JIFFY AND AMBASSADOR PENSION SCHEME

ANNUAL GOVERNANCE STATEMENT FOR PERIOD 1 MAY 2023 TO 30 APRIL 2024

PREPARED IN ACCORDANCE WITH REGULATION 23 OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME ADMINISTRATION) REGULATIONS 1996 (THE "REGULATIONS")

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1. **Introduction and Governance Structure**

1.1 I am pleased to present the Trustees' statement of governance, covering the period 1 May 2023 to 30 April 2024.

1.2 This statement describes how the Trustees have governed the Money Purchase Section of the Jiffy and Ambassador Pension Scheme (the "Scheme") during the period. In doing so, we provide the various statutory disclosures required by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. This statement has been prepared with reference to statutory guidance.

1.3 This statement covers the following areas:

- The investment strategy relating to the Scheme's default investment arrangement;
- The processing of core financial transactions;
- Charges and transaction costs within the Scheme, as well as net investment returns;
- The Value for Members Assessment, and;
- The Trustees' compliance with the statutory knowledge and understanding requirements.

1.4 As Chair of the Trustees, it is my pleasure to report to you on how the Trustees have embedded these standards over the period from 1 May 2023 to 30 April 2024 in relation to the Money Purchase Section of the Scheme and the Additional Voluntary Contributions (AVCs) within the Defined Benefit (DB) Section. Members who have paid AVCs in the DB Section are able to invest in money purchase funds available through Prudential.

1.5 The Trustees acknowledge their requirement to publish this statement on a publicly available website (https://vfm.aviva.co.uk/jiffy-and-ambassador/) and information with regards to cost disclosures will be signposted in the annual benefit statements.

1.6 This Statement does not contain advice in respect of actions that members should take and is not intended to be used for that purpose. If members need advice, they can visit the Financial Conduct Authority website https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser. If members choose to use a financial adviser, they should be sure to check the adviser's area of expertise. The adviser should be transparent about any charges that apply in return for their advice.

1.7 If you are aged over 50 you can also obtain free and impartial pensions information from a government service called Pension Wise, which can be accessed via the Money Helper website www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise or by telephoning 0800 011 3797.

2. Default Investment Arrangement

2.1 The Trustees are responsible for setting the Scheme' investment strategy. They must also establish a default investment for members who do not select their own investment options from the fund range that is available.

2.2 The Trustees offer investment options to members through the Mercer Workplace Savings ("MWS") platform. Elements of investment governance, including asset allocations have been delegated to Mercer Workplace Savings ('MWS'). MWS appoints underlying investment managers and the Trustees select funds from external investment managers based on their capabilities, and therefore the perceived likelihood of achieving the expected return and risk characteristics required.

2.3 The default investment arrangement is aimed at individuals who wish to use 25% of their savings to provide a tax-free cash sum and purchase an annuity in retirement. Throughout this Statement, the "default investment arrangement" will refer to the Target Annuity Retirement Lifestyle, which has been selected by the Trustees as the default investment strategy for members who have not actively chosen an alternative approach.

2.4 A copy of the Scheme's Statement of Investment Principles (SIP), dated 25 September 2020, which covers the default investment arrangement, is appended to this governance statement. The SIP has been prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. The SIP covers the Trustees' aims and objectives in relation to the default investment arrangement as well as the Trustees' policies relating to matters such as risk and diversification. The SIP also covers alternative investment choices under the Scheme.

A review of the default was not undertaken in the 2024 Scheme year. During the Scheme year the Trustees reviewed various DC vehicle options, including trust-based and contract-based arrangements, to investigate alternative ways of providing the DC benefits to members in order to assess whether better outcomes could be achieved compared with the current arrangement.

