

RADIOCONTACT SSAS

Annual Scheme Report

Prepared by

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1. Introduction

I am pleased to enclose our new look annual trustee report for your scheme.

This report has changed its focus from previous years by being more specific to the day to day requirements of the scheme. We have cut the content of investment and inflation outlook data to look at broad interest and inflationary data.

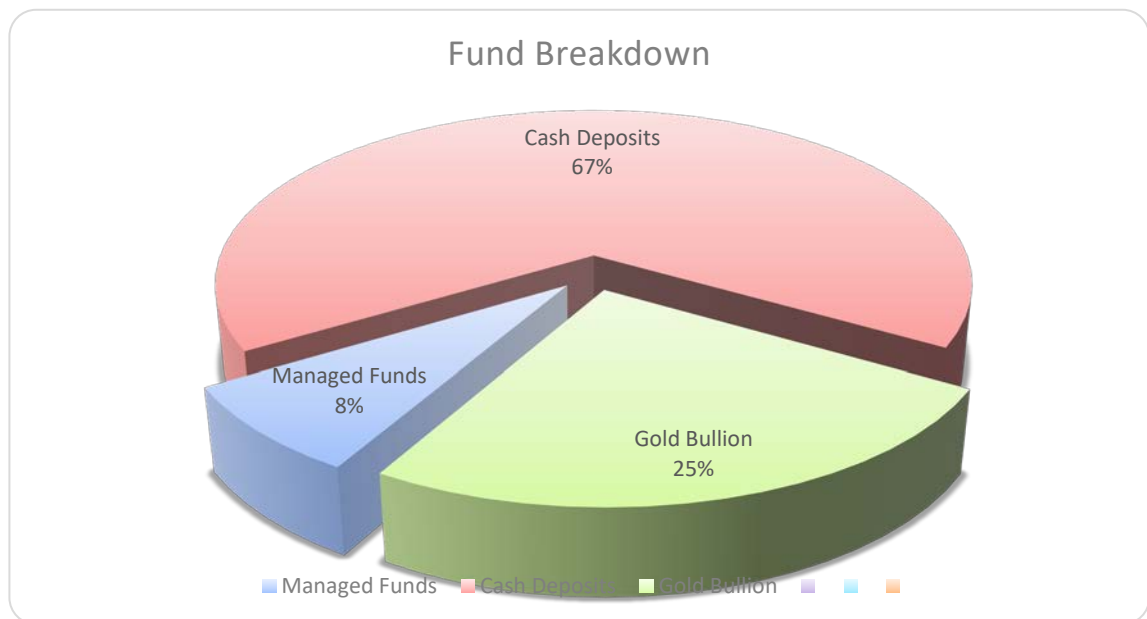
We have prepared benefit statement for each active member of you and can of course tailor this according to your needs and planning requirements.

I also attach with our compliments our most recent newsletter, which contains our latest thinking and articles around both pension and protection planning, plus information on the new GDPR regulations.

At the end of this report, I have set out my proposals for 2018 to help ensure both tax compliance and tax efficiency as an action plan for you to consider.

Finally, thank you for choosing us to act as the Practitioner for your pension scheme.

2. Fund Composition



We have requested the managed funds portfolio in order to calculate the net scheme return for the period.

3. Scheme Tax Return and Reporting

Below is a copy of our tax report submission for the period ending 5 April 2017 and our supporting comments.

The scheme reporting is one of the most important aspects of scheme management as the data submitted may be reviewed by an Inspector in connection with scheme fund movements. It is particularly important that where transactions are undertaken which may involve the scheme connected to persons or businesses associated with either the scheme members or the employer that we report that information in the correct format.

The following data has been submitted

Amended Return	No
Accounting Period	01 Oct 2015 - 30 Sep 2016
During this period, was the aggregate of payments to and from the scheme greater than £100,000?	No
Specify the aggregate of payments to and from the scheme	£50560
At the end of this period, did the scheme have assets with a total value before pension liabilities greater than £400,000?	Yes

Connected Parties

At any time during the period from 01/10/2015 to 30/09/2016 did the scheme either directly or indirectly own assets that it had acquired from either: a. a sponsoring employer or any person connected with that employer? <i>or</i> b. a person who was a director of or a person connected to a director of a close company that was also a sponsoring employer?	No
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or

c. a person who was either a sole owner or partner or a person connected with the sole owner or partner of a business which was a sponsoring employer?

or

d. a member or person connected with a member?

