

British Automobile Racing Club Ltd E.P.P.

Chair's Statement for the Period 1st April 2022 to 31st March 2023

ANNUAL GOVERNANCE STATEMENT BY THE CHAIR OF THE TRUSTEES

1.0 Introduction

- 1.1 Ongoing governance rules have applied to defined contribution pension arrangements like the British Automobile Racing Club E.P.P Plan (the "**Scheme**") since 6 April 2015. These rules are designed to help members achieve a good outcome from their pension savings.
- 1.2 As the Chair of the Trustees, I have to provide you with a yearly statement which explains what steps have been taken by the Trustees, with help from our professional advisers, to meet the new governance standards. The law sets out what information has to be included in my statement.
- 1.3 The Trustees are committed to having high governance standards and we have a number of measures in place, use the services of experts and meet regularly to monitor the controls and processes in connection with the Scheme's investments and administration.
- 1.4 I welcome this opportunity to explain what the Trustees do to help to ensure the Scheme is run as effectively as it can be. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please contact me to discuss further.
- 1.5 This statement is for noting. You do not need to take any action.

2.0 Scheme Summary

- 2.1 The Scheme consists of three members, all of whom have ceased live membership some time ago. The Scheme is not used by the Employer for automatic enrolment purposes. There were no movements in membership in the period.
- 2.2 The membership and investment details for the period 1st April 2022 to 31st March 2023 were analysed on behalf of the Trustee by our advisers. The defined contribution section of the Scheme is an agenda item and discussed at each Trustee meeting. The Trustees wish to close and wind up the scheme. The scheme is not active, not used for automatic enrolment purposes and there are only three members, two of whom are currently employed by the British Automobile Racing Club. One member is currently untraceable.
- 2.3 The Scheme pension provider is Aviva, formerly Norwich Union.

3.0 Default investment arrangements

- 3.1 The Trustees are, in the majority of circumstances. expected to:
- review the investment strategy and objectives of the default investment arrangement at regular intervals, and at least once every three years; and
 - take into account the needs of the Scheme membership when designing the default arrangement.
- 3.2 In light of the requirement above, and the age of this scheme, there is no Default Investment arrangement. The scheme no longer receives contributions and has not done so for a considerable period of time.
- 3.3 The scheme is not used for automatic enrolment purposes. An Aegon Group Personal Pension is used to comply with these duties.
- 3.4 We have provided performance data for the two funds that are utilised. 99.8% of the total fund values of £13,535 are invested in the Aviva With Profit (NU) Pension Standard (Series 01) fund. The remainder is invested in the Aviva Mixed Invest (40-85% Shares) (NU) Pension Standard (Series 01) fund. For members that are invested in the Aviva With Profit Fund more details are contained in the attached document.

With Profit funds provide a series of interim guaranteed bonuses and a terminal or final bonus that is not guaranteed and paid when a member reaches retirement. For With Profit fund members, further details of any bonus declared during the Scheme year will be provided on the Aviva annual statement or by the member contacting Aviva directly.

Fund Holdings: Discrete Performance/Returns

Fund Name	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Aviva With-Profit (NU) Pension Standard (Series 01)	-5.5	+9.9	+1.2	+12.5	-3.1
Aviva Mixed Invest (40-85% Shares) (NU) Pension Standard (Series 01)	+2.9	-6.0	+13.4	-1.7	+3.2

The investment returns above are on the whole Sub-Fund (Aviva With Profit) fund and aren't applicable to any individual policy or plan. Figures are before any deduction for investment expenses.

The objective of the Aviva Mixed Invest fund is to provide a good return through a combination of capital growth and investment income. It invests in a wide range of assets to spread and manage risk by using any other appropriate Aviva funds.

