirement, at 5.00% growth, of	£200,475
Resulting in a potential annual income of	£7,174

Or alternatively, a tax free cash sum of	£50,119
And a reduced additional annual income of	£5,380

<b>Proposed Additional Pension Contributions for Ruth</b>	<b>Single</b>	<b>Annual</b>	<b>Monthly</b>
You have proposed additional net contributions of	£5,000	£0	£150
Which, at 22% tax rate would be a gross equivalent of	£6,410	£0	£192

This would produce a fund at retirement, at 5.00% growth, of	£142,596
Resulting in a potential annual income of	£5,103

Or alternatively, a tax free cash sum of	£35,649
And a reduced additional annual income of	£3,827

<b>Life Assurance Shortfalls</b>	<b>David</b>	<b>Ruth</b>
Shortfall in Life Assurance	£262,915	£198,996

<b>Health Cover Shortfalls</b>	<b>David</b>	<b>Ruth</b>
Income Protection Shortfall (Monthly)	£979	£590
Critical Illness Shortfall Minimum	£63,397	£94,282
Critical Illness Shortfall Recommended	£384,062	£268,664

<b>Mortgage Protection Shortfalls</b>	<b>David</b>	<b>Ruth</b>
Potential Mortgage Shortfall	£17,762	£47,762
You may also have other Life Policies which may pay	£72,000	£80,000

<b>Potential Inheritance Tax Liability for David &amp; Ruth</b>	£99,868
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<b>Potential Capital Gains Tax Liability for David &amp; Ruth</b>	£13,720
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