

**The Adnams Pension
Fund**

**Trustees' annual report
and financial statements
for the year ended 31
March 2020**

Fund Registration Number: 10012201

The Adnams Pension Fund
31 March 2020
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The Adnams Pension Fund
31 March 2020
Trustees and advisers

Trustees	
Employer nominated or Trustee Directors	Member nominated
BF McIntyre S Lofthouse	K Wells* (retired 1 April 2020) J Bates *Deferred member of the Fund until 31 March 2020 *Retired member of the Fund from 1 April 2020
Secretary to the Trustees	Stephen Pugh Adnams PLC
Principal Employer	Adnams PLC Sole Bay Brewery Southwold Suffolk IP18 6JW
Actuary	David Giles F.I.A. (until 30 April 2019) Neal Thompson F.I.A. (from 1 May 2019)
Independent Auditor	Ensors Accountants LLP
Investment Manager	Aviva Fund Management
AVC Providers	Aviva Fund Management Phoenix Life
Legal Adviser	Gowling WLG (UK) LLP
Bank	Barclays Bank PLC
Fund Administrator	Aviva Fund Management (until 30 April 2019) First Actuarial LLP (from 1 May 2019)
Contact for Fund queries	First Actuarial LLP First House Minerva Business Park Lynch Wood Peterborough PE2 6FT All enquiries about the Fund and benefits should be sent to First Actuarial LLP. Peterborough.admin@firstactuarial.co.uk

The Adnams Pension Fund

31 March 2020

Trustees' annual report

Introduction

The Trustees of the Adnams Pension Fund (the 'Fund') are pleased to present their report together with the financial statements for the year ended 31 March 2020.

The Adnams Pension Fund is constituted as a Trust. The operation of the Fund is governed by a definitive trust deed dated 25 July 1960, with subsequent amendments. Changes to the Fund and Fund Rules were made during 2008 to bring the Fund in line with the introduction of Pension Simplification on the 6 April 2006.

The Fund adopted the default revised rules issued by Aviva Defined Benefit which came into effect on the 6 April 2006 and also the Trustees became the Fund Administrator defined by the new legislation.

The Fund provides retirement and death benefits for its members. The Fund has a Defined Benefit (DB) Section which was closed to new entrants on 1 April 2002 and closed to future accrual on 1 July 2005 and Defined Contribution (DC) Section. The DC Section was formerly shares held in an Employee trust for members and 'paid out' when the member retired. In 2005/2006 these were brought into the trust of the Fund and divided between the members to sit alongside their DB entitlement, in the form of an investment only Fund.

Management of the Fund

The Principal Employer has the power, by deed, to appoint and remove Trustees. The Fund Trust Deed contains provisions for the appointment and removal of Trustees.

In accordance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for member elected Trustees. All active and pensioner members of occupational pension schemes are entitled to nominate one third of the Trustees of their pension Fund. The Trustee's Member Nominated Trustees process also includes deferred members of the DB Section where employed by Adnams PLC.

The term of service for Kevin Wells, the Member-nominated Trustee, ends in January 2023. However, Kevin Wells retired on 1 April 2020. The new Member-nominated Trustee mailing is in process.

The Trustees who served during the year under review are listed on page 2.

The Trustees met four times during the year. All decisions of the Trustees must be approved by a majority of the Trustees.

Principal Employer

The Fund's Principal Employer is Adnams PLC, whose registered address is shown on page 2. Other Employers may be admitted to the Fund from time to time with the approval of the Principal Employer and the Trustees.

Changes to the Fund

David Giles FIA resigned as the Actuary to the Fund, with effect from 30 April 2019, and Neal Thompson FIA was appointed on 1 May 2019. The statement from the resigning Actuary confirmed that there were no circumstances concerned with their resignation which significantly affect the interests of the members, prospective members and beneficiaries under the Fund.

First Actuarial LLP were appointed as Fund Administrator on 1 May 2019 and Aviva were removed on 30 April 2019.

The Adnams Pension Fund
31 March 2020
Trustees' annual report (continued)

Financial development and actuarial status

The financial statements on pages 10 to 21 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the value of the Fund's net assets decreased from £39,588,274 (restated) at 31 March 2019 to £37,552,597 at 31 March 2020.

The actuarial position of the Fund is disclosed in the Report on Actuarial Liabilities shown on page 22 of this report. The next actuarial valuation is due as at 31 March 2022.

Pension increases

All pensions in payment were increased during the year as set out under the Fund Rules and in line with statutory requirements.

In accordance with the rules of the Fund, pensions in payment and deferred pensions were increased by 4% p.a. compound for services before 6 April 1997. For service from 6 April 1997 to 30 September 1999, a rate of 5% compound, or in line with Retail Price Index (RPI) if less (subject to a minimum of 4%) each year. For service from 1 October 1999, at a rate of 5% compound, or in line with the RPI if less, each year. For service from 6 April 2005, at a rate of 2.5%, or in line with the RPI if less, each year.

No discretionary increases were granted during the year.

Contributions

The contributions payable during the year are shown in the Summary of Contributions signed on page 24 and reported on by the Auditor on page 23.

Membership	DB section	DC section	Total 2020
Deferred members			
As at the start of the year	156	65	221
Retirements	(9)	-	(9)
Full commutations	-	(5)	(5)
As at the end of the year	147	60	207
Pensioner members			
As at the start of the year	133	-	133
Deferred members retiring	10	-	10
Deaths	(6)	-	(6)
Adjustment	(1)	-	(1)
As at the end of the year	136	-	136
Total membership at the end of the year	283	60	343

All DC members are also DB members. The total pensioners at 31 March 2020 include 109 (2019: 102) paid direct from the Fund and 27 (2019: 29) paid directly from annuities purchased from Aviva in previous years.

The Adnams Pension Fund
31 March 2020
Trustees' annual report (continued)

Transfer values

No transfer values were paid during the Fund year.

Investments

The Trustees' investment policy

The Trustees are responsible for the Fund's investment strategy, acting on the advice of their investment adviser. In taking decisions regarding the Fund's investment strategy, the Trustees take into account the membership profile and the structure and duration of the liabilities.

The Trustees also hold insurance policies with Aviva. These policies provide annuity payments in respect of named pensioner members of the Fund.

At the year end, the Fund's assets were invested in the following pooled investment vehicles.

DB Funds	Proportion of Fund's invested assets at year end
Aviva Balanced Managed Fund	60.0%
Aviva Corporate Bond Fund	8.0%
Aviva High Alpha Gilt Fund	8.5%
Aviva Index Linked Gilt Fund	11.4%
Aviva Property Fund	5.3%
Aviva Annuity	4.0%

DC Funds	Proportion of Fund's invested assets at year end
Pooled investment vehicles	2.6%

Over the course of the year all of the Fund's invested assets were held in the funds listed above.

Objectives of the DB pooled investment vehicles

The Fund's investment strategy has been agreed by the Trustees having taken advice from the investment consultant and takes due account of the Fund's liability profile, along with the level of disclosed surplus or deficit.

The Trustees' agreed investment strategy is based on an analysis of the Fund's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from equities are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustees are prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

The Trustees' primary objectives are;

- to provide appropriate security for all beneficiaries,
- to achieve long-term growth sufficient to provide the benefits from the Fund, and
- to achieve an appropriate balance between risk and return with regards to the cost of the Fund and the security of the benefits.

The Trustees' objective is to ensure that the investment managers have the financial interests of the Fund members as their first priority when choosing investments. They may take social, environmental or ethical considerations into account only when these factors do not contradict the primary objective or where these considerations are specified within the mandate of the funds used. The Trustees' have reviewed the investment managers' policies in respect of Socially Responsible Investment and are satisfied that this is consistent with the above approach.

The Adnams Pension Fund
31 March 2020
Trustees' annual report (continued)

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attached to investments to the investment managers and to encourage the managers to exercise those rights. The Trustees accept that the assets invested in pooled funds are subject to the underlying investment managers' policies on corporate governance. The Trustees are satisfied that this corresponds with their responsibility to invest the assets in the best interests of members and beneficiaries and, in the case of a potential conflict of interest, in the sole interest of their members and beneficiaries.

