

What you need to know about...

LIFETIME CASHFLOW

When we produce a financial plan for you, one of the most important aspects of this plan is the lifetime cashflow forecasts that we make. This is a mechanism to estimate how your financial situation will change over your lifetime, based on assumptions we make about your income, expenses, tax situation, inflation etc. The idea is to give you a snapshot of how your financial life will pan out, and ultimately if you will run out of money.

What is the point of a lifetime cashflow?

A lifetime cashflow forecast will enable us to work out how your financial prosperity will pan out. This is based on assumptions about your situation, but is also dynamic enough to cope with changes to your circumstances.

Will you run out of money?

The idea is to treat your whole financial life as one giant overdraft. Thus, the software can predict how your cash inflows and outflows will impact on you, and ultimately whether you will run out of money.

Typically, clients fall into the following 3 scenarios:

Not enough

This is the majority of people. They have worked hard but have not accumulated enough to do what they want in later life. They either have to:

**keep working, or
reduce their standard of living; or
their resources will run out.**

Too much

Weirdly, this situation is even worse! Imagine that you have worked all those years, paying tax on everything you do - income tax on your earnings, VAT on your purchases, corporation tax on your business, stamp duty every time you move house etc.

Well if you accumulate too much your family has to:

pay tax all over again when you die at 40%!

We can avoid this with careful planning so that you can either afford to give money away to your family, or retire sooner while you can still enjoy your life.

Just right

Obviously, this is what we aim for. We want to put plans in place so that you never run out of money, but keep the lifestyle you want.

More importantly, we want to ensure that:

**you don't have to work
longer than you need to.**

Examining solutions

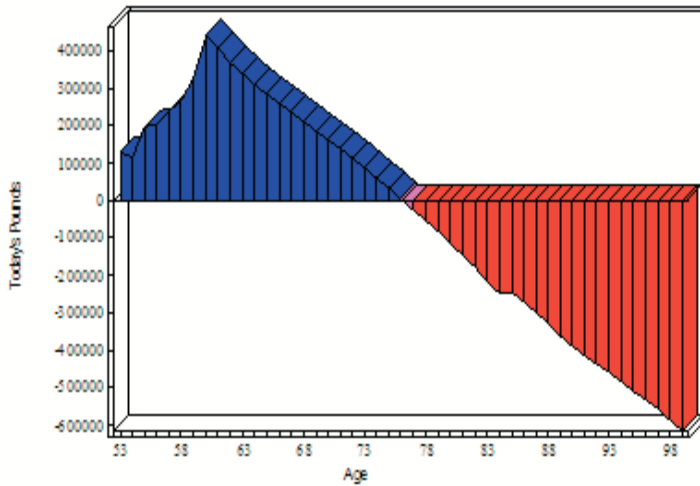
Once we know where your finances are taking you, we can start to examine solutions to your situation.

For example, you might want to retire by a certain age on a certain income. If our analysis shows this is not currently on track we might advise you to save extra, reduce your expectations, retire later, or pay in a lump sum. The possible solutions are as varied as the options open to you.

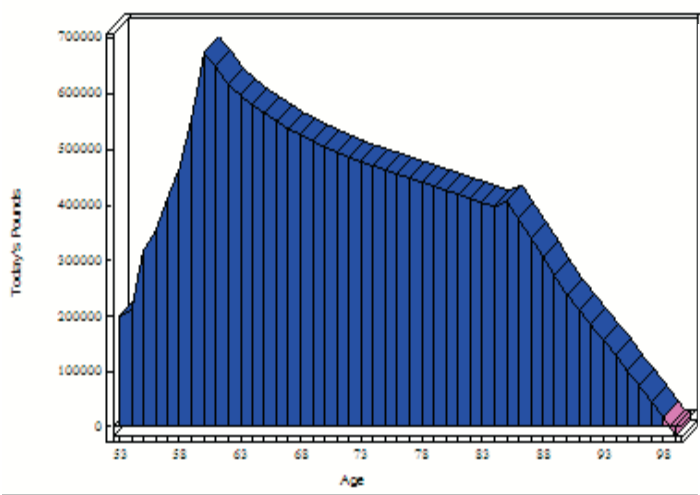
What is important is for you to know what you need to put aside for your financial security.

Continued overleaf...

Example - current situation:



Example - solution:



In this example, the client wishes to retire at 65.

Our analysis is able to show that if he does so, he will eventually run out of money. He can either choose to change his goals, such as to reduce his lifestyle, or retire later; alternatively, he can start to save more money towards his retirement, so that we are sure that he will never run out of money, and so can continue doing the things he wants to be doing in retirement.

This shows the effect of taking our advice and putting in the required savings. The lifetime cashflow shows that he will continue to accumulate assets until retirement. After that, his assets will gradually reduce. More importantly, this shows that he will never run out of money.

Why use us?

1. **Free** initial consultation
2. **Guaranteed** satisfaction with our advice
3. **Fee-based** - no commission hungry salesmen
4. **Fully independent** from insurance companies
5. State of the art **research tools**
6. Regular contact & **services to suit you**

Call today for independent financial advice on this or any other issue on

01206 266882 or email **advice@woodruff-fp.co.uk**



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