

Abbey Manor Group Pension Scheme

Chairman's Statement for the Year Ended 31 July 2025

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations"), as amended, require the annual report of a scheme with money purchase arrangements to include a statement regarding the governance of such arrangements.

Fund options

Since the Scheme is closed and no member contributions have been paid in the period since the new regulations came into force on 6 April 2015, it does not have a "default arrangement" as defined in Regulation 1 of the Occupational Pension Schemes (Investment) Regulations 2005 (SI 2005/3378) or Regulation 3 of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (SI 2015/879) both as amended.

The Trustee offers deferred money purchase members the option of investing in the Aviva GM Mixed Fund ("the Mixed Fund") or a Deposit Fund at Scottish Widows Bank ("the Deposit Fund"):

- The aim of the Mixed Fund is to provide members with long-term growth from a combination of income generation and capital growth. The fund invests directly or indirectly in a wide range of asset classes including UK and overseas equities, Sterling and non-Sterling denominated bonds (including index-linked securities), direct property fund, money market instruments and short-term bonds.
- The aim of the Deposit Fund is to provide members with an alternative option of safeguarding their accumulated fund from the risk of capital loss, particularly in the run-up to retirement.

The Trustee last reviewed the fund choices at the Trustee meeting of 24th January 2024.

Processing core financial transactions

The Trustee has a specific duty to secure that core financial transactions relating to the money purchase assets (including the transfer of member assets out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members) are processed promptly and accurately.

These transactions are undertaken on the Trustee's behalf by Abbey Manor Group Ltd with the support of the Scheme administrator, Hughes Price Walker and where necessary by the Schemes Legal Advisor Burges Salmon. The Trustee receives regular reports to enable them to assess that controls are in place and procedures are being followed appropriately.

Accordingly, the Trustee considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

Fund Performance

From 1 October 2021 trustees of all relevant pension schemes are required to calculate and state the return on investments from their default investment strategies and self-select funds, net of transaction costs and charges. This information must be recorded in the annual chair's statement and published on a publicly accessible website. This Statement confirms that the statutory guidance has been followed for the Scheme.

The tables below show performance, net of all charges and transaction costs, for members invested in the Mixed Fund and the Deposit Fund strategies:

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Deposit Fund

Deposit Fund	Annualised returns to 31 July 2025 (%)	
	1 year	5 years
	1.48	0.89

Mixed Fund

Mixed Fund	Annualised returns to 30 July 2024 (%)	
	1 year	5 years
	8.30	7.30

Charges and transaction costs

The Trustee is required to make an assessment of charges and transactions costs borne by money purchase section members and the extent to which those charges and costs represent good value for money for members.

An annual management charge of 0.3% per annum is levied on units of the Mixed Fund together with additional expenses of 0.06%. In respect of transaction costs, all purchases and sales of units take place at the unit prices adjusted upwards for the expenses of purchases or downwards for the expenses of sales.

The expenses for the Mixed Fund will vary depending on the holdings in the underlying specialist funds. Those expenses typically range between 0.0% and 0.5%, except for higher dealing costs that can apply to property assets.

Since the Valuation Update undertaken as at 30 June 2023 and consequent updated recovery plan reported in the Trustee Report of last year's accounts, other charges incurred by the pension scheme, during the year are now borne by the Pension Scheme, these are effectively born by the Matched Fund. All the funds of the deferred members are invested in the Balanced (mixed) Fund.

Regulations have been introduced which require additional disclosures in relation to the level of charges borne by members. Under these new regulations, schemes which offer money purchase benefits are required to provide an illustrative example of the cumulative effect of costs and charges incurred by a typical member up to retirement age.

The table below shows the projected pension pot invested in the Balanced (Mixed) Fund, both before and after the charges described above are deducted, for a member aged 52 whose starting pot is assumed to be £31,000. This illustration has been calculated in line with the statutory guidance in relation to the level of charges borne by members.

Fund value at end of year	2025 Estimated fund value (before charges) £	2025 Estimated fund value (after charges) £
1	31,605	31,495
3	32,850	32,521
5	34,145	33,577
10	37,608	36,368
15	41,424	39,391

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Value assessment

Notes on projected scenario calculations:

- (1) Projected pension pot values are shown in today's money and do not need to be reduced further for the effect of inflation
- (2) Starting pot size is assumed to be £31,000
- (3) Inflation is assumed to be 2.5% each year
- (4) Values shown are estimates and not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund
- (5) The projected growth rate for the fund is 2.0% per annum above inflation. The growth rate is used to calculate the pension pots before charges are deducted
- (6) Transaction costs are assumed to continue at the same rate as those incurred in the year ending 31/7/2025.

