

Structural Soils Retirement Benefit Plan

Chair's Statement for the Year ending 5 April 2021

Introduction

On behalf of the Trustee, we provide this statement in accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015. This statement covers the period 6 April 2020 to 5 April 2021.

The Trustee of the scheme is Structural Soils Limited.

The regulations require trustees of schemes providing Defined Contribution (DC) benefits (other than where they are solely in relation to additional voluntary contribution (AVC) arrangements) to prepare an annual statement regarding governance, which should be included in the annual report. However the Structural Soils Retirement Benefits Plan is a Defined Benefit (DB) plan and therefore would lie outside the scope of these requirements but for the fact that the scheme contains a DC underpin. The underpin is such that when you retire the pension secured by your personal pension account (which comprises your contributions plus a proportion of the employer's contributions) will be compared with your earnings-related benefit, and you will receive the higher amount. To date the underpin has not applied to any member accessing benefits from the scheme and there is no reasonable expectation that the underpin will apply to any members in the year ending 5 April 2021. Therefore a chair's statement is not required under the current regulations.

Notwithstanding the above we have decided to provide a chair's statement for the year ending 5 April 2021 to inform members of the current situation.

Constitution of the Scheme

The Scheme is a defined benefit Scheme and it provides benefits on a final salary basis together with an underlying money purchase fund for each individual member. A member who ceases to be in service at normal retirement date shall therefore become entitled to receive an annual pension equal to the greater of:

- 1) A proportion of final salary based upon number of years of pensionable service; and
- 2) The pension which can be secured from the members individual money purchase fund.

The scheme was established with effect from 1 January 1989, and is governed by a definitive Trust Deed dated 19 August 1990. The Trust Deed and Rules are available for inspection by any member on request to the Trustee or a copy can be provided for a small charge.

The scheme has now closed and has been made paid up. The scheme will continue to hold the funds until each member decides to reinvest their individual accounts.

Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions relating to benefits within the Scheme are processed promptly and accurately. As the Scheme was closed to the future accrual of benefits from 5 April 2003, these transactions no longer include the investment of new contributions. They could however include the transfer of member assets out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members. The Trustee has a number of monitoring processes in place, which include regular reporting to the Trustee by the Scheme's main administrator Jardine Lloyd Thompson (JLT), an annual review of the administration services provided by JLT, the annual audit of the Scheme's accounts carried out by the Scheme Auditor, and a triennial scheme funding report prepared by JLT.

The trustee considers that core financial transactions have been processed promptly and accurately over the period covered by this statement.

Charges and Transaction Costs

All costs and expenses (such as auditor's fees, PPF levies, trustee's expenses, professional administrator's fees) of the Scheme are met by the employer.

Charges for management of investments are made by the fund managers of the particular investments and professional advisers who facilitate investment sales and purchases. These comprise the Annual Management Charge (AMC) and additional expenses that are disclosed as part of the Total Expense Ratio (TER). Where disclosed these values were as follows for the various investments held by the scheme:

	AMC	TER
• Aviva Life and Pensions UK Ltd	0.75%	
• Zurich Assurance Ltd	0 – 0.9%	0.07 – 1.07%

Investment management expenses not included in the above charges amounted to £2,226 (or approximately 0.1% of the total fund).

Cash is held in a Bank of Scotland bank account and there were no charges in the year ending 5 April 2021.

The Trustees have not prepared a Statement of Investment Principles on the basis that there are under 100 members in the Scheme and no member contributions have been paid since 2003.

Trustee Knowledge and Understanding

The sole trustee is a company whose business does not relate in any way to the financial sector. In order to minimise costs there is no professional trustee. Staff working on the scheme are aware of their responsibilities and have detailed knowledge of this pension scheme amassed over 30 years. A professional administrator (JLT) is appointed who oversees the legal responsibilities of the scheme's administrators. Annual accounts are prepared by professional auditors and a triennial valuation is undertaken by the scheme's professional administrator.

The Trustee is confident that the administration of members' records is competently discharged.

Results of Triennial Valuation

The triennial valuation dated 5 April 2018 showed a deficit of £455,000 and a funding level of 80% (for comparison the 2015 valuation showed a deficit of £513,000 and a funding level of 75%). In order to rectify the deficit over a period of 10 years the employer has agreed a recovery plan and makes monthly contributions to the scheme.

Assessment of Value

As the scheme is a DB scheme it offered exceptional value for money when compared to most current DC schemes. As a result of this the scheme proved too costly to maintain and the scheme was closed and made paid up. It is the belief of the Trustee that for those current remaining members the scheme continues to offer good value.

The Pensions Regulator and the DWP require the Trustee to provide one or more illustrative examples of the cumulative effect over time of the relevant costs and charges on the value of a member's benefits. However, as the scheme is a DB scheme these costs and charges have no influence on the value of member's benefits.

How to contact the Trustee

If you have any queries regarding the Scheme, please contact:

Trustee of Structural Soils Retirement Benefits Plan
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Bristol
BS3 4EB

Ble _____ April 2021 Dated

Barbara Hinch Chair of Structural Soils Retirement Benefits Plan