Statement regarding DC governance

Money Purchase benefits under the Scheme

This statement is given in accordance with the requirements of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended) ('the Administration Regulations') to provide members who have money purchase benefits under the Scheme with information about the investment arrangements and to explain how these benefits are governed and administered.

This statement covers the money purchase benefits under the Scheme described above, including the DC Section of the Scheme ('the DC Section') and the Additional Voluntary Contribution arrangement of the DB Section ('the AVC arrangement')[1].

Following a detailed diligence process, discussions with advisers and the Company, the Trustee transferred all money purchase benefits to the Aon Master Trust ("AMT") in March 2023. The Trustee believes that the AMT will provide members with a more flexible solution for money purchase benefits, and ensure good value and access to a broader range of investment funds. Members will also have access to online tools to help with their retirement planning and make changes to their investment choices online.

As such, where this statement refers to the 'Scheme Year', this covers the period 1 April 2022 to 21 March 2023 (the effective date of divestment of all money purchase benefits from the Scheme).

This statement covers 979 of our members that had money purchase benefits under the Scheme with a value of £11.1m at 21 March 2023 (the date of transition to the AMT, as detailed above).

Certain members of the Scheme had entitlements to money purchase benefits emanating from:

- Additional Voluntary Contributions (AVCs) made by Defined Benefit (DB) section members to supplement their DB pension;
- contributions to a Defined Contribution (DC) section of the Scheme that was set up to allow DB members to retain their accrued rights for past service as a deferred DB benefit, but pay lower member contributions for future service;
- other legacy benefits including parts of contributions made by DB members that could not be repaid when short service refunds were made and certain former Protected Rights.

DC Section

Default arrangement

The DC Section was never used for auto-enrolment and closed to future accrual on 31 March 2015. As such, it was not required to meet some requirements for default arrangements, such as the preparation of a special statement of investment principles. However, for information purposes the Trustee is providing details of the default arrangement that operated prior to closure of the Scheme to the accrual of benefits, and that was updated following a strategy review during 2018.

Members of the DC Section of the Scheme who did not make an explicit choice regarding the investment of their funds were invested into a lifestyle option as the default arrangement.

The objective of the lifestyle option was to provide investment growth by investing in return-seeking assets at younger ages when funds were invested wholly in equities, with a gradual switching of assets over the 20 years before the member's expected retirement date, towards a final position of 100% cash. The lifestyle fund itself invested in a series of funds managed by Legal & General Investment Management Ltd. These funds were managed passively and the total expense ratios were in the region of 0.100% to 0.223% of the fund value, depending on the fund, over the Scheme Year.

By investing in this manner, the Trustee aimed to deliver growth over the member's lifetime within the Scheme without excessive risk taking, with an increased focus in later years on reducing volatility to enable members approaching retirement to make financial plans for the period after retirement. The Trustee considered this approach to be in the best interests of relevant members and relevant beneficiaries.

[1] For the purposes of this statement, information regarding other legacy benefits that were secured by defined contribution investments are also included in the AVC arrangement category in this statement as indicated.

Statement regarding DC governance continued

Review and changes made during the Scheme year

No changes were made to the DC Section's investment strategy during the Scheme year, other than the aforementioned transfer of assets to the AMT. See the "Value for Members" section below for more details.

AVC arrangement

Review and changes made during the Scheme year

As per the DC Section, the Trustee decided to transfer the entirety of the Scheme's AVC assets to the AMT. See the "Value for Members" section below for more details.

Separately, over the course of the Scheme year, the assets invested in Prudential funds were redeemed and invested in Legal & General Investment Management Ltd (LGIM) funds, specifically:

- Prudential Deposit assets were redeemed and invested in the LGIM Cash Fund in February 2023 as a preliminary step to the transfer to the AMT; and
- Prudential With-Profits assets were redeemed and invested in the default arrangement in December 2022. The Trustee had received preliminary advice that this arrangement would offer better value-for-money to the members. Those members were provided with the choice to invest the proceeds in a different fund within the range of available options for AVC arrangements.

Trustee knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for the 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 Regulator's Code of Practice 07. The comments in this section relate to the Trustee as a body in dealing with the whole Scheme and are not restricted to the DC section.

