

Silvercrest Associates Ltd SSAS

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Gavin McClosky,
Pension Practitioner dot com,
Daws House,
33-35 Daws Lane,
London NW7 4SD

8th November 2010

Hi Gavin,

Hope you are well and keeping profitably busy!

I enclose a cheque for £1226.70 payable to HMRC for pension deducted according to your calculations in your letter dated 16th June.

We are happy to take quarterly payments and pay the tax by cheque also quarterly, there is therefore no need to change the frequency or set up a direct debit.

We will take two further payments and make two more tax payments when due.

Thanks for your continuing support,

Best Regards



Mel Jones

Silvercrest Associates Ltd SSAS

Accounts 6th April 2009 – 5th April 2010

Trustees

Melvyn Stephen Jones

Zuzanna Ewa Rosciszewska Jones

Pension Practioneer

Pension Practioneer dot com

Gavin McCloskey

Pension Scheme Tax Reference

00712161RC

Registered since 22nd February 2008

Trustees Report

Purchase of a commercial property

During the tax year 2009-2010 the trustees on behalf of the fund continued with its investment objective to buy a commercial property. The primary method was to look at properties available at Auction and the primary auction house Allsop of London. Several auctions were attended and many properties visited.

A few properties were bid for unsuccessfully, notable an office block in Aylesbury, a shop in Highworth, a shop and Office in Beccles Suffolk and a shop in Dovercourt Essex.

At the end of the October auction a property was still available in Tewkesbury called "The Ancient Grudge". Although not on our list to bid for it was on one of our short lists of possible properties to buy. Since we were unsuccessful in bidding on the properties in Highworth and Dovercourt we looked once again at "The Ancient Grudge".

"The Ancient Grudge" is a timber framed building over 500 years old. It has a shop in the High Street and six residential units. Because of the residential parts of the property it was necessary for the fund to part own the building, that part consisting only of the commercial shop, the rest being owned by the trustees in their own right and not as trustees of the pension fund.

Advice was taken from "Pension Practitioner dot com" as to how this may be done. Their advice was followed and a "Declaration of Trust" document was drawn up by the conveyancing solicitor.

An initial survey of the property showed the property to be in good condition requiring about £25,000 - £30,000 worth of repairs. It was ascertained that the property had not been affected by the recent floods in Tewkesbury.

Because another person was also interested in the property contracts were exchanged as fast as was possible. The contract was an auction contract which meant that completion had to take place within a month.

The actual value of the commercial part of the property was obtained by a professional valuer. This report was not available until well after completion so the apportionment of costs was not finalised until December.

At the time of purchase all the flats were let and the shop had a lease with nine more years left with a local Estate Agent.

Payment of Lump Sums

Both trustees being over 50 years of age decided to crystallise their benefits and so several lump sum payments were made during the year.

The first payment was made in October then November, December and March. The total amount paid out by the pension fund in the year 2009-2010 was £131513.98

Bank Accounts

During this period the fund had bank accounts with Halifax Bank of Scotland and Cater Allen. Various term deposits were opened with these banks.

Valuation of “The Ancient Grudge”

A valuation of the property was undertaken by Downing and Bently in order to ascertain the purchase price and value of the shop part of the property. The original estimate of the value of the shop was much higher than the valuation.

<u>Expenses to be refunded to trustees</u>	Date	Miles	Cost	mileage rate
-				
Expenses incurred directly by the trustees which must be refunded by the SSAS.				
Expenses incurred visiting properties available at auction (Allsop) suitable for SSAS				
Expenses covering "The Ancient Grudge"				
Asses the repair work to be carried out on the main buidling				
To meet building surveyors to report on progress etc				
50% of the expenses of the main building are to be met by the Shop either by the owner or lessee.				
Mileage costs are refunded on a mileage rate of 40 pence per mile.				£0.40
View Lot available at Auction				
Aylesbury Lot 58 July 7th Auction, Rail fare return from London	02/07/2009		£17.20	
View Lot available at Auction				
Journey to Beccles from London	04/07/2009	117.00	£46.80	
Overnight at Beccles	05/07/2009		£127.75	
Journey from Beccles to London	05/07/2009	117.00	£46.80	
View Lot available at Auction				
Journey Limehouse to Upton-Upon- Severn	07/10/2009	132.00	£52.80	
Journey Upton-upon-Severn to Highworth	07/10/2009	52.00	£20.80	
Journey Highworth to Limehouse	07/10/2009	80.00	£32.00	
View Lot available at Auction				
Journey Limehouse to Highworth	08/10/2009	80.00	£32.00	
Journey Highworth to Brackley	08/10/2009	46.00	£18.40	
Journey Brackely to Dovercourt	08/10/2009	118.00	£47.20	
Overnight at Dovercourt, hotel and meal	08/10/2009		£111.80	
Journey Dovercourt to Limehouse	09/10/2009	74.00	£29.60	
View Lot available at Auction				