The Trustees are responsible for setting the general investment policy, but the responsibility for all day- to-day investment management decisions has been delegated to the investment manager.

Statement of Investment Principles

The Trustee has produced a Statement of Investment Principles as required by Section 35 of the Pensions Act 1995. This Statement was last updated on October 2018 and can be viewed in Appendix 1. All investments have been made in accordance with the Statement of Investment Principles during the Fund year.

Custodial arrangements

To ensure the safekeeping of the assets, ownership and day-to-day control of the assets is undertaken by custodian organisations which are independent of the sponsoring Employer and the investment managers. Where pooled investment vehicles are used, the custodians will typically be appointed by the investment manager.

Investment performance review

The Trustees, in conjunction with their investment adviser, review investment strategy and investment performance on an ongoing basis.

During the year the average annualised returns for the DB investment funds were as follows:

	1 Year %	3 Years % pa	5 Years % pa
Aviva Balanced Managed Fund	-5.22	2.46	18.51
Benchmark	-8.07	-3.21	10.25
Aviva Corporate Bond Fund	1.57	7.45	18.21
Benchmark	1.46	6.50	16.87
Aviva High Alpha Gilt Fund	11.12	15.97	26.98
Benchmark	9.94	14.54	26.10
Aviva Index Linked Gilt Fund	3.15	11.32	37.73
Benchmark	2.39	8.96	35.41
Aviva Property Fund	-0.61	4.98	6.01
Benchmark	-0.01	5.75	7.09

Note: the returns stated in the table above are before the deduction of fees and are provided by the investment manager.

Further information about the Fund's investments

Further details about the nature, marketability, security and valuation of investments is shown in the notes to the financial statements on pages 12 to 21.

Further details about the Fund's investment strategy in relation to risk are given in note 17 to the financial statements.

The Adnams Pension Fund
31 March 2020
Trustees' annual report (continued)

Statement of Trustees' responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS102) are the responsibility of the Trustees. Pension Scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition, at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year, and
- contain information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice "Financial Reports of Pension Schemes" (2018).

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is appropriate to presume that the Fund will be wound up.

The Trustees are also responsible for making available certain other information about the Fund 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 such steps as are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee responsibilities in respect of contributions


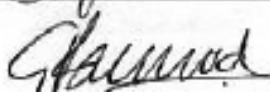
The Trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Fund by or on behalf of the Employer and the dates on or before which such contributions are paid.

The Trustees are also responsible for keeping records in respect of contributions received and for adopting risk-based processes to monitor whether contributions are made to the Fund by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Act 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Contact for further information

Any query about the Fund, including requests from individuals for information about their benefits, should be sent to the Fund Administrator's address shown on page 2.

Signed on behalf of the Trustees

Trustee 	Date: 9/9/20
Trustee 	Date: 14/9/20

The Adnams Pension Fund
31 March 2020
Independent Auditor's Report to the Trustees

Opinion

We have audited the financial statements of The Adnams Pension Fund for the year ended 31 March 2020 which comprise the fund account, the net assets statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland".

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2020, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 and 3A of the Occupational Pension schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Adnams Pension Fund
31 March 2020
Independent Auditor's Report to the Trustees (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee's either intend to wind up the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx> This description forms part of our auditor's report.

Use of this report

This report is made solely to the Fund's Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Fund's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ensors Accountants LLP
Chartered Accountants and Statutory Auditor

Ipswich, United Kingdom

Date

28 September 2020

The Adnams Pension Fund
31 March 2020
Fund Account

	Note	DB Section £	DC Section £	Total 2020 £	Total 2019 (Restated) £
Contributions and benefits					
Employer contributions	5	450,000	-	450,000	480,000
Total contributions		450,000	-	450,000	480,000
Transfers in	6	-	-	-	3,675
Other income	6	18,311	-	18,311	12,278
		468,311	-	468,311	495,953
Benefits paid or payable	7	(1,193,876)	(103,545)	(1,297,421)	(1,068,946)
Administrative expenses	8	(50,863)	-	(50,863)	-
		(1,244,739)	(103,545)	(1,348,284)	(1,068,946)
Net (withdrawals)from dealings with members		(776,428)	(103,545)	(879,973)	(572,993)
Return on investments					
Investment income	9	167,534	-	167,534	208,146
Change in market value of investments	10	(1,188,874)	(36,157)	(1,225,031)	1,509,068
Investment management expenses	11	(98,207)	-	(98,207)	(127,444)
Net (loss)/return on investments		(1,119,547)	(36,157)	(1,155,704)	1,589,770
Net (decrease)/increase in the fund during the year		(1,895,975)	(139,702)	(2,035,677)	1,016,777
Net assets of the Fund					
Opening net assets at 1 April		38,390,128	1,198,146	39,588,274	38,571,497
Closing net assets at 31 March		36,494,153	1,058,444	37,552,597	39,588,274

The notes on pages 12 to 21 form an integral part of these financial statements.


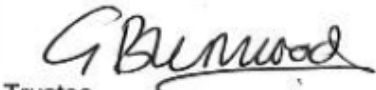
The Adnams Pension Fund
31 March 2020
Statement of Net Assets (available for benefits)

	Note	DB Section £	DC Section £	Total 2020 £	Total 2019 (Restated) £
Investment assets					
Pooled investment vehicles	13	34,789,693	972,905	35,762,598	37,596,718
Insurance policies	14	1,500,000	-	1,500,000	1,881,000
AVC investments	15	-	28,379	28,379	40,678
Cash					
Total net investments		36,289,693	1,001,284	37,290,977	39,518,396
Current assets	19	233,290	68,790	302,080	101,684
Current liabilities	20	(28,830)	(11,630)	(40,460)	(31,806)
Net assets of the Fund at 31 March		36,494,153	1,058,444	37,552,597	39,588,274

The notes on pages 12 to 21 form an integral part of these financial statements.

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund which does take into account such liabilities, is dealt with in the Report on Actuarial Liabilities on page 22 of the annual report and these financial statements should be read in conjunction with this report.

These financial statements were approved by the Trustees on 14 September 2020.

 Trustee	 Trustee
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The Adnams Pension Fund
31 March 2020
Notes to the financial statements

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the UK and Republic of Ireland” issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice “Financial Reports of Pension Schemes” (2018). The financial statements have been prepared on a going concern basis. In June 2018, a revised SORP was issued which is applicable to accounting periods commencing on or after 1 January 2019. The Trustees have adopted the revised SORP for the first time in these financial statements. The adoption of the revised SORP has had no material impact on the financial statements. However, it has required certain additions to or amendments of disclosures in the financial statements

2. Identification of the financial statements

The Fund is established as a trust under English Law. The address for enquiries to the Fund is included in page 2.

3. Comparative disclosures for the Fund Accounts and Statement of Net Assets

Fund Account

	Note	DB Section £	DC Section £	Total 2019 (Restated) £
Contributions and benefits				
Employer contributions		480,000	-	480,000
Total contributions	5	480,000	-	480,000
Other income	6	15,953	-	15,953
Total contributions		495,953	-	495,953
Benefits paid or payable	7	(1,012,449)	(56,497)	(1,068,946)
Net (withdrawals) from dealings with members		(516,496)	(56,497)	(572,993)
Return on investments				
Investment income	9	208,146	-	208,146
Change in market value of investments	10	1,465,480	43,588	1,509,068
Investment management expenses	11	(127,444)	-	(127,444)
Net return on investments		1,546,182	43,588	1,589,770
Net increase/(decrease) in the fund during the year		1,029,686	(12,909)	1,016,777
Net assets of the Fund				
Opening net assets at 1 April 2018 (Restated)		37,360,442	1,211,055	38,571,497
Closing net assets at 31 March 2019		38,390,128	1,198,146	39,588,274

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

Statement of Net Assets (available for benefits)

	Note	DB Section £	DC Section £	Total 2019 (Restated) £
Investment assets				
Pooled investment vehicles	13	36,439,250	1,157,468	37,596,718
Insurance policies	14	1,881,000	-	1,881,000
AVC investments	15	-	40,678	40,678
Total net investments		38,320,250	1,198,146	39,518,396
Current assets	19	101,684	-	101,684
Current liabilities	20	(31,806)	-	(31,806)
Net assets of the Fund at 31 March 2019		38,390,128	1,198,146	39,588,274

