Clumber Consultancy Pension Trustees

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Chair Statement for the Styropack (UK) Ltd Retirement Savings Scheme

Introduction
Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee of the Styropack (UK) Limited Retirement Savings Scheme (the "Scheme") is required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

- the investment options in which members' funds are invested
- the requirements for processing financial transactions;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges; a 'value for members' assessment;
- and Trustee knowledge and understanding.

This statement covers the period from 1 January 2023 to 31 December 2023.

Investment Arrangements
The Scheme is not used as a Qualifying Scheme for auto-enrolment and employees elected whether to join the Scheme. The Scheme was set up by the previous Trustees to only invests in the AVIVA FLC With Profits Sub Fund. As the Scheme has less than 100 members it is not required to publish a Statement of Investment Principles and Implementation Statement.
The Scheme triggered into wind up on 15 June 2020 when the Principal Employer ceased to trade and entered Administration. Clumber Consultancy Pension Trustees Limited replaced the Principal Employer as Trustee to the Scheme on 15 October 2021 to wind up the Scheme. As the Principal Employer is insolvent, there will be no new members joining the Scheme and the Scheme is in the process of being wound up.
The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy. As the Trustee has been appointed to wind up the Scheme and secure members' benefits in their own name and due to the fact that there is no other choice of investment under the contract, the Trustee does not propose making any changes.
The aim and objective of the fund is to provide steady capital growth over the medium to long term by investing in a broad range of assets, while smoothing out some of the fluctuations of investment markets. It offers the possibility of higher returns than may be achieved from an average savings account with a bank or building society. The profits and losses of the fund are shared through a system of bonuses with the aim of smoothing the returns on the investment over the long term.
The Trustee carried out a review of the Scheme upon appointment and is satisfied that the investment remains appropriate due to the aging scheme member profile and the fact that the Scheme is winding up and the Trustee expects this to be completed over the next 12-18 months. As the plan offers no other investment a full review would involve an exercise which the Trustee does not consider appropriate for a Scheme which will be wound up in the near future.
The return achieved is broadly as expected for a with profits type fund and is consistent with the aims and objectives of the fund.

Requirements for Processing Core Transactions
The Trustee is required to report to you about the processes and controls in place in relation to the 'core financial transactions' . We must ensure that these important financial transactions are processed promptly and accurately. In practice we delegate this to the Scheme Administrator, AVIVA. As the sponsoring Company is insolvent and the Scheme is winding up there are no contributions being paid into the Scheme nor are there other investment options and these transactions would therefore be limited to:

- transferring assets related to the members out of the Scheme
- making payments from the Scheme to or on behalf of members

During the period covered by this statement, performance was as follows:
Quotes
Average performance of 94.1% within 3 days.

General Servicing -Processing various general enquiries i.e. policy reviews, valuations etc.
Average performance of 92.7% within 5 days.

Money Out Performance
Average of circa 81.8% completed within 3 days.

The Trustee is satisfied that over the period covered by this statement

- the administrator was operating agreed timescales, although they noted that percentages within SLA had dropped from last years figures
- there have been no material administration errors in relation to processing core financial transactions
- all core financial transactions have been processed promptly and accurately during the Scheme year.

There are no material administration service issues which need to be reported by the Trustee, payments are dealt with in 10-15 working days. The Trustee will continue to work with AVIVA to ensure that requests regarding settlements of benefits from the Scheme are processed efficiently, correctly and within agreed timescales so that the Scheme can be wound up efficiently. Aviva operate a system whereby such payments are reviewed internally prior to processing for accuracy and the Trustee is satisfied with the processes AVIVA have in place and will continue to monitor any payment timescales and follow up with AVIVA where these are not met to work with them to ensure that requests are dealt with accurately and in a timely manner.

Member Borne Charges and Transaction Costs
The Trustee is required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds. The stated charges also include any costs, e.g. administration and investment costs, since members incur these costs
The Trustee is also required to separately disclose transaction cost figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds.
The charges and transaction costs have been supplied by AVIVA

Fund Name	TER	Transaction Costs
Aviva Life & Pensions UK Ltd FLC With Profits Fund	0.714%	0.014%

When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Illustration of Charges and Transaction Costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has obtained an illustration of their cumulative effect on a typical plan members' savings over the period to their retirement.

As each member has a different amount of savings within the Scheme and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained below: The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs. The transaction cost figures used in the illustration are based on those provided by the managers. The illustrations have been prepared having regard to statutory guidance, utilising an average pot size and are based upon a number of assumptions which are noted below.

The illustration in the table is shown for the AVIVA FLC With Profits Sub Fund since all members are invested in this fund and in all cases assumes a starting pot value of £20,000.