2.5 The last review of the default investment arrangement took place on 27 April 2020. The Trustees will complete a review of the default investment strategy in the 2024/25 Scheme year. The last review took into account investment performance, the membership profile and developments in the market since the previous review. With support from their professional investment adviser, Mercer Limited, the Trustees considered:

- Whether a retirement destination of annuity purchase remains appropriate for the membership;
- The length of the de-risking period and timing of switches from higher risk to lower risk investments;
- Whether the asset allocation within the default remains suitable and complements the Trustees' investment strategy, and;
- Whether the alternative lifestyle strategies remain appropriate.

2.6 After considering the findings of the review, the Trustees concluded that the strategy, and returns of the default investment arrangement, were consistent with the Trustees' aims and objectives. The Trustees were also satisfied with the alternative lifestyle strategies and the self-select range available to members. The Trustees chose not to make any changes to the Scheme's investment strategy following the review. The Trustees will consider the continued suitability of this strategy as part of the next review following the end of the Scheme Year.

2.7 The default investment arrangement initially invests in equities and other growth-seeking assets during the 'growth' phase of the strategy. Around eight years prior to a member's selected retirement year (or the Scheme's default normal retirement age of 65 where none is selected), investments are transferred to a target annuity retirement fund based on the targeted retirement year.

2.8 The default lifestyle path's growth phase invests in the Mercer Growth Fund. This fund invests around 70% in equities, with other allocations to property, infrastructure, bonds and cash. Overall, these investments are expected to provide long term (above inflationary) growth with managed volatility. Long-term returns in excess of earnings inflation are generally required for members to attain an adequate income in retirement. Younger members can withstand the potential downside of equities as they have sufficient time for markets to recover.

2.9 As members' funds grow, investment risk will have a greater impact on retirement outcomes. Therefore, the Trustees believe that a strategy that seeks to reduce risk as the member approaches retirement is appropriate. This is achieved via changes to the investments held by the member over the eight-year period prior to a member's retirement date. Falls in the values of equity investments could potentially inflict significant losses to members' savings at a time when they have insufficient years of accumulation remaining to recover from such losses, particularly if they choose to make early withdrawals from savings.

2.10 Although the Trustees are responsible for the Scheme's investments, and the approach undertaken by the default investment strategy, elements of the investment governance of the Scheme have been delegated to Mercer Workplace Savings ('MWS'). This includes strategic and tactical asset allocations along with manager selection within the funds to deliver the investment strategy. On an annual basis MWS review the continued appropriateness and suitability of the investment solutions underlying the Scheme.

2.11 The MWS review of the asset allocation of the Mercer Growth Fund resulted in some changes being made to this fund in June 2024. This resulted in the strategic asset allocation to equities increasing to 70% (previously 66%). There were also changes to portfolio construction for the equity and fixed income elements of the strategy. The change to the equity portfolio was to align holdings with a broad global equity index. There was also a shift from local currency to hard currency emerging market debt.

2.12 Members may opt out of the default arrangement if they wish and choose an alternative lifestyle arrangement better aligned to how they intend to take their benefits at retirement, or choose to invest in a number of self-select fund options covering a wide range of asset classes to fit each member's attitude towards risk. The alternative lifestyle strategies are a cash destination path and a drawdown destination path.

2.13 There are no default investments in place for the DB Section AVCs, which are held in a separate arrangement with Prudential.

2.14 Investment performance and risk-based reviews of the funds available to members take place on a regular basis by the Trustees with help from their professional advisers, Mercer Limited.

Asset Allocation of default arrangement

2.15 Investment performance and risk-based reviews of the funds available to members take place on a regular basis by the Trustees with help from their professional advisers, Mercer Limited.

2.16 There is a new requirement under the Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 to provide further detail on default arrangements.

2.17 In line with the new requirements the table below shows the asset allocation of the DC Section's default investment option at ages 25, 45, 55 and at the current State Pension Age ('SPA'):

Asset Class	at 25, 45 and 55 years old	at 66 years old (SPA)
Cash	3.2	21.2
Bonds	18.5	77.8
Listed Equities	57.3	0.0
Private Equity	0.0	0.0
Infrastructure	0.0	0.0
Property/Real Estate	7.8	0.0
Private Debt/Credit	0.0	0.0
Other	13.1	1.0
Total	**100.0**	**100.0**

Source: Aviva as at 30 April 2024 Figures may not sum due to rounding.

