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Gavin McCloskey <gavinm@pensionpractitioner.com>

Fwd: FW: The Maurice Company Directors Retirement Plan (FAO BRAD DAVIS)

Pension Practitioner <info@pensionpractitioner.com> **Tue, Dec 23, 2008 at 12:36 PM**
To: Gavin McCloskey <gavinm@pensionpractitioner.com>

£700-x
£300.

---------- Forwarded message ----------
From: <Anthony_Lynch@jltgroup.com>
Date: 2008/12/23
Subject: FW: The Maurice Company Directors Retirement Plan (FAO BRAD DAVIS)
To: info@pensionpractitioner.com

Two person SSAS.

PS res

From: Lynch, Anthony - GBR
Sent: 23 December 2008 11:28
To: 'info@pensionpracticioner.com'
Subject: The Maurice Company Directors Retirement Plan (FAO BRAD DAVIS)

Good morning Brad,

Further to our telephone conversation yesterday evening. Please find below an excerpt of a letter we sent to David Moss earlier this year (22/7/2008) regarding the outstanding loan repayment issue.

Loan Amount	Date Drawn	1st Rollover	2nd Rollover	Repayment Date
£35,000	08/01/1993	08/01/1996	08/01/1999	08/01/2002
£1,500	08/07/1993	04/03/1996	04/03/1999	04/03/2002
£5,000	12/01/1994	12/01/1996	12/01/1998	12/01/2000
£6,000	11/04/1994	11/04/1996	11/04/1998	11/04/2000
£10,000	19/04/1994	19/04/1996	19/04/1998	19/04/2000
£3,600	23/08/1994	23/08/1996	23/08/1998	23/08/2000
£7,000	23/08/1994	23/08/1996	23/08/1998	23/08/2000
£50,000	19/01/2000	19/01/2003	19/01/2006	19/01/2009

18/12.

From the file I can confirm that each loan received a documented initial rollover. However, I cannot see that the 2nd and final rollover was ever documented from the information available to us. The conditions of the 2nd rollover are that the terms of the loan do not change in any way from the original. The repayment dates for the 2nd rollover period match and are therefore in line with the terms of the start and first rollover.

As you will see, seven of the loans, taking into account the maximum allowable of 2 rollovers, should have all been repaid in the years 2000 to 2002. You will appreciate that at the time the scheme was dealt with by Friends Provident and I am unsure as to why this matter was not dealt with correctly at the time.

In any event, the Trustees must ensure that the 7 outstanding loans are all repaid immediately along with the relevant amounts of interest. If payment is not made immediately, these amounts do not appear to be a payment out of the scheme which constitutes any of the "excluded payments" listed in the Pension Scheme Surpluses (Administration) Regulations 1987 (copy enclosed). As a result of this, the payments of £68,100 plus any associated interest from the scheme to the employer may therefore be subject to a tax charge under Section 601 of the Income and Corporation Taxes Act 1988.

Furthermore, if payment is not made, then the Trustees will have a duty to bring this matter to the attention of Her Majesty's Revenue & Customs.

Turning to the loan of £50,000 this will also need to be repaid in full by the 19 January 2009 as no further rollovers will be allowable.

As you can see there are a total of seven loans outstanding. We have not received any scheme accounts since 2002 which had the outstanding loan figure at £130,000.

As I advised yesterday on the phone, as Professional Trustees to the scheme, we felt it was necessary to advise you of this issue before signing the scheme over to you as a matter of Professional courtesy and good practice.

Further to your conversation with my colleague Jim Bradley, we can confirm that clause 4.4 does allow for the removal of the Professional Trustee but it does not make provision for the appointment of the scheme administrator. Please be aware that we are happy to sign the deed in it's present format but we just wish to draw your attention to this fact.

Please feel free to contact me if you have any questions.

Kind Regards,

Anthony Lynch

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