

# **POT BLACK (UK) LIMITED RETIREMENT BENEFITS SCHEME**

## **CHAIRMAN'S STATEMENT**

### **YEAR ENDED 30 JUNE 2020**

#### **Scheme governance**

On behalf of the Trustee, the statement below relates to the governance of the Scheme and explains how we have looked after this Scheme during the year ended 30 June 2020.

The Scheme has one Trustee: MV Sports & Leisure Limited, a Corporate Trustee. Its role is to govern the Scheme in the best interests of the members.

This Statement has been prepared to comply with the requirements of the law and the guidance published by the Pensions Regulator.

#### **Governance of the default investment arrangement**

As the Scheme is closed and there have been no contributions for more than 10 years, there is no Statement of Investments Principles in place. The Scheme is not being used as a qualifying scheme for automatic enrolment purposes.

The Trustee is keen to ensure that the scheme assets are invested in the best interests of members and their beneficiaries. The default strategy is the Royal London Crest Secure Fund. All members are invested in this fund.

The Trustee monitors and reviews these investments regularly the last of which took place in January 2020. The review found that the Crest Secure Fund is similar to a with profits fund but with a lower exposure to the stock market. It invests in a range of different asset types including fixed interest stocks, equities and property. It is expected that the Fund will continue to maintain a high level of fixed interest investments, in a hope of maximising the long-term return on investments for policyholders whilst recognising the need to meet its guaranteed liabilities. Given the level of risk versus returns reported of 3.3% this year and 5.8% last year, the Trustee does not propose changing the default strategy.

The current fund range is managed by The Royal London Mutual Assurance Company. Founded in 1861, Royal London is UK's largest mutual life, pensions and investment company and is regulated by the Financial Conduct Authority. The company was voted Best Pension Provider at the 2018 Money Marketing Awards. It provides regular updates on the business and the performance of its funds and continues to be at the forefront of adopting legislative changes. As a result, Royal London is deemed a responsible investment manager for investing members' funds.

#### **Charges and transaction costs**

The costs associated with administration and management of the Scheme are being met. There is no flat charge for this Scheme. The management charge is levied on the amounts held in each members' pension account and is the only charge levied against members.

The annual management charge for the fund is a maximum of 1.45% per annum which is not considered to be excessive, being in line with industry norms and also after taking into consideration the quality of the services provided for, including fund management. All management charges are reflected in the declared standard growth rate.

### **Core financial transactions**

The Trustee is comfortable that all core financial transactions have been carried out promptly and accurately during the Scheme year including:

- *Investment of contributions* – there have been no contributions made in the year as the scheme is closed to future accrual
- *Transfer of members' assets to and from the Scheme* – there were no leavers of the scheme during the year
- *Switching between investments within the scheme* - there was no switching between investments during the year
- *Payments out to Scheme members/beneficiaries* – no payments have been made to scheme members during the period

Due to the small size of the Scheme and small number of transactions there is no SLA in place but the Trustee regularly monitors any activity in the fund.

### **Value for money (VFM)**

The Trustee last undertook a review in October 2020 to satisfy itself that the investment fund provides good value for money for the members. The objective of the default arrangement is to provide a return for members which delivers growth consistently but remains low risk. The review has concluded as follows:

1. The default strategy provides guaranteed returns for the members through declared growth rates. The declared growth rate in the current year was 3.3% and previous year was 5.8% which is considered, when weighing up performance versus risk, to be acceptable.
2. The fund invests in a range of different asset types including fixed interest stocks, equities and property. This strategy is deemed to be sensible and acceptable to members. Although it is a low risk fund, the growth rates declared have consistently been higher than inflation (and significantly so in recent years) and in line with the fund objectives, so have been assessed as delivering real returns to the members.
3. Members are not charged extra if they stop contributing.
4. There are also no exit charges for members accessing their pensions on retirement.

The review considered the benefits of membership in the scheme against cost of membership. It is the Trustee's view that the benefits above add value to members when compared to some other schemes. Excluding the investment charges discussed above, all other charges fall to the employer and not the scheme members. Based on our assessment the Trustee believes that the scheme offers good value to members; and therefore a change was not necessary.

### **Trustee knowledge and understanding**

MV Sports & Leisure Limited is the corporate Trustee of the Scheme.

The Trustee is familiar with this Scheme and all records are held electronically. The Trustee has demonstrated a working knowledge of the Trust Deed and Rules by having access to the documents and providing decisions in line with the Rules. If there were any ambiguity over the interpretation of the Rules, the Trustee would seek legal advice.

The Trustee's knowledge and understanding of the Scheme and the issues faced allow it to properly exercise its function to act in the members best interest and to deliver good member outcomes for the contributions made.

It is important that the Trustee continues to have sufficient knowledge and understanding to fulfil its role. The training programme is reviewed regularly to ensure it is up to date, and any knowledge gaps are identified during the year via self-evaluation of the Trustee during the Scheme year. There have been no changes in Trustee during the year. Given the size, complexity and closed nature of the scheme it is considered that the Trustee has sufficient knowledge and understanding. However, this will continue to be kept under review.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (inserted via The Occupational Pension Schemes (Charges and Governance) Regulations 2015).

**How to contact the Trustee**

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

Pot Black (UK) Limited Retirement Benefits Scheme  
c/o MV Sports & Leisure Limited  
35 Tameside Drive  
Castle Bromwich  
Birmingham  
B35 7AG

Signed

Jim Shears

Chair

Date 30/11/2020