4. Accounting policies

The principal accounting policies of the Fund are as follows:

- (i) The Fund functional and presentation currency is pounds Sterling.
- (ii) Contributions:
 - Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and Trustees.
- (iii) Payments to members:
 - Pensions in payment are accounted for in the period to which they relate.
 - Benefits are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
- (iv) Investment income:
 - Income generated by the pooled investment vehicles is not distributed but is retained within the Fund and is reflected in the market value of units.
 - Income from annuity policies is accounted for on an accruals basis and shown within investment income.
- (v) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.
- (vi) Investments are included at fair value as described below:
 - Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager.
 - Annuities have been valued by the Fund Actuary at the amount of the related obligation, as determined using the most recent Funding valuation assumptions updated for market conditions at the reporting date
 - Additional Voluntary Contributions are invested separately from the principal Fund in separate policies. These are stated at the closing bid price as advised by the investment manager.
 - With profit insurance policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

5. Contributions

	DB Section £	DC Section £	Total 2020 £
Employer contributions			
Deficit funding	440,000	-	440,000
Expenses contribution	5,292	-	5,292
Other contribution	4,708	-	4,708
	450,000	-	450,000

	DB Section £	DC Section £	Total 2019 £
Employer contributions			
Deficit funding	480,000	-	480,000
	480,000	-	480,000

In order to improve the Fund's funding position, deficit funding contributions of £480,000 per annum were payable by the Employer into the Fund until 29 February 2020. From 1 March 2020 the Employer will pay additional contributions of £4,708.33 per month towards the funding, and expense contributions of £5,291.67 per month. These will be paid until 28 February 2025.

6. Other income

	DB Section £	DC Section £	Total 2020 £
Refund of excess benefits	18,311	-	18,311
	18,311	-	18,311

	DB Section £	DC Section £	Total 2019 £
Refund of excess benefits	12,278	-	12,278
Transfers in	3,675	-	3,675
	15,953	-	15,953

7. Benefits paid or payable

	DB Section £	DC Section £	Total 2020 £
Pensions	1,001,742	-	1,001,742
Commutation of pensions and lump sum retirement benefits	188,216	103,545	291,761
Death in Retirement Lump Sum	3,918	-	3,918
	1,193,876	103,545	1,297,421

	DB Section £	DC Section £	Total 2019 £
Pensions	974,839	-	974,839
Commutation of pensions and lump sum retirement benefits	33,935	56,497	90,432
Other benefits payable	3,675	-	3,675
	1,012,449	56,497	1,068,946

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

8. Administrative expenses

	DB Section £	DC Section £	Total 2020 £
Bank charges	93	-	93
Administration expenses	50,770	-	50,770
	50,863	-	50,863

As set out in the Schedule of Contributions dated 28 February 2020, the Fund bears all the costs of administration.

9. Investment income

	DB Section £	DC Section £	Total 2020 £
Annuity income	167,522	-	167,522
Interest on cash deposit	12	-	12
	167,534	-	167,534

	DB Section £	DC Section £	Total 2019 £
Annuity income	208,146	-	208,146
	208,146	-	208,146

10. Reconciliation of investments

DB Section	Value at 01 April 2019 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 March 2020 £
Pooled investment vehicles	36,439,250	-	(841,683)	(807,874)	34,789,693
Insurance policies	1,881,000	-	-	(381,000)	1,500,000
	38,320,250	-	(841,683)	(1,188,874)	36,289,693

DC Section	Restated value at 1 April 2019 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 March 2020 £
Pooled investment vehicles	1,157,468	-	(144,611)	(39,952)	972,905
AVC investments (Restated)	40,678	-	(16,094)	3,795	28,379
	1,198,146	-	(160,705)	(36,157)	1,001,284

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

10.1 Concentration of investments

The following funds represented more than 5% of net assets at the year-end:

DB Section	2020 £	2020 %	2019 £	2019 %
Aviva Balanced Managed Fund	22,392,912	59.6	24,533,029	62.0
Aviva Corporate Bond Fund	2,993,218	8.0	2,948,927	7.4
Aviva High Alpha Gilt Fund	3,183,113	8.5	2,863,710	7.2
Aviva Index Linked Gilt Fund	4,251,581	11.3	4,125,501	10.4
Aviva Property Fund	1,968,869	5.2	1,968,083	5.0

The DC investments did not exceed 5% of the net assets of the Fund in 2019.

10.2 Transaction costs

There are no direct transaction costs from investment in the pooled investment vehicles. However, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. These costs are not separately identifiable.

11. Investment management expenses

	DB Section £	DC Section £	Total 2020 £
Administration, management and custody	98,207	-	98,207
	98,207	-	98,207

	DB Section £	DC Section £	Total 2019 £
Administration, management and custody	127,444	-	127,444
	127,444	-	127,444

12. Taxation

The Fund is a Registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income and capital gains taxes.

13. Pooled investment vehicles

	DB Section £	DC Section £	Total 2020 £
Equity funds	22,392,912	-	22,392,912
Fixed interest	10,427,912	260,340	10,688,252
UK Equities	-	176,784	176,784
Overseas Equities	-	234,884	234,884
Property funds	1,968,869	35,149	2,004,018
Other	-	166,251	166,251
Cash	-	99,497	99,497
	34,789,693	972,905	35,762,598

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

	DB Section £	DC Section £	Total 2019 £
Equity funds	24,533,029	-	24,533,029
Fixed interest	9,938,138	426,745	10,364,883
UK Equities	-	248,838	248,838
Overseas Equities	-	288,419	288,419
Property funds	1,968,083	46,516	2,014,599
Other	-	30,851	30,851
Cash	-	116,099	116,099
	36,439,250	1,157,468	37,596,718

14. Insurance policies

The Fund held insurance policies at the year-end as follows:

	DB Section £	DC Section £	Total 2020 £
Annuities with Aviva	1,500,000	-	1,500,000
	1,500,000	-	1,500,000

	DB Section £	DC Section £	Total 2019 £
Annuities with Aviva	1,881,000	-	1,881,000
	1,881,000	-	1,881,000

These policies relate to benefits due for 27 individuals (2019: 29). Annuities are issued by the annuity provider and are valued by the Fund Actuary on a buy-out basis.

15. AVC investments

The Trustees hold assets invested separately from the main DB investments in order to secure additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement as at the year-end confirming the amounts held in their accounts and the movements in the year. The aggregate amounts of AVC investments are as follows:

	DB Section £	DC Section £	Total 2020 £
Aviva	-	9,676	9,676
Phoenix Life	-	18,703	18,703
		28,379	28,379

	DB Section £	DC Section £	Total 2019 (Restated) £
Aviva	-	18,962	18,962
Phoenix Life	-	21,716	21,716
	-	40,678	40,678

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

During the year a further AVC investment was identified with Phoenix Life which was not included last year, therefore opening balances have been restated.

16. Fair value determination

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

At 31 March 2020				
	Level 1 £	Level 2 £	Level 3 £	Total £
DB Section				
Pooled investment vehicles	-	34,789,693	-	34,789,693
Insurance policies	-	-	1,500,000	1,500,000
	-	34,789,693	1,500,000	36,289,693
DC Section				
Pooled investment vehicles	-	972,905	-	972,905
AVC investments	-	28,379	-	28,379
	-	1,001,284	-	1,001,284

At 31 March 2019				
	Level 1 £	Level 2 £	Level 3 £	Total (Restated) £
DB Section				
Pooled investment vehicles	-	36,439,250	-	36,439,250
Insurance policies	-	-	1,881,000	1,881,000
	-	36,439,250	1,881,000	38,320,250
DC Section				
Pooled investment vehicles	-	1,157,468	-	1,157,468
AVC investments (Restated)	-	40,678	-	40,678
	-	1,198,146	-	1,198,146

17. Investment risk disclosures

17.1 Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from professional investment advisors. The Fund has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustees' Report. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits. Limits are implemented through the investment management agreements in place with the Fund's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management and the Fund's exposures to credit and market risks are set out below. In relation to investments underlying DB entitlements the position is as follows:

The Fund is exposed to credit risk as it invests in bonds and has cash deposits. The Fund also invests in pooled investment vehicles giving it direct exposure to the credit risk of the pooled investment vehicle and indirect exposure to the credit risk of the financial instruments held by the pooled investment vehicle.

