

Cadence

FINANCE

Your Financial Plan

SAMPLE REPORT — Names and figures are fictional. For illustration purposes only.

Prepared for

Mark & Claire Henderson

May 2025 · Prepared by Ben Atherton, Chartered Financial Planner (CII)

This document is not regulated financial advice. It is a structured financial planning document designed to give you a clear picture of your finances and help you make better-informed decisions.

Where regulated advice is needed to implement specific actions, we will say so clearly and can refer you to trusted FCA-authorised professionals.

Contents

1	The Verdict	The bottom line first. Where you are heading and what to change.
2	Your Picture Today	Every asset, your spending target, and the income you can count on.
3	Your Retirement Projection	Two cashflow scenarios — before and after the three changes.
4	The Three Things	Each change explained in full, with costs and before/after comparison.
5	What Happens Next	The sequence of actions, who does what, and the timeline.

1 — THE VERDICT

Read this page first. Everything else in this plan supports what we say here.

Mark and Claire, you are in a better position than you realised when we started.

Your combined pension pot of £280,000 is solid for your age and your household income gives you real capacity to act. But on your current trajectory, you are projected to fall around £183,000 short of the capital you need to retire at 60 on your target income of £5,000 per month.

The gap is entirely closeable. There are three specific things to change — and none of them require dramatic sacrifice. The biggest one is simply moving money you already have into the right place.

Where you are heading now	Where you could be heading
<p>Projected pot at 60</p> <p>£920,000</p> <p>£183,000 short of target</p> <p>Money runs out at age 78</p>	<p>Projected pot at 60</p> <p>£1,150,000</p> <p>£47,000 surplus on target</p> <p>Money lasts comfortably to 95+</p>

The difference between those two outcomes comes down to three changes. They are covered in full in Section 4.

The three things

1 Use Claire's ISA allowance — starting this tax year

£0 of Claire's £20,000 annual ISA allowance has been used in the past three years. That is £60,000 that could have been growing completely tax-free. This costs nothing extra — it is just moving savings you already have into the right place.

2 Increase pension contributions by £600/month combined

Split roughly equally between you, this closes the gap entirely by age 60. Because you are both higher-rate taxpayers, every £100 you contribute costs you just £60 after tax relief. The real cost is lower than it looks.

3 Fill the gaps in Claire's state pension record

Claire has three gaps in her National Insurance record from her career break. Filling them costs approximately £820 and adds around £1,400 per year to her state pension for the rest of her life. That is an extraordinary return on a small one-off payment.

2 — YOUR PICTURE TODAY

Every asset, what retirement will cost, and the income you can count on automatically.

What you own

Workplace pension — Mark (Deloitte)	£165,000
Workplace pension — Claire (Barclays)	£72,000
Workplace pension — Claire (HSBC, previous employer)	£43,000
Stocks & Shares ISA — Mark	£34,000
Cash ISA — Claire	£8,500
Cash savings (joint)	£22,000
General Investment Account	£15,000
Total investable assets	£359,500

78% of your money sits in pension wrappers — strong, but it means limited flexibility before age 57. Your ISA balances are low relative to your income, which is the main structural gap we are addressing.

What retirement will cost

Based on what you told us you want retirement to look like, using today's prices:

Essential costs (food, utilities, transport)	£16,800/yr
Housing (maintenance — no mortgage)	£6,000/yr
Holidays and travel	£12,000/yr
Leisure, eating out and hobbies	£8,400/yr
Health, personal care, gifts and sundries	£10,800/yr
One-off costs averaged over time (car, home)	£5,000/yr
Total spending needed	£59,000/yr

Income you will receive automatically

Some income arrives without drawing from your savings — which reduces the pressure on your investment pot:

State pension — Mark (from age 67)	£11,502/yr
State pension — Claire (from age 67, currently 3 NI gaps)	£8,900/yr
Total guaranteed income	£20,402/yr

Income required from your investments each year

Total spending (£59,000) minus guaranteed income (£20,402)

£38,598

This £38,598 is the number everything else is built around. It is the annual shortfall your pension and ISA pot must cover — after the state pension fills its share. The three changes in this plan either reduce this figure, increase the pot behind it, or both.

3 — YOUR RETIREMENT PROJECTION

Two cashflow scenarios, modelled in Timeline.

Assumptions: 6% investment growth p.a. before retirement · 4% after · 2.5% inflation · retirement at 60 · spending £59,000/yr · state pension from 67

These are projections, not guarantees. Their purpose is to show the direction of travel and the impact of specific decisions — not to predict the future with precision.

Scenario 1 — If nothing changes

What happens if Mark and Claire carry on exactly as they are today, with no changes to contributions, ISA usage, or state pension record.

Cashflow projection — Base case (no changes)

Replace with your Timeline cashflow export: Insert → Pictures

Projected pot at 60: **£920,000**

Target: **£1,103,000**

Shortfall: £183,000

At this spending level, the money runs out at approximately age 78 — twelve years before the end of plan. The early years of retirement drain the pot quickly because the state pension has not yet arrived, and the contributions have stopped. This is not a catastrophe — the state pensions are still in payment — but the retirement income would need to reduce significantly in the late 70s, exactly when costs often rise.

Scenario 2 — With the three changes

What happens if Mark and Claire implement all three changes from Section 1. Contributions increase, Claire's ISA is opened, and the NI gaps are filled.

