

The Pebley Beach Ltd Small Self Administered Scheme

Scheme Review & Benefits Statement

Prepared by

**Gavin A. McCloskey
Scheme SSAS Consultant**

Index

1. Introduction
2. Fund Composition
3. Scheme Tax Return
4. Benefits Statement
5. Inflation and Interest Rate Outlook
6. General Data Protection Regulation
7. Proposed Action Plan for 2018/19
8. Newsletter

1.Introduction

Dear Dom,

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

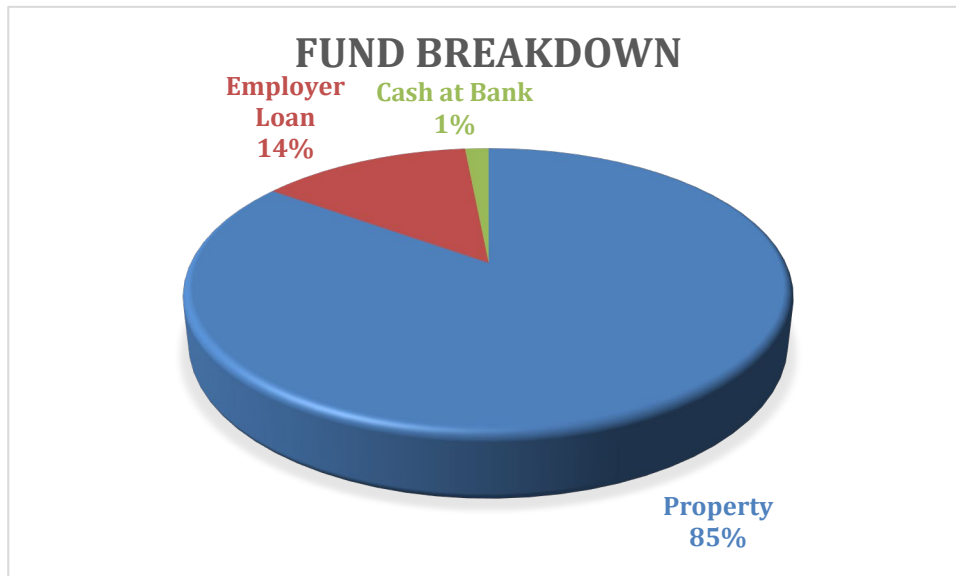
This report has changed it's focus from previous years by being more specific to the day to day requirements of the scheme and we have cut the content of investment and inflation outlook data.

I have prepared a benefit statement 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.

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

2.Fund Composition



The Trustees hold scheme borrowings and none of the holdings are in companies connected to the trustees. There are no outstanding audit issues in respect of the employer related loan.

Cash at bank is less than 1% of the fund.

3.Scheme Tax Return

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.

It is important that clients notify us in advance of any transactions involving either a scheme member, a close connected company or someone connected to a scheme member, such as a relative or business partner.

Amended Return	No
Accounting Period	06 Apr 2016 - 05 Apr 2017
During this period, was the aggregate of payments to and from the scheme greater than £100,000?	Yes
At the end of this period, did the scheme have assets with a total value before pension liabilities greater than £400,000?	Yes
Receipts and Payments	
Total amount of the pension contributions received	£0
Total amount of transfer-in payments	£0
Total amount of transfer-out payments	£452588
Total amount paid out in lump sums and lump sum death benefits	£0
Total amount paid out to purchase lifetime annuities and scheme pensions from an insurance company	£0
Total amount borrowed	£219375
Other	fees and associated charges
Other amount	£5810

Connected Parties

At any time during the period from 06/04/2016 to 05/04/2017 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? or 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?	Yes
--	-----

- 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?

Outstanding Loans

Total amount outstanding at the end of the period	£73346
Total amount of any loans made	£100000
Total amount of any loans repaid	£97465
Total amount of interest received	£1272

Cash and Bank Information

Total amount of all cash and bank balances at the beginning of the period	£329310
Total amount of all cash and bank balances at the end of the period	£10683
Total amount of interest credited to these accounts	£330

Arms Length Transactions

Total cost or market value of any assets owned at the end of the period	£600000
Specify whether this amount is	Market value
Total amount of income from assets received	£18750

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.

From a review of the scheme, the employer related loan is connected and the property at Love Lane.

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. The cash at bank is held on arms length terms.

4. Scheme Review

During the scheme year, the membership of the scheme reduced following pension transfers out and this is reflected in our return to HMRC.

The rent paid by the Company to the scheme in accordance with lease and valuation should be reviewed every 5 years and this will be updated in the next annual review.

The interest rate on the pension scheme loan is fixed at 4% and therefore no variation is needed reflecting changes in the base rate.

Two years ago we commenced working on a new platform for the SSAS market, by integrating fintech into how we administer and manage your SSAS. Quite simply, it moves clients onto an online experience of their pension scheme and we have developed this to work for clients who invest in property.

We are the first UK SSAS practice to offer this service and given the collaboration and integration of service providers with the likes of AIB, Yellowtail, Zoopla we are evolving under one roof to be known as Retirement Capital with more firms coming onto the platform in 2018.

We can continue to administer your scheme on a traditional basis, but we think that a platform based experience is the long term trend given the use of fintech applications for every day banking

The enclosed brochure explains how this works and can benefit you. There is no additional cost to join or use the platform.

5. Benefit Statement

Benefit Statement for Dom Threlfall

Your estimated retirement fund is £326,000.

This could pay you an income of £12,100 pa plus a tax free lump sum of £81,400.

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. The estimated annual retirement income is based on current rates.
5. No contributions have been provided for.
6. 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 options you choose.
7. The lifetime allowance at an assumed rate of growth of 2.5% is not expected to affect your benefits and no planning is required at this time in respect of an excess tax charge.

Benefit Statement for Tracy Threlfall

Your estimated retirement fund is £228,000.

This could pay you an income of £8500 pa plus a tax free lump sum of £57,000.

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. The estimated annual retirement income is based on current rates.
5. No contributions have been provided for.
6. 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 options you choose.
7. The lifetime allowance at an assumed rate of growth of 2.5% is not expected to affect your benefits and no planning is required at this time in respect of an excess tax charge.

6. Inflation and Interest Rate Outlook

Bank's Monetary Policy Committee (MPC) set a target for the annual inflation rate of the Consumer Prices Index of 2%. 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 measures announced in the Autumn Budget would lessen the drag on demand from fiscal consolidation, relative to previous plans.

The labour market remained tight, and the latest surveys suggested this would continue. 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.

All Committee members judged it appropriate to leave the stance of monetary policy unchanged. 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.

7. 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 connected. Your scheme will be affected by GDPR, because of the different bodies that exist in respect of the scheme.. 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 can 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 who are qualified to advise on GDPR and this is being headed by Merle Oper. You can email Merle at merle@pensionpractitioner.com for more information or assistance.

8. Action plan 2018

I propose the following action plan in 2018/19 scheme year.

- 1) Implement a GDPR assessment for the scheme for conformity with the new data act regulations effective from 23 May.
- 2) Provide details of new scheme platform launched later this year which will assist with oversight of all features of the scheme.
- 3) Update nomination of beneficiaries of the scheme
- 4) Submit scheme return to the Pensions Regulator and review scheme rules to ensure current conformity with tax regulations.