Credit risk is mitigated by dealing with established pooled investment vehicles. This direct credit risk is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Fund is exposed to the indirect risk of these arrangements in relation to the underlying investments. This risk is mitigated by investing in pooled investment vehicles which invest predominantly in investment grade financial instruments. This is the position at the year end.

Cash is held with financial institutions which are at least investment grade credit rated. This is the position at the year end.

The Fund is exposed to currency risk through investments held in overseas markets. The exposure to currency risk is determined by the investment managers based on their evaluation of global markets in the context of the investment strategy of each particular fund.

The Fund is exposed to interest rate risk through its investment in fixed interest securities held in pooled investment vehicles. The value of fixed interest securities vary owing to a number of factors including interest rates. Movements in interest rates affects the value of fixed interest securities which move in part to hedge movement in the Fund's obligations which are also affected by movements in interest rates. At the year-end, 33% of the Fund's investments were represented by fixed interest security funds.

The Fund is exposed to other price risk as a result of return seeking assets such as property. Given the nature of the Fund's liabilities, this only represents a minority of the Fund investments. At the year-end, 8% of investments were represented by this investment class.

DC monies are invested at the discretion of the members owning the relevant fund. A default option is available, and The Trustees seek to ensure that investment risks within this option are managed in a comparable manner to those relating to the DB investments.

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

As at 31 March the exposure to each category of risk is detailed below.

DB Investment Assets	Credit risk	Market risk			2020 £	2019 £
		Currency	Interest rate	Other price		
Pooled funds	■	■	■	■	34,789,693	36,439,250
Insurance Policy	■	□	■	■	1,500,000	1,881,000
TOTAL	-	-	-	-	36,289,693	38,320,250

Key: ■ significantly affected, ■ partially affected, □ hardly / not affected.

18. Self-investment

There was no direct self-investment during or at the year-end.

19. Current assets

	DB Section £	DC Section £	Total 2020 £
Cash balances	233,290	68,790	302,080
	233,290	68,790	302,080

	DB Section £	DC Section £	Total 2019 £
Cash balances	101,684	-	101,684
	101,684	-	101,684

20. Current liabilities

	DB Section £	DC Section £	Total 2020 £
Unpaid benefits	-	11,630	11,630
Accrued expenses	28,830	-	28,830
	28,830	11,630	40,460

	DB Section £	DC Section £	Total 2019 £
Other creditors	31,806	-	31,806
	31,806	-	31,806

21. Related party transactions

All costs except administration are borne by the Employer. One of the four Trustees at the year-end is a member of the Fund and BF McIntyre is a director of the Employer Company. K Wells, who retired as a Trustee on the 1 April 2020 also became a pensioner member of the Fund.

There were no Employer related investments held during the year.

The Adnams Pension Fund
31 March 2020
Notes to the financial statements (continued)

22. Contingent Liability

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension plans. The judgement concluded the Funds should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pensions benefits. The issues determined by the judgement arise in relation to many other defined benefit pension Funds. The Trustees of the Fund are aware that the issue will affect the Fund and will be considering this at a future meeting, and decisions will be made as to the next steps.

23. Subsequent events

The effects of COVID-19 have been considered. There is no concern over the going concern of the Fund. The Sponsoring Employer has sufficient resources and will support the Fund, should be so necessary, for at least the next 12 months.

The Adnams Pension Fund
31 March 2020
Report on Actuarial Liabilities (forming part of the Trustees' annual report)

Under Section 222 of the Pensions Act 2004, every Scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to, based on pensionable service at the valuation date or date of leaving if earlier. This is assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles dated 28 February 2020, which is available to the Fund members on request.

The most recent full actuarial valuation of the Fund was carried out as at 31 March 2019.

	31 March 2019
The value of the technical provisions was	£36,426,000
The value of the assets was	£36,509,000

The method and significant actuarial assumptions used to determine the technical provisions are as follows:

Method

The actuarial method to be used in the calculation of the technical provisions is the projected unit method.

Significant actuarial assumptions

Assumption		Value as at 31 March 2019
Discount rate	Derived from prudent assumptions of the net returns on the underlying assets based on a long-term asset allocation.	3.50%
Retail Prices Index (RPI) inflation	Derived by considering the future level of inflation implied by the UK gilt yield curves produced daily by the Bank of England at a duration of 20 years.	3.70%
Consumer Prices Index (CPI) inflation	Derived by reducing the RPI inflation assumption by a prudent margin of 0.8% pa.	0.70%
Pension increases in payment	The assumed pension increase rate for benefits linked to RPI and CPI inflation, but subject to an annual cap, is set consistently with the relevant inflation assumption and calculated by reference to a probability distribution derived from historic inflation.	
Mortality	For the period in retirement, 102%/110% of the S3PMA/S3PFA tables with future improvements in line with CMI 2018 model with a long-term rate of improvement of 1.5% pa.	
Partner/Spouse	80% of members are assumed to be married at retirement or earlier death, with husbands three years older than their wives.	
Cash commutation allowance	Members are assumed to commute pension to provide 60% of the maximum tax-free cash.	

The Fund also holds annuities in the name of the Trustees. These were excluded from the valuation. The assumptions used to place a value on the annuity policy in the financial statements will be different to those used in valuing the technical provisions set out above and will reflect the nature of the annuity policy held. As at 31 March 2020, the value of the annuity policy (and related technical provisions for the secured pensions) is £1.5m. This value reflects the Fund Actuary's estimate of the cost of securing the benefits with an insurer, at that time.

The Adnams Pension Fund
31 March 2020
Independent Auditor's Statement about Contributions to the Trustees of the
Adnams Pension Fund

We have examined the summary of contributions to The Adnams Pension Fund for the Fund year ended 31 March 2020 which is set out in the Trustees' report on page 24.

Respective responsibilities of Trustees and the auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Fund's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Fund by or on behalf of the Employer and the active members of the Fund. The Trustees are also responsible for keeping records in respect of contributions received and for monitoring whether contributions are made to the Fund by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Scope of work on statement about contributions

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

Statement about contributions payable under the Schedule of Contributions

In our opinion contributions for the Fund year ended 31 March 2020 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Fund actuary.

Use of this report

This report is made solely to the 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. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the pension Fund and the pension Fund's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Ensors Accountants LLP
Chartered Accountants and Statutory Auditor
Ipswich, United Kingdom

Date



28 September 2020

The Adnams Pension Fund
31 March 2020
Statement of Trustees' Responsibilities in respect of Contributions

The Fund's Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a Schedule of Contributions showing the rates of contributions payable to the Fund by or on behalf of the Employer and the active members of the Fund and the dates on or before which such contributions are to be paid. The Fund's Trustees are also responsible for keeping records of contributions received and for monitoring whether contributions are made to the Fund by the Employer in accordance with the Schedules.

Trustees' Summary of Contributions payable under the Schedules in respect of the Fund year ended 31 March 2020

This Summary of Contributions has been prepared by and is the responsibility of the Trustees. It sets out the Employer and member contributions payable to the Fund under the Schedules of Contributions certified by the Actuary on 17 January 2017 and 28 February 2020 in respect of the Fund year ended 31 March 2020. The Fund Auditor reports on contributions payable under the Schedules in the Auditor's Statement about Contributions. During the year ended 31 March 2020 the contributions payable to the Fund by the Employer were as follows:

Contributions payable under the Schedules of Contributions	£
Employer deficit funding contributions	444,708
Employer other contributions	5,292
Total Employer contributions	450,000
Total contributions required by the Schedules of Contributions as reported on by the Fund Auditor	450,000
Total contributions shown in the financial statements	450,000
Signed on behalf of the Trustees of the Adnams Pension Fund on 14 September 2020	
Trustee 	Trustee 

The Adnams Pension Fund
31 March 2020
Actuary's Certification of Schedule of Contributions

Name of Fund: The Adnams Pension Fund

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective can be expected on 31 March 2019 continue to be met for the period for which the Schedule is to be in force

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 28 February 2020.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Fund's liabilities by the purchase of annuities, if the Fund were to be wound up.

