

Chairman's Statement Regarding DC Section Governance

Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. This statement covers the requirements set out in the Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations"). It also incorporates the requirements relating to the disclosure and publication of the level of charges and transaction costs within the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 (SI 2018/233) ("the 2018 Regulations"), which amends the Administration Regulations to reflect these new requirements.

The Trustee of the Jenkins of Retford Limited Life Assurance Plan (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 6 April 2021 to 5 April 2022.

This Statement is available online at <https://www.jnd.co.uk under Governance Statement>.

Default investment arrangement Since the Scheme is closed and no member contributions have been paid in the period since the new regulations came into force on 6 April 2015, there is **no "default arrangement"** as defined by the Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. The Scheme is not being used as a qualifying scheme for automatic enrolment purposes.

Fund selection

The Trustee is responsible for the Scheme's investment governance, which includes selection and monitoring of the funds in which members' money purchase assets are invested.

The Trustee receives investment advice from Evelyn Partners Financial Planning Limited ("EPFP"). They review the arrangements twice a year and the investment portfolio is rebalanced in accordance with their model portfolio asset allocation for Medium Risk investors. At the same time, underperforming funds may be sold and replaced with ones considered to be preferable. The last review was in August 2022 the next review will be in the first quarter of 2023.

The Trustee holds two policies in respect of members' money purchase funds. Funds relating to pensionable service prior to 6 April 1997 are invested on an Aegon platform and funds relating to service after 5 April 1997 are invested in the Prudential Managed Fund.

As the Scheme has fewer than 100 members, there is no requirement for a Statement of Investment Principles (SIP) to be in place for the Scheme.

Processing core financial transactions

The Trustee has a specific duty to secure that core financial transactions relating to the money purchase assets (including the transfer of member assets out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members/beneficiaries) are processed promptly and accurately. The Scheme is closed and therefore no contributions or transfers are received into members' money purchase accounts.

Benefit payments to members/beneficiaries are carried out on the Trustee's behalf by the Scheme administrator, Hughes Price Walker Limited ("HPW") with the assistance of EPFP. HPW administers the Scheme in line with internal service level standards. The Trustee receives an annual report from HPW setting out its performance against the service level standards and highlighting any material issues. All core financial transactions have been processed

promptly and accurately during the Scheme year and no material issues in relation to the payment of member/beneficiaries' benefits arose during the year.

The Trustee therefore considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met, that there have been no material administration errors, and that all core financial transactions have been processed promptly and accurately during the Scheme year.

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

Member-borne charges and transaction costs (value for members)

The Trustee is required to set out the ongoing 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 exclude administration and advisory costs as these are met separately by the Company, rather than by members.

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 information shown in the table below has been supplied by EPFP. Currently, EPFP have not been able to obtain full and precise transaction cost information for the Scheme year covered by this statement, but it is anticipated that this will be available in time for next year's statement.

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

Current investments

Fund name	TER (% p.a.)	Transaction costs (% p.a.)	Total costs (% p.a.)
Aegon platform	0.7974%	0.2062%	1.0036%
Prudential Managed Fund	1.05%	Not known	1.05%

Illustration of charges and transaction costs

The table below shows the projected pension pot both before and after charges are deducted for a member aged 46 whose starting pot is assumed to be £15,000. **This illustration has been calculated in line with the statutory guidance.**

	Projected pension pot in today's money for a member aged 46 (£)			
Years	Before charges deducted		After charges deducted	
	Aegon	Prudential Managed	Aegon	Prudential Managed
1	15,446	15,454	15,293	15,293
3	16,379	16,403	15,895	15,895
5	17,369	17,410	16,522	16,522
10	20,111	20,207	18,198	18,198
15	23,287	23,453	20,044	20,044
19	26,185	26,421	21,654	21,654

Notes on projected scenario calculations:

1. Projected pension pot values are shown in today's money and do not need to be reduced further for the effect of future inflation

2. Starting pot size is assumed to be £15,000 at age 46
3. Inflation is assumed to be 2.5% each year
4. The projection is for 19 years, being the approximate duration that the youngest scheme member has until they reach the Scheme's Normal Pension Age.
5. Values shown above are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund.
6. The projected growth rates for the funds are assumed to be as follows:
 - Prudential Managed: 3.10% per annum above inflation
 - Aegon: 3.05% per annum above inflation

These growth rates are used to calculate the pension pots before charges are deducted.

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Investment returns

This section states the annual return, after the deduction of member borne charges and transaction costs, for all default arrangements and investment options that members are able, or were previously able, to select and in which members' assets were invested during the scheme year. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Self-select fund net returns over periods to scheme year end 5 April 2022

Fund name	1 year (%)	5 years (% pa)
Aegon DCGMP	3.91%	25.97%
Prudential	1.97%	12.21%

Value for members assessment

The Trustee is required to make an assessment of charges and transaction costs borne by money purchase section members and the extent to which those charges and costs represent good value for money for members. The Trustee broadly interprets "good value" as meaning that the combination of costs and 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 notes that good value for money does not necessarily mean the lowest charges available, and the quality of service received is also considered in the assessment.

The Trustee considers the charges and costs when receiving the bi-annual review from EPFP.

Given the size of the Scheme and alternatives available and following the review of the Prudential Policy since the last Chairs Statement and uncovering that the discount under the Prudential Policy is payable to the Trustee, the Trustee has concluded that the Scheme is not offering value for members and have taken the decision to wind up the DC section of the Scheme.

The Trustee advised JND Technologies Limited (the Employer) that this is the action that would be taken, and the Trustee received a Notice to effect the wind up of the DC section of the Scheme on the 22 March 2022 from the Employer. The Trustee passed a resolution to wind up the DC section of the Scheme with effect from the 29 March 2022 and is currently in the process of securing the DC members' benefits outside the Scheme.

As a result of triggering the wind up of the DC section of the Scheme, the Trustee will not be complying with the duty under the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') to carry out a more detailed assessment of how the Scheme delivers value for members.

Trustees' knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes,

investment of scheme assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pensions Regulators Code of Practice 07.

The Trustee is familiar with the Scheme's governing documentation and key policies and procedures. Furthermore, as a professional corporate independent trustee, the Trustee considers that it has sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil its duties. Knowledge is kept up-to-date with Continuous Professional Development and other relevant learning activities. Interface with the Scheme Auditor and the Scheme Actuary also provide prompts to ongoing changes in requirements and responsibilities. Regular updates from the Pensions Regulator and an ongoing interest in matters concerning pensions provide further help and assistance.

Overall, the combined knowledge and understanding of the Trustee, together with the advice, which is available, enables it to properly exercise its functions as Trustee.

This Statement was approved by the Trustee and is signed on its behalf by:

G Sawyer
G Sawyer (Nov 3, 2022 15:37 GMT)
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Signed by Chair
Gareth Sawyer

03/11/2022
Date:.....

Julia Ridger
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Signed by Chair
Julia Ridger

03/11/2022
Date:.....