The Trustee has put in place arrangements for ensuring that Trustee Directors take personal responsibility for understanding pension and trust law and keeping up to date with relevant developments, and that they carry out a self-assessment of training needs. The Chair of the Trustee holds regular performance meetings with each Trustee Director, supplemented by informal feedback from advisers. The performance of the Board and each of its committees is also regularly reviewed. The Executive Office arranges for training to be made available to individual Trustee Directors or to the whole Trustee body as appropriate, including annual training away-days and additional training at trustee and committee meetings by external advisers on trust specific issues and documentation and developments in law and practice, including environmental, social and governance investment-related issues and data protection. A record of training undertaken is maintained by the Trustee and is reported in the Annual Report. In addition, the Trustee receives advice from professional advisers to supplement the knowledge of the Trustee Directors, and the relevant skills and experience of those advisers is a key criterion when evaluating adviser performance or selecting new advisers.

All the existing Trustee Directors have completed the relevant sections of the Pensions Regulator's Trustee Toolkit and new Trustee Directors are required to complete this within six months of taking up office. Taking account of actions taken individually and as a trustee body, and the professional advice available to it, the Trustee Directors consider that they are properly enabled to exercise their functions as trustees.

Processing Scheme transactions

The Trustee had, over the Scheme year, a specific duty to ensure that core financial transactions (including transfer of member assets into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members) relating to the DC Section and AVC arrangement were processed promptly and accurately.

For the DC Section, and for other legacy benefits that were secured by defined contribution investments, these transactions were undertaken on the Trustee's behalf by the Scheme administrator, XPS Administration, and its investment manager, Legal & General Investment Management Ltd (LGIM). For the AVC arrangement these transactions were additionally carried out in the year by The Prudential Assurance Company Limited (Prudential).

Statement regarding DC governance continued

The transfer of money purchase benefits to the AMT in March 2023 was a particularly important transaction, The trustee worked with its legal and investment advisers, the Scheme administrator, its investment manager, and Aon to ensure prompt and accurate processing. A detailed transition plan was developed and implemented. It included a pre-funding facility in order to protect against out-of-market risk.

The Trustee's service agreement with the administrator sets clear standards and deadlines for the accurate and timely processing of transactions. Reports were prepared by the administrator that show, for various activities, the percentage of cases that were completed within the agreed time and for cases not completed within the target period, a summary of how many days after the target these cases were completed. These reports were reviewed by the Trustee each quarter. The administrator committed to using only suitably trained, skilled and experienced personnel on Scheme matters, and to operating in accordance with its own published, and independently audited, internal operating control framework, which includes requirements for supervision and reconciliation of transactions. The Trustee received quarterly reports on performance against those service levels. In addition, the Trustee received and reviewed the Scheme administrator's annual assurance report on its internal controls, produced by an independent reporting accountant, to support its assessment of whether the controls are operating effectively.

The service agreement included an agreed process for reporting on, and promptly correcting, any errors, with financial penalties for non-compliance. This process worked to the Trustee's satisfaction.

In the light of the above, the Trustee considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

Security of assets

The Trustee, with its legal adviser, assessed the protections offered to Scheme members should any of the Scheme fund providers run into financial difficulty.

Up until 21 March 2023, the Trustee held insurance policies with the fund provider[2], under which members' investments are made. The Trustee believes that, in the event of insolvency of any such fund provider, the Trustee would have been able to claim compensation through the Policyholder Protection Scheme ("FSCS") on members' behalf.

The Policyholder Protection Scheme is operated by Financial Services Compensation Scheme Ltd, which is an independent body set up by the government to protect consumers when authorised financial services firms fail. The FSCS aims to ensure investors get back 100% of the value of their insurance policy in the event of the insolvency of the insurer. The FSCS does not protect against movement in the underlying value of the assets of the funds. Further information regarding the FSCS is available at fscs.org.uk. Please note that the terms of the FSCS may be subject to review and amendment from time to time by the UK Prudential Regulation Authority.

Charges and transaction costs

The Trustee reviewed the charges and transaction costs borne by Scheme members every year to determine whether or not those charges and costs represented good value for money for members. Performance of the DC and AVC funds net of member charges were also monitored on a quarterly basis and annual basis respectively.

In this section, the four sources of charges and transaction costs incurred during the Scheme year are set out below:

1. Total expense ratio or "TER" (% p.a.): This was the ongoing charge levied on member assets by the fund provider for investment management services and running costs. For the Prudential funds, the TER also included member record-keeping and administration services (see point 4 below).
2. Transaction costs (ongoing): These were the transaction costs arising when the fund manager buys/sells securities as part of its ongoing management of the fund. Examples of such costs include custodian fees on trades, transaction taxes, broker commission, and 'slippage costs' (the difference between the market price of a trade at the time the order enters the market, and the actual execution price) or bid-offer spreads.
3. Transaction costs (incurred in implementing strategy changes): These were the transaction costs arising as a result of the selling of funds as part of the transfer of the DC and AVC assets to the AMT. These transaction costs also included the cost of divesting from Prudential assets and investing the proceeds in LGIM assets within the AVC arrangement (detailed below).