Signature: <i>Neal Thompson</i>	Date: 02-03-20
Name: Neal Thompson	Qualification: Fellow of the Institute and Faculty of Actuaries
Address: First House Minerva Business Park Lynch Wood Peterborough PE2 6FT	

The Adnams Pension Fund

31 March 2020

Chair's statement

Chair's Statement – 31 March 2020

In accordance with the requirements of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 ('the Regulations'), the Trustees are required to provide a statement relating to the governance of the defined contribution benefits within the Fund. This statement covers the period from 1 April 2019 to 31 March 2020 and has been prepared by the Chair of the Trustees – Bridget McIntyre.

Background to the Fund's DC benefits

The Fund provides retirement and death benefits for its members. The fund has a Defined Benefit (DB) Section which was closed to new entrants on 1 April 2002 and closed to future accrual on 1 July 2005 and a Defined Contribution (DC) section.

The DC section was formerly shares held in an employee trust for members and 'paid out' when members retired. In 2005/6 these benefits were brought into the trust of the DC section of the Fund and divided between the members to sit alongside their DB benefits, in the form of an investment only plan. Therefore, no further DC contributions are being made to the Fund. At retirement, members are able to use their DC funds towards their tax-free cash before exchanging any DB pension.

Governance of the default investment fund

As at 1 April 2020, the defined contribution funds under management were:

Adnams Pension Fund DC section:	
Aviva Mixed Investments Annuity Lifestyle Approach	£972,904.63
Aviva With-Profit (NU)	£9,676.26
Phoenix Life	£18,703.20

The DC section of the Fund has a designated default investment fund for members who do not make an investment choice as to where contributions are allocated. This is the 'Aviva Mixed Investments Annuity Lifestyle Approach'. The lifestyle strategy entails members' assets being switched between funds in the 5 years before their retirement date. Members are contacted prior to the commencement of the switching to a more appropriate investment strategy should the default strategy no longer fit with their retirement plans.

For members who wish to self-select, there is a range of over 60 fund options covering all of the major asset classes.

The Trustees have prepared a Statement of Investment Principles (SIP) which sets out the Trustees' aims and objectives relating to investment strategy and default fund as well as providing details of all investment options that are available to members. A copy of this SIP is attached below.

The Trustees appreciate the need to consider the Fund's investment strategy to ensure the funds made available (default and self-select options) are appropriate for members. The Trustees are keen to ensure that assets are invested in the best interests of members. A formal investment review has not taken place as the Trustees are currently investigating whether to wind up the DC section of the Fund. If this does not go ahead, an investment review will be undertaken.

Charges and transaction costs

The 'Aviva Mixed Investments Annuity Lifestyle Approach' default fund being used by members of the DC Section is subject to an ongoing investment management charge of 0.5% per annum.

The Adnams Pension Fund
31 March 2020
Chair's statement (continued)

In addition to these explicit member charges, members may also incur transaction costs (incurred as a result of buying, selling, lending or borrowing investments).

The Trustees are aware that, in February 2018, the DWP issued guidance for Trustees of occupational schemes regarding the disclosure of costs and charges information with effect from April 2018. Information in relation to the charges and transaction costs for the 'Aviva Mixed Investments Annuity Lifestyle Approach' is detailed in the table below.

Fund	Total Expense Ratio (TER)	Transaction costs (%)
Aviva Deposit Pension Standard (Series 06)	0.50%	0.00%
Aviva Long Gilt S6 Pension Standard (Series 06)	0.50%	0.00%
Aviva Mixed Investment (0-35% shares) S6 Pension Standard (Series 06)	0.51%	0.01%
Aviva Mixed Investment (40-85% shares) S6 Pension Standard (Series 06)	0.52%	0.02%

The Trustees have not been able to obtain the charges and transaction costs on the Aviva with-profit (NU) and Phoenix Life funds, however steps are being taken to obtain a these in order for them be covered in next year's Chairs' Statement.

Adnams pension Fund accounts will be published on www.Adnams.co.uk and members will be notified in line with the requirements.

In addition to the above member-borne costs and charges, the sponsoring Employer meets the cost of ongoing governance and other Scheme fees. In assessing value-for-money, the Trustees have only considered the costs and charges met by members.

The Trustees wish to ensure that the Fund provides good value for members. Previously, regulators and other stakeholders have focused on charging structure, with less attention given to other elements that determine value, such as the robustness of member governance, communications and support, customer service, fund management, performance of funds within the context of the investment objectives and efficiency of administration services. Within its latest draft DC Code of Practice however, the Pensions Regulator has set out its expectations of trustee boards in several areas including the assessment of value for members.

The Trustees have taken these expectations into account when reviewing value for members of the Fund. Based on the above definition, the Trustees are satisfied that the Fund does provide value for members compared to similar Funds of a comparable size.

Administration costs are currently met by the Scheme, with members meeting the annual fund charges. At 31 March 2020, the investment charge for the default fund stood at 0.5% of the value of the fund per annum, therefore this is below the Government's charge cap of 0.75% of a member's fund per annum.

Cumulative costs and charges

The Trustees have conducted an analysis of the cumulative impact of the member-borne costs and charges for typical members invested in the constituent funds of the 'Aviva Mixed Investments Annuity Lifestyle Approach', which are set out in Appendix A.

The Adnams Pension Fund
31 March 2020
Chair's statement (continued)

Core financial transactions

Administration on the Fund is reduced by the fact that no new contributions are being made.

Given the small number of transactions that are carried out, the Trustees receive, and review reports from the administrators on an exception basis as and when transactions are carried out in order to monitor the level of administration services being provided to members.

The processing of core financial transactions is monitored against the service level agreement (SLA) in place with the administrators, who have implemented internal control procedures to help ensure that such transactions are processed more promptly and accurately. These activities include procedures to ensure the accuracy of benefit calculations and settlements (including a relevant review process), to ensure bank accounts are monitored daily, all investment transactions are checked, and any inconsistencies identified are resolved promptly.

Value for members

The Trustees wish to ensure that the Fund provides good value for members. Within its latest draft DC Code of Practice, the Pensions Regulator has set out its expectations of trustee boards in a number of areas including the assessment of value for members. The Trustees have taken these expectations into account when considering value for members of the Fund.

The Trustees began a review in Q1 this year as to whether the administration could be moved from Aviva to an alternative third-party administrator (TPA) or provider. As this was not possible, the only other consideration for the Trustees is whether to transfer all of the benefits to a section 32 buy-out plan or a master trust provider, then wind up the DC section of the Fund.

Aviva have provided terms for use of their Master Trust. This would involve transferring benefits away from the trust, however the AMC quoted is 0.53% p.a. which is higher than the current AMC of 0.5%.

If the Trustees decide not to wind up the DC section of the Fund, a review into the communication strategy will be undertaken.

Trustee Knowledge & Understanding

It is important that the Trustees continue to have sufficient knowledge and understanding to fulfil their duties. All new Trustees are expected to undertake training following their appointment, including use of the Pensions Regulator's Trustee Toolkit.

The Trustees are supported by independent and professional advisers, who ensure that they are kept abreast of the latest legislative, regulatory and market developments that apply to the Fund. These advisory appointments are also periodically reviewed.

Appropriate and relevant training is delivered during Trustee meetings when the Trustees are considering issues that require additional knowledge and understanding. This is supported by external training and attendance at conferences to broaden overall knowledge.

All training received is recorded in Trustee Training Registers for each Trustee. Alongside regular self-assessments from the Trustees, these Registers are regularly reviewed by the Trustees to identify any gaps in knowledge, and ensure training is up to date.

Trustees have a working knowledge of the Trust Deed and Rules, the SIP and current policies and law relating to pensions and trusts. They also have the sufficient knowledge and understanding of the relevant principles relating to the funding and investment of occupational schemes.

As a result of the training activities that have been completed and taking account of the professional advice available to the Trustees, it is my opinion that they are able to fulfil their role to the required standard.

