

Report to the Trustees
on the takeover of
Allied (Tooling) Limited Pension Plan

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1. Introduction

Following your appointment of Pension Practitioner .Com to provide administration services to the Trustees, we have prepared a report notifying the changes that have been made. This report also provides information on:

- The registration of the scheme for pension schemes on-line with HMRC
- A review of the current rules governing the scheme
- The next scheme review

Our takeover service ensures that:

- All investments are registered in the names of the member trustees
- To allow the trustees to view on-line information regarding their scheme and the work we carry out on your behalf
- To ensure that the administration process is simplified
- To provide value for money to the Trustees
- To ensure that the rules of the scheme reflect current pension law and give the trustees sufficient powers to ensure that the scheme is kept tax efficient.

2. Pension Schemes On-line

We have registered the scheme with HMRC Pension Schemes Online.

We will undertake all reporting and return functions to HM Revenue & Customs, including the returns to the year ending 5th April 2010. These must be submitted online.

You may login for pension schemes and view the pension scheme returns we undertake on your behalf using your scheme administrator login user name and password.

The process for this is as follows:

1. Login to: <http://www.hmrc.gov.uk/index.htm>
2. Click: Pension Schemes – Do It Online
3. Enter your Government user id: 444953678832
4. Enter your password: PP967255356

This will take you to your online services page, we will undertake any future PAYE and VAT activities via this service, in addition we will also deal with all other pension related matters; you can view all submissions made to HMRC via your Administrator services page.

3. Investments

We understand that all investments consist of :

- Cash at bank
- Investment funds with Cofund
- Property

The investment and cash funds held have been re-registered and the members are now the sole signatories to those assets.

We have been advised that Rowanmoor are not co-owners of the property.

4. *Scheme Rules*

We have comprehensively reviewed the rules applying to the scheme and confirm that they are compliant with the requirements of “pension simplification”. It is worth highlighting a couple of aspects of the scheme rules which can assist the trustees on tax planning.

Allocation of contributions – Contributions paid by any future employer are applied to each member’s account. The current rules allow for the allocation of contributions to be non-earmarked. We recommend that this power is made use of in future years in light of the changes that have arisen from Finance Act 2008 regarding distribution of funds on death after age 75 to connected persons. We will advise further on this at the next trustee meeting.

We have noted that the rules allow for the creation of a general fund – this will give the trustees additional powers to:

- Increase another member’s fund on a discretionary basis, without having to increase all other members’ funds.
- Provide new and additional benefits out of the resources of the scheme for a member
- Meet any costs or expenses of the scheme, if a future sponsor is not willing/able to provide for those expenses at some future date.
- It will also provide for additional tax planning opportunities that have arisen as a consequence of Finance Act 2008.

5. Scheme Review

The property held by the trustees may have a property restriction at a period when Rowanmoor were pension trustee. The trustees are recommended to appoint a conveyancing solicitor to check the position on title restrictions.

At the time of the report, we have written to HMRC for mandatory association to the scheme as Administrator given the delays by Rowanmoor.

We have also written to HMRC for the current PSTR number; that number is relevant for all tax and reporting activities to HMRC.

Attached are two nomination of beneficiary forms – would the member trustees please complete, sign and return a completed copy of these forms, retaining the original on the trustees files.

We do not have an apportionment of assets for the pension scheme and will raise this requirement with the trustees at the next trustee meeting.