Silvercrest Associates Ltd SSAS Accounts for 2009 – 2010

Journey to Tewkesbury from London	17/10/2009	126.00	£50.40
Meal in tewkesbury	17/10/2009		£26.75
Overnight in Tewkesbury hotel	17/10/2009		£109.00
Journey from Tewkesbury to London	18/10/2009	126.00	£50.40
Review with TAG (Charlotte) feedback from John Callow (surveyor) on work needed (50% of cost)			
Journey from London to Tewkesbury	28/11/2009	126.00	£25.20
Meal in Tewkesbury	28/11/2009		£25.73
Overnight in Tewkesbury	28/11/2009		£43.45
Journey from Tewkesbury to London	29/11/2009	126.00	£25.20
Meeting with John Callow Surveyor			
Check work done on 15E and what is necessary on newly empty apartments 15B (50% of Cost)			
Journey from London to Tewkesbury	29/01/2010	126.00	£25.20
Two nights at hotel in Tewkesbury	29/01/2010		£104.00
Journey from Tewkesbury to London	31/01/2010	126.00	£25.20
Meeting with John Callow Surveyor and Nick Joyce also Mr Rhodes (50% of costs)			
Journey from London to Tewkesbury	19/02/2010	126.00	£25.20
Two nights at hotel in Tewkesbury	19/02/2010		£134.65
Journey from Tewkesbury to London	21/02/2010	126.00	£25.20

First meeting with Alan Hardiman and David Newton of Alan Townsend (50% of costs)			
Journey from London to Tewkesbury	04/03/2010	126.00	£25.20
Casual lunch for 2	05/03/2010		£6.00
Breakfast	05/03/2010		£8.00
One night at hotel in Tewkesbury	04/03/2010		£27.50
Journey from Tewkesbury to London	05/03/2010	126.00	£25.20
Second meeting with Alan Hardiman (50% of costs)			
Casual lunch	24/03/2010		£3.00
Return London to Tewkesbury	24/03/2010		£22.00
Total Expenses to be refunded to trustees			£1,395.63

Expenses paid directly from SSAS bank accounts

Pension Regulator (Xfer from Cater Allen)	14/01/2010	£33.00
Pension Regulator (cheque from Hbos)	13/11/2009	£33.00
Building survey total cost (50% should be paid by M Jones)	11/03/2010	£1,292.50

Expenses paid directly from SSAS bank accounts £1,358.50

Calculation of lump sum amount due to beneficiaries

Both beneficiaries decided to start taking benefits from their pension in the tax 2009 - 2010

Tax free lump sum payments were given in four stages, the first based on the pension value on 31st October, the rest on further contributions made by Silvercrest Associates Ltd shortly after.

The value of the lump sum, due on 31st Oct, is based on an underestimate of the funds available on 31st Oct.

The value of the expenses owed to the trustees was overestimated.

Lump sum based on Pension value as of 31st October 2009

Account		Amount	Lump Sum
Hbos		£213,674.26	
Cater Allen Cheque Account		£115,800.52	
Cater Allen Term Deposit		£50,639.97	
Deposit held by Allsops for 15 High Street		£52,000.00	
Expenses incurred but not paid out (Minimum Estimated on 31st October)		-£1,058.85	
<u>Total sum available as of 31st October</u>		£431,055.90	£107,763.98
Additional contributions from Silvercrest and lump sum calculations	05/11/2009	£30,000.00	£7,500.00
	07/12/2009	£40,000.00	£10,000.00
	11/03/2009	£25,000.00	£6,250.00
<u>Total Lump sum due to beneficiaries</u>		£526,055.90	£131,513.98

Account with Trustees

This includes the amount to be refunded to the trustees for expenses and settlement of the purchase of "The Ancient Grudge"
 The apportionment of the purchase price between the SSAS part, the shop, and the remainder was not known until
 a valuation was undertaken by Downing and Bently, after the purchase.
 The account is based on this and the calculation of lump sum payment.

