Andrew J. Spencer

Only Fools and Horses Work

BOOK 1

Learn the secrets of Financial Freedom

Are you worried about not being like everybody else?

Well if you think like everyone else….

you'll have what everyone else has….

Years of hard work and a lifetime of debt!

To get a different result..........

.... you need to change what you do!

GREY MOUSE PUBLICATIONS

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Have you ever wanted to have more money, to be financially independent, geographically and time free? To be able to look after and feed you and your family for life?

................Yes of course you have, haven't you?

To My Family

PROLOGUE

Some years ago I saw someone receive a wedding gift, which they called a 'Money tree.'

This was a small tree in a plant pot which had £5 and £10 notes folded and tied onto its branches as if they were the fruit growing on the tree. …… A nice idea for a gift, but it was not real.

It got me thinking though, what if you really could have such a thing as a money tree?

I couldn't stop thinking about this and I began challenging and researching the concept. After much research the answer became clear that you can have your own money tree.

How many times have you heard, or even said yourself, "Money doesn't grow on trees."

We all know that money does not grow on trees and it cannot ever be the case, don't we?

Well that's what I used to believe, but I now understand that money can grow on trees.

So what do I actually mean?

Now I am talking about a metaphor for a financial fruit tree. There is an equivalent of a money tree which produces financial fruit as profits.

As with real trees, a financial fruit tree has to be nurtured and grown over a period of time to bear its fruit and just like with any other fruit, the profit on the financial fruit tree can turn bad if it is not harvested at the right time.

Also, just as in nature, there are growing seasons for these financial fruit trees and the weather (economic conditions) during these seasons can affect the growth of their fruit.

A good summer season can produce some excellent fruit, but a big storm can blow all the fruit off the tree. Similarly a poor summer can prevent the fruit from ripening properly, causing it to rot.

The duration of these financial seasons is less predictable than in nature but there are indicators of when the seasons are changing.

You need to learn to become a financial gardener. You have to pull up the weeds and leave the healthy trees to grow and bloom and then harvest their fruit at the optimum time.

For example, in a bad year you may have to sacrifice some of your harvest, collecting it early, to avoid losing it all.

So what on earth am I talking about?

Let me explain further, the financial equivalent of the fruit tree is the financial stock market.

The individual financial markets are the equivalent of forests of financial fruit trees. Each tree is represented by a stock and the trees fruits are the profits produced as a result of price fluctuations in the stock's price.

Therefore money can grow on trees!

In nature some of a tree's fruit is lost to birds etc and the same can be said of our financial money tree. The equivalent losses to birds etc are the stockbroker's fees and commissions etc, which are a normal cost of trading on the stock market.

A gardener plants their fruit trees in the correct season when the weather is favourable. They look after their trees, pulling up the weeds and allowing the healthy trees to grow, until the growing season comes to an end when they must harvest the trees fruits. If the seasonal weather is poor the amount of fruit produced will not be as much as in a good season.

Also, if the season's weather is poor or if a storm approaches they must be prepared to harvest the fruit prematurely, sacrificing any unripened fruit, to avoid losing it all.

The above translates into our equivalent financial fruit tree as:

You buy appropriate stocks from appropriate financial markets at the appropriate time and price, using a stock broker. You monitor the stock's price movement(s) keeping the stocks whose price is remaining in the correct position and you sell any stocks when their price moves too far against you. At the appropriate time you sell the stock to release the profit from the change in the stocks price, or if the financial conditions deteriorate, you are prepared to get rid of your stocks in order to manage your risk of further profit losses.

FOREWARD

From the Author, Andrew J. Spencer

Let me be very clear that I am not any kind of financial genius etc.

Having spent many years researching this information and learning how to trade with it, I decided to put my findings into a series of two books.

All of what is covered in this book is publically available information, but it is scattered all over the place and camouflaged with other irrelevant information etc.

What my book does is filter out the golden nuggets of information and brings them all together in one place, and presents them in a coherent manner.

So you may well be asking yourself, why would I write and sell this book if the information is so valuable and can easily make money?