The Board considers that charges themselves may be viewed as representing "good value" for members where an optimum combination of cost and quality is achieved for the membership as a whole, relative to other options available in the market.

The Board considered, amongst other factors, four key areas when assessing the overall value of charges and costs relative to the benefit of membership in the Scheme:

- (i) Scheme management and governance
- (ii) Administration
- (iii) Investment governance
- (iv) Communications

Notwithstanding this the trustees have concluded that, in part due to its size and composition, the scheme is not able to offer good value for members. I am pleased to be able to report that after the end of this reporting period the Trustees transacted a bulk annuity policy with Just Retirement Ltd that secured all members' benefits accrued prior to April 1997, including the value of members' pre April 1997 pension pot, in the form of a guaranteed deferred annuity. This was arranged in connection with the Scheme entering wind-up on 1 October 2025. Members have been informed of the detail of this by individual communication.

Pension pots in respect of benefits accrued since April 1997 remain invested in the Scheme. The Trustees will be discharging these to members during the course of the wind-up.

It is hoped that the wind-up process will be completed before July 30th 2026, a final set of accounts will be prepared covering the period to wind-up completion.

Trustee knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for the Trustee 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 Trustee properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 07. The comments in this section relate to the Trustee in dealing with the whole scheme and are not restricted to the money purchase section.

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The Trustee has put in place arrangements for ensuring that Trustee directors take personal responsibility for keeping themselves up-to-date with relevant developments and carry out a self-assessment of training needs. The Trustee regularly reviews this self-assessment. The Trustee also asks their professional advisors to include appropriate training on topics of relevance when required. In addition, the Trustee receives regular advice from professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors.

All of the existing Trustee directors have completed the Pension Regulator’s Trustee Toolkit and new Trustee directors are required to complete this within six months of taking up office.

The Trustee has assessed the skills-set and experience of each member of the current Trustee board, taking account of the training undertaken during the past Scheme year, and are satisfied that the combined knowledge and understanding of the Trustee, together with the advice which is available from professional advisers, enables the Trustee to properly exercise its functions as a Trustee of the Scheme.

Trustees must be conversant with the Scheme’s own documentation including the Trust Deed and Rules. The Trustees must also be conversant with any other document recording current policy relating to the Scheme generally. The Pensions Regulator interprets ‘conversant’ as having a working knowledge of those documents such that the Trustee is able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee.

This requirement has been met during the course of the Scheme year as the Board have undertaken ongoing training, both as a group and individually to keep abreast of relevant developments. During the year, the Board completed the following:

Requirement	How met
Trustees must have appropriate knowledge and understanding of the law relating to pensions and trusts and the funding and investment of the assets	The Board receive updates from their advisors at regular Trustee meetings and throughout the year to keep abreast of recent developments in these areas. They are also required to complete The Pension Regulator’s Trustee Tool Kit and any new/ revised relevant modules released. During the year the Board undertook ongoing training both as a group within the regular meetings and individually including monitoring for new issues of the Trustee Learning Modules by the Pensions Regulator.
Trustees must be conversant with the Scheme’s own documentation including the Trust Deed and Rules and current policies	The Board undertake an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents. The Board have physical and on-line access to all key Scheme documentation.
Knowledge and resources generally	The Board comprises individuals and entities with diverse professional skills and experiences, reflecting the varied nature of the issues that may arise in respect of DC pensions. The Trustee’s receive and review reports quarterly on the performance of the Scheme’s investments. The Board receive email bulletins and regular updates from its advisors including the latest developments affecting defined contribution pensions, which helps to keep the Board’s knowledge and understanding up to date.

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The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Board enables them to properly exercise their duties and responsibilities.

Governance statement for the Abbey Manor Group Pension Scheme

(1) As Trustee of the Abbey Manor Group Pension Scheme, we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in The Pensions Regulator's:

- Code of practice 13: Governance and administration of occupational defined contribution trust-based schemes
- Regulatory guidance for defined contribution schemes

These are underpinned by the 31 DC quality features that the Pensions Regulator considers should be present in well-governed pension schemes.

- (2) Based on our assessment we believe that we have adopted the standards of practice set out in the DC code and DC regulatory guidance. These help demonstrate the presence of DC quality features in the Scheme, which we believe will help deliver better outcomes for members at retirement.
- (3) The Trustee continues to review systems and processes and implement action plans where necessary.
- (4) An assessment of the Scheme against the DC quality features and the services that we offer to members are kept under review as part of our ongoing good governance.

The Statement regarding money purchase section governance was approved by the Trustee and signed on their behalf by:

Approved by the Trustee on 26.02.26 and signed by:



N R S Timmis