Total Expenses to be refunded to trustees		£1,395.63
Total Lump sum due to beneficiaries		£131,513.98
Received contribution towards purchase of "The Ancient Grudge"	09/12/2010	£25.00
Received contribution towards purchase of "The Ancient Grudge"	11/12/2010	£4,975.00
Received contribution towards purchase of "The Ancient Grudge"	16/12/2010	£100,000.00
		£237,909.60
Cost of building report born by SSAS but requires a 50% contribution from Trustees	26/02/2010	£646.25
Balance of purchase cost due from trustees		£231,004.36
Lump sum payment made from Cater Allen Acc	18/03/2010	£6,250.00
		£237,900.61
<u>Balance due to Trustees</u>		-£8.99

<u>Total Purchase Price of "The Ancient Grudge"</u>	£520,000.00
Stamp Duty Land Tax	£20,800.00
Legal costs (inclusive VAT)	£2,300.00
Chancel and Flood searches	£35.82
Chancel Insurance	£135.75
Unknown Charges on register insurance	£175.00
Land Charges Searches	£32.00
Land Registry fees: The Cottage	£200.00
Land Registry fees: 15 High Street	£280.00
Company Search fee	£17.25
CHAPS fee (inc VAT)	£28.75
Building Insurance	£2,891.20
Legal charge for making the "Declaration of Trust"	£287.50
Total purchase price of "The Ancient Grudge"	£547,183.27
According to the valuation report produced by Downing and Bently the proportion of the purchase price for the shop Should be £170,000 of £520,000. Therefore the SSAS cost of purchase should be 170/520 th	
<u>Shared costs 170/520 of "The Ancient Grudge"</u>	<u>£178,886.84</u>
-	
<u>Proportion of purchase price of the shop</u>	<u>£170,000.00</u>
<u>Proportion of expenses and stamp duty for the purchase of the shop</u>	<u>£8,886.84</u>
-	
According to Downing and Bently the actual value of the Shop is	<u>£175,000.00</u>
Difference between amount paid for the shop and its valuation	<u>£5,000.00</u>

Actual amount contributed towards "The Ancient Grudge" during purchase

Hbos	06/11/2009	£210,000.00
Hbos Insurance	08/12/2009	£2,891.20
Cater Allen	04/11/2009	£115,000.00
Deposit Paid to Allsop Auctioneers for Shop (Pension Contribution from Silvercrest)	23/10/2009	£52,000.00
Pension contribution paid directly towards purchase cost of "The Ancient Grudge" by SAL	06/11/2009	£30,000.00

<u>Actual amount paid towards "The Ancient Grudge"</u>	<u>£409,891.20</u>
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<u>Shared costs 170/520 of "The Ancient Grudge"</u>	<u>£178,886.84</u>
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<u>Balance of purchase cost due from trustees</u>	<u>£231,004.36</u>
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Account code 7007 from Silvercrest Associates Ltd (SAL)**Pension Contributions**

Pension contribution	23/04/2009	£15,000.00
Deposit Paid to Allsop Auctioneers for Shop (Pension Contribution from Silvercrest)	23/10/2009	£52,000.00
Pension contribution paid directly towards purchase cost of "The Ancient Grudge" by SAL	06/11/2009	£30,000.00
Pension contribution	07/12/2009	£40,000.00
Pension contribution	11/03/2010	£25,000.00
<u>Total Silvercrest Pension contributions</u>		<u>£162,000.00</u>

SSAS Expenses paid directly by Silvercrest

Survey of Shop pre purchase	27/10/2009	£250.00
Valuation of 15 High Street for SSAS	09/12/2009	£977.50
Fees Pension Practitioner dot com	09/03/2010	£950.00
<u>Total SSAS Expenses paid directly by Silvercrest</u>		<u>£2,177.50</u>