Surely I don't need the money from selling the book and I would want to keep it to myself, wouldn't I?

Well that's not how my morals work, I am a big believer in the best way to help one's self is by helping others.

I founded my company, with the business mission of 'Helping others.'

My motivation behind this book is to share this knowledge to help others interested in financial trading and becoming financially free.

And at the same time, using the profits from the sales of the book and associated products to help and financially support less fortunate people, animals and charitable organisations etc. who are in need.

So by buying this book you are helping yourself, by helping others.

INTRODUCTION

To begin, let me explain the title of the book 'Only Fools and Horses Work.'

(Note: There is no disrespect intended in the term 'fools,' it is just an expression of a definition to explain a point.)

The title refers to the concept, going back many hundreds of years, that it was the common people (The fools) and dumb animals (The horses) that used to do all the hard work in the past at the bidding of their masters. If you were smart, you found a legal way of making a living without resorting to hard work or selling your time and freedom to someone else.

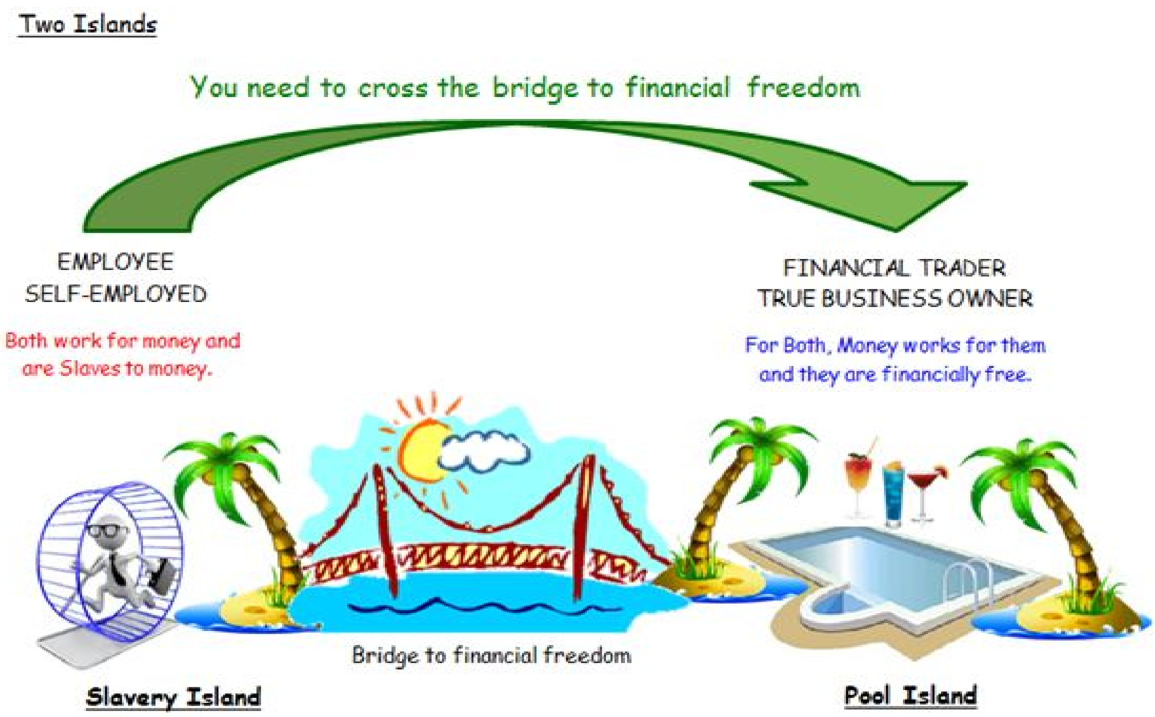
Putting this into a modern context, it means that it is the people with jobs and the ones managing them that are the ones who are working for a living.

So we are looking to NOT BE working in a job and we DO NOT want to be employing anybody. We DO want to have other people working for our benefit, but we do not want to be actually employing them to work for us.