The Adnams Pension Fund
31 March 2020
Chair's statement (continued)

How to contact the Trustees

If you have any further queries regarding the Fund, please contact:

First Actuarial LLP
First House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6HA



B F McIntyre

Chair of the Trustee of The Adnams Pension Fund

Date: 14 September 2020

The Adnams Pension Fund
31 March 2020
Chair's statement (continued)

Appendix A

The Trustees have taken into account the statutory guidance when preparing these illustrations. The assumptions used to calculate the cumulative pension costs are based on actual Fund information.

Projected Pension Pot in todays money										
Years	Mixed Investment 40-85%		Mixed Investment 0-35%		Long Gilt		Deposit		Investec	
	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges
1	£16,612	£16,498	£16,219	£16,137	£15,999	£15,918	£15,999	£15,918	£16,711	£16,511
3	£17,516	£17,160	£16,304	£16,057	£15,649	£15,413	£15,649	£15,413	£17,833	£17,198
5	£18,469	£17,848	£16,390	£15,977	£15,307	£14,924	£15,307	£14,924	£19,030	£17,915
10	£21,087	£19,693	£16,606	£15,780	£14,483	£13,767	£14,483	£13,767	£22,386	£19,840
15	£24,075	£21,727	£16,825	£15,586	£13,704	£12,701	£13,704	£12,701	£26,335	£21,971
20	£27,487	£23,972	£17,046	£15,393	£12,967	£11,717	£12,967	£11,717	£30,979	£24,332
25	£31,382	£26,449	£17,271	£15,203	£12,269	£10,809	£12,269	£10,809	£36,443	£26,946
30	£35,829	£29,182	£17,498	£15,016	£11,609	£9,971	£11,609	£9,971	£42,871	£29,841
35	£40,906	£32,197	£17,728	£14,830	£10,984	£9,199	£10,984	£9,199	£50,432	£33,048
40	£46,703	£35,524	£17,962	£14,647	£10,393	£8,486	£10,393	£8,486	£59,326	£36,598

Assumptions:

- Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation
- The starting pot size is assumed to be £16,177
- Inflation is assumed to be 2.5% each year
- Values shown are estimates and are not guaranteed
- The projected growth rate for each fund are as follows:

Mixed Investment 40-85%	2.69%	above inflation
Mixed Investment 0-35%	0.26%	above inflation
Long Gilt	-1.10%	above inflation
Deposit	-1.10%	above inflation
Investec	3.30%	above inflation

The Adnams Pension Fund
31 March 2020
Appendix 1

Statement of Investment Principles

The Adnams Pension Fund

Statement of Investment Principles

October 2018

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1 Introduction

Fund background

- This Statement of Investment Principles (the “Statement”) details the principles governing investment decisions for the Adnams Pension Fund (the “Fund”).
- The Fund:
 - operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries,
 - provides benefits calculated on a defined benefit (DB) basis and a defined contribution (DC) basis.

Both the DB and DC sections are closed to new entrants.

Buck is investment consultant to the Trustees.

Regulatory requirements and considerations

- This statement covers the requirements of, and the Fund’s compliance with, the provisions of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005 as well as additional non-statutory information recommended to be included following the Myners review of “Institutional Investing in the UK”, the results of which were first published in 2001 (referred to as the “Myners Principles”).
- The Myners Principles require Trustee Boards to act in a transparent and responsible manner. The information set out in this document helps ensure that the Trustees are complying with this requirement.
- In respect of the DC Section and additional voluntary contributions provided on a money-purchase basis within the Fund, the Trustees have taken into account the requirements and recommendations within the Pension Regulator’s DC code and regulatory guidance. Information on the Trustees’ approach to investment matters within the DC Section, and in particular in setting the default arrangement, are included within this document.

2 Statement of Investment Principles

Introduction

- This section of the Statement covers the requirements of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005. It is divided into three sub-sections:
 - General Section
 - DB Section
 - DC Section
- In accordance with section 35 of the Pensions Act 1995, the Trustees have reviewed and considered written advice from the investment consultant prior to the preparation of this Statement and have consulted the Sponsoring Employer.
- The Trustees will review this Statement, in consultation with the investment consultant and the Sponsoring Employer, at least once every three years, or more frequently if there are any significant changes in the Fund's circumstances. However, ultimate power and responsibility for deciding investment policy lies solely with the Trustees.

General Section

- This section of the Statement contains information relating to both the DB and the DC Sections.

Kind of investments to be held

- The Trustees have full regard to their investment powers under the Fund's Trust Deed and Rules and the suitability of the various types of investments, the need to diversify, the custodianship of assets and any self-investment.
- The Fund may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, property, private equity, hedge funds and pooled investment vehicles considered appropriate for tax-exempt registered occupational pension schemes. The Trustees have considered the attributes of the various asset classes (including derivative instruments), these attributes being:
 - security (or quality) of the investment,
 - yield (expected long-term return),
 - spread (or volatility) of returns,
 - term (or duration) of the investment,
 - exchange rate risk,

- marketability/liquidity (i.e., the tradability on regulated markets),
- taxation.
- The Trustees consider all of the stated classes of investment to be suitable to the circumstances of the Fund.

Realisation of investments

- In the event of an unexpected need to realise all or part of the assets of the portfolio, the Trustees require the investment manager(s) to be able to realise the Fund's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required and subject to the best interests of the Fund. The majority of the assets are not expected to take an undue time to liquidate.

Social, Environmental and Ethical Issues

- The Trustees' objective is to ensure that the investment managers have the financial interests of the Fund members as their first priority when choosing investments. They may take social, environmental or ethical considerations into account only when these factors do not contradict the primary objective or where these considerations are specified within the mandate of the funds used.
- The Trustees have reviewed the investment managers' policies in respect of Socially Responsible Investment and are satisfied that it is consistent with the above approach.

Voting Rights attaching to Investments

- The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers is/are expected to provide regular reports for the Trustees detailing their voting activity. The Trustees will take corporate governance policies into account when appointing and reviewing such investment managers.

Investment Decisions

- All investment decisions are taken by the Trustee Board as a whole. The Trustees believe that collective responsibility is the appropriate structure, given the size of the board. The Trustees will examine regularly whether additional investment training is desirable for any individual Trustee.
- All investment decisions relating to the Fund are under the Trustees' control without constraint by the Sponsoring Employer. The Trustees are obliged to consult with the Sponsoring Employer when changing this Statement.
- All day-to-day investment decisions are delegated to properly qualified and authorised investment managers of pension scheme portfolios. Investment management agreements and/or an insurance contract have been exchanged with the investment managers, and are reviewed from time-to-time to ensure that the manner in which they make investments on the Trustees' behalf is suitable for the Fund, and appropriately diversified.

DB Section

- This section of the Statement contains information relating only to the DB Section of the Fund.

Investment Objectives and Suitability of Investments:

- The Fund's investment strategy has been agreed by the Trustees having taken advice from the investment consultant and takes due account of the Fund's liability profile along with the level of disclosed surplus or deficit.
- The Trustees' agreed investment strategy is based on an analysis of the Fund's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from equities are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustees are prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.
- The Trustee's primary objectives are:
 - to provide appropriate security for all beneficiaries,
 - to achieve long-term growth sufficient to provide the benefits from the Fund, and
 - to achieve an appropriate balance between risk and return with regards to the cost of the Fund and the security of the benefits.
- The Trustees have translated their objectives into a suitable strategic asset allocation for the Fund, details of which are included in the appendices.
- In accordance with the Financial Services & Markets Act 2000, the Trustees are responsible for setting the general investment policy, but the responsibility for all day-to-day investment management decisions has been delegated to an investment manager authorised under the Act. Details are included in the appendices.
- The Trustees are responsible for reviewing the Fund's asset allocation and wider investment strategy as part of each actuarial valuation in consultation with the Fund's investment consultant. The Trustees may also reconsider the asset allocation and the investment strategy outside the triennial valuation period where necessary.
- The Trustees consider the Fund's current strategic asset allocation to be consistent with the current financial position of the Fund. This assessment will be updated with reference to the Technical Provisions set out in the Fund's Statement of Funding Principles once the next actuarial valuation has been completed. "Technical provisions" is the value of the Fund's liabilities for funding purposes as at the latest available Fund-specific actuarial valuation date.

