

Johnson & Starley Limited Pension
Scheme Trustees' Report and financial
statements For the year ended 5 April
2019

Governance Statement for the Johnson & Starley Limited Pension Scheme

Introduction

This statement has been prepared by the trustees of the Scheme (the "Trustees") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations ("the Administration Regulations") 1996 (as amended) for the year between 6 April 2018 and 5 April 2019 ("the Scheme Year").

The statement is only in relation to members with defined contribution ("DC") benefits under the Scheme arising from a period of membership when they were 'contracted out' on a 'protected rights' basis. There are only a few members with 'protected rights' only benefits, with a small notional asset value and the Trustees have continued to maintain these members' notional amount as described below.

Default investment arrangement

The assets for members who have these DC benefits are held notionally in the Scheme. The notional amount is adjusted each year to reflect the performance of the FTSE total return fund.

Requirements for processing financial transactions

The Trustees regularly monitor core financial transactions of the Scheme via the Scheme administrators' administration report. Any disinvestment of assets from the Scheme would need to be agreed by the Trustees and an instruction issued to the investment manager by authorised signatories, in accordance with the agreed disinvestment mandate signed by all the Trustees. Given the nature of these DC funds there were no financial transactions in the Scheme Year other than payments out of the Scheme.

The Trustees' annual Report and Accounts (including financial transactions) are independently audited by the Scheme auditor, Cooper Parry, annually.

The Trustees are satisfied that any core financial transactions in relation to these DC benefits have been processed promptly and accurately during the Scheme Year.

Assessment of member-borne charges and transaction costs

During the Scheme Year, there were no transaction costs or charges levied on members' benefits.

The notional amount reflects the performance of the FTSE total return fund only and therefore, members do not pay any additional investment costs. For this reason, the Trustees are satisfied that this reflects good value for members.

Trustee knowledge and understanding (DC)

The Trustees' own knowledge and understanding, together with the advice which is available to them through their advisers (KPMG LLP), enables them to properly exercise their functions as Trustees of the Scheme.

Trustees have two Trustee meetings each year in order to discuss legislative change and requirements in order to meet their objectives.

The Trustees themselves (listed below) have the following experience:

Kathryn Davenport - Trustee, Solicitor and Trustee of other pension schemes within the Group
Glenn Page - Trustee and previous Managing Director of Johnson & Starley Limited

Rick Swift - Trustee and current Managing Director of Johnson & Starley Limited

The Trustees have put in place arrangements for ensuring they take personal responsibility for keeping themselves up to date with relevant developments and carry out a self-assessment of training needs. In addition, the Trustees receive advice from professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating advisors performance or selecting new advisors.

Signed on behalf of the Trustees



Trustee

Date: 17th October 2019