

**PROPRIETARY ASSOCIATION OF GREAT BRITAIN ('PAGB')**

**RETIREMENT BENEFITS SCHEME**

**ANNUAL REPORT OF THE TRUSTEES**

**31 DECEMBER 2022**

**Proprietary Association of Great Britain Retirement Benefits Scheme**

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**Proprietary Association of Great Britain Retirement Benefits Scheme**

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Trustees	L Lee Proprietary Association of Great Britain 2nd Floor, New Penderel House 283-288 High Holburn London, WC1V 7HP
	T Lindford 27 Allard Way Saffron Walden Essex CB11 3GP
Scheme advisers	Satis Asset Management Limited 45 Pall Mall London SW1Y 5JG
Scheme Administrators	AEGON Scottish Equitable Life Assurance Society Edinburgh Park Edinburgh EH12 9SE
Auditor	Hillier Hopkins LLP 45 Pall Mall London SW1Y 5JG
Bankers	Metro Bank One Southampton Row London SW1B 5HA
Scheme Employer	Proprietary Association of Great Britain 2nd Floor, New Penderel House 283-288 High Holburn London, WC1V 7HP

**Chairman's Statement about DC Governance**

This statement has been prepared by the Scheme's Trustees ("the Trustees") and reports on how the Trustees during the reporting period, 1 January 2022 to 31 December 2022, complied with the governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015 and amended by The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2019 ("the Regulations").

**Default Arrangement**

The employer of the scheme make contributions that purchase a guaranteed benefit. This guaranteed benefit can also receive the yearly with profits bonuses declared by AEGON.

With profit funds are not transparent. AEGON's traditional with profits fund targets an equity and property exposure of between 10% and 20%. The rest of the fund is invested in high quality corporate bonds and gilts. Expected returns are therefore modest and volatility low compared to a conventional unit linked arrangement.

Further details can be found in AEGON's document The Principles and Practices of Financial Management of With Profits Business.

The Trustees consider this approach to be in the interests of relevant members and beneficiaries.

The Principles noted above relating to the arrangement are reviewed regularly by the Trustees and professional advisers. This is also completed through brief confirmation and assurances from AEGON sought for every Trustee meeting.

**Processing Scheme Transactions**

The Trustees have a specific duty to ensure that core financial transactions ( including the transfer of member assets into and 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 Trustees' behalf by the Scheme administrator and AEGON. The Trustees have reviewed the processes and controls implemented by these organisations and consider them to be suitably designed to achieve those objectives.

In practice the number of transactions in a year is very modest, typically a payment to the Scheme once a year. If a member draws benefits or transfers then there are clearly further transactions.

In light of the above, the Trustees consider that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

**Cost & Charge Illustrative Example**

The Trustees present an illustration in line with February 2018 guidance from the Department of Work & Pensions entitled "Cost and charge reporting: guidance for trustees and managers of occupational schemes". Due to the nature of the Scheme, the Trustees consider it very difficult to prepare projections. However, the illustration is set out below and is designed to cater for a representative cross-section of the membership of the Scheme based on the information available. For the illustration, the savings pot has been projected twice; firstly to allow for the assumed investment return gross of the costs and charges of the fund the member is invested in and then again, but adjusted for the cumulative effect of the costs and charges of the fund.

To determine the parameters used in the illustration, the Trustees have analysed the membership data relevant to the reporting period of this statement and ensure the illustration takes into account the following:

- The only fund available is the Traditional With-Profits Fund
- Representative pot sizes - given the small number of members, the median pot size of those held within the fund has been illustrated.
- Given there is only one active member still contributing to the fund, the projections are based on no further contributions being added to the pot size, as this is considered to be more reflective of the situation

**Traditional With-Profits Fund**

This is the only fund offered with the Scheme.

Years of membership	Starting pot size £15,000	
	Before charges	After charges
0	15,000	15,000
1	15,375	15,221
5	16,971	16,163
10	19,201	17,479

**Notes to costs and charge illustrative example**

- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. It is for this reason some funds may show negative real growth.
- Values shown are estimates and are not guaranteed.
- Charges for each fund used in the illustrations are those outlined in this statement.
- The projected growth rates for the fund is the estimated rate of inflation at 2.5% p.a.

**Chairman's Statement about DC Governance****Trustee Knowledge and Understanding**

Sections 247 and 248 of the Pensions Act 2004 set out the requirements for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes, investment of scheme assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

Taking account of actions taken individually and as a Trustee body, and the advice provided by Satis Asset Management Limited and other professionals available to them, the Trustees consider that they are enabled properly to exercise their functions as Trustees.

The Trustees will continue to employ professional advisers where appropriate and necessary to provide advice, guidance and recommendations to ensure that Scheme governance, controls, skills and knowledge remain current and meet the expectations of the Regulators and of our Scheme members.

**Value for Members Assessment**

To make an assessment of the Scheme in terms of how it represents Value for Members, the Trustees have considered the following evidence:


- Statement of Investment Principles
- Performance monitoring reports
- Feedback provided by our professional advisers.