I remember a quotation I came across many years ago, and it has always stuck with me.

"The biggest mistake people make in life is earning a living doing something that they do not enjoy, especially if making someone else rich at the same time."

You need to cross the bridge from 'Slavery Island' to 'Pool Island'



Employee	Works for a superior. Limited time off by approval. Fixed income. Working for paper money the government is devaluing & taxing you, leaving you little to service your bills and debts. Perceived security, Fixed hours with evenings & Weekends off - Legacy of school child. Does work that is paid by the hour.	**Financial Trader**	Built up enough capital to earn money from money with no work required.
Self-Employed	Owns a job, not a business. Have more flexibility with time off. Opportunity to earn more, but usually works harder and earns less per hour for hour than an employed person. Less time off and income is less secure week on week. Still working for paper money the government is devaluing & taxing you, leaving you little to service your bills and debts. Does work that is paid for by the hour.	**Business owner**	Owns a business, not a job. Income from systems. - Other people are paid to do the work following your system. - Royalties from other people selling your product. (Franchise etc.) - Commission from promoting other peoples business. Did some unpaid work up front to develop systems/products.

So, a prudent question to ask is ‘Can you save a £million?’

Well let’s see:

Consider having a very well paid job, earning £100,000 per year. Sounds great doesn’t it!

….. Well this still would not get you a £million any time soon or provide you any form of financial wealth security for life if the wages stopped coming in.

After Tax and National insurance etc, £100,000 would return around £65,000 nett to spend, and this isn’t allowing for any pension or mortgage/rent payments which would reduce the nett income to spend even further.

Even if you lived a very frugal lifestyle spending only £25,000 per year and saving £40,000 per year, it would still take you a minimum of 20 years to save £million, and that is assuming your income kept pace, in real terms, with the devaluing effects of ‘true’ inflation over that period.

So the answer is yes, theoretically it could be done if you were earning £100,000 per year with no mortgage outstanding, by which time you would be well into your career being around 50+ years of age. 20 years on would put you in your 70’s, so it’s all a bit late and you will not have had a very comfortable or interesting life up to that point.

Therefore you need another way to generate capital more rapidly.

Now let's consider what we are taught in school to expect:

What to expect from life

What is considered normal:

Life Stage	Age
Pre-School.	4
Get Educated.	18
Further Education. (EG: University)	22
Get a job. (+ Join a Pension scheme)	22
Save for a House deposit.	
Buy a house. (Mortgage & Life Insurance)	25
Build up Savings and 'buy stuff'.	
Paid off mortgage.	50+
Retire.	70
(Possibly Retire early with reduced pension	60)

Now wouldn't this be a better way?

What to expect from life

What is considered normal:

Life Stage	Age
~~Build up Savings and 'buy stuff'.~~	
~~Paid off mortgage.~~	~~50+~~
~~Retire.~~	~~70~~
~~(Possibly Retire early with reduced pension~~	~~60)~~

Wouldn't this be better?

Life Stage	Age
Pre-School	4
Get Educated	18
Further Education. (EG: University)	22
Get a job. (+ Join a Pension scheme)	22
Save for a house deposit.	
Buy a house. (Mortgage & Life Insurance)	25
Build up Savings to get out of the 'Money cycle.'	
Financial Freedom in 7+ years.	
Pay off mortgage and retire early in style.	32+

Now, this is the ideal scenario, but the vast majority of people are not taught this from birth.

If and when they discover it, most will likely be somewhat older than 25 years old.

However, you can adopt this strategy at any time in your life after you have started working and earning.

The key point is that you can achieve financial freedom and retire 'in style' after around 7 years of adopting this strategy.

This is around 7 times faster than the considered norm of working for around 48 years before retirement.

MONEY FACTS AND MYTHS

Firstly it is important to establish and understand some facts about money, dispel a few myths around money and answer a few basic questions:

Q. What is Insolvency?

When your outgoings are greater than your income, resulting in a decreasing capital / asset holding and eventually leading to Bankruptcy.