[2] The fund provider as at 21 March 2023 was Legal & General Assurance (Pensions Management) Limited

Statement regarding DC governance continued

4. Member administration fees: For the Prudential funds, the ongoing member charge also includes member record-keeping and administration services. Prudential did not separate out their ongoing charge between investment management, running costs and administration, but rather quote a single ongoing charge encompassing all these services.

Ongoing transaction costs under category 2) above have been disclosed as the costs over the most recently-available 12 month period. Where unavailable, the Trustee does not expect the transaction costs for the 12 months to 21 March 2023 to be meaningfully different to those costs disclosed in this statement.

Some of the ongoing transaction costs shown are negative, which indicates a gain. This is mainly a result of an anti-dilution offset (an adjustment made by the manager so that the cost of buying and selling fund units is met by those transacting), a negative 'slippage' cost when buying or selling securities (e.g. for an asset being bought, the arrival price being higher than the actual price paid), or both. Where the anti-dilution offset outweighs the other sources of transaction costs, this results in an overall gain for invested members.

The estimated transaction costs incurred in implementing the strategy changes within the AVC arrangement, specifically the redemption of Prudential With-Profits funds and investment in LGIM Funds, were positive, indicating a loss. The total transaction costs have been estimated as, in the worst case, 0.05% of assets transitioned[3].

DC Section

The members incurred a total expense ratio ("TER") ranging from 0.100% p.a. to 0.300% p.a. of the sum invested, depending on the fund(s) in which they were invested. As a reference, this is significantly lower than the maximum allowed of 0.750% p.a. for a default fund used for auto-enrolment purposes.

The table below sets out information on charges and transaction costs for the funds available to members during the Scheme year.

LGIM Fund	TER (% p.a.)	Transaction costs (ongoing) % p.a.[2]	Transaction (sell) costs as part of move to the AMT % p.a. [3]
Global Equity Fixed Weight (50:50) Index	0.165	0.051	-0.258
UK Equity Index	0.100	0.038	-0.556
AAA-AA-A Corporate Bond All Stocks Index[1]	0.150	-0.016	0.000
Over 5 Year Index-Linked Gilt Index[1]	0.100	0.207	0.000
Cash[1]	0.125	0.032	0.000
World Equity Index[1]	0.200	0.071	0.002
World Equity Index – GBP Hedged[1]	0.223	0.179	0.008
Multi-Asset Fund	0.250	0.050	0.077
Ethical Global Equity Index	0.300	0.003	-0.051

Source: LGIM

1. Fund used in the lifestyle profiles during the Scheme year.
2. Ongoing transaction costs shown cover the 12 months to 31 December 2022.
3. This represents the implicit transaction costs associated with divestment from the current fund range. This does not include the transaction cost associated with buying assets in the new fund range (within the Master Trust)

Members who were invested in the default or alternative lifestyle option may have been invested in a combination of these funds; each member's annual benefit statement will set out how much they had invested in each fund. The table below sets out the charges and transaction costs applicable during the Scheme year at selected terms to retirement for the two lifestyles.

[3] The estimated total transaction cost comprises of the actual cost of selling Prudential With-Profits and purchasing assets in the default lifestyle, plus the cost of selling Prudential Deposit assets and purchasing assets in the LGIM Cash Fund. For the With-Profits assets, this assumes the impacted members were invested in the worst case position (i.e. with the greatest transaction cost) in the lifestyle on the specified trade date(s). This is a worst case estimate and so the actual cost is expected to be lower than that calculated. The cost of selling Prudential Deposit fund and buying LGIM Cash was zero. Source: LGIM (prices, May 2023); Schroders Solutions (calculations, May 2023).

Statement regarding DC governance continued

	Default lifestyle		Alternative lifestyle	
Years to target retirement date	TER (% p.a.)	Transaction costs (ongoing) % p.a.[1]	TER (% p.a.)	Transaction costs (ongoing) % p.a.[1]
20 or more years to retirement	0.212	0.125	0.212	0.125
15 years to retirement	0.203	0.122	0.203	0.122
10 years to retirement	0.194	0.119	0.194	0.119
5 years to retirement	0.160	0.094	0.152	0.116
At retirement	0.125	0.032	0.106	0.163

Source: LGIM

1. The transaction costs shown cover the 12 months to 31 December 2022.

AVC arrangement

The members incurred a total expense ratio ("TER") ranging from 0.1% to 1.00% p.a. of the sum invested, depending on the fund(s) in which they were invested.

