Clumber Consultancy Pension Trustees

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Chair Statement for The Percy Ingle Bakeries Ltd Staff 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 Percy Ingle Bakeries Ltd Staff 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 (this means the “default arrangement” and other funds members can select or have assets in, such as self-select or “legacy” funds)
- 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 29 September 2024 to 28 September 2025.

Investment Arrangements

The Scheme was established on 4 October 1992 and contributions ceased with effect from September 1996. The Scheme is not used as a Qualifying Scheme for auto-enrolment.

The Scheme is in the process of winding up and as Percy Ingle Bakeries Ltd went into Liquidation on 18 September 2020 there will be no new Scheme members. Clumber Consultancy Pension Trustees Ltd were appointed Trustee with effect from 27 August 2021. All members of the Scheme are invested in the default fund which is the With Profits Fund. This is the only investment option available on the contract. Because of the insolvency the new Trustee has not been able to obtain copies of the Scheme documentation.

The Trustee is responsible for the Scheme’s investment governance, which includes setting and monitoring the investment strategy for the Scheme’s default arrangement. Details of the objectives and the Trustee policies regarding the default arrangement can be found in a document called the ‘Statement of Investment Principles’ (“SIP”). The Scheme is a defined contribution arrangement which is fully insured in a with profits fund and which, due to the nature of the fund, gives the Trustee no discretion as to how the insurance company invests the Scheme’s funds. All discretions regarding strategy and day to day management are effectively delegated to the fund manager.
The Statement of Investment Principles and the Implementation Statement have been published on a publicly available website as required.

The aims and objectives of the default arrangement is as follows:

The with profits fund is invested in a mixed portfolio which includes company shares (both UK and overseas) Government and other bonds and property. The aim of the investment strategy is to maximise the long-term return on investments for with profits policyholders whilst recognising the need for the fund to meet the guarantees provided to policyholders.

The default strategy and the performance of the default arrangement were not reviewed during the period covered by this statement due to the nature of the with profits fund and the circumstances of the Scheme.

The Trustee regularly monitors the performance of the default arrangement and is satisfied that the investment remains appropriate whilst the wind up is completed.

The Trustee concluded that the default arrangement is performing broadly as expected and is consistent with the aims and objectives of the default fund and other with profits funds.

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, Royal London. 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 to or on behalf of members.

The Trustee has received assurance from the Scheme's administrator Royal London and has taken steps to try and ensure that there were adequate internal controls to ensure that core financial transactions relating to the Scheme were processed promptly and accurately during the Scheme Year. This includes processing of transfers out of the Scheme and payments to members/beneficiaries. All core transactions made during the period covered by this statement were completed within satisfactory timescales.

Royal London has confirmed in their annual report that they "aim to balance risk and reward to achieve business objectives safely. The Board approves risk appetite, which defines the level of risk we are willing to take. We use a continuous process to identify, measure and manage the risks faced by the Group. Robust governance, with the Board and its Committees overseeing the work of all three lines of defence, is critical to our approach. Our structure is designed to support us in managing risk in changing economic, political and market environments. We have a formal governance structure of committees to oversee risk reporting to the Board. Accountabilities are defined and managed in line with the Senior Managers & Certification Regime (SM&CR) requirements"

The Trustee is satisfied with the processes Royal London have in place and will continue to monitor any processing timescales and follow up with Royal London where they 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 Royal London and due to the nature of the investments the administration charges accounted for in the investment return.
When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Default Arrangements

The default arrangement is the With Profits Fund. The default arrangement has been set up as a with profits fund, which means that the fund invests in a mixed portfolio of assets to smooth out variations in investment returns year on year so that the value is less affected by market variations and the price of the unit grows at a rate declared by Royal London. Before the contributions are used to buy units, they are adjusted by the allocation rate which is dependent upon the size and type of contribution. Units in the funds are bought using the Offer Price and sold using the Bid Price, which is typically 5% lower.
Each Fund is subject to an annual fund management charge of 1% deducted daily and reflected in the fund price.

Fund	TER	Transaction Costs
With Profits 1	1%	0.13%

Illustration of Charges and Transaction Costs

Over 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. The Trustee has set out below illustrations of the impact of charges and transaction costs on the default fund in the Scheme. The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings.

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 several 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 illustration is shown for the with profits fund since this is the arrangement which all members are invested in and shows the projected value of a member 40 years from retirement in the current scheme as at 28 September 2025.

Projected Pension Pot in today's money			
Fund Choice – The default fund is the only possible selection for this product			
Years	**Value of Payments made, no investment**	**Before Charges**	**After all charges and costs deducted**
1	£471	£494	£488
3	£452	£523	£506
5	£435	£554	£524
10	£394	£641	£572
15	£357	£741	£626
20	£323	£857	£684
25	£293	£990	£747
30	£265	£1,140	£816
35	£240	£1,320	£892
40	£217	£1,530	£974

Notes

- The projected pension values are shown in today's terms and consider the effect of future inflation which has been assumed to be 2%
- The starting pot size is assumed to be £480, based on the median pot size across all paid-up members, and that no further contributions will be made
- Values shown are estimates and are not guaranteed.
- Member data, including the fund value were last reviewed on 28 September 2025
- Transaction Costs provided by Royal London were correct as at 28 September 2025

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 28 September 2025. The only fund the Scheme invests in is the With Profits 1 100%. 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.

The assets of the Scheme as at 28 September 2025 were £254,469.93. An amount of £17,669.54 was paid out of the fund in benefit settlements during the year.

Royal London have not been able to provide details of the net annualised percentage return on the fund, but have confirmed that the investment return before tax and charges on investments backing the asset shares of with profits policies for this fund are 10.6 % for 2024.

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, when compared to other options available in the market. The Trustee also considers the fact that the Scheme is winding up and members benefits are to be secured outside of the Trust in members own names. 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 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 the 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 considering 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.
- The Trustee has also considered that due to the nature of the contract there is only one investment option available. The Scheme is winding up and the pot sizes are relatively small as the Scheme only received contributions for a period between 4 October 1992 and September 1996. As the Scheme is winding up, members with pots below £18,000 can be paid as a winding up lump sum and the Trustee is of the opinion that the majority of members will take this option as the average pot size is under £3,000. The with profits option provides members with a less risky approach, protecting against fluctuations in the market and as the Trustee anticipates completing the wind up in the next 12 to 18 months and a change to investments would mean transferring away from the contract, it does not consider this to be appropriate given the short time horizon.

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 and given that 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, taking advice where it is required. 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 Percy Ingle Bakeries Ltd Staff Scheme
28 April 2026