Annual Report to the Trustees of Silvercrest Associates Ltd SSAS

Produced by

Pension Practitioner .Com

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1. Introduction

Pension Practitioner .Com provides administration services to the Trustees, and our responsibility is to ensure that the tax exempt privileges of the pension scheme are maintained. In addition, we also provide the following functions to you.

- Ensure that all pension scheme returns are submitted to HMRC
- Provide events reports, tax returns and notices to HMRC and the Regulator as may be required from time to time
- Provide the trustees with guidance on pension scheme rules

This report has been prepared to provide you with the following information:

- Summary of investments.
- A review of the scheme rules in light of legislation that may have a material affect on the scheme.
- A review of the scheme benefits and recommendations to maintain & increase (where available) the tax exempt privileges of the scheme.
- Provision of member benefits statements.

2. Disclosures to HMRC & The Regulator

Pension Practitioner .Com has submitted the following disclosures:

1. The value of the pension scheme deposits at 05 April 2008 amounted to £142,990.

2. No amendments were made to the rules of the scheme during the intervening period.

3. The scheme returns to HMRC and the Pensions Regulator made the following disclosures:

    - Employer pension contributions : £60,000.
    - There were transfers into the scheme to the value of £82,959.
    - There were no payments out of the scheme.
    - The pension transfers in were from approved schemes
    - There were no event reports arising for the period to 5th April 2008
    - No life assurance policies are attached to the scheme
    - There were no taxable investments made by the scheme trustees
    - There were no connected party transactions undertaken for the scheme

If this information is not correct, please advise us accordingly in order that an amended return may be made to HMRC.

3. Investments

The scheme assets as at 5th April 2008 consisted of:

- Cash at Bank of £142,990.

There were no other investment assets held by the pension scheme for the period

The scheme management expenses represented less than 1% of the market value of the scheme's assets.

The assets of the scheme were held by the Trustees for the sole purposes of providing relevant benefits for the scheme members.

4. Scheme Rules

We have reviewed the rules of the scheme in light of the Finance Act 2007 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 a 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 it's 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.

5. *Review of the Scheme*

1. The assets of the scheme are not apportioned between the two members of the scheme.

2. The Trustees diversified cash deposit accounts in light of the concerns raised on the financial strength of certain banks. The Trustees required clarification regarding how pension scheme accounts should be held. HM Revenue & Customs have recently confirmed that bank accounts that are not designated as being held by the pension scheme would probably be viewed as unauthorised and as such a tax liability may arise on the deposit.

   Accordingly, any individual or joint bank accounts that are not recorded as being held for the purpose of the pension scheme should be reviewed. If you have a pension scheme account in the name of the pension scheme, or in the names of nominated trustees but designated as being in the name of the scheme you need not take any further action. If you have opened the account in your personal names and are not holding those funds for the pension scheme then you must rectify the position. Further guidance on this matter is available.

3. With the exception of pension transfers in, no apportionment of benefits arises between the members. We recommend that this continues at this time so as to maintain the tax privileges and flexibility to the Company. Any apportionment of assets undertaken cannot be subsequently changed and to do so would give rise to a scheme tax charge.

4. The Trustees should be mindful of declining investment yields by holding a policy of cash and money market deposits in light of falling interest rates. It is understood however, that one of the aims of the Trustees is to invest in commercial property and should the trustees wish us to arrange for an RICS qualified person to give guidance on sourcing suitable property we would be pleased to assist.

6. *Benefit Statement x 2*

Retirement Benefits Statement for
Mr M Jones

In the event of your death before taking benefits from the scheme, as at 5th April 2008 your beneficiaries may receive a £142,500 tax free from the assets of the scheme. This assumes that you are awarded half the value of the fund.

In the event that you elected to take benefits from the scheme at age 60, on the assumption that the Company awards 50% of it's annual contributions to you, you could draw a tax-free lump sum of £114,541, this is based on a retirement fund of £485,167. The Company's contribution is assumed to be £30,000 in your favour and this is also assumed to increase by 2.5% p.a.

The balance of the fund must be used to provide you with a pension which is taxed as earned income. The pension amount you may draw can range from zero to a maximum of £18,598 p.a. That pension is assumed not to increase in payment. If you elected at outset for a pension increasing by 3% p.a., the initial amount of pension would reduce to £12,298 in the first year. Thereafter it would increase by 3% each year.

1. The pension income stated is based on income drawdown rates as at 1st March 2009, which are not guaranteed to continue.

2. This benefit statement is for illustrative purposes only and is not guaranteed.

3. This assumes the fund increases net 5% p.a and in addition expenses amounts to 0.5% p.a. Inflation is assumed to be 2.5%. The pension will be payable in advance, the pension is guaranteed for 5 years and assumes no additional provision for a spouse's pension.

Retirement Benefits Statement for
Mrs Z Jones

In the event of your death before taking benefits from the scheme, as at 1 March 2009 your beneficiaries may receive a £142,500 as a tax free from the assets of the scheme. This assumes that you are awarded half the value of the fund.

In the event that you elected to take benefits from the scheme at age 60, on the assumption that the Company awards 50% of it's annual contributions to you, you could draw a tax-free lump sum of £133,880, this is based on a retirement fund of £535,520. The Company's contribution is assumed to be £30,000 in your favour and this is also assumed to increase by 2.5% p.a.

The balance of the fund must be used to provide you with a pension which is taxed as earned income. The pension amount you may draw can range from zero to a maximum of £20,456 p.a. That pension is assumed not to increase in payment. If you elected at outset for a pension increasing by 3% p.a., the initial amount of pension would reduce to £13,073 in the first year. Thereafter it would increase by 3% each year.

1. The pension income stated is based on income drawdown rates as at 1th March 2009, which are not guaranteed to continue.

2. This benefit statement is for illustrative purposes only and is not guaranteed.

3. This assumes the fund increases net 5% p.a and in addition expenses amounts to 0.5% p.a. Inflation is assumed to be 2.5%. The pension will will be payable in advance, the pension is guaranteed for 5 years and assumes no additional provision for a spouse's pension.