

**EDWARD BILLINGTON & SON LIMITED RETIREMENT BENEFITS SCHEME**  
**‘SCHEME 29’**  
**ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31/08/2024**

**Objective**

This Statement has been prepared by the Trustee of Edward Billington & Son Limited Retirement Benefits Scheme (‘the Plan’) in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended). It sets out how the Trustee has met the statutory defined contribution (DC) governance standards during the year ended 31/08/2024 (‘the Plan Year’).

**Trustee Knowledge and Understanding**

In accordance with Sections 287 and 249 of the Pension Act 2004 the Trustee Director has, and will maintain, relevant knowledge and understanding of pension matters to exercise effectively their functions as the Trustee of the Scheme.

The sole Trustee to the Plan is a firm of Independent Professional Trustees called Vidett Trustee Services Limited (‘Vidett’) The Trustee Director appointed to the Plan (Chris Halewood) has completed the Pension Regulator’s online Trustee Toolkit and undertakes to complete new modules or amended modules as they are added or changed. In addition, the Trustees will revisit modules to refresh their knowledge periodically as necessary.

The Trustee Director is an Accredited Member of the Association of Professional Pension Trustees and as a Chartered Financial Planner and Fellow of the Personal Finance Society, the Trustee Director is required to undertake a minimum of 35 hours Continuous Professional Development (CPD) per year, of which at least 25 hours must be ‘Structured’ CPD (structured CPD is where a pre-determined learning objective has been identified and a reflective statement is required to evidence how the activity undertaken has addressed the specified learning need).

The Trustee Director is conversant with the Trust Deed and Rules and other key governing documentation, which enables them to properly exercise their functions as the Trustee of the Scheme.

Taking account of the above factors, it is the view of the Trustee that the requirements of Sections 248 and 249 of the 2004 Act (requirement for knowledge and understanding) have been met during the Plan Year.

**Administration Standards and Processing Core Financial Transactions**

Trustees have a specific duty to secure that core financial transactions (which generally speaking includes: the investment of contributions, transfer of member assets into and out of the scheme, transfers between different investments and payments to and in respect of members) are processed promptly and accurately. These transactions are undertaken on the Trustees’ behalf by an administrator and insurance company.

As this scheme is ‘paid-up’, the volume and frequency of such financial transactions is limited as no contributions are being paid into the fund and no transfers in or out have been made during the relevant period for this statement.

The Trustees are not aware of any issues in respect of the processing of payments to and in respect of members and are therefore of the view that the processing of financial transactions will be handled within reasonable timescales when required.

### **Member Borne Charges and Transaction Costs**

As formal wind-up of the Scheme was triggered in August 2022, the Trustees are no longer required to undertake a detailed value for money assessment. As a result, the following information is included on a voluntary basis.

All investment funds have “transaction costs” which are not charged directly to the investor (member). However, these charges are taken from the fund and therefore reflected in the performance of the fund and in the overall return received.

Of the four policies that remain in the Plan, two are fully invested in the Aviva Managed Fund and two are invested in a combination of the With-Profits and the Managed Fund. Unfortunately, due to the opaque nature of with-profits investments, it has not been possible to obtain explicit investment costs for this fund as investment and transaction costs are reflected in the annual bonus applied to the fund.

Having said this, the Trustee is of the view that the underlying investment guarantee on the with-profits fund (which means there will be no reduction in the underlying fund value during the accumulation period) and the ‘smoothing’ of volatility, result in the investment fund providing fair value for Plan members. In addition to this, members currently benefit from the ability to assign the benefits to Scheme 12 for the payment of PCLS from a defined benefit scheme (Scheme 12 is under a separate trust but the earmarked policies under scheme 29 are assignable to scheme 12 and this allows members to use the DC funds to increase the overall PCLS available under scheme 12 via the HMRC ‘mixed benefit’ calculation method for PCLS.

More detailed information in respect of the Plan charges is contained within Appendix IV to this statement.

## Default arrangement

As this scheme is not being used as a qualifying scheme in relation to one or more relevant jobholders in accordance with Regulation 3 of the 2015 Regulations (commonly known as automatic enrolment regulations), there is deemed to be no 'default arrangement' for the purpose of this statement.

A handwritten signature in black ink, appearing to be 'C D Halewood', with a large loop at the end.

Signed: C D Halewood

Date: 31<sup>st</sup> January 2025

Name: Chris Halewood, Director, Vidett Trustee Services Limited

As Trustee for the Edward Billington & Son Limited Retirement Pension Scheme

## Appendix I – further details of the Scheme membership

The following sub-schemes (and attaching polices) are covered under this statement:

Scheme Number	Policy Number*	Commencement Date	Membership Numbers (as at 01 May 2023)	
29**	94763	12-07-1988	0	active
			4	deferred (all pre NRA)
			0	pensions in payment
<p>**the policies are assignable to a defined benefit scheme when the member reaches retirement. This allows the member to take their DB PCLS entitlement from the assigned DC funds and is likely to be the reason why there are no pensions in payment under these two schemes.</p>				

## Appendix II – Further information on investment fund availability and utilisation

Scheme Number	Total membership	Investment Funds being utilised by members
29	4	With-Profits and Managed.