Notes: The following describe the types of investments covered by the asset classes set out in the preceding tables:

- Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.
- Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
- Listed Equities – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
- Private Equity – Unlisted equities that are not publicly traded on stock exchanges.
- Infrastructure - physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.
- Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.
- Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.
- Other – Any assets that do not fall within the above categories. This may include assets that are synthetic and do not have a physical allocation, for example derivatives.

3. Core Financial Transactions

3.1 As required by the Administration Regulations, the Trustees must ensure that core financial transactions are processed promptly and accurately. This includes:

- Investment of contributions paid to the Scheme;
- Transfer of members' assets into and out of the Scheme;
- Transfers of members' assets between different investment options available in the Scheme; and
- Payments from the Scheme to, or in respect of members and beneficiaries of the Scheme on retirement or death.

3.2 The Trustees have delegated the administration of member records, in respect of the Money Purchase Section, to Aviva. For most of the Scheme year administration services for the DB Section were delivered by Mercer. On 1 January 2024, Mercer transferred its administration business to Aptia who will be the ongoing administrator for the DB Section. The Scheme's AVCs are administered by Prudential.

3.3 The Schedule of Contributions sets out timescales for the employer to remit monthly contributions to the Scheme in accordance with legislative requirements. All contributions were received within the statutory deadline during the year.

3.4 The Trustees receive quarterly administration reports that are produced by Aviva, which are reviewed by the Trustees on a regular basis, enabling them to monitor if the requirements for the processing of financial transactions are being met.

3.5 The service level agreements with Aviva set out the approach (including timescales) regarding the transfer of members' assets into and out of the Plan, the transfer of members' assets between different investment options available in the Scheme and payments from the Scheme to, or in respect of, members. The service level agreements (SLA) and performance against these are shown in the table below. These represent enhanced SLA performance against Aviva's in house standard and are monitored by the MWS governance team.

SLA	SLA (working days)	Cases	Completed In SLA	SLA Score
Documentation	2	14	14	100.0%
Contribution Processing	2	1,256	1,256	100.0%
Investment Transactions	3	5	5	100.0%
General Enquiries	5	169	169	100.0%
Payments Out	5	19	16	84.2%
Payments In	5	1	1	100.0%
Overall	-	**1,464**	**1,461**	**99.8%**

3.6 The processes adopted by Aviva to help meet the SLAs include:

- Timeliness of transactions monitored and reported (escalating/reallocating resources if necessary).
- Straight through processing for contribution payments - automated system (validations built in)
- Manual processes require a separate processor and authoriser (segregation inbuilt into system)
- Quality audit checks are undertaken on a sample of processes throughout the year.
- Unit reconciliation between investment and administration systems undertaken daily and are checked and approved weekly (by platform provider)
- Payments checked and approved independently by one or more individuals (depending on value).

3.7 In addition, the Scheme's data quality is good with 98.9% of common data being complete at 31 March 2024. The Trustees monitor the length of time it takes for Aviva to complete case types. During the year the Trustees undertook work with Aviva to improve the smoothness of the process between Aviva and Aptia.

3.8 Specifically with regard to the payment of contributions, the Trustees have in place a Schedule of Contributions that sets out timescales for the Company to remit monthly contributions to the Scheme in accordance with legislative requirements. In practice, payment of contributions is made in advance of these timescales. The deduction and payment of contributions is reviewed by the Company. Once received, contributions are invested in accordance with the timescales set out in the administration agreement with the administrator. All contributions were received promptly and within the timescales required by the 11th of the following month at latest and no errors were identified.