The two lifestyle profiles that were available to DC Section members (targeting cash and annuity purchase at retirement respectively) were also available to AVC members. The costs and charges over the Scheme year applicable at selected terms to retirement are set out in the previous section relating to the DC Section.

Total expense ratios for the additional funds that were available to AVC members during the Scheme year are set out in the tables below:

LGIM Fund	TER (% p.a.)	Transaction costs (ongoing) % p.a.[2]	Transaction costs (sell) % p.a.[3]
UK Equity Index	0.100	0.038	-0.556
AAA-AA-A Corporate Bond All Stocks Index[1]	0.150	-0.016	0.000
Over 5 Year Index-Linked Gilt Index[1]	0.100	0.207	0.000
World Equity Index[1]	0.200	0.071	0.002
World Equity Index – GBP Hedged[1]	0.223	0.179	0.008
Multi-Asset Fund	0.250	0.050	0.077
Over 15 Year Gilts Index	0.100	0.192	0.000
All Stocks Gilts Index	0.100	0.180	0.000
Pre-Retirement Fund	0.150	0.080	-0.369
Ethical Global Equity Index	0.300	0.003	-0.051
Cash[1]	0.125	0.032	0.000

Source: LGIM.

1. Fund used in the lifestyle profiles during the Scheme year (to 20 March 2023).
2. The transaction costs shown cover the 12 months to 31 December 2022.
3. This represents the implicit transaction costs associated with divestment from the current fund range prior to the transfer to the AMT. This does not include the transaction cost associated with buying assets in the new fund range (within the AMT)

Prudential Fund	TER (% p.a.)	Transaction costs (ongoing) % p.a.[1]	Transaction costs as part of changes to the fund range % p.a.[2]
Deposit	no explicit charges	0.000	0.000
With Profits Cash Accumulation	1.000	0.170	0.051

Source: Prudential.

1. Ongoing transaction costs for the 12 months to 31 March 2023 are not available as at the date of this statement. Prudential expects to publish transaction cost data for the 12 months to 31 March 2023 in September 2023. Ongoing transaction cost data shown is the latest available from Prudential for its funds, as follows:
   - With Profits Cash Accumulation and Deposit: 12 months to 30 June 2022
2. The estimated total transaction cost comprises of the actual cost of selling Prudential With-Profits and purchasing assets in the default lifestyle, plus the cost of selling Prudential Deposit assets and purchasing assets in the LGIM Cash Fund. For the With-Profits assets, this assumes the two impacted Policyholders were invested in the worst case position (i.e. with the greatest transaction cost) in the Lifestyle on the specified trade date(s). This is a worst case estimate and so the actual cost is expected to be lower than that calculated. The cost of selling Prudential Deposit fund and buying LGIM cash was zero. Source: LGIM (prices, May 2023); Schroders Solutions (calculations, May 2023).

Statement regarding DC governance continued

Net investment returns

Since 1 October 2021, the Trustee has been required to calculate and state the return on investments from the Scheme's default and self-select funds, net of transaction costs and charges. The regulations state that the Trustee should include as a minimum the net return for the Scheme year and report the performance over longer periods where possible.

The table below shows the net performance for the two lifestyle strategies: the default lifestyle (cash targeting at retirement) and the alternative lifestyle (annuity targeting at retirement).

Performance to 20 March 2023		1 year		3 year p.a.		5 year p.a.	
Lifestyle strategy	Age	Fund	Index	Fund	Index	Fund	Index
Default (Cash-Targeting)	*25*	-7.2%	-6.9%	15.1%	15.3%	8.4%	8.6%
	45	-7.2%	-6.9%	15.1%	15.3%	8.4%	8.6%
	55	-9.9%	-9.7%	10.6%	10.9%	6.1%	6.3%
Alternative (Annuity-Targeting)	*25*	-7.2%	-6.9%	15.1%	15.3%	8.4%	8.6%
	45	-7.2%	-6.9%	15.1%	15.3%	8.4%	8.6%
	55	-9.9%	-9.7%	10.6%	10.9%	6.1%	6.3%

Source: LGIM, Schroders Solutions. Age specific return detailed in the table above is based on a member with a target retirement age of 65. Performance is calculated using the static asset allocation for a member at the ages shown.

