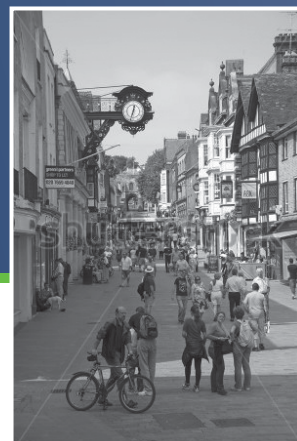


Establishing a Dentons SIPP with a commercial property

A Fee Case Study



The Facts

A client's Financial Adviser recommends they consolidate two of their existing personal pensions and transfer these in cash to a Dentons SIPP to purchase a commercial property. They will need to borrow up to the maximum of 50% of their SIPP funds. There is no VAT on the property. The client wants to manage their own property and use their own solicitor.

The Fees

Year 1

Establishment fee	£350
Transfer fee (two transfers at £50 each)	£100
Standard administration	£552 (pa)

Commercial property:

Property purchase¹	£800
Borrowing funds from lender²	£150
HMRC property reporting	£60 (pa)
Annual property management³	£ Nil

Total fees over the first 12 months	£2012
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Year 2

Standard administration	£552 (pa)
HMRC property reporting	£60 (pa)
Annual property management³	£ Nil

Total fees in Year 2	£612
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¹Fees for a property purchase, including leaseback, are on a time cost basis with a minimum charge of £800.

²If borrowing is required, additional fees are charged from £150.

³We don't insist upon the appointment of a property manager, provided it can be demonstrated that the necessary property management functions are being undertaken such as insuring the property, invoicing rents and rent reviews, completing VAT returns (if applicable) and meeting all legal duties. However, we have a duty to ensure all these functions are carried out and we charge on a time cost basis for this.

We will charge additional fees if we have to chase or follow up any outstanding items.

All fees shown are for illustrative purposes only and should not be relied on for your own individual circumstances.

Please contact your Business Development Manager, Sales & Marketing or your Dentons Pension Consultant for a quote.

Please note

- Establishment fee is deducted once the SIPP is set up and funds have been transferred into the SIPP
- Standard administration fees are normally deducted 6 months in arrears: this can be paid personally rather than being deducted from the default bank account
- All other fees are normally deducted 6 months in arrears
- We reserve the right to review our fees when necessary and to collect fees on a more frequent basis if required
- Fees will increase annually on 1st January taking into account changes in the National Average Earnings Index (NAE) or the Retail Prices Index (RPI)
- All fees are subject to VAT.

For Financial Adviser use only and not for use by retail clients.

All statements concerning the tax treatment of products and their benefits are based on our understanding of the current law and HM Revenue & Customs (HMRC) rules. These are for general guidance only and do not constitute professional advice. The tax treatment depends on the individual client circumstances and may be subject to change. Whilst every effort has been made to ensure accuracy, no liability can be accepted for any errors or omissions.

If VAT may be applicable, you should seek specialist advice.

Whilst the names used in this case study are fictitious, the processes described have been used in actual cases.

Please note that every care has been taken to ensure that the information provided is correct and in accordance with our understanding of current law and HMRC rules, which are both subject to change.

Strong.
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