Diversification

- The Trustees, after seeking appropriate investment advice, have selected a strategic asset allocation for the Fund (see Appendix 1).
- Subject to their respective benchmarks and guidelines (shown in Appendix 1) the investment managers are given full discretion over the choice of stocks and are expected to maintain diversified portfolios.

- The Trustees are satisfied that the investments selected are consistent with their investment objectives, particularly in relation to diversification, risk, expected return and liquidity.
- Given the size and nature of the Fund, the Trustees have decided to invest the Fund's assets on a pooled fund basis. All such investments are effected through direct agreements with the investment managers and/or through an insurance contract.
- The Trustees are satisfied that the range of vehicles in which the Fund's assets are invested provides adequate diversification.

Balance between different kinds of investments

- The appointed investment managers will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager will maintain a diversified portfolio of securities.

Risk

- The Trustees consider the main risk to be that of the assets being insufficient to meet the Fund's liabilities as they fall due. The Trustees have assessed the likelihood of undesirable financial outcomes arising in the future.
- Investment policies are set with the aim of having sufficient and appropriate assets to cover the Fund's Technical Provisions, and with the need to avoid undue contribution rate volatility.
- In determining their investment strategy, the Trustees received advice from the investment consultant as to the likely range of funding levels for strategies with differing levels of investment risk relative to the Scheme's liability profile. Taking this into account, along with the expected returns underlying the most recent actuarial valuation, the strategy outlined in Appendix 1 of this Statement has been adopted.
- Although the Trustees acknowledge that the main risk is that the Fund will have insufficient assets to meet its liabilities, the Trustees recognise other contributory risks, including the following. Namely the risk:
 - associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors,
 - of the Fund having insufficient liquid assets to meet its immediate liabilities,
 - of the investment managers failing to achieve the required rate of return,
 - due to the lack of diversification of investments,
 - of failure of the Fund's Sponsoring Employer to meet its obligations.
- The Trustees manage and measure these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy.
- The Trustees undertake monitoring of the investment managers' performance against their targets and objectives on a regular basis.
- Each fund in which the Fund invests has a stated performance objective by which investment performance will be measured. These are shown in Appendix 1.

Within each asset class, the investment managers are expected to maintain a portfolio of securities (or funds), which ensures that the risk being accepted in each market is broadly diversified.

- The divergence of the actual distribution of the investments from the benchmark weighting will be monitored by the trustees, with assistance from the investment consultant as required. Any deviation from the target asset allocation will be discussed periodically with the investment consultant.

Expected return on investments

- The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach a fully funded status under the agreed assumptions.

Investment Manager Monitoring

- The Trustees will assess the performance, processes and cost effectiveness of the investment managers by means of regular, but not less than annual, reviews of the results and other information, in consultation with the investment consultant.
- All investment decisions, and the overall performance of the investment managers, are monitored by the Trustees with the assistance of the investment consultant.
- The investment managers will provide the Trustees with quarterly statements of the assets held along with a quarterly report on the results of the past investment policy and the intended future policy, and any changes to the investment processes applied to their portfolios. The investment managers will also report orally on request to the Trustees.
- The investment managers will inform the Trustees of any changes in the internal performance objective and guidelines of any pooled funds used by the Fund as and when they occur.
- The Trustees will assess the quality of the performance and processes of the investment managers by means of a review at least once every three years in consultation with the investment consultant.
- Appropriate written advice will be taken from the investment consultant before the review, appointment or removal of the investment managers.

Performance Monitoring

- Each of the funds in which the Fund invests has a stated performance objective against which the performance is measured,
- The Trustees will review the performance of the investment managers from time to time, based on the results of their performance and investment process,
- The investment managers are expected to provide written reports on a quarterly basis.
- The Trustees receive an independent investment performance monitoring report from their investment consultant on a quarterly basis.

Additional Voluntary Contributions (AVCs)

- The Fund includes both traditional member AVCs and a separate Money Purchase Arrangement which arose out of a historic employee share benefit arrangement.
 - The Trustees have full discretion as to the appropriate investment vehicles made available to members of the Fund for their voluntary contributions. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustees, having taken appropriate written advice from properly qualified and authorised financial advisers.
 - The Trustees make available a range of funds with Aviva in respect of the money purchase arrangements
 - In selecting this range of funds offered the Trustees have taken advice from their professional advisers on:
 - the risks faced by members in investing on a money purchase basis, and
 - the Trustees' responsibilities in the selection and monitoring of the investment options offered.
 - The Trustees will continue to manage the AVC arrangements having taken professional advice on these matters.
 - The Trustees will monitor the performance of AVC providers periodically.
 - Members are directed to seek independent financial advice when considering their AVC arrangements.
-

DC Section

- This section of the Statement contains information relating only to the DC Section of the Fund.

Investment Objectives and Suitability of Investments

- The Trustees believe that fund selection is an important decision for all members since it is likely to have an important influence on the risk taken and return achieved on members' pension savings.
- However, the Trustees also recognise that in practice many members do not actively make an investment choice and are instead invested in the default option. The Trustees therefore recognise the importance of designing an appropriate default strategy for the Fund's membership.
- Whilst the Trustees believe the chosen default option is a reasonable choice for a lot of the membership, ultimately each member should take into account their own personal circumstances when determining whether the default option or an alternative strategy would best meet their needs.
- The objective of the default strategy is to provide a balanced investment strategy for members who do not make an active investment choice while also recognising the changing needs of members as they approach retirement. The strategy aims to produce a material level of return (net of fees) that a member could expect to receive from the Fund over the course of their working lifetime, while reducing the risk of them having income provision in retirement significantly below what may reasonably be expected.
- The Trustees recognise that members using the default strategy are likely to be less financially aware than those using self-select options and have taken this into account in the strategy design.
- Details of the default option are shown in the appendices.
- The objective of the alternative investment options available is to allow members to tailor their investments based on their individual investment requirements. The range should assist members in achieving the following:
 - maximising the value of retirement benefits, to ensure a reasonable standard of living in retirement,
 - protecting the value of benefits in the years approaching retirement against equity market falls and (should they decide to purchase an annuity) fluctuations in annuity costs, and
 - tailoring a member's investments to meet his or her own needs, and to how the member intends to make use of their benefits at and through retirement.
- The Trustees are satisfied that the funds offered to members and the appointed investment managers are consistent with the objectives of the Fund, particularly in relation to diversification, risk, expected return and liquidity.

Balance between different types of investments

- The investment manager(s) will maintain a diversified portfolio of stocks or bonds within each of the funds offered under the Fund (both within the default and self-select options).
- In addition, the design of the default strategy provides further diversification through the use of multiple funds throughout a member's working lifetime.

Risk

- The Trustees have considered risk from a number of perspectives. These are the risk that:
 - the investment return over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate retirement income,
 - investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of pension or other retirement income,
 - investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit,
 - the default option is not suitable for members who invest in it, and
 - fees and transaction costs reduce the return achieved by members by an inappropriate extent.
- The investment strategy for the default option has been chosen with the aim of reducing these risks. The self-select funds available have been chosen to provide members with the flexibility to address these risks for themselves.
- To help address these risks, the Trustees also review the default option used and the fund range offered at least every three years, taking into account changes to the membership profile, developments within DC markets (including both product development and trends in member behaviour) and changes to legislation.

Expected return on investments

- The default option is expected to provide an appropriate return on members' investments, based on the Trustees' understanding of the Fund's membership and having taken into account the risk considerations set out above. Assumptions around expected returns for each asset class are derived in a similar way as within the DB Section.

Investment Manager Monitoring

- The investment managers will provide the Trustees with quarterly statements of the assets held along with a quarterly report on the results of the past investment policy and the intended future policy, and any changes to the investment processes applied to their portfolios. The investment managers will also report orally on request to the Trustees.
- The investment managers will inform the Trustees of any changes in the internal performance objective and guidelines of any pooled funds used by the Fund as and when they occur.
- Appropriate written advice will be taken from the investment consultant before the review, appointment or removal of the investment managers.