Q. What is Bankruptcy?

When your debts are greater than your assets and your income is not sufficient to repay the debt and interest.

Q. Being Solvent means?

Your income is greater than your expenditure and you are increasing your capital / assets.

Q. Does money make you happy?

Q. Does money make you happy? .... NO

Q. Money can't buy you happiness?.......................... TRUE

But, being wealthy does make life more enjoyable, having money provides you with:

- Freedom - To be able to live and be where ever you want, when you want.
- Financial security - To buy whatever you want, when you want.
- Choices - To do whatever you want, whenever you want.

Money is simply printed paper, and does not represent real wealth because it devalues over time, real financial wealth is when your passive income is greater than your living expenses.

You do not want to be working for money, you need to get money to be working for you.

Work smarter, Not harder – Your choice.

You go to work where you earn money by selling your time for wages, but it is at home where you decide what you are going to do with your wages, and it is what you do with your money after you earn it that determines your financial status.

Selling your time for money is limited to 24 hours in a day and therefore any income from this strategy is always going to be limited.

Some people bring a lot of their work home, but this does not help because bringing their work home is simply giving more of your time away for free. There is a difference between work you do at home and what I am going to describe.

The primary difference between the peoples financial status comes from what they do in their spare time.

Some people say that being at home is the time to relax and rest so that you can perform well at work the next day. They believe that the way to get wealthy is to work hard and get promotions and good pay raises. But all they are really doing is making someone else wealthy.

It is not your pay cheque that determines your wealth, it is what you do with that money that determines a person's financial status.

Many people don't understand this simple concept, because they believe that if they got a bigger pay rise, they would be wealthier.

However the reality is that, generally the more money most people make with their pay cheque, the further into debt they get and then they have to work even harder just to stand still.

"So why is this?"

It's because of what they do at home, in their spare time. Most people have a poor plan or a poor formula for what they do with their money after they earn it.

"So what is a good plan?"

Get yourself educated so you know how to start your business and then you build it.

The point is, you get wealthy at home, not at work. You really need to understand that, it doesn't matter what kind of business you build, but it does matter that you understand that most people do not build wealth at work. You build wealth at home.

In this book we will focus on the simplest and easiest business, which also is one of the most profitable.

You do not have to be a genius, you only need to know how to acquire knowledge, have the wisdom, spirit and motivation to act on it, and follow a successful plan.

<u>The money cycle</u>

The government needs you to remain trapped in the money cycle. A situation of having to continue to work from payday to payday for as long as possible and not being able to retire any earlier than can be put off for. This enables the government to get as much Tax out of you as possible, either directly or indirectly.

This money cycle is:

- You earn money on which you pay income Tax and National insurance contributions on.
- You spend your money, after taxes, on things which you pay VAT on.
- The media tempts you with advertising to buy these things and you end up buying more things than you can afford because the banks offer you credit cards and loans to encourage you to spend money that you have not got.
- You pay interest on this credit to the banks and the banks pay tax on their profits to the government.
- Some people do manage to save a little and the banks pay them interest on those savings, on which they pay tax.
- The banks loan out your savings to fund corporations and the media. The corporations develop and produce more products for you to spend your money on. These corporations pay the media to advertise these products to you. The corporations and the media then pay tax on their profits to the government.

To support the money cycle, the government does have some necessary obligations, which are as follows:

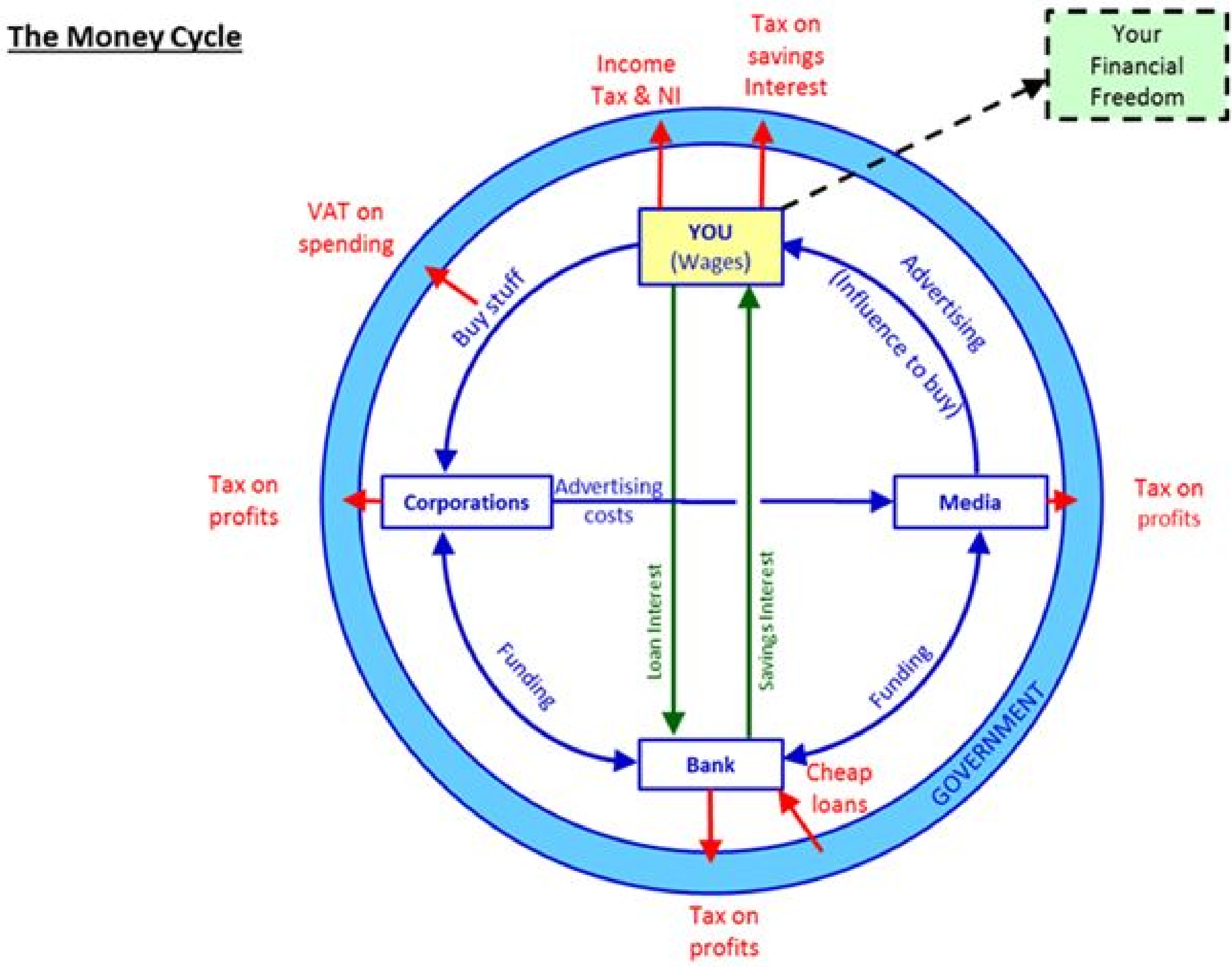
1) When you are a child it will provide child benefit, medical care and education.
2) When you are an adult, it will provide healthcare, Social & Unemployment benefit.
3) It will defend the country.
4) It will provide a justice and detention system.
5) When you too old or ill to work it will provide a meagre pension and social care.

However these apparent obligations are not aimed at benefiting you directly, there is a different purpose behind this moral facade:

1) The government wants you to grow up and become a healthy, educated work unit to join the money cycle. It considers this cost an investment which it will get a return on over the rest of your working life.
2) It wants to keep you healthy to keep you working for as long as possible.
3) It doesn't want anybody to invade the country and upset the money cycle.

4) It has to have a way of removing troublesome, disruptive or unco-operative work units from being able to influence the majority of us so that they do not disrupt the money cycle.