Performance is shown net of fees and implicit transaction costs. **Past performance is not a guide to future returns**

The information set out below shows the net performance for all funds in which members were invested or have been able to invest during the scheme year (including those funds underlying the lifestyle strategies reported above).

Performance to 20 March 2023 (unless otherwise stated)	1 year		3 year p.a.		5 year p.a.	
Fund (*Benchmark Index*)	Fund	Index	Fund	Index	Fund	Index
LGIM Global Equity Fixed Weight (50:50) Index *(Composite of 50% FTSE All Share Index 17.5% FTSE Developed Europe ex UK Index 17.5% FTSE North America Index 8.75% FTSE Japan Index 6.25% FTSE World Asia Pacific ex Japan Index)*	-1.1%	-1.0%	13.4%	13.6%	6.4%	6.5%
LGIM UK Equity Index *(FTSE All-Share Index)*	-0.2%	-0.2%	12.8%	12.8%	4.4%	4.4%
LGIM AAA-AA-A Corporate Bond All Stocks Index *(Markit iBoxx £ Non-Gilts (ex-BBB) Index)*	-9.6%	-9.3%	-3.9%	-3.6%	-1.2%	-1.0%
LGIM Over 5 Year Index-Linked Gilt Index *(FTSE Actuaries UK I-L Gilts Over 5 Years Index)*	-32.2%	-32.1%	-10.1%	-10.0%	-4.7%	-4.6%
LGIM Cash *(Sterling Overnight Index Average)*	2.0%	2.1%	0.6%	0.8%	0.6%	0.7%
LGIM World Equity Index *(FTSE World Index)*	-4.2%	-4.0%	15.5%	15.7%	9.9%	10.0%
LGIM World Equity Index – GBP Hedged *(FTSE World Index – GBP Hedged)*	-10.1%	-9.8%	14.6%	14.9%	6.9%	7.2%
LGIM Multi-Asset Fund *(ABI Mixed Investment 40-85% Shares Sector)*	-6.7%	-5.8%	5.6%	7.9%	3.5%	3.7%
LGIM Ethical Global Equity Index *(FTSE 4Good Developed Index)*	-2.9%	-2.5%	16.1%	16.6%	11.0%	11.4%
LGIM Over 15 Year Gilts Index *(FTSE Actuaries UK Conv Gilts Over 15 Years Index)*	-29.1%	-29.0%	-16.4%	-16.3%	-6.3%	-6.2%
LGIM All Stocks Gilts Index *(FTSE Actuaries UK Conv Gilts All Stocks Index)*	-15.6%	-15.5%	-9.0%	-8.9%	-3.0%	-2.9%

Statement regarding DC governance continued

Performance to 20 March 2023 (unless otherwise stated)	1 year		3 year p.a.		5 year p.a.	
Fund (*Benchmark Index*)	Fund	Index	Fund	Index	Fund	Index
LGIM Pre-Retirement Fund *(Composite of gilts and corporate bond funds)*	-19.2%	-18.7%	-8.3%	-10.2%	-3.1%	-2.7%
Prudential Deposit Fund *(Bank of England Base Rate)*	2.1%	2.3%	0.8%	0.9%	0.8%	0.8%

Source: LGIM, Prudential. Prudential Deposit fund performance is to 31 March 2023. The Prudential Deposit fund was fully divested from in February 2023.

Performance is shown net of fees and implicit transaction costs. **Past performance is not a guide to future returns**

The majority of passive funds performed in line with (i.e. within +/- 0.25% of) their respective indices over all time periods assessed, net of fees. In most cases, where a fund fell outside of this tolerance, this was driven by the fund's ongoing management fee and only breached the tolerance by a maximum of 0.2% p.a. However, the LGIM Pre-Retirement Fund, over the three-year period underperformed its benchmark by 1.9% p.a. This fund's benchmark comparator changed over the Scheme year and LGIM expect some shorter-term volatility of the fund, versus its benchmark, as a result of this. The (actively managed) LGIM Multi-Asset Fund has underperformed by 0.9% versus its comparator over the year to 20 March 2023.

Projected impact of costs and charges

Given the transfer for Scheme assets to the AMT, the Trustee does not consider it can reasonably provide projected impact of costs and charges in this Statement. The Trustee believes that providing an illustration by reference to the funds which had been available under the Scheme would be misleading to members (since the future costs applicable to their pension savings will instead be those of funds available to them under the AMT) and would therefore not be suitable.