Performance Monitoring

- Each of the funds in which the Fund invests has a stated performance objective against which the performance is measured,
- The Trustees will review the performance of the investment managers from time to time, based on the results of their performance and investment process,
- The investment managers are expected to provide written reports on a quarterly basis.
- The Trustees do not receive an independent investment performance monitoring report from their investment consultant.

Realisation of investments

- Investments within the DC section (including in the default option), are subject to the same realisation requirements as set out in the General Section of this Statement.

Social, Environmental and Ethical Issues

- Social, environmental and ethical issues for the DC section (including for the default option) are considered as set out in the General Section of this Statement.

3 Appointments & Responsibilities

This section sets out the key appointments and responsibilities with respect to the investment aspects of the Fund.

Trustees

The Trustees' primary responsibilities include:

- preparation of this Statement, reviewing its contents and modifying it if deemed appropriate, in consultation with the Sponsoring Employer and the investment consultant, at least every three years. The Statement will also be reviewed following a significant change to investment strategy and/or the investment managers,
- appointing investment consultants and investment managers as necessary for the good stewardship of the Fund's assets,
- reviewing the investment strategy as part of each triennial actuarial valuation, and/or asset liability modelling exercise, and/or significant changes to the Fund's liabilities, taking advice from the investment consultant,
- assessing the processes (and therefore the performance) of the investment managers by means of regular, but not less than annual, reviews of information obtained (including investment performance),
- monitoring compliance of the investment arrangements with this Statement on a regular basis, and
- monitoring risk and the way in which the investment managers have cast votes on behalf of the Trustees in respect of the Fund's equity holdings.

Investment Consultant

The main responsibilities of the investment consultant include:

- assisting the Trustees in the preparation and periodic review of this Statement in consultation with the Sponsoring Employer,
- undertaking project work including reviews of investment strategy, investment performance and manager structure as required by the Trustees,
- advising the Trustees on the selection and review of the investment manager(s),
- providing training or education on any investment related matter as and when the Trustees see fit, and
- monitoring and advising upon where contributions should be invested or divested on a periodic basis.

Investment Managers

The investment managers' main responsibilities include:

- investing assets in a manner that is consistent with the objectives set,
- ensuring that investment of the Fund's assets is compliant with prevailing legislation and the constraints detailed in this Statement,
- providing the Trustees with quarterly reports including any changes to their investment process and a review of the investment performance,
- attending meetings with the Trustees as and when required,
- informing the Trustees of any changes in the fee structure, internal performance objectives and guidelines of any pooled fund used by the Fund as and when they occur, and
- exercising voting rights on shareholdings in accordance with their general policy.

Custodian

The custodians used are responsible for the safe-keeping of the Fund's assets.

- The custodianship arrangements are those operated by the investment managers for all clients investing in their pooled funds.

Administrators

- The administrator's primary responsibilities are the day to day administration of the Fund and the submission of specified statutory documentation, as delegated by the Trustees.
- The Fund's administrator is Aviva Fund Management for both the DB and DC Sections.

Scheme Actuary

The Scheme Actuary's main responsibilities in respect of investment policy include:

- commenting on the suitability of the Fund's investment strategy given the financial characteristics of the Fund; and
- performing the triennial (or more frequently as required) actuarial valuation and advising on the Fund's funding level and therefore the appropriate level of contributions in order to aid the Trustees in balancing short-term and long-term investment objectives.

The Scheme Actuary is David Giles of Aviva.

Signed on behalf of the Trustees of the Fund:

BRIDGET MCINTYRE

Bridget McIntyre

Name

Signature

9/10/18

Date

Appendix 1– DB Section - Strategic Benchmark and Objectives

Fund's asset allocation

The Fund's asset allocation as at 31 March 2018 is tabulated below:

Asset Type	Investment Style	Allocation (%)
Balanced Fund	Active	67.8
Property	Active	5.3
Return enhancing		73.1
Corporate Bonds	Active	8.1
Fixed Interest Gilts	Active	7.8
Index Linked Gilts	Active	11.0
Risk reducing		26.9
Total		100.0

The Fund does not currently have an explicit target asset allocation; however the Fund's actual allocation is reviewed regularly by the Trustees, who consider whether this is still appropriate to the needs of the Fund.

Benchmarks & performance objectives

Benchmark indices and relative performance objectives for each of the funds in which the Fund is invested are outlined below. All performance targets are gross of fees and relate to rolling three-year periods.

Manager	Fund	Benchmark Index	Objective % p.a.
Aviva	Balanced Managed Fund	ABI Pension Mixed Investment 40-85% shares	+1.5
	Property Fund	IPD QPFI All Balanced Funds weighted average	+1.0
	Corporate Bond Fund	iBoxx Sterling Non-Gilt All Stocks Index	+1.0
	High Alpha Gilt Fund	FTSE-A All Stocks Gilt Index	+1.5
	Index Linked Gilt Fund	FTSE-A over 5 year Index-linked Gilt Index	+0.5

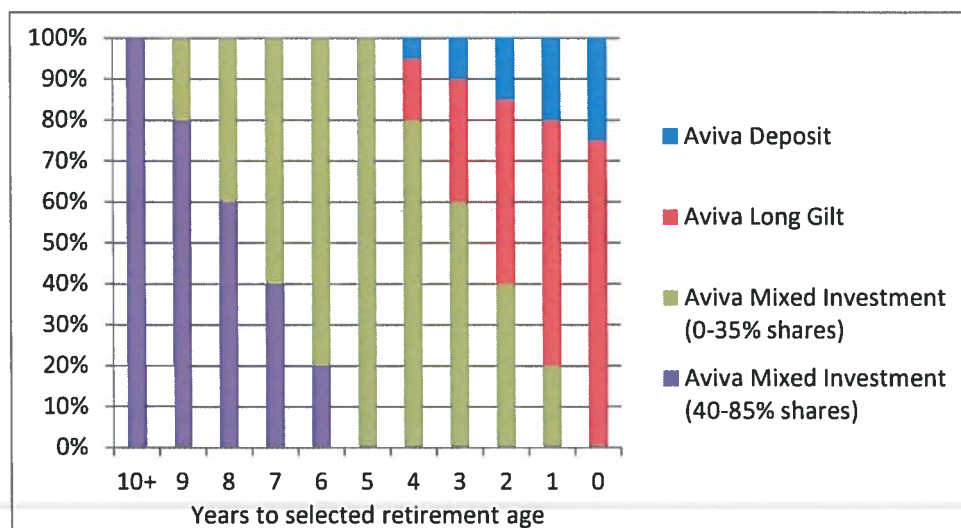
Appendix 2 – DC Section – Fund Range and Objectives

Fund options

Lifestyle strategy

The lifestyle strategy entails members' assets being switched between funds as they approach their target retirement date.

The lifestyle used is the Aviva Mixed Investments Annuity Lifestyle Approach; the switching profile is shown below:



Members using this strategy are contacted prior to the commencement of the phasing period and five years before their chosen retirement age and given the option to switch to a more appropriate investment strategy should the lifestyle strategy outlined above no longer fit with their retirement plans.

Self-Select fund options

There is a range of over 60 fund options covering all of the major asset classes.

Default option

The default option for members who do not make an investment choice is for their funds to be invested in the lifestyle strategy.

Appendix 3 – Fees

Investment manager fees

DB Section

Manager	Fund	Management Fee % p.a.
Aviva	Balanced Managed Fund	0.25
	Property Fund	0.50
	Corporate Bond Fund	0.20
	High Alpha Gilt Fund	0.25
	Index Linked Gilt Fund	0.20

DC Section

Members of the DC section pay a standard fee of 0.5% p.a. Additional fees are charged for some of the self-select fund range.

The Trustees have confirmed that the default option offered has total fees payable by members of less than the charge cap of 0.75% p.a. and will monitor compliance with this on an ongoing basis.

Investment consultancy fees

The investment consultant provides advice on a project-by-project basis. This is conducted on a time cost basis, subject to agreement of the scope and likely costs in advance.

The basis of remuneration is kept under review.