The Trustees recognise that delay and errors can cause significant losses for members. Delay and errors can also cause members to lose faith in the Scheme, which may in turn reduce their propensity to save and impair future retirement outcomes. The Trustees have additional policies and procedures in place to help ensure that financial transactions are processed promptly and accurately:

- The Trustees monitor the performance of the SLAs within the DB Section, which implicitly captures the timeliness of disinvestments from the Scheme's AVC provider although no specific monitoring of SLAs from Prudential is undertaken. During the Scheme year, three members with AVC investments retired from the Scheme. There were no transfers out.
- The Trustees receive administration reports which are reviewed quarterly, enabling the Trustees to monitor that the requirements for processing financial transactions are met.
- Ensuring that disaster recovery plans are in place with the administrator, other relevant third parties, and within the sponsoring employer.
- Maintaining a Risk Register, which outlines the risks to members and the Scheme, including those in relation to financial transactions, and considers the impact, likelihood, controls and mitigation steps for each risk. The Trustees review the Risk Register at each meeting.
- The Trustees have appointed an independent auditor to carry out an annual audit of the Scheme, including the material financial transactions that have taken place during the Scheme year.

3.9 The administrator is aware of the statutory deadlines for the processing of all member-related services, including core financial functions such as investment switches and benefit payments. Should standards fall, the administrator will be asked by the Trustees to explain the reasons for this. The Trustees will continue to seek the relevant details to support effective monitoring of these processes. As a wider review of the Scheme Administrator in general, the Administrator employs an independent auditor to prepare an annual report on their internal controls (AAF01/06/ ISAE 3402) which the Trustees have sight of and risk controls are assessed as part of regular Trustee meetings.

3.10 The Trustees are satisfied that the Scheme's core financial transactions have been processed promptly and accurately during the period to which this Statement relates.

4. Charges and Transaction Costs

4.1 As required by the Administration Regulations, the Trustees are required to report on the charges and transactions costs for the investments used in the default investment arrangement as well as funds available as self-select options to members and the Trustees' assessment on the extent to which the charges and costs represent good value for members. The Trustees have taken into account statutory guidance in preparing this section.

4.2 The range of the levels of charges and transaction costs applicable to the default arrangement during the period are detailed in this section. In relation to transaction costs, we note that when buying and selling investments, transaction costs can be incurred. The Financial Conduct Authority has provided guidance (in Policy Statement 17/20) to investment managers regarding calculations and disclosures of transaction costs. Due to the way in which transaction costs are required to be calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, notwithstanding their costs.

4.3 The transaction costs shown in the below tables were provided by Aviva and are correct as at 31 March 2024. The total expense ratio for all available funds are reported in the quarterly investment reports and reviewed regularly.

4.4 The table below show the total expense ratio (TER) in each of the funds underlying the Scheme's default investment arrangement and funds where members have made an active investment choice. The default arrangement has total expense ratios throughout the investment profile that fall below the charge cap of 0.75% p.a.

Fund	Total Expense Ratio (% p.a)	Transaction Cost (%)
Mercer Moderate Growth / Moderate Risk	0.64	0.12
Mercer Growth / Balanced Risk	**0.62**	**0.13**
Mercer High Growth / Higher Risk	0.65	0.10
Mercer Annuity Retirement	0.53	0.00
Mercer Target Annuity 2025 Retirement	**0.55**	**0.00**
Mercer Target Annuity 2026 Retirement	**0.55**	**0.01**
Mercer Target Annuity 2027 Retirement	**0.57**	**0.03**
Mercer Target Annuity 2028 Retirement	**0.58**	**0.05**
Mercer Target Annuity 2029 Retirement	**0.59**	**0.06**
Mercer Target Annuity 2030 Retirement	**0.60**	**0.08**
Mercer Target Annuity 2031 Retirement	**0.62**	**0.10**
Mercer Target Annuity 2032 Retirement	**0.62**	**0.10**
Prudential Discretionary (no members invested at year end)	0.77	0.16
Prudential With-Profits Cash Accumulation	1.00*	0.16