Value for members

Up until the transfer to the AMT, the Company was responsible for paying all the administration costs associated with the DC Section, and in respect of the LGIM funds within the AVC arrangement. As an indication of the benefit, our Investment Advisor estimates that the administration services paid for by the Company would cost members invested with Legal & General an annual charge of 0.2% to 0.25% if administration services were supplied by a fund provider and deducted from members' funds.

In addition, the Trustee was contracted to pay an annual fee to Legal & General Assurance (Pensions Management) Limited, the fund provider, should total invested funds fall below a threshold value as at the start of a calendar year.

With the AVC arrangement, ongoing member charges for the Prudential funds included some administration services, for example member record-keeping and provision of an annual benefit statement.

Total expense ratios

Within the DC Section, the average total expense ratio throughout the default arrangement range was lower than the average member charge for similar-sized trust-based DC arrangements, published by the Department for Work & Pensions in its latest survey of DC charges.

Within the AVC arrangement, the LGIM fund charges were consistent with those in the DC Section fund range. The Prudential With-Profits funds, other than the Deposit fund had higher member charges than the passive LGIM funds. This is in part due to it being actively managed and including administration services as well as investment management. Overall, compared with similar options available in the wider DC fund market, the Trustee was comfortable these options represent reasonable value for members.

The Trustee was satisfied that this charging structure was appropriate for members and represented good value for money, taking account of the size of the Scheme funds and the fact that there will be no future contributions to increase the fund size.

Transaction costs

LGIM Funds

All the LGIM funds (except for the Cash and Multi-Asset funds) are passively managed with the aim of tracking their respective benchmark indices before the deduction of their total expense ratio, but after the deduction of transaction costs. The Trustee

Statement regarding DC governance continued

regularly monitored performance of the funds against their objectives and is was satisfied the objectives have been met over the Scheme year, after the deduction of transaction costs.

The transaction costs over the year for the actively managed (Multi-Asset and Cash) funds were slightly positive. Fund performance was behind its performance comparator over the year for each fund, though the Trustee does not view the transaction costs incurred as a material contributor to the funds' underperformance.

The Trustee was satisfied that the transaction costs incurred over the Scheme year for each of the available funds were acceptable in the context of the funds' objectives.

Non-LGIM Funds

For the Prudential funds present in the Scheme as at 31 March 2022 over the Scheme year, the Trustee was comfortable the transaction costs incurred by the managers were reasonable in the context of overall fund performance.

Governance costs and Other Services

The Trustee is not legally required to carry out a formal Value for Members assessment of services that they do not pay for. These include certain governance and administration costs which are paid for by the Scheme Sponsor. The Trustee is aware that smaller money purchase arrangements may offer more limited services and investment choices than are available in larger arrangements. The Trustee assessed the feasibility of alternative options during the year to March 2023, which ultimately led to Scheme assets being transferred to the AMT.

Transfer to the AMT

As explained in the introduction, the Trustee performed during the year a review of the DC and AVC arrangements. This included an analysis of the offering of various providers of money purchase benefits. The Trustee concluded that the AMT would provide better for value for members. In particular, the Trustee believes that the AMT will provide members with a more flexible solution to manage their money purchase benefits, access to a broader range of investment funds with competitive fee levels. Members will also have access to online tools to help with their retirement planning and make changes to their investment choices online.

Conclusion

Overall, the Trustee is satisfied that value for members was present in the Scheme over the Scheme year until the money purchase benefits were transferred to the AMT in March 2023. The Trustee also believes that the AMT will provide better value for members.

Statement regarding DC governance continued

Overall Conclusion

As Trustee of the Scheme, we have reviewed our systems, processes and controls across key governance functions and considered the Pensions Regulator's recommendations for defined contribution schemes. Our assessment is that our systems, processes and controls were appropriate to the Scheme and were also consistent with the requirements and recommendations for governance set out in the Pensions Regulator's for the period during which money purchase benefits were provided by the Scheme:

- Code of practice 13: Governance and administration of occupational defined contribution trust-based schemes (the 'DC Code')
- Regulatory guidance for defined contribution schemes.

Based on our assessment and for the reasons set out earlier in this statement, we believe that we have met the standards of practice set out in the DC code and applicable DC regulatory guidance.

The Statement regarding DC governance was approved by the Trustee and signed on its behalf by:

/s/ Kathleen O'Donovan

Kathleen O'Donovan
Chair of the Board

22 September 2023