- 3.5 Please refer to the Aviva website for investments regarding all Aviva funds (www.avivainvestors.com)

4.0 Charges and transaction costs paid by members

4.1 The level of charges and transaction costs applicable to the Scheme's investment funds during the last scheme year were 0.6% annual management charge (from 2001, 1% prior to this)

- Nil transaction costs
- Nil policy fee
- Nil exit or transfer penalties on Aviva Mixed Invest
- Final bonuses applicable on Aviva With Profit Fund

5.0 Good value for members

5.1 As a starting point to assessing good value, we have compared the level of charges in each fund with the levels of return they have delivered to members. We have also considered how the charges and transaction costs borne by members (the costs of membership) compare against the services and benefits provided by the Scheme (the benefits of membership). The benefits of membership include (amongst other things): the range of investment options and strategies; the efficiency of administration processes and the extent to which Aviva as pension provider and investment managers met and exceeded its service level standards for the scheme year; the quality of communications delivered to members; and the quality of support services and scheme governance.

5.2 We have assessed members' investment returns and overall fund performance to ensure that the transaction costs borne by the members (e.g. costs associated with investment trading) are reasonable for each fund on offer under the Scheme and the outcomes expected from investment.

5.3 We acknowledge that the Scheme annual management charge is now below the 0.75% charge cap put in place for workplace pension schemes. The Trustees are aware this scheme is not subject to the charge cap or workplace pension legislation. However, the Trustees would support the Employer if it made the decision to wind-up this Scheme with funds assigned to individual policies or returned to the members. The number of members (three), the level of funds under management (£13,535) and the fact the scheme no longer receives contributions are the key drivers for this. Taking the typical charge at the time of the Scheme being set up into account, no other charges being levied, and the active investment management of the fund choices, we conclude that the Scheme represents good value for members.

6.0 Core financial transactions

6.1 The Trustees are required to report to you about the processes and controls in place in relation to the "core financial transactions". The law specifies that these include the following:

- investing any contributions paid into the Scheme; (not applicable in this scheme)
- transferring assets related to members in or out of the Scheme;
- transferring assets between different investments within the Scheme; and

- making payments from the Scheme to or on behalf of members.

6.2 We must ensure that these important financial transactions are processed promptly and accurately. In practice, we delegate responsibility for this to the Scheme Administrator and the Provider. The Scheme Administrator and Provider (Aviva) deliver regular reports to the Trustees which allow us to assess how quickly and effectively the core scheme financial transactions are completed. Any mistakes or delays would be investigated and action taken to put things right as quickly as possible.

6.3 2023 statements were issued directly to members by Aviva. To the best of the Trustees' knowledge, there have been no administrative issues with this scheme.

6.4 The Trustees are confident that the processes and controls in place with the Scheme Administrator are robust and will ensure that the financial transactions which are important to members are dealt with properly.

6.5 There are no service level agreements currently in place with Aviva. However, the Trustees will be monitoring the timing of statements being issued. The Trustees are satisfied with the accuracy and timeliness of any core transactions.

7.0 Trustee knowledge and understanding

7.1 The law requires the Trustees to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively. Due to the nature of this scheme, the Trustees are liaising with LEBC for the support they need until the scheme is wound up and the benefits are in the members' names.

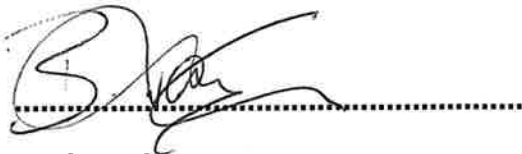
8.0 Contact details for member queries

8.1 Simon Taylor 07385 932627 or email: simontaylor@lebc-group.com

8.2 Contact address for the Trustees: The Trustees of the British Automobile Racing Club Ltd E.P.P., c/o BARC, Thruxton Circuit Andover, Hampshire SP11 8PN

8.3 This statement has been produced based on the information supplied by Aviva and our advisers and taking into account the current situation at the date signed.

Signed for and on behalf of The Trustees of The British Automobile Racing Club Ltd E.P.P.



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Chair of the Trustees

24th July 2023

Date