Source: Aviva and Prudential, as at 31 March 2024. **Funds used with the default investment strategy are in bold.**
* The annual management charge of the Prudential With-Profits Fund is not explicitly quoted, indicative 1.00%

5. AVCs within the DB Section

5.1 As noted above, there are additional voluntary contribution monies invested with Prudential.

5.2 Whilst the Prudential Discretionary Fund operates in a similar manner to other investment funds offered through the Scheme, the With-Profits Cash Accumulation Fund is different. Due to the nature of with-profits investments, explicit costs, charges and performance are difficult to assess. This is because within this type of policy, the amount paid to members upon retirement, transfer or to beneficiaries upon death depends on:

- the length of time an individual has been invested, as contributions receive a guaranteed growth amount each year;
- the effect of 'smoothing' whereby during periods of high investment growth, some proceeds will be held back to allow for higher returns when the market is not performing as well;

- 'Final bonuses' that may apply; and
- Market Value Reduction, which may apply if monies are withdrawn under certain circumstances.

5.3 It is difficult to compare with-profits funds to their peers as these funds offer different terms and guarantees and, hence, will invest differently from one another, which in turn affects the performance received through bonus announcements. There may also be penalties applied for early disinvestment.

5.4 As at the Scheme year end, there were no members invested in the Discretionary Fund.

6. Net Investment Returns

6.1 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of 'relevant' occupational pension schemes.

6.2 From 1 October 2021, trustees of all relevant pension schemes, regardless of asset size, are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

6.3 The tables below set out annualised net performance for the 1 and 5 year periods for the default investment strategy for age 25, 45, and 55) and for the self-select fund range. An average of transaction costs over the last four years (the length of time that Aviva has been providing transaction costs) has been included within the investment returns. The Trustees have had regard to the statutory guidance when preparing these returns.

Default investment strategy

Annuity Strategy	Annualised returns to 30 April 2024(%)	
Starting age of member	**1 year**	**5 years**
25	6.4	4.0
45	6.4	4.0
55	6.4	2.5

Source: Aviva and Mercer.

Self-Select Funds

Self-Select Funds	Annualised returns to 30 April 2024 (%)	
	1 year	5 years
Mercer Moderate Growth / Moderate Risk	4.2	2.9
Mercer Growth / Balanced Risk	**6.4**	**4.0**
Mercer High Growth / Higher Risk	8.2	5.0
Mercer Annuity Retirement Fund	**1.9**	**-2.9**
Mercer Target Annuity 2025 Retirement Fund	**2.2**	**-1.3**
Mercer Target Annuity 2026 Retirement Fund	**2.6**	**-0.6**
Mercer Target Annuity 2027 Retirement Fund	**3.2**	**0.3**
Mercer Target Annuity 2028 Retirement Fund*	**3.8**	**-**
Mercer Target Annuity 2029 Retirement Fund*	**4.5**	**-**
Mercer Target Annuity 2030 Retirement Fund*	**5.2**	**-**
Mercer Target Annuity 2031 Retirement Fund*	**5.9**	**-**
Mercer Target Annuity 2032 Retirement Fund*	**-**	**-**
Prudential Discretionary**	12.4	4.8
Prudential With-Profits Cash Accumulation Fund	See below	See below

Source: Aviva and Mercer. Funds in bold form part of the default arrangement.
*Data not available over the time period as the fund was created within the time period being considered as part of the evolution of the target date funds used by the Scheme.
** Prudential has provided returns to 30 June 2024.

6.4 Investment performance is not shown for the Prudential With-Profits Cash Accumulation Fund as performance is not comparable to that shown for unit-linked funds. Prudential provides returns using two approaches. First the return on the underlying assets held, and the annual returns granted to members in the form of an annual bonus that is granted each year on 31 December. Over the year to 31 December 2023 the return on underlying assets for the fund was 4.3% (before charges. Prudential do not provide a net of charges return). The corresponding overall bonus yield for 2023 was 4.5%. Over the five years to 31 December 2023, the annualised return on the underlying investments was -2.8% p.a. This compares with the final and terminal bonus applied over this period being 4.9%.