Cashflow projection — With the three changes

Replace with your Timeline cashflow export: Insert → Pictures

Projected pot at 60: **£1,150,000**

Target: **£1,103,000**

Surplus: £47,000 — On track

The money is projected to last comfortably beyond age 95, even accounting for inflation throughout retirement. The difference between scenarios is not just the pot size at retirement — it is the trajectory through retirement. A larger pot with better tax efficiency draws down more slowly, leaving more capital working in the later years when you need the security most.

4 — THE THREE THINGS

Each change explained in full — what it is, what it costs, and what it does.

1 Use Claire's ISA allowance — starting this tax year

A Stocks & Shares ISA is the single most tax-efficient place to hold savings outside a pension. Growth is completely tax-free, and withdrawals in retirement are tax-free too. Claire has used none of her £20,000 annual allowance in the past three years.

This is not about saving more money — it is about moving savings that already exist into the right wrapper. The money in Claire's cash savings account (currently earning minimal interest and fully exposed to income tax) should be moved into a Stocks & Shares ISA and invested in a low-cost diversified fund. The ISA will then provide tax-free income in retirement — which also allows you to manage pension drawdown more carefully and avoid higher-rate tax.

WITHOUT THIS CHANGE

Claire's savings earning low interest, fully taxable. Three years of ISA allowance permanently lost — £60,000 that could have been sheltered.

WITH THIS CHANGE

Savings growing tax-free. Future growth shielded from income and capital gains tax for life. Tax-free income in retirement improves drawdown efficiency.

Cost to act: £0 extra required. This is a reorganisation of money you already have. Time to act: before 5 April — use the current year's allowance before it expires permanently.

2 Increase pension contributions by £600/month combined

This is the primary lever for closing the retirement gap. An extra £300/month each — split across Mark's workplace pension and Claire's — is sufficient to close the £183,000 shortfall entirely by age 60.

Because you are both higher-rate taxpayers, every £600 of gross pension contribution costs you just £360 in take-home pay after 40% tax relief. HMRC contributes the other £240. Claire's employer also matches contributions up to 8% of salary — she is currently not fully capturing this, which is leaving free money on the table.

WITHOUT THIS CHANGE

Current trajectory: pot of £920,000 at 60. Money runs out at age 78. Employer match not fully captured by Claire.

WITH THIS CHANGE

Pot of £1,150,000 at 60. Surplus of £47,000. Full employer match captured. Real net cost after tax relief: approximately £360/month.

Real net cost: ~£360/month after higher-rate tax relief. Employer match adds significant further value at no cost to you.

4 — THE THREE THINGS (CONTINUED)

3 Fill the gaps in Claire's state pension record

Claire has three gaps in her National Insurance record, accumulated during her seven-year career break. These gaps reduce her state pension by approximately £1,400 per year from age 67 onwards.

You can fill NI gaps by making voluntary Class 3 contributions via gov.uk/check-state-pension. The cost is approximately £820 in total for the three gaps. This is one of the highest-return financial decisions available to anyone in Claire's position. A one-off payment that generates guaranteed, inflation-linked income for the rest of her life.

WITHOUT THIS CHANGE

Claire's state pension reduced by ~£1,400/year from age 67 onwards. The gaps close permanently if not addressed before the government deadline.

WITH THIS CHANGE

Full (or near-full) state pension from age 67. Approximately £1,400/year extra income for life. Payback period on the £820 outlay: under 8 months.

Total one-off cost: ~£820. Annual benefit: ~£1,400/yr for life, fully inflation-linked. Check your record and deadline at gov.uk/check-state-pension.

The combined impact of all three changes:

Pot at 60 increases from £920,000 to £1,150,000. Money lasts to age 95+ rather than running out at 78. The real net cost is approximately £360/month in additional pension contributions, a one-off £820 NI payment, and a reorganisation of savings that costs nothing extra. You do not need to retire later, earn more, or spend less in retirement.

5 — WHAT HAPPENS NEXT

The sequence of actions, in the order we would suggest.

• Check Claire's NI record at gov.uk/check-state-pension	This week — takes 10 minutes
• Pay the NI gaps (approx. £820)	Within 4 weeks
• Open a Stocks & Shares ISA for Claire, invest £20,000	Before 5 April — use current year's allowance
• Increase pension contributions by £600/month combined	Next 1–3 months — speak to your employers
• Review Claire's old HSBC pension — consider consolidating	Next 3 months — likely in a poor default fund
• Annual review of this plan	May 2026

Where we come in for the things that need regulated advice

Some of the actions above — specifically choosing which ISA or pension to use — involve recommending financial products. Cadence Finance is not authorised to give regulated financial advice on specific products. Where this applies, we can introduce you to authorised advisers we know and trust. We earn no referral fees.

For ISA platform selection and investment choice → we can refer you to a trusted independent financial adviser.

For pension consolidation (the HSBC pot) → we can refer you to an IFA with specific experience in pension transfers.

For life insurance and income protection review → we can introduce you to a protection specialist.

A few final thoughts

Mark and Claire — you came to us wanting to know if you had got it right. The honest answer is: mostly yes, with a clear set of things to do. The pension base is solid. The income is there. What has been missing is the clarity to act.

The three things in this plan are not abstract suggestions. They are specific, costed, and sequenced. If you do all three, the retirement you described to us — both of you choosing to stop at 60, the Monday morning feeling Claire talked about — is fully achievable.

We are here if you have questions. We look forward to the review call in thirty days, and to the annual review this time next year.

Cadence Finance

hello@cadence-finance.com · cadence-finance.com

Ben Atherton, Chartered Financial Planner (CII)

Cadence Finance is not FCA authorised. This plan is for educational and planning purposes only and does not constitute regulated financial advice. Names and figures in this sample are fictional and used for illustration only.