Cash and Bank Information

Total amount of all cash and bank balances at the beginning of the period	£312766
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Total amount of all cash and bank balances at the end of the period	£314596
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Total amount of interest credited to these accounts	£1011
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Arms Length Transactions

Total cost or market value of any assets owned at the end of the period	£154741
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Specify whether this amount is	Market value
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Total amount of income from assets received	£0
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Connected Party

Connected party covers both the Company sponsoring the scheme and the scheme members. If you are unsure of the connected status of the scheme's holdings please let us know and we will ensure that you are covered. There were no connected holdings.

Arms Length Transactions

Arms length transactions is any person, body or firm that falls outside of the connected part definition given above. It is possible to change from connected party to arms length and vice versa. If you are unsure of the arms length status of the scheme's holdings please let us know.

The following arms length holding was recorded:

Managed Funds

Gold Bullion

The Pensions Regulator has submitted questions in respect of this scheme which were addressed and responded to in February 2017

Automatic Enrolment

One or more employers using the scheme have passed the staging date above

Has any employer used this scheme on or after 6 April 2015 to meet their automatic enrolment duties in respect of any staff who were automatically enrolled or opted into the scheme.

Has any employer used this scheme on or after 6 April 2015 to meet their employer duties in respect of any staff who did not have to be automatically enrolled or given the opportunity to opt in because they were existing members of the scheme

Is the scheme intended for use by one employer or more than one employer

Is the scheme intended for use only by employers that are part of the same corporate group or structure

Does each employer have a trustee on the trustee board. Are all employers part of a similar industry, profession or affinity organisation (such as trade body, business group etc)

In addition we confirmed exemption from the following administrative requirements for this scheme:

- [1] Section 90(4) Pensions Act 2004
- [2] Section 90(5) Pensions Act 2004
- [3] Regulation 1(2) Occupational Pension Schemes (Scheme Administration) Regulations 1996
- [4] Regulation 2(2) Occupational Pension Schemes (Charges and Governance) Regulations 2015
- [5] Regulation 2(1) Occupational Pension Schemes (Charges and Governance) Regulations 2015
- [6] Regulation 1(2) Occupational Pension Schemes (Investment) Regulations 2005

4. Benefit Statements

Benefit Statement for Heather Gibson

Estimated Retirement Fund at age 65: £329000

Tax Free Cash Sum: £82200

Pension Income: £11300

Estimated Retirement Date: 65

We have made the following assumptions:

1. Investment growth is a net rate of 5%
2. Inflation is 2.5% p.a.
3. Pension will not increase in retirement.
4. All figures take account of inflation at an assumed rate of 2.5% p.a.
5. The estimated annual retirement income is based on current annuity rates.
6. Provision has been made for continuing contributions from Radiocontact until retirement date.

The figures are a guide and not guaranteed. Your final pension fund and the income available will depend on factors including the growth your fund achieves, contributions you make in future, charges, inflation, your retirement age, annuity rates at the time and the annuity or drawdown options you choose.

No planning is required at this time in respect of an excess tax charge.

Benefit Statement for James Glenn

Estimated Retirement Fund at age 65: £278000

Tax Free Cash Sum: £69500

Pension Income: £9430

Estimated Retirement Date: 65

We have made the following assumptions:

7. Investment growth is a net rate of 5%
8. Inflation is 2.5% p.a.
9. Pension will not increase in retirement.
10. All figures take account of inflation at an assumed rate of 2.5% p.a.
11. The estimated annual retirement income is based on current annuity rates.
12. Provision has been made for continuing contributions from Radiocontact until retirement date.

The figures are a guide and not guaranteed. Your final pension fund and the income available will depend on factors including the growth your fund achieves, contributions you make in future, charges, inflation, your retirement age, annuity rates at the time and the annuity or drawdown options you choose.