5) The government has to demonstrate compassion to the elderly to keep the younger work units feeling they are valued and will be looked after when they retire. This is kept to a minimum, so that the government gets most of this cost back in death duties, inheritance tax and tax on profits from funeral expenses. You also pay tax on the pension received.



To motivate ourselves, we need to carefully consider our 'Why', 'When' and 'How' we are going to achieve our financial freedom, being honest with ourselves.

The 'Why' is: 'to fulfill our dreams.'

Being wealthy (financially free) buys us freedom, financial security and choices.

The ‘When’ is: ‘When we can achieve financial freedom by.’

Set your freedom promise to yourself, to visualise the outcome and to remain focused on it happening. (This puts your goal into your subconscious to make it a reality)

My freedom promise to myself is: “By ?th of month? Year? I will have accumulated > £ ?”

The ‘how’ is:

There are only five ways to legally make money passively, excluding government hand-outs such as Child Benefit for example: Gambling, Inheritance, Stock Market, Owning our own business (not self-employment) & Property.

The first two are outside of our control, so we can discount them and we are left with three remaining ‘Pillars of Wealth.’ Of these three the stock market presents the easiest path to passively making money.

Below are some of the typical sayings you may have heard regarding trading the stock market:

- “Buy low, Sell high”
- “That stock is undervalued or overvalued”
- “You can’t lose money taking a profit” (emotions)
- “The stock will gain in the long term”

Those sayings have been circulated by the banking establishment to take money from the unwise trader, who does not understand how the stock market and human emotions actually work. They are of course utter rubbish.

The four golden rules that you should really use are actually:

1) Buy high & sell higher (or sell low & sell lower)
2) A stocks value is its price now.
3) Losing is part of winning. (cut losses early and run profits as long as possible)
4) Timing is everything.

The ‘big lie’ you have been told

From the day you are born you are told by the establishment that to get on in life you have to work hard at school, to get good qualifications to get a good job. What you are not told is that this is to ensure that you join the money cycle. 8

The British education system is based on the old Prussian system which was developed for the industrial revolution in the early 1800's, designed to brainwash children into becoming compliant drones for factory and corporate workforces. It is certainly not about developing individuality, creativity or financial education from childhood.

You are psychologically trained at school that:

Each day, you get up, attend a place of work for most of the day and then go home for a few hours leisure and rest, when you can spend your hard earned wages. This is the way of things, is perfectly normal and is what you are expected to do.

Now you need to understand that other than for general education, school is irrelevant and that it does not teach you anything about money or wealth.

You need to work smart, not hard, not become a wage slave and invest your money wisely. Time is the most precious commodity you have, so you need to make the most of it, being free and not a wage slave.

Most people are brainwashed by the establishments 'big lie' and are frightened of risk and ways of making money other than working in a job.

You also need to understand that money from a job is not financial wealth. True financial wealth is when your passive income is greater than your living expenses, and you are able to break out of the money cycle.

The only way to 'break out' of the money cycle is to become financially free.

You do not want to be working for money, you need to get money to be working for you.

Financial freedom is not simply a measure of how much money you have, you need to have more passive income (income without the need to work as a wage slave) than expenses.

Simply owning a business that you have to regularly attend to or being self-employed is not passive income. You are still a wage slave because you still have to attend regular working hours for some financial reward. Passive income is income you receive regardless of where you are or what you are doing.

When you have more passive income than expenses, only then can you become financially independent and free.

THE STOCK MARKET

The first thing to understand is that the stock market is one of the biggest and fastest makers of millionaires.

Some people say that they have no interest in the stock market or they believe that it does not affect them. Well the truth is we all have a vested interest in the stock market regardless of whether or not we directly deal in it. Most of us have at least one of the following:

Bank savings & Investments.

ISA's / Bonds etc.

Own plc company shares (Utilities, Banks etc)

Pension fund.

Life Insurance.

Endowments.

Mortgage.

Some of us work for 'plc' companies or their employment is dependent on 'plc' companies in some way. Also the country's economy, which affects all of us, is directly connected to the performance of the stock market.

So what are shares (stocks)?

Businesses can be one of four types: