

G McCloskey Esq
Bespoke Pension Services Limited
Dawes House
33-35 Dawes Lane
London
NW7 4SD

24 November 2015
Our ref: 184202

Dear Mr McCloskey

McGrane Haulage Limited UK Occupational Pension Scheme 2 SSAS

You may be aware that HMRC recently released guidance associated with a Court of Justice of the European Union (CJEU) judgement in the case of 'ATP Pension Services'. The case concerns whether a defined contribution scheme should be treated as a special investment fund (SIF) for the purposes of VAT exemption from pension fund management. The result of the court ruling is that HMRC now accept that certain defined contribution schemes do meet the SIF criteria and so the management of those schemes qualifies for VAT exemption.

This means that our supply of investment management services to you may qualify for exemption from VAT. If your fund does qualify then going forwards no VAT will be charged on our investment management services to you.

HMRC's criteria for funds that qualify is that the fund must meet all of the following requirements;

- they are solely funded (whether directly or indirectly) by persons to whom the retirement benefit is to be paid (ie the pension customers)
- the pension customers bear the investment risk
- the fund contains the pooled contributions of several (at least 2) pension customers
- the risk borne by the pension customers is spread over a range of securities

We have also been advised that a SASS which contains only one member may also qualify if it meets certain other criteria. In order for a scheme to qualify for exemption there must be no conditions which would have the effect of limiting membership to only one member. This means that the trust deed setting up the scheme contains no restrictions limiting the scheme to one member or one individual. If you are unsure if the trust deed contains any such restrictions, then please contact the scheme administrator or IFA.

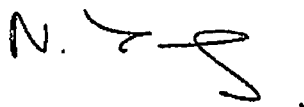
We also need to establish if the scheme operates segregated portfolios (this would need to be permitted in the trust deed). If the scheme does operate segregated portfolios and we manage the fund for the benefit of an individual member then the portfolio would not meet the criteria for exemption.

We would be grateful if you could confirm if the fund does meet the criteria by completing the enclosed form and returning it to us in the reply paid envelope by 11th December 2015. Your fund may financially benefit from a VAT refund (if it qualifies) so it is important that we receive a response.

If the fund does qualify, then due to the recent court ruling and subsequent change to the rules, it means that we may have charged you VAT on our previous supplies to you when we should not have done so. We will, in due course, make a claim from HMRC for this overcharged VAT and, once received, you may receive a refund to the extent that we have recovered monies from HMRC. It is difficult to give a time frame for this as we understand that HMRC are waiting for a final determination from the Tax Tribunal about a pension case which has received a ruling from the CJEU.

If you require any further information, please do not hesitate to contact me at Nicola.young@rathbones.com or on 0151 243 7105.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Young', followed by a period.

Nicola Young
Financial Controller
Rathbone Investment Management Ltd

Return to:

Nicola Young
Financial Controller
Rathbone Investment Management Ltd
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Reference: 184202

McGrane Haulage Limited UK Occupational Pension Scheme 2 SSAS

I confirm that the above pension scheme meets the criteria as shown below;
Please answer all 5 questions and tick as appropriate

	YES	NO
1. They are solely funded (whether directly or indirectly) by persons to whom the retirement benefit is to be paid (i.e. the pension customers)	<input type="checkbox"/>	<input type="checkbox"/>
2. The pension customers bear the investment risk	<input type="checkbox"/>	<input type="checkbox"/>
3. The fund contains the pooled contributions of several (at least 2) pension customers	<input type="checkbox"/>	<input type="checkbox"/>
4. The risk borne by the pension customers is spread over a range of securities	<input type="checkbox"/>	<input type="checkbox"/>
5. The scheme operates segregated portfolios	<input type="checkbox"/>	<input type="checkbox"/>

Where the answer to 3 above is NO, the scheme may qualify if there are no restrictions in the trust deed limiting the membership to a single member or individual. If the following statement is correct, please tick the box;

Please sign and date the reverse

There are NO restrictions in the trust deed limiting
the membership to a single individual



Signed

Print name

Date