At end of year	Before costs	After costs
1	£20,700	£20,500
3	£22,100	£21,600
5	£23,700	£22,700
10	£28,200	£25,800
15	£33,500	£29,500
20	£39,800	£33,600
25	£47,300	£38,400
30	£56,200	£43,800
35	£66,700	£50,100
40	£79,300	£57,300

Notes

The information in this table is an illustration. This is to show you the possible effects of costs and charges on pension pots. The figures shown are not personal to you and do not show the actual pension benefits you could get from the pension scheme.

Your pension benefits depend upon many things including the fund performance and costs and charges. It is important to understand how the charges make a difference to your pension savings, but we cannot predict exactly what is going to happen in the future so we have made some assumptions. The values shown are estimates and are not guaranteed.

The figures shown should not be used to make investment decisions, so we would always recommend taking Independent financial advice before making important decisions regarding your pension savings.

Assumptions are:

- The value of your investment grows by 4% each year before charges and the effect of inflation. This growth rate reflects the fund managers view of the long term expected returns of the FLC With Profits Sub Funds in which you are invested. The growth rate is not guaranteed.
- The current charges continue to apply and are as follows:
    - Investment expenses and administration costs: 0.714% each year
    - Transaction costs : 0.014% each year
    - The With Profits Fund management costs represent the assumed cost of professionally investing and administering the Scheme money in the FLC With Profits Sub Funds. These costs are already reflected in the declared with profits bonuses
    - RSS product charges – service charge of £41 taken each year from your pension pot. The amount increases each year in line with inflation

- No further contributions will be paid
- The figures illustrate your pension pot in ‘today’s money’ which means that they take into account inflation by reducing values by 2.50% each year. Seeing the figures in this way shows you what they could be worth today. It is important to note that inflation reduces the worth of all savings and investments.
- The policy is held until normal retirement age

Net return on Investment

Trustees of all relevant pension schemes ae required to calculate and state the return on investment from their default and any self select funds available which the Scheme invested in over the year to 31 December 2022. The only fund the Scheme invests in is the FLC With Profits Sub Fund. This section states the annual return, after the deduction of member borne charges and transaction costs. When preparing this section the Trustee has taken account of the relevant statutory guidance.

Fund	Net Annualised return to 31 December 2023	Five years (annualised	Ten Years (annualised)
FLC With Profits Sub Fund	6.1%	4.22%	5.88%

The net investment return for the scheme year to 31 December 2023 in £ and p is £42,331.49 and the total of accounts as at 31 December 2024 is £882,464.91

Value for Members Assessment

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of “good value”, but the Trustee considers that it broadly means that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership as a whole. The Trustee reviews all member-borne charges (including transaction costs where available) on appointment and annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The Contract type only offers one investment option and the Scheme is being wound up to settle members’ benefits in their own names. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment.

The Trustee has compared the level of charges in each fund with the levels of return delivered to members. The Trustee has also considered how the charges and transaction costs borne by the membership compare against the services and benefits provided by the Scheme taking into account the expected timescale to wind up.

We have assessed member’s investment returns and overall fund performance to ensure that the transaction costs borne by members are reasonable and the outcomes expected from investment.

The returns on the investment fund during the period covered by this statement have been consistent with their stated investment objectives and broadly in line with expectations.

In carrying out the assessment, the Trustee also considers the other benefits members receive from the Scheme, which include

- the oversight and governance of the Trustee
- the design of the investment and how this reflects the membership as a whole;
- the quality of communications delivered to members;
- the quality of support services
- and the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards for the Scheme year.

As detailed in the earlier section covering processing of financial transactions, the Trustee is comfortable with the quality and efficiency of the administration processes. Overall, the Trustee believes that members of the Scheme are receiving good value for money for the charges and cost that they incur, taking into account there are no other options for investment on this particular contract. The Trustee aims to complete the wind up of the Scheme within the next 12-18 months.

Trustee Knowledge and Understanding

The Scheme's Trustee is required to maintain appropriate levels of knowledge and understanding, that together with any advice received enables them to run the Scheme effectively and to provide appropriate services to pension schemes as part of its day to day business.

The Trustee has a working knowledge of the Trust Deed and Rules and other Scheme documents and as part of their day to day business activities deals with matters that both strengthen their knowledge of and understanding of the Scheme as well as pension and trust law.

Staff dealing with the Scheme have completed or are working towards completion of the TPR Trustee Toolkit.

The Trustee considers training requirements to identify any knowledge gaps. The Trustee is familiar with and have access to copies of the current Scheme governing documentation that along with their experience and any training or personal study undertaken means that the Trustee believes that they are well placed to exercise their function as Trustee of the Scheme properly and effectively.

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Signed by the Chair of Trustees of the Styropack (UK) Limited Retirement Savings Scheme

6 June 2024