No planning is required at this time in respect of an excess tax charge.

Benefit Statement for Raymond Gibson

Estimated Retirement Fund at age 65: £151000

Tax Free Cash Sum: £37600

Pension Income: £5180

Estimated Retirement Date: 65

We have made the following assumptions:

13. Investment growth is a net rate of 5%
14. Inflation is 2.5% p.a.
15. Pension will not increase in retirement.
16. All figures take account of inflation at an assumed rate of 2.5% p.a.
17. The estimated annual retirement income is based on current annuity rates.
18. Provision has been made for continuing contributions from Radiocontact until retirement date.

The figures are a guide and not guaranteed. Your final pension fund and the income available will depend on factors including the growth your fund achieves, contributions you make in future, charges, inflation, your retirement age, annuity rates at the time and the annuity or drawdown options you choose.

No planning is required at this time in respect of an excess tax charge.

5. Inflation and Interest Rate Outlook

The MPC of the Bank of England is short for the Monetary Policy Committee and set a target for the annual inflation rate of the Consumer Prices Index of 2%. This has been in place for some time. Subject to that, the MPC is also required to support the Government's economic policy, including its objectives for growth and employment

The MPC's central projection in the November Report was for four-quarter GDP growth to pick up from early 2018 and settle around 1¾%.

Consumption growth was projected to remain subdued, while strong global growth, together with the lower level of sterling, was expected to support net trade and business investment. Inflation was projected to rise a little further above the 2% target in the near term before falling back over 2018.

Conditional on the path for Bank Rate implied by market interest rates prevailing at the time, inflation was projected to end the forecast period slightly above the 2% target. That central projection was also conditioned on the Term Funding Scheme, and on the stocks of purchased gilts and corporate bonds remaining at £435 billion and £10 billion respectively.

At its meeting ending on 13 December 2017, the MPC noted that the recent news in the macroeconomic data had been mixed and relatively limited. Global growth had remained strong, while some indicators of domestic activity in Q4 had softened a little.

The impact of November's rise in Bank Rate on the interest rates faced by households and firms had been consistent with previous experience, but it was too early to form a comprehensive view of its effect on the economy.

CPI inflation had risen to 3.1% in November, slightly higher than the MPC had anticipated at the time of the November Report. The MPC continued to judge that inflation was likely to be close to its peak, and would decline towards the 2% target in the medium term.

The MPC was of the view that, were the economy to follow the path expected in the November Report, further modest increases in Bank Rate would be warranted over the next few years, in order to return inflation sustainably to the target.

Any future increases in Bank Rate were expected to be at a gradual pace and to a limited extent. We expect a further increase of 0.25% of interest rates in 2018.

6. General Data Protection Regulation

The **General Data Protection Regulation (GDPR)** is a regulation intended to strengthen and unify data protection for all individuals within the European Union.

It will be effective on 25 May 2018 and replaces the data protection act. It is the biggest shake up in generations to data use, privacy and business impact. It covers anyone who is engaged in data use and storage.

Small self administered schemes have a unique relationship in that the employer sponsoring the scheme, the members and trustees are generally connected. Your scheme will be affected by GDPR. To assist, you will shortly receive a resolution from us to be appointed to handle much of the new requirements of GDPR in respect of your scheme.

If the sponsoring employer is a trading company and holds personal data it will be affected by the regulations and as such, our GDPR service on the Scheme may, by extension, help your business comply.

'Personal Data' means any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person. It is all encompassing.

Our newsletter, which is enclosed fully explains how GDPR affects your business. The new GDPR rules come into effect from May this year and like auto-enrolment, non-compliance is not an option and the fines are even higher than those imposed by the Pensions Regulator.

We have recently added new qualified GDPR Practitioners and this is being headed by Merle Oper. You can email Merle at merle@pensionpractitioner.com for more information or assistance.

1. New Independent Trustee Service

Historically, small self administered schemes had a legal requirement for an independent trustee that acted as an oversight on behalf of HM Revenue and Customs to ensure that there was no improper termination of the trust.

