

POT BLACK (UK) LIMITED RETIREMENT BENEFITS SCHEME

CHAIR'S STATEMENT

YEAR ENDED 30 JUNE 2023

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 2023.

The Scheme has one Trustee: Tandem Group Trading 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 to new members 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, which is a with profits fund. All members are invested in this fund.

The Trustee monitors and reviews these investments regularly the last of which took place in October 2023. The review noted that the Royal London Crest Secure Fund is a with profits fund. The underlying fund invests in a range of different asset types including fixed interest stocks, equities and property but the interest awarded to investors is smoothed over the life of the investment. Given the investments are in a with profits fund and the level of risk versus returns reported of 1.05% this year and 1.05% last year, the Trustee does not propose changing the default strategy. The return of the Fund reflects the low risk approach to the investments.

The current fund range is managed by The Royal London Mutual Assurance Company. Founded in 1861, Royal London is one of the UK's largest mutual life, pensions and investment companies and is regulated by the Financial Conduct Authority. 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 by the Principal Employer. 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, including fund management. All management charges are reflected in the declared standard growth rate.

POT BLACK (UK) LIMITED RETIREMENT BENEFITS SCHEME CHAIR'S STATEMENT (CONTINUED)

YEAR ENDED 30 JUNE 2023

Core financial transactions

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

- *Transfer of members' assets from the Scheme*
- *Payments out to Scheme members/beneficiaries*

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 2023 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 1.05% and previous year was 1.105% which is considered, when weighing up performance versus risk, to be acceptable.
2. The underlying 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. It is a low risk fund, the growth rates declared have been) and in line with the fund objectives, so have been assessed as delivering adequate returns to the members.
3. 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 Principal 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.

**POT BLACK (UK) LIMITED RETIREMENT BENEFITS SCHEME
CHAIR'S STATEMENT (CONTINUED)
YEAR ENDED 30 JUNE 2023**

Trustee knowledge and understanding

Tandem Group Trading 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.

How to contact the Trustee

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

Pot Black (UK) Limited Retirement Benefits Scheme
c/o Tandem Group Trading Limited
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P Ratcliffe
Chair