7. The Impact of Costs and Charges

7.1 Using the charges and transaction cost data provided by Aviva and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustees have prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance has been considered when providing these examples.

7.2 In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Scheme's relevant funds/strategies listed in brackets):

- The fund or strategy with the most members invested (The default strategy)
- The most expensive fund (Mercer High Growth / Higher Risk)
- The least expensive fund (Mercer Annuity Retirement)

7.3 The illustrations that follow take into account the following elements:

- Initial savings pot size;
- Contributions, where applicable;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

7.4 To illustrate the impact of charges on a typical active member's pension pot, we have provided the below illustrations, which accounts for all estimated member costs, including the TER, transaction costs and inflation. These values are for illustration only and are not guaranteed.

Illustration 1: A typical active member invested in the DC fund range

	Most popular fund: Default strategy		Highest cost fund: Mercer High Growth / Higher Risk		Lowest cost fund: Mercer Annuity Retirement	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
52	£27,170	£27,170	£27,170	£27,170	£27,170	£27,170
53	£30,229	£29,994	£30,228	£29,985	£29,627	£29,464
55	£36,688	£35,888	£36,683	£35,857	£34,652	£34,119
60	£54,194	£51,555	£55,004	£52,053	£47,898	£46,154
65	£68,535	£64,653	£76,931	£70,671	£62,181	£58,779

Notes
- Values shown are estimates at end of each year and are not guaranteed.
- Projected pension pot values are shown in today's terms.
- To make this analysis representative of the membership, the Trustees have based this assumed member on data sourced from the administrator, Aviva, in the 2022/23 Scheme year. The assumed member is age 52, with a normal retirement age of 65, using a starting pot size of £27,170 and a salary of £29,000. The member's total contributions (including those from the employer) are assumed to be 7.0% of the member's salary per annum and is assumed to increase in line with inflation.
- Inflation is assumed to be 2.5% per annum.
- Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Growth rate assumptions
Default Strategy	0.62% p.a. for members 8 or more years from retirement, falling to 0.53% p.a. for members at retirement.	3.50% p.a. inflation-adjusted for members 8 or more years from retirement, falling to 1.50% p.a. inflation-adjusted for members at retirement.
Mercer High Growth / Higher Risk	0.65% p.a.	3.5% p.a. inflation-adjusted.
Mercer Annuity Retirement	0.53% p.a.	1.5% p.a. inflation-adjusted.

Charge and costs figures provided by Aviva; growth rate assumptions provided by Mercer. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. Transaction costs and charges for the latter stages of the target based fund approach are based on the transaction costs and charges incurred in these funds, some of which may not have a five year fund history and therefore have limited data in relation to transaction costs.

Illustration 2: The youngest active member invested in the DC fund range

	Most popular fund: Default strategy		Highest cost fund: Mercer High Growth / Higher Risk		Lowest cost fund: Mercer Annuity Retirement	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
20	£3,330	£3,330	£3,330	£3,330	£3,330	£3,330
25	£13,627	£13,247	£13,625	£13,233	£12,738	£12,490
30	£25,952	£24,664	£25,945	£24,616	£22,881	£22,099
35	£40,707	£37,809	£40,690	£37,703	£33,819	£32,179
40	£58,369	£52,944	£58,337	£52,747	£45,612	£42,753
45	£78,705	£69,810	£79,456	£70,042	£58,327	£53,846
50	£94,760	£83,618	£104,732	£89,924	£72,038	£65,483
55	£105,023	£93,238	£134,982	£112,779	£86,821	£77,691
60	£113,835	£102,050	£171,185	£139,054	£102,760	£90,497
65	£122,648	£110,863	£214,512	£169,259	£119,947	£103,931

Notes

- Values shown are estimates at end of each year and are not guaranteed.
- Projected pension pot values are shown in today's terms.
- To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the administrator, Aviva, in the 2022/23 Scheme year. The assumed member is age 20, with a normal retirement age of 65, using a starting pot size of £3,330 and a salary of £23,500. The member's total contributions (including those from the employer) are assumed to be 7.5% of the member's salary per annum and is assumed to increase in line with inflation.
- Inflation is assumed to be 2.5% per annum.

