

Idm Electronics Ltd Retirement Savings Scheme
Chair's statement regarding the governance of defined contribution arrangements
Scheme year - 1 April 2018 to 31 March 2019

1. Introduction

- 1.1. This statement has been prepared by Moog Reading Limited ("the Trustee"), the Trustee of the Idm Electronics Ltd Retirement Savings Scheme ("the Scheme") to report on compliance with defined contribution (DC) governance standards, as required by the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

2. The Scheme's DC arrangements

- 2.1. The Scheme is an insured DC arrangement, with bundled services provided by Aviva.
- 2.2. The Scheme was closed to further contributions from 30 April 1999.
- 2.3. The Scheme has 42 deferred members.
- 2.4. The Scheme has never been used for automatically enrolling new members.
- 2.5. Subsequent to the scheme year, the Trustee has undertaken a review of the process by which the Scheme can be wound up.

3. Default investment arrangement

- 3.1. The Scheme has no default investment arrangement for the purposes of the governance standards.
- 3.2. All assets are held in traditional with-profits, within the Aviva Life & Pensions UK Limited FLC With-Profits Sub-Fund.
- 3.3. There are no alternative investment options available.
- 3.4. The Trustee is not required to prepare a Statement of Investment Principles, either scheme-wide or default-specific.

4. Core financial transactions

- 4.1. The Trustee has a specific duty to ensure that 'core financial transactions' are processed promptly and accurately.
- 4.2. In relation to the Scheme, core financial transactions comprise the following:
- 4.2.1. transfers out of the Scheme
 - 4.2.2. payments out of the Scheme

Controls and monitoring arrangements

- 4.3. Aviva does not provide administration service reporting to enable the Trustee to monitor the promptness and accuracy of core financial transactions.
- 4.4. The Trustee does however believe that a service provider of Aviva's size and repute will have internal controls and monitoring processes in place that cover the Scheme's core financial transactions.

Performance during the scheme year

- 4.5. No issues were raised by Aviva during the scheme year.

Assessment

- 4.6. The Trustee believes it likely that core financial transactions have been processed promptly and accurately.
- 4.7. It is unlikely that service reporting will be forthcoming from Aviva in the future to undertake satisfactory monitoring, due to the legacy nature of the Scheme. This is a contributory factor to the Trustee choosing to wind-up the Scheme.

5. Charges and transaction costs

- 5.1. Members bear costs and charges deducted from the Aviva Life & Pensions UK Limited FLC With-Profits Sub-Fund before bonuses (returns) are declared.
- 5.2. Aviva has not confirmed the level of costs and charges deducted.
- 5.3. Due to the lack of this information, the Trustee is unable to undertake a value for members assessment or disclose information about the effects of costs and charges, including illustrative examples.
- 5.4. Whilst the Trustee understands that the lack of clarity around costs and charges from Aviva is not acceptable, it is likely the Scheme's wind-up will be completed in the near future.

6. Trustee knowledge and understanding

The Trustee Board

- 6.1. The Trustee is the principal employer.
- 6.2. Company Secretary, Nick Martin, is the chair of the Trustee.

Trustee knowledge and understanding requirements

- 6.3. The Trustee is required to be conversant with the Scheme's main documents, and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets to enable it to properly exercise its functions.
- 6.4. The Scheme has been closed to contributions for many years. The principal employer is the Trustee, and the Directors have limited knowledge and understanding about the Scheme or its running, albeit some of the Directors have a level of pensions knowledge and understanding in connection with other arrangements.
- 6.5. In recognition of the above, the Trustee has decided to wind-up the Scheme. In the course of this consideration, the Directors are becoming conversant with the Scheme's rules, its terms and occupational pension scheme legislation.

Trustee training

- 6.6. During the scheme year, no formal training was undertaken by the Directors in relation to the Scheme, and there is no structured training programme in place. However, the Trustee has since sought professional advice as described below.

Access to professional advice

- 6.7. During the scheme year, the Trustee did not take professional advice.
- 6.8. The Trustee has since engaged Barnett Waddingham to support it with its governance requirements, consideration of wind-up and to support it with the wind-up processes.
- 6.9. Where the Trustee feels it is required, legal advice will also be sought in relation to the Scheme's wind up.

Assessment

6.10. The Directors do not consider that their combined knowledge, skills and understanding over the scheme year were of a sufficient level. However, they believe that their improved knowledge and understanding since the scheme year end, together with access to professional advice, will enable them to properly exercise their trustee functions in relation to the Scheme's wind-up.



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Nick Martin, Chair of the Trustee

17.10.19

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Date