

From: [REDACTED]
Sent: 18 May 2007 16:59
To: [REDACTED]
Cc: [REDACTED]
Subject: Legal Advice from Jonathan Cox at Anthony Collins Solicitors
[REDACTED]

A little ahead of schedule, I've been preparing for the review of the way we treat interest on residents accounts. The intention is that this becomes a prime associated [financial] benefit to the management of Guardian estates.

As a prelim to the project I have sought legal advice and have passed some very specific queries through [REDACTED] to our panel of solicitors. I have briefed [REDACTED] further on what we need to know before embarking on this project - the queries relate to i) Anchors treatment of residents monies and whether there are any restriction to use and investment, ii) the need to comply with any financial services regulations, and iii) any requirement to pay across anything other than a reasonable rate of interest, despite the investment performing above this level (although [REDACTED] feels that the first two questions will answer this one).

The estimate for this piece of work is a max £5000 as the detail is very complex.

This advice is needed before we embark upon this project as if the answers are not what we expect then the project is a non-starter or may need variation

Do you need any further information to give permission to proceed. Obviously I have not put this information into a PID as we are not at PID stage yet - this could be termed as **project feasibility professional advice** (not PRINCE2 terminology!).

This next bit is for all to consider and respond.

Whilst I was speaking with [REDACTED], he shared his views on the matters surrounding the tax on interest issue. He has some strong views on this and had been trying to coordinate a combined effort from other leasehold managers (via the ARHM) to challenge the view of HMRC. [REDACTED] may be interested in involving [REDACTED] as we are on the cusp of approaching HMRC ourselves.

The reason that [REDACTED] was so confident of a challenge is because he has successfully challenged HMRCs view on the treatment of SDLT. As I understand our position on this subject we have a legal opinion from Walker Morris that SDLT is not due on surrenderable leases and are about to challenge HMRC on the matter - this now seems unnecessary if Jonathan has already done so . . . successfully. [REDACTED] - should we approach [REDACTED] on this subject and save ourselves a lot of money??

I hope this is helpful

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