Since 2006, this was no longer a legal requirement but recent changes to the rules surrounding pensions maybe useful for your scheme.

We can offer an independent trustee service via our trustee company and have structured this to give clients full flexibility on the remit needed. It is designed around protection to ensure that in the event of the demise or serious ill-health the distribution of benefits are in accordance with your wishes, impartially and with understanding of the rules that underpin pension schemes.

Controlling Investments

Our independent trustee company signs a delegation letter, whereby the power of investing and decision making remains in the hands of the clients as trustees of their own funds.

This way, we are not party to investment decisions made by clients. However, if you require our independent trustee to be party to investment decision making, this can be facilitated on a case by case basis.

Dealing with disputes

Members of small self administered schemes are usually related through bloodline or business association. Disputes do arise where one person wants to go their separate way or there is a disagreement over investment choice.

The independent trustee can through our appointment have the final say as arbitrator. This is because our trustee company is independent of all the members, has no beneficial interest in the scheme and are required under appointment to act independently, fairly and judiciously.

Ill-health benefits

This is perhaps where most of the need arises. Small self administered schemes have benefited significantly from the increased flexibility of distribution of funds either on death or serious ill-health.

The risk of developing cancer for all invasive cancer sites is one in two for males and one in three for females in the western world. This is a lifechanging condition and depending on the condition and type, your SSAS can be distributed to meet medical and income replacement requirements.

The emotional strain on families and the affected person is significant – having an independent trustee to take on the responsibility of benefit distribution ensures that this is undertaken with integrity and consideration.

Death benefits

In the absence of a surviving trustee, your beneficiaries are required to go to court for a trustee to be appointed which can be a very expensive and time-consuming process.

Children can be admitted to the pension scheme to benefit funds to be distributed at key anniversary dates. You can also arrange for your family to inherit the fund allowing the scheme to become a family trust.

An independent trustee can ensure that both the need for a court appointed trustee is avoided and your instructions are passed down and enacted by the independent trustee to avoid any family dispute that can often arise with family members as appointed trustees.

For more information on this please contact your dedicated scheme administrator, Emily McAlister who will arrange a consultation via email on emilym@pensionpractitioner.com

2. Review and Proposed Action Plan

SSAS V AE Scheme

Whilst this scheme is non auto-enrolment qualifying members, of the Standard Life AE arrangement can opt out of the current scheme and fund their pension benefits in respect of the SSAS.

The main advantage of this is that the members would have access to wider investment scope and complete self direction of investment choice.

Interest Deposit

If the trustees are seeking to continue to hold cash, they may well wish to consider a fixed term account – Bank of London and the Middle East presently pay 1.25% on 6 month term account, and 1.95% on 1 year term. Investec presently pays 1.45% also on 1 year term.

Nomination of Beneficiaries

Action

Update the nomination of beneficiaries for the scheme reflecting the changes to the tax rules concerning death benefits and ensure conformity of the will for John snr.

Trustee Decision Making

The Trustees need to consider whether a third party independent trustee should be appointed to the scheme if they wish to undertake their own investment direction independent of the other scheme members via their own pension scheme account.

GDPR

ACTION

Implement a GDPR process for the scheme for conformity with the new data act regulations effective from 25 May. The Company will be caught by this and it is essential that this addressed.

Pensions Regulator

ACTION

We also have an administration and investment code of practice from the Pensions Regulator, presently this code does not fall into your scheme

however the principles of responsible investment, tax return and scheme compliance does fall within that scope. We propose to undertake this oversight for the trustees and this resolution enables that. We will update you with any changes to the code which we feel you need to be aware of.

HMRC Registered Administrator

ACTION

Radiocontact Limited is the registered administrator and it delegates its day to day functions to us. New changes to the status of the registered administrator carries with it greater liabilities on taxation payments and reporting.

As such, we have adopted our registered scheme administrator company, Registered Scheme Administrator Limited to take over any potential tax liabilities and penalties that could arise in future for all schemes and you will be protected under a professional indemnity insurance policy of up to £1,500,000 for any one claim. To ensure that you have this blanket protection, we need your consent to this.