

Annual statement regarding governance of the AVCs and DC Section of the Spirit Legacy Pension Scheme ('the Scheme')

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ('the Administration Regulations') require the Trustee to prepare an annual statement regarding governance which must be included in the annual Trustee's report and accounts. The governance requirements apply to all Defined Contribution (DC) pension arrangements and aim to help members achieve a good outcome from their pension savings.

This statement issued by the Trustee covers the period from 1 July 2023 to 30 June 2024 and is signed on behalf of the Trustee by the Chair. It covers the Scheme's DC section and member's Additional Voluntary Contribution (AVC) funds.

This statement covers governance and charge disclosures in relation to the following:

1. The default arrangements
2. Net investment returns
3. Member borne charges and transaction costs
 - i. Default arrangements
 - ii. Self-select funds
 - iii. Additional Voluntary Contributions
 - iv. Illustrations of the cumulative effect of these costs and charges
4. Processing of core financial transactions
5. Assessment of value for members
6. Trustee's knowledge and understanding

Cessation of pension contributions to the Scheme

As part of the employer's plan to harmonise its pension provision, during November and December 2023, active members ceased contributing to the Scheme and all future pension contributions were made into an alternative pension arrangement with the employer.

1. The Default Arrangements

During the period covered by this statement, the Scheme was used as a Qualifying Scheme for auto-enrolment purposes. The Trustee is responsible for the Scheme's investment governance which includes setting and monitoring the investment strategy for the Scheme's default arrangements. The default arrangements for members are the Drawdown Targeting Lifestyle Strategy and the Cash Targeting Lifestyle Strategy.

The Drawdown Targeting Lifestyle Strategy is primarily provided for members who join the Scheme and do not choose an investment option for their contributions. The Cash Targeting Lifestyle Strategy also contains a small number of members' funds that are close to retirement where no active decision has been taken to invest in that option, therefore it is also considered a "default" arrangement for the purposes of legislation.

Details of the objectives and the Trustee's policies regarding the default arrangements can be found in a document called the Statement of Investment Principles (SIP). The latest SIP for the Scheme is attached to this statement and included in the Trustee Report and Accounts. The objective of the default arrangements (and the alternative Annuity Targeting Lifestyle Strategy) is to automatically move members from higher return, higher risk investments to lower risk, lower return investments as they near their retirement age. This is done with the aim of providing growth to members while they are further from retirement while helping to protect fund values as members get closer to retirement and investing in a mix of assets broadly appropriate to how members in each strategy may take their benefits when they retire.

Investment strategy review

The default arrangements were not formally reviewed during the period covered by this statement.

The last review was completed on 10 March 2022. The review considered suitability of the default arrangements and other fund options with reference to the membership demographics and how members access their benefits, as well as industry data and wider trends. This assessment was made by considering the current membership profile and member outcomes adequacy modelling was completed. As a result of the review, the Trustee agreed to change the lifestyle strategies (including the default arrangements) by removing the allocation to emerging market equities given there was investment in Russia, which the Trustee did not support following the Russia/Ukraine conflict. This change was completed on 2 May 2023 and is expected to improve the risk adjusted returns of the lifestyle strategies.

The Trustee undertakes a formal review of the default arrangement every 3 years. The next formal review is due to take place by 10 March 2025.

Performance Monitoring

The Trustee reviews the performance of the funds underlying the default arrangements against their aims and objectives on a quarterly basis.

The Trustee reviews that took place in the year concluded that the funds were performing broadly as expected.

Specified performance based fees

Where a fee is calculated by reference to the returns from investments held by the Scheme and is not calculated by reference to the value of the member's rights under the Scheme, the Trustee must state the amount of any such performance-based fees in relation to each default arrangement. The Trustee confirms that, over the Scheme year, no performance based fees were incurred by members in the default arrangements.

Default arrangement asset allocation

The Trustee is required to disclose full asset allocations of investments for each default arrangement. The table below shows the percentage of assets allocated in the default arrangement to specified asset classes as at 30 June 2024.