Also, the Trustees have taken into account the following considerations and decisions:

- Investment returns are assessed by the Trustees using performance reports.
- How members are able to manage their investment funds, along with the existing communication and engagement framework
- The costs of running the Scheme are borne by the Proprietary Association of Great Britain, with only investment costs being borne by our members.

The Trustees have reviewed the Scheme in its current form and acknowledge that the member borne costs are low and it continues to be in the members interest to use this arrangement, and as such the Scheme represents Value for its Members.

Signed by the Chairman on behalf of the Trustees

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Terence Lindford ( Chairman )

Date..... 31-07-2023 | 12:26 BST

**Report of the Trustees**

The Trustees are pleased to present their report for the year ended 31 December 2022. The Scheme is an ear-marked money purchase scheme and is a defined contribution arrangement. This report is prepared in accordance with requirements of the Disclosure Regulations issued under the Pensions Act 1995.

**Trustees**

The power to appoint Trustees and to remove them from office is vested in the Employer.

**Investment management**

The PAGB Retirement Benefits Scheme was established by a trust deed dated 31 August 1971.

All contributions are invested in policies underwritten by AEGON Scottish Equitable Life Assurance Society. Employer contributions and member voluntary contributions are used to purchase deferred annuity contracts which participate in with-profits funds.

**Contributions**

The rate of contribution during the year in most cases was 15% of salary.

**Membership**

As at 31 December 2022 there was only one active member and forty members who have ceased service with PAGB before Scheme retirement age and retain an entitlement to benefits under the Scheme. The Scheme is now closed to new members and no members have become pensioners since 1 January 2022.

**Related Party Transactions**

Contributions were paid to the Scheme by the Employer on behalf of two of the Trustees.

**Statement of Trustees' Responsibilities**

The Trustees are responsible for making available certain information about the Scheme in the form of an annual report.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustees are responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of

**Proprietary Association of Great Britain Retirement Benefits Scheme**

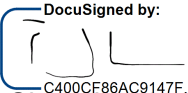
contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the payment schedule. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

**Post balance sheet event**

There are no post balance sheet events affecting the Scheme.

**Further information**

All enquiries about the Scheme should be addressed in the first instance to the Trustees at 2nd Floor, New Penderel House, 283-288 High Holburn, London, WC1V 7HP. Electronic contact can be made by emailing [accounts@pagb.co.uk](mailto:accounts@pagb.co.uk).

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Signed on behalf of the Trustees

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**Proprietary Association of Great Britain Retirement Benefits Scheme**

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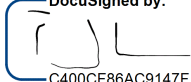
**Summary of Contributions payable during the scheme year ended 31 December 2022**

During the year, the contributions payable to the scheme by the employer under the payment schedule were as follows:

	£
Member normal contributions	-
Employer normal contributions	11,228.20
Member additional voluntary contributions	-
	<u>11,228.20</u>

The Trustees and Employer have included the payment schedule in Appendix 1.

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Signed on behalf of the Trustees

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**PAGB Retirement Benefits Scheme****INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEES OF THE PAGB PENSION SCHEME****Statement about contributions payable under the payment schedule**

We have examined the summary of contributions to the Proprietary Association of Great Britain Retirement Benefits Scheme (the 'Scheme') for the year ended 31 December 2022 which is set out on page 7.

In our opinion contributions for the year ended 31 December 2022 as reported in the summary of contributions and payable under the payment schedule have in all material respects been paid at least in accordance with the payment schedule dated July 2022.

**Scope of work on Statement about Contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the payment schedule. This includes an examination on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the payment schedule.

**Respective responsibilities of Trustees and Auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 5-6, the Scheme's Trustees are responsible for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the payment schedule.

It is our responsibility to provide a Statement about Contributions payable under the payment schedule and to report our opinion to you.

**Use of our Statement**

This statement is made solely to the Scheme's Trustees, as a body, in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees as a body, for our work, for this statement, or for the opinion we have formed.

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Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
45 Pall Mall  
London, SW1Y 5JG

Date: 31-07-2023 | 13:28 BST

**PAYMENT SCHEDULE FOR THE PROPRIETARY ASSOCIATION OF GREAT BRITAIN RETIREMENT BENEFITS SCHEME**

This is the Payment Schedule for the Proprietary Association of Great Britain Retirement Benefits Scheme (the 'scheme'). The payment schedule has been produced by the Trustees of the scheme in accordance with Section 87 of the Pensions Act 1995 and Part IV of the Occupational Pensions Scheme (Scheme Administration) Regulations 1996.

The schedule has been produced for each category of active member where a different schedule is required.

Category of Active Member	Employer Contributions	Employee Contributions	Employee Additional Voluntary Contributions
Monthly staff	15% of salary	0%	0%

The above schedule came into effect from 1 January 2021 and will be updated from time to time and continue in force indefinitely.

**Signed****Name Printed****Date**

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 For and on behalf of Proprietary  
 Association of Great Britain

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For and on behalf of the Proprietary  
 Association of Great Britain  
 Retirement Benefits Scheme

Terence Lindford

31-07-2023 | 12:26 BST

Note:

Contributions will be paid by the employer to AEGON Scottish Equitable Life Assurance Society directly as a one-off annual payment, usually to be paid in March.