Charges, transaction costs and estimated growth rates are as outlined in the notes above for the average member.

7.5 The Trustees acknowledge the requirement to publish these illustrations on a website and this page is available at https://vfm.aviva.co.uk/jiffy-and-ambassador/. The Scheme's benefit statements include the web address in order to inform members where they can access this information. These illustrations will be published on the Aviva site.

8. Value for Members

8.1 In accordance with regulation 25(1)(b), the Trustees assessed the extent to which the charges under the Money Purchase Section represent good value for members and concluded that the Scheme offers poor value for money relative to peers and alternative arrangements that are available.

8.2 The Trustees are required to assess the extent to which the Scheme delivers value for members across three key areas:

Assessment area	Type of assessment
Costs and charges	Comparative assessment against three larger DC arrangements, considering the level of ongoing member-borne charges and transaction costs.
Net investment performance	Comparative assessment against three larger DC arrangements, considering investment performance net of all member-borne costs and charges.
Governance and administration	Standalone assessment of the Scheme's governance and administration arrangements, covering: core financial transactions; record keeping; default investment strategy; investment governance; trustee knowledge and understanding; member communications; and management of conflicts of interest.

The Trustees have carried out a value for members' assessment as at 30 April 2024. The conclusions of this assessment are set out in the table below:

Assessment area	Summary of assessment and action being taken
Costs and charges	The Trustees have assessed the Scheme as offering poor value from a costs and charges perspective, relative to the three comparator schemes. The costs and charges for the default and most common self-select funds are on average higher than those of the comparator arrangements. The use of active management within the Scheme's investment funds, with the aim of helping manage investment risk, has resulted in relatively high member charges. This is acceptable if active management provides added value, however net investment performance has been poor in comparison to other schemes (see comments below).
Net investment performance	The Trustees have assessed the Scheme as offering poor value from a net investment performance perspective, relative to the three comparator schemes. The Scheme's net investment returns over a 1-year period across all ages assessed, have been lower than those of the comparator arrangements assessed. Over the 5-year period performance has also been lower than most comparator scheme returns. The net investment returns of the Scheme's two most popular self- select funds have underperformed those of the comparator arrangements over all periods.
Governance and administration	The Trustees have assessed the Scheme as offering reasonable value from a governance and administration perspective. An assessment was undertaken against areas set out in legislation and guidance set out by the Department for Work and Pensions. A summary of this assessment is set out below. ***Promptness and accuracy of core financial transactions*** Contribution payments, and in-scheme investment switches were completed promptly over the year. Three payments out were completed outside of SLA. Process activity over the year was low. ***Quality of record keeping*** Aviva report on common data within their quarterly reporting. As at 31 March 2023, the Schemes common data quality score was 98.9%, with two address fails. No scheme specific data check has been completed. Whilst data security is considered, and noted in the risk register, this focusses on Mercer processes and DB Section administration rather than Aviva. ***Appropriateness of the default strategy*** In April 2020, Mercer advised that the default should target income drawdown, however the Trustees opted not to make this change. Whilst the Trustees believe the growth phase of the default remains appropriate, the membership is relatively mature with 40% of members over age 55. Having an appropriate retirement target is key to considering the suitability of the default overall. The next triennial strategy review was due in the 2023/24 Scheme year. The strategy review has been delayed whilst the Trustees consider alternative DC options but the review will be undertaken in the 2024/25 Scheme year. ***Quality of investment governance*** Through Mercer Workplace Savings, the Trustees receive ongoing governance of the Scheme's investments. The Trustees could take a more active stance relating to the messaging to members.

