

Annual Report

Defined Contribution Section

November 2019



Welcome from the Chairman

This year has been another busy one for the Plan, but perhaps the most visible change has been to the pension provider.

In February, Zurich announced that it was selling its pension business to Scottish Widows and this included our Plan. The transaction was completed on 1st July with very little disruption to services.

The most important thing to reassure you of is that no aspect of your pension benefit has changed, apart from the name of the new provider! You can even continue to use the same login details provided to you by Zurich when logging in to your account on the Scottish Widows member site. Why not visit the tools section of the site while you're there too, to see if your savings are on track to fulfil your plans for life after work or if you should consider saving a little more?

The Trustees have to perform many checks to ensure that the Plan is run both in line with its Rules and in line with government legislation. One of these responsibilities is to ensure that the Plan offers you, the member, good value. So what does this mean? The term "good value" can be interpreted in many ways.

The Trustees have considered various aspects of the Plan, such as the contribution rate of the Employer, the range of investment funds available for you to invest your contributions, and of course the way in which the Plan is governed and administered to assess whether it offers good value.

We also compare what our Plan offers against similar schemes as a way of benchmarking. Having done all of this, we have concluded that the Plan offers members good value. More details can be found in this report.

Finally, we'd really like to hear any feedback that you may have. This is your Plan and if you have any ideas about what you would like to see in the Plan and on how you'd like us to deliver information to you, please get in touch!



Kind regards

Robert Bass

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Value for Members

Each year the Trustees assess whether the Plan offers its members good value.

They do this by looking at various aspects of the Plan and also by comparing what the Plan offers with that of similar schemes.

This year the Trustees focused on:

- Member and Employer Contributions
- The range of investment funds available and the default investment funds
- Investment fund performance
- Charges
- Scheme governance and administration
- Member communications

The highlights...

- The Employer contribution of double the member's is viewed as very generous compared to similar pension schemes
- The default fund invests in a broad range of assets to spread the risk to members. Members can also choose from a small range of alternative funds
- All funds performed in line with expectations over the year
- Charges compare closely with similar pension schemes
- The Plan is well governed by experienced Trustees, supported by the in-house Pensions Team and external advisers
- Administration service levels, provided by Zurich fell below expectations during the year and continue to be closely monitored by the Trustees. The impact of the transfer to Scottish Widows was most noticeable in this area
- Members can access information on their pension, including the value of their account, information on the Plan and further information and tools on the provider's member site and Employer's intranet. In addition, various communications are sent to members throughout the year
- In all, the Trustees believe the Plan offers you, the member, good value



Investment update

How did the investment funds perform during the year?

The vast majority of the savings in the DC Section at 31 March 2019 were invested in either the Zurich Passive Multi Asset III or Zurich Passive Multi Asset IV funds, which form part of the default fund. If you're between the ages of 30 and 60 and have not chosen to invest in alternative funds, almost, if not all of your Account will be invested in either (or both) of these funds.

Here's how they performed during the year.

Annualised performance (%) compared with UK Consumer Price Index + 2%

	1 year
Zurich Passive Multi Asset III	8.0
UK Consumer Price Index + 2%	3.9
Relative Performance	+4.1

Source: March 2019 Financial Express, Fund series CS1

Annualised performance (%) compared with UK Consumer Price Index + 3%

	1 year
Zurich Passive Multi Asset IV	9.5
UK Consumer Price Index + 3%	5.0
Relative Performance	+4.5

Source: March 2019 Financial Express, Fund series CS1

What are the benchmarks?

The funds are measured against various targets or "benchmarks" to ensure they are performing in line with expectations. In particular, the Trustees compare the returns against a benchmark of UK consumer price Index as this is more meaningful measure for members. **As you can see from the tables, both funds achieved growth of over 4% above inflation over the year, which is a great result!**

If you'd like to see information on how all the funds have performed throughout the year against Zurich's benchmarks, click here <https://www.scottishwidows.co.uk/save/belronuk/>



Remember to keep your data up to date!

The information that the Plan holds for you is **YOUR data** and it's down to you to keep it up to date.

So, if you move house, please update your details on **Scottish Widows** and **XPS Mypension.com** so we can keep in touch with you.

Have your circumstances changed?

If your personal circumstances have changed, or even if they haven't, it's really important to review and update your Expression of Wish form from time to time.

This helps the Trustees in deciding to whom death in service benefits are paid, should the worst happen, although they are not bound by this. Print a form from Our Place or contact the Pensions Team and return it to pensions@belronuk.com to update your wishes.



All change on the Trustee Board

During 2019 we have said farewell to Chris Sykes, Sally Lawrence and Neil Cook.

Chris has served on the Board for the last five years and contributed hugely to the successful running of the Plan.

Both Sally and Neil were appointed in 2018 and whilst they only served for a short period, they were valuable members of the team. We'd like to thank each of the departing Trustees for their dedication and wish them all the very best for the future.



Trustee Advisers

The trustees' job would be impossible without the assistance and advice from their advisers.

During the year the Plan's advisers were:

- Defined Contribution Provider - Scottish Widows
- Defined Benefit Administrator - XPS Administration Ltd
- Actuary & DB Investment Consultants – XPS
- DC Consultant – PS Aspire
- Auditor - Ernst & Young
- Defined Benefit Investment Managers - Baillie Gifford & Co, Aberdeen Standard Life
- Custodian Trustee - BNY Mellon
- Solicitors - Gowling WLG

The Trustee

The Trustee is responsible for ensuring that the Plan is run in accordance with the Trust Deed and Rules and complies with all relevant legislation.

The individual trustees are committed to continually improving and updating their knowledge. A training day is held every year and each trustee has either achieved or is working towards the Award in Pension Trusteeship, an industry recognised qualification.

The trustees who served during the year were:

- Robert Bass (Chairman)
- Carol Madeley (Independent Trustee)
- Leslie Robb (Independent Trustee)
- Chris Sykes (Resigned 30 June 2019)
- Paul Warner*
- Paul Hadlow
- Sally Lawrence (Resigned 31 July 2019)
- Neil Cook* (Resigned 30 June 2019)
- Mike Pert*

*Member Nominated Trustee

Secretary to the Trustee
Camilla Manning

Who to Contact

If you would like further information about the Plan, please contact the Pensions Team.

- Email: pensions@belronuk.com
- Phone: 01234 279400
- Writing: Pensions Team, Autoglass, 1 Priory Business Park, Cardington, Bedford, MK44 3US

This report provides a brief summary of the formal Trustee's Annual Report and Accounts for the year ended 31 March 2019. (Please note that this report is based on the draft Report and Accounts). You are welcome to request a copy of the full Trustee Annual Report and Accounts or any other document relating to the Plan, including the latest Actuarial Valuation report, Statement of Investment Principles, Statement of Funding Principles, Schedule of Contributions. You can request a copy of any of these documents from the Pensions Team.



Pensions Team

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