

Report to the Trustees
on the
Oakleaf FACILITIES LIMITED SIBA

-as at-

31 March 2009

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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 activities undertaken by Pension Practitioner .Com Limited over the preceding year scheme year.

We have undertaken a review of your scheme and the activities undertaken by the trustees over the scheme year.

The report also covers regulatory changes that may have an effect on scheme member benefits following the date of this report, together with a summary of the changes proposed in the Autumn and Spring Budget issued by the Chancellor's Office.

2. Investments

Bank Accounts:

The Trustees have a mortgage account with Royal Bank of Scotland. The Trustees also have trustees accounts with Bank of Scotland. The opening balance of the cash account amounted to £45,276; the net interest received on deposit by the trustees amounted to £264.00.

Investments:

Matrix Securities shares are held by the trustees, the book value of the shares amounts to £12,000. There is also an ARM capital growth bond which is valued at £12,000 as a book value.

Property:

The commercial property held by the Trustees receives a commercial rent; this amounted to £43,839 for the scheme year. This is based on a property valuation of £511,010 and represents a yield of over 8.5%.

The scheme's repayment on mortgages amounted to £97,632 for the scheme period.

This scheme's expenses amounted to less than .05% of the value of the fund.

3. Scheme Rules

We have reviewed the rules applying to the scheme and do not recommend any changes at this time.

Since the date of that the current rules became effective, only one substantial item of legislation has been introduced which may have an effect on the scheme at some future date. As a consequence of Finance Act 2008, on a member's death after age 75 in the absence of a surviving spouse or qualifying dependant, the Administrator would be subject to a tax charge if there is an increase or a prospective increase in pension benefits to a connected beneficiary.

This is intended to address the concern of moving inheritable wealth to future family generations via a tax exempt pension scheme. Given the age of the members it is unlikely that this statute will be in its present form by age 75 and as such no changes to the rules to deal with this are required at this time.

We will continue to monitor pension regulations and inform the trustees of any recommended changes to the scheme rules.

4. Pension scheme returns

We have prepared the returns to HMRC; this will show the following disclosures:

1. The opening balance of the cash account amounted to £45,276.
2. The closing balance of the cash account amounted to £43,484
3. Net interest received on deposit by the trustees amounted to £264.00.
4. The commercial property held by the Trustees receives rent which amounted to £43,839.
5. The employer made contributions of £91,500 for the scheme year.
6. Pension commencement lump sum benefits of £21,000 was made to Paul Groom on 23 March 2009
7. Pension commencement lump sum benefits of £15,000 was paid to Mark Rowthorn on 26 March 2009. In addition £15,000 was paid as a commencement lump sum to Janie Rowthorn.
8. Scheme expenses amounted to £1899 for the period.
9. The value of property held by the trustees amounted to £511,010
10. There were no event reports required for the scheme period.
11. There was one change in the employers or membership of the scheme for the period. Jane Groom was admitted to the scheme on 28 May 2008 and was also appointed as a member trustee of the scheme.
12. There were no unauthorised payments made to the members or employers for the period.

5. Pension scheme review

The scheme is required to be registered with the Information Commissioners Office to ensure that it meets the requirements of the data protection act. The application for the registration has been submitted to the ICO and shortly the trustees will receive their registration pack which sets out their requirements on collating and storage of data.

The scheme returns to the Pensions Regulator have been submitted, the trustees may receive an invoice for £33.00 as payment for the levy associated with the Pension Scheme Registry. Details of this will be sent to the Trustees by the Regulator shortly.

The 2009 budget gave rise to a number of changes to funding of pension schemes. In particular, anyone whose total annual income is more than £150,000 in the current tax year (2009/2010) or two previous tax years (2007-2008 & 2008/2009) **and** chooses to increase regular pension contributions by more than £20,000, will only recover personal rate relief at the basic rate of 20%. This will also affect contributions made by third parties for high earners, such as payments from the Company.

The annual allowance for the current tax year is £245,000; it is frozen from 2011/2012 for three tax years at £255,000.

Most individuals are subject to a lifetime allowance on the amount of the pension fund that can be built up for income in retirement. The lifetime allowance for the current year is £1.75 million and this is due to grow to £1.8 million for 2010/11. The Chancellor announced last October that the allowance would be frozen at £1.8 million from 2011/12 for 3 years inclusive.

Whilst these changes will not have an immediate effect on the members, it should be borne in mind that successive changes in recent years have reduced the scope for accruing pension benefits, which long term may have an adverse impact on the scheme if the members fully fund the pension scheme.

Given that three of the members have taken cash lump sums from the scheme, we have ring fenced those funds which have been crystallised. The members may commence drawdown of those pensions at any time and we will calculate the income drawings payable. It is important to notify us in advance of any drawings made to the members so as to ensure that HMRC do not treat the payments as unauthorised as thus liable to taxation.