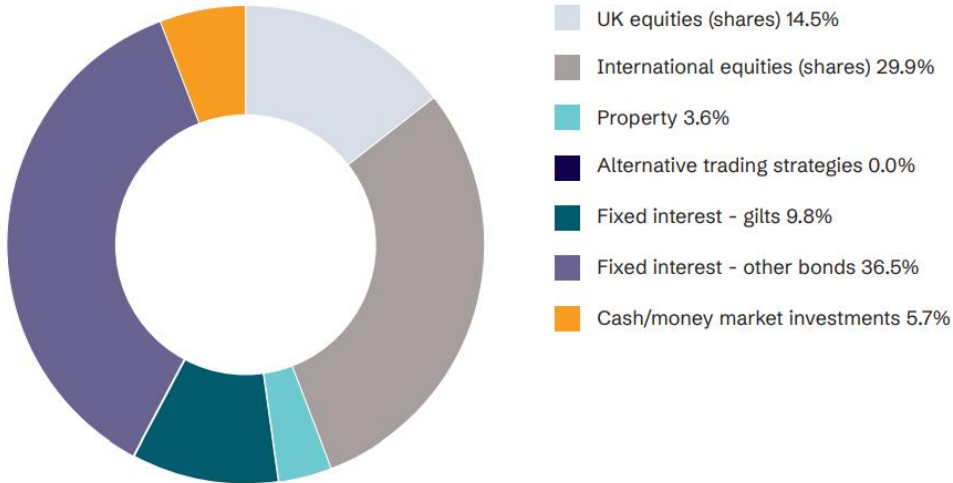
NB: references to 'With-Profits Fund' relate to the Friends Life Assurance with-profits sub-fund of AVIVA Life & Pensions UK Limited.

Please note that this policy can be invested in the following funds:

Managed  
Property  
UK Equity  
Fixed Interest  
Cash  
Global Equity  
North America  
With Profits  
Index-Linked  
Japan Equities  
Asia Pacific Excluding Japan  
Europe Excluding UK  
Retirement Distribution  
Higher Income  
Global Managed  
Reserve  
Ethical  
Overseas  
Global Distribution

Appendix III – further information in respect of the FLAS With-Profits Sub-Fund

**FP With-Profits Sub-Fund** Post demutualisation asset mix as at 31/12/2024

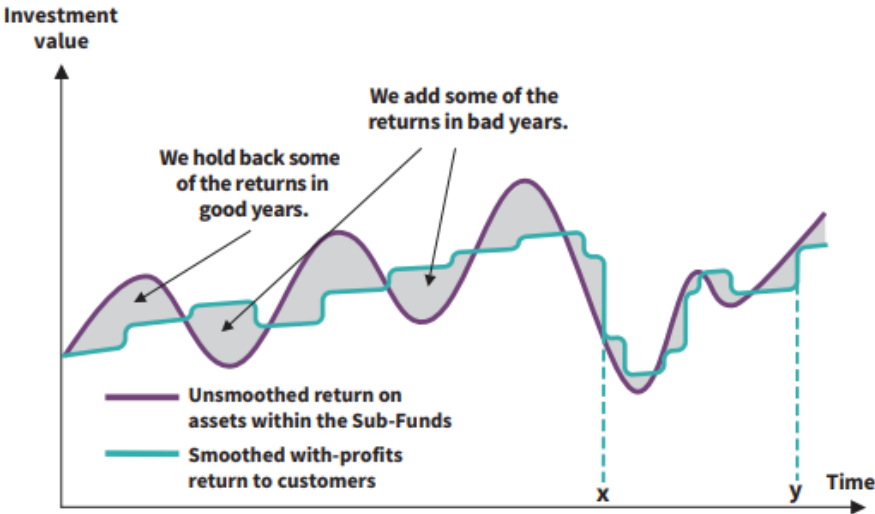


Investment returns - post demutualisation					
	2024	2023	2022	2021	2020
before tax (pensions)	7.6%	10.3%	-9.3%	10.8%	2.4%
after tax (life/savings)	6.9%	9.1%	-7.9%	10.7%	2.9%

The investment returns above are on the whole Sub-Fund and aren't applicable to any individual policy or plan. These figures are before any deduction for investment expenses.

This is past performance. Past performance isn't a guide to the future.

Example of how the smoothing of investment returns works in a with-profits fund



## Appendix IV – further information in respect of the charges under the Plan



### Policy Charging Structure

#### **Bid/Offer Spread**

Units have 2 prices – 'offer' and 'bid'. Contributions purchase units at the offer price. The price is slightly higher than the bid price (the value that units are sold for). The difference between the 'bid' and 'offer' price is approximately 5%.

#### **Capital/Accumulation Units**

On regular premium contracts, to recover some of the heaviest expenses incurred at the outset of the policy, Capital Units are created for the first 2 years' premiums and also for the first 2 years of any subsequent increase in premium.

Please note that Capital Units incur penalties upon early surrender.

Accumulation Units are created by the subsequent remaining regular premiums, all single premiums and all payments received after the selected retirement date.

#### **Fund Management Charge**

The value of units in the Unit-Linked Funds takes into account a fund management charge. This charge covers the cost of buying and selling investments, managing and valuing assets. These are currently as follows:

Accumulation Units – 1% per annum; and  
Capital Units – 4.5% per annum.

Investments in our Unitised With Profits fund have no explicit deduction. For any annual fund management charge, the difference in charges between Capital and Accumulation units is allowed for in the declared bonus rates.

#### **Administration Fee**

On regular premium contracts, a monthly administration fee for servicing the policy is obtained by the cancellation of Accumulation Units each month to meet this cost. If there are not enough units to pay this charge, the cost will be carried forward until it can be taken from Accumulation Units bought in the future.

Capital Units will only be cancelled if no regular contributions are being paid and no Accumulation Units remain in the Plan.

Aviva reserve the right to increase the administration fee.

#### **Switching**

There is no charge for switching between funds.