(i) Default arrangement: Drawdown Targeting Lifestyle Strategy

	Average asset allocation over year to 30 June 2024 (%)			
Asset class	25 years old	45 years old	55 years old	Normal Retirement Age (65)
Cash	0.00%	0.00%	4.71%	5.22%
Bonds	0.00%	0.00%	50.46%	59.98%
<i>Corporate bonds</i>	0.00%	0.00%	21.17%	21.92%
<i>Fixed interest government bonds</i>	0.00%	0.00%	16.79%	18.06%
<i>Index-linked government bonds</i>	0.00%	0.00%	12.50%	20.00%
Listed equities	99.97%	99.97%	44.89%	34.99%
<i>UK equities</i>	12.56%	12.56%	5.65%	4.40%
<i>Developed market equities (excluding UK)</i>	87.41%	87.41%	39.33%	30.59%
Other	0.03%	0.03%	-0.06%	-0.19%

Source: Investment Managers: Vanguard, abrdn

(ii) Additional default arrangement: Cash Targeting Lifestyle Strategy

	Average asset allocation over year to 30 June 2024 (%)			
Asset class	25 years old	45 years old	55 years old	Normal Retirement Age (65)
Cash	0.00%	0.00%	4.71%	71.38%
Bonds	0.00%	0.00%	50.46%	28.62%
<i>Corporate bonds</i>	0.00%	0.00%	21.17%	0.00%
<i>Fixed interest government bonds</i>	0.00%	0.00%	16.79%	28.62%
<i>Index-linked government bonds</i>	0.00%	0.00%	12.50%	0.00%
<i>Other bonds¹</i>	0.00%	0.00%	0.00%	0.00%
Listed equities	99.97%	99.97%	44.89%	0.00%
<i>UK equities</i>	12.56%	12.56%	5.65%	0.00%
<i>Developed market equities (excluding UK)</i>	87.41%	87.41%	39.33%	0.00%
Other	0.03%	0.03%	-0.06%	0.00%

Source: Investment Managers: Vanguard, abrdn

2. Net investment returns

The Trustee is required to report net investment returns for each default arrangement and for each non-default fund which Scheme members were invested in during the Scheme year. Net investment return refers to the returns on funds minus all member-borne transaction costs and charges. The net investment returns to 30 June 2024 (with the exception of Additional Voluntary Contributions, which are to 31 March 2024) are shown in the tables below and have been prepared having regard to statutory guidance. It is important to note that past performance is not a guarantee of future performance.

The net returns for the Lifestyle Strategy Funds shown in tables (i), (ii) and (iii) below are based on a member having a Target Retirement Age of 65. The statutory guidance states net investment returns for lifestyle strategies must be shown for members aged 25, 45 and 55 at the start of the Scheme year. The Scheme's lifestyle strategies start de-risking from 10 years before retirement (from age 55 where the Target Retirement Age is 65), therefore the net returns for the lifestyle strategies and all self-select funds are the same at age 25, 45 and 55 for the 1 year or 5 year periods. We have shown net investment returns at age 55 (this covers the performance for the ages set out in the statutory guidance). Additionally we have set out the performance for ages 60 and 65 (to show returns achieved for members closer to retirement).

(i) Default arrangement – Drawdown Targeting Lifestyle Strategy

Age at the end of investment reporting period	Net return (% p.a.)	
	1 year	5 years
55 and under	21.9	13.3
60	14.2	8.9
65	11.8	4.4

Source: abrdn and Aon calculations

(ii) Additional default arrangement – Cash Targeting Lifestyle Strategy

Age at the end of investment reporting period	Net return (% p.a.)	
	1 year	5 years
55 and under	21.9	13.3
60	14.2	8.9
65	6.0	4.2

Source: abrdn and Aon calculations

(iii) Self-select– Annuity Targeting Lifestyle Strategy

Age at the end of investment reporting period	Net return (% p.a.)	
	1 year	5 years
55 and under	21.9	13.3
60	14.2	8.9
65	2.3	-0.3