Rent payments recieved from TAG the Estate Agent which leases the shop

26/11/2009	£976.39
03/12/2009	£1,541.67
06/01/2010	£1,541.67
03/02/2010	£1,541.67
03/03/2010	£1,541.67

Total rent received from TAG **£7,143.07**

<u>Interest</u>		
Hbos Pension Fund Cheque Account	31/03/2009	£16.99
	30/04/2009	£12.25
	29/05/2009	£12.96
	30/06/2009	£14.32
	31/07/2009	£13.87
	28/08/2009	£8.06
	30/09/2010	£0.00
	30/10/2009	£6.44
	30/11/2009	£4.34
	31/12/2009	£0.13
	29/01/2010	£0.06
	28/02/2010	£0.06
	28/03/2010	£0.07
Hbos Guaranteed fixed deposit	18/05/2009	£228.08
	18/08/2009	£147.45
	19/10/2009	£177.69
Total Hbos Interest		£642.77

Cater Allen Reserve Account for pensions

30/06/2009	£68.13
01/07/2009	£72.92
31/12/2009	£50.67
31/03/2010	£126.45

Cater Allen Term Deposit

02/04/2009	£60.35
05/05/2009	£46.07
05/06/2009	£36.03
06/07/2009	£28.76
06/08/2009	£27.49
07/09/2009	£25.73
07/10/2009	£21.63
09/11/2009	£23.35
09/12/2009	£21.65

Total Cater Allen Interest**£609.23****Total Interest Earnt****£1,252.00**

Silvercrest Associates Ltd SSAS Accounts for 2009 – 2010

Opening balance	
Cater Allen	£115,659.47
Cater Allen Term	£50,393.91
Hbos	£148,036.15
Hbos Term	£50,000.00
<u>Total opening Balance</u>	<u>£364,089.53</u>

Closing balance		
Cater Allen	31/03/2010	£221,230.18
HBos	31/03/2010	£754.72
According to Downing and Bently the actual value of the Shop is	31/03/2010	£175,000.00
Balance due to Trustees		-£8.99
<u>Total Closing Balance including valuation price of "The Ancient Grudge"</u>		<u>£396,975.91</u>

2009 - 2010 Summary

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<u>Total opening Balance</u>	<u>£364,089.53</u>
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Contributions

Total Silvercrest Pension contributions	£162,000.00
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Total SSAS Expenses paid directly by Silvercrest	£2,177.50
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<u>Total Contributions</u>	<u>£164,177.50</u>
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Other income

Total Interest Earnt	£1,252.00
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Difference between amount paid for the shop and its valuation	£5,000.00
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Total rent received from TAG	£7,143.07
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<u>Total Other income</u>	<u>£13,395.07</u>
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Expenses

Total Expenses to be refunded to trustees	£1,395.63
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Expenses paid directly from SSAS bank accounts	£1,358.50
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Total SSAS Expenses paid directly by Silvercrest	£2,177.50
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Proportion of expenses and stamp duty for the purchase of the shop	£8,886.84
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Cost of building report born by SSAS but requires a 50% contribution from Trustees	-£646.25
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<u>Total Expenses</u>	<u>£13,172.21</u>
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<u>Total Lump sum due to beneficiaries</u>	<u>£131,513.98</u>
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Value of fund 31/03/2010 = Opening balance + Contributions - Expenses - Lump sum paid	£396,975.91
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Total Closing Balance including valuation price of "The Ancient Grudge"	£396,975.91
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Cater Allen

PRIVATE BANK

21 Prescott Street
London E1 8RP
0800 092 3300
www.caterallen.co.uk

PART OF THE SANTANDER GROUP

16-57-10

Date 7.11.2010

PAY

JIM RC

THE SUM OF

ONE THOUSAND TWO HUNDRED

AND TWENTY SIX POUNDS 7p

£ 1226-70

SILVERCREST ASSOCIATES LTD SSAS

M Jones

211008

Cheque number

Sort Code

Account number

⑈000002⑈ 16 57 10 54947248⑈