	Level of trustee knowledge, understanding and skills to operate the pension scheme effectively The Trustees receive appropriate training and (when appropriate) advice from suitability qualified professionals that supports their running of the Scheme. The Trustees are long-serving, established and experienced in the role. The Value for Members assessment concluded that the Trustees would benefit from clearer documentation of their level of trustee knowledge, understanding and skills to operate the pension scheme effectively. ***Quality of communication with scheme members*** Aviva provide quality materials (both online and by letter) to members on a regular basis. ***Effectiveness of management of conflicts of interest*** The Trustees have in place procedures that allow the effective management of conflicts of interest.
Summary	Overall, considering all three areas set out above, the Trustees have assessed the Scheme as offering poor value for members. The Trustees have also started to further explore the feasibility of alternative forms of DC pension provision for DC Section members, on the basis that better value may be achieved outside of the Scheme and will continue to pursue this as a means of offering better value for members.

9. Trustee Knowledge and Understanding

9.1 In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice, enables them to properly exercise their functions and duties in relation to the Scheme. This requirement has been met during the course of the Scheme year and the Trustees have undertaken regular training throughout the year, in summary:

- The Trustees have regular meetings and professional advisers are in attendance at each meeting.
- The Trustees review training opportunities periodically throughout the year, and attend any sessions they think are appropriate, training is subsequently recorded in a log.
- The Trustees receive topical training regarding DC pensions from their advisers.

9.1 The Trustees undertook a number of activities over the past year which demonstrates how they have a working knowledge of pension and trust law, funding and investment principles, Trust Deed and Rules and the SIP. These activities include:

- The conflicts of interest policy is considered at each meeting.
- The Risk Register is reviewed and updated regularly. This demonstrates that the Trustees hold relevant knowledge on DC specific internal controls and the regulatory requirements.
- The Trustees maintain a training log to help identify potential gaps in knowledge and to demonstrate that training has taken place.
- At each meeting, the Trustees receive topical updates regarding DC pensions from their adviser.
- At the 18 May 2023 Trustee meeting, the Trustees reviewed various DC vehicle options including trust-based and contract-based arrangements to investigate the alternative ways of providing the DC benefits to members in order to assess whether better outcomes could be achieved compared with the current arrangement.

9.2 The Trustees are conversant with, and have a working knowledge of, the Trust Deed and Rules and the policies and documents setting out the running of the Scheme. If there are any ambiguities over the interpretation of the Rules, legal advice is sought from the Scheme's legal advisers. The Trustees are conversant with, and have a working knowledge of, the current SIP. The Trustees undertake regular training on investment matters and review the investments held by the Scheme at each meeting. The Trustees have sufficient knowledge of investment matters to be able to challenge their advisers

9.3 The Trustees receive professional advice from Mercer and other advisers to support them in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules and the relevant skills and experience of Mercer is a key criterion when evaluating adviser performance or selecting new advisers. The advice received by the Trustees along with their own experience allows them to properly exercise their function as Trustees.

9.4 The Trustees have a robust training programme in place for newly appointed Trustees.

9.5 The Trustees believe that the best run pension schemes utilise the combined skill and knowledge of both the individual Trustees and their professional advisers. The relevant skills and experience of those advisers are key criteria when evaluating adviser performance and selecting new advisers.

10. Statement of DC Governance

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 and I confirm that the above statement has been produced by the Trustees to the best of my knowledge.

10.1 The Trustees consider that our systems, processes and controls across key governance functions are consistent with those set out in the Pension Regulators Code of Practice.

Signed for and on behalf of the Jiffy and Ambassador Pension Scheme

……………………………… Chair of the Jiffy and Ambassador Pension Scheme

Date ………………………..

Appendix 1 – Statement of Investment Principles