

Establishing a SIPP with a commercial property.

A fee case study



The Facts

Mrs Gordon's Financial Adviser recommends that she consolidates two of her existing personal pensions and transfer these in cash to a Dentons SIPP to purchase a commercial property. She will need to borrow up to the maximum of 50% of her SIPP funds. There is no VAT on the property. Mrs Gordon wants to manage her own property and use her own solicitor.

The Fees

Mrs Gordon will pay the following fees:

Year 1	
Establishment	£350
Two transfers at £70 each	£140
Standard administration	£696
Commercial property:	
Property purchase ¹	£960
Borrowing funds from lender ²	£315
HMRC Scheme return	£70
Environmental report	£154
Annual property administration ³	£Time cost
Total fees in Year 1	£2,685¹ + Property administration³
Year 2	
Standard administration	£696
HMRC Scheme return	£70
Annual property administration ³	£Time cost
Total fees in Year 2	£766 + Property administration³

¹Fees for property purchase are on a time cost basis with a minimum charge of £960.

²If borrowing is required, additional fees are charged from £315.

³Dentons will apply a fee for ensuring rental invoices are issued, rental monies are collected and that the property is appropriately insured, and for other property administration as required. Dentons will arrange for the property to be insured under our block policy arrangement unless alternative arrangements are required or the property is a leasehold and the freeholder arranges the insurance.

Clients can manage their own property or appoint a property manager. Dentons does not provide property management services.

We will charge additional fees if we have to chase or follow up any outstanding items or assist with the management of the property.

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

Please note

- > Establishment fee is deducted once the Dentons SIPP is set up and funds have been transferred into the SIPP
- > Standard administration fees are normally deducted six months in arrears: this can be paid personally rather than being deducted from the default bank account
- > All other fees are normally deducted six 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
- > All fees are subject to VAT.

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

Notes

- > This case study is for Financial Adviser use only and not for use by retail clients
- > 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
- > 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 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
- > 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.



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