Source: abrdn and Aon calculation

(iv) **Self-select investment funds**

Fund name	Net returns (% p.a.)	
	1 year	5 years
SL Vanguard FTSE Developed World ex UK Pension Fund ^{1,2,3}	21.6	12.4
SL Vanguard FTSE UK All Share Index Pension Fund ^{1,2,3}	12.8	5.4
SL Vanguard Emerging Markets Stock Index Pension Fund	12.4	2.8
SL Vanguard UK Investment Grade Bond Index Pension Fund ^{1,2,3}	9.5	-1.0
SL Vanguard UK Inflation Linked Gilt Index Pension Fund ^{1,2,3}	-0.8	-6.5
SL SLI Absolute Return Global Bond Strategies Pension Fund ^{1,2,3}	10.0	0.6
Standard Life Deposit and Treasury Fund ^{2,3}	5.2	1.7

Source: abrdn

1 Funds also used in the Drawdown Targeting Lifestyle Strategy

2 Funds also used in the Cash Targeting Lifestyle Strategy

3 Funds also used in the Annuity Targeting Lifestyle Strategy

(v) **Additional Voluntary Contributions**

During the period covered by this statement, the Scheme held legacy AVC funds in which some members of the defined benefit section of the Scheme were invested, however the funds were disinvested and transferred into the main arrangement held with abrdn during Q1 2024. The net returns of these fund are therefore shown to 31 March 2024.

Fund name	Net returns (% p.a.)	
	1 year	5 years
Aviva		
Long Gilt Fund	-6.1	-8.9
Global Equity Fund	16.9	9.0
UK Equity Fund	7.0	4.9
My Future Focus Consolidation Fund	5.6	1.2
Mixed Invest (40-85% Shares) Fund	9.7	4.5
With-Profit Fund	0.6	1.9
Standard Life		
Standard Life Stock Exchange Pension Fund	13.9	7.5
Standard Life Money Market Pension Fund	4.3	0.8

Source: Aviva & Standard Life

3. Member Borne Charges and Transaction costs

The Trustee has set out the costs and charges that are incurred by members, rather than the employer, over the Scheme year in respect of each investment fund available to members. These comprise the Total Expense Ratio and transaction costs.

The Total Expense Ratio is an explicit charge and represents the costs associated with operating and managing an investment fund. Transaction costs are not explicit and are incurred when the fund managers buy and sell assets within the investment funds.

The fund managers calculate transaction costs on a quarterly basis at fund-level not scheme-level. The Trustee requested details of transaction costs for the period 1 July 2023 to 30 June 2024 from the Scheme's providers.

The charges and transaction costs have been supplied by abrdn, Standard Life and Aviva. Where transaction costs have been provided as a negative cost, a floor of zero has been set by the Trustee so as not to potentially understate costs.

(i) Default arrangements

Drawdown Targeting Lifestyle Strategy

The actual costs that a member paid over the year depends on their term to retirement. The TER ranged from 0.11% p.a. to 0.21% p.a. Transaction costs were 0.02% p.a.. The actual costs based on term to retirement during the year are shown in the table below:

Years to retirement	10+	9	8	7	6	5	4	3	2	1	0
TER % p.a.	0.11	0.13	0.15	0.17	0.18	0.20	0.20	0.21	0.21	0.21	0.21
Transaction costs % p.a.	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total costs % p.a.	0.13	0.15	0.17	0.19	0.20	0.22	0.22	0.23	0.23	0.23	0.23

Cash Targeting Lifestyle Strategy

The actual costs that a member paid over the year depends on their term to retirement. The TER ranged from 0.11% p.a. to 0.20% p.a. Transaction costs ranged between 0.00% p.a. and 0.02% p.a. The actual costs based on term to retirement during the year are shown in the table below:

Years to retirement	10+	9	8	7	6	5	4	3	2	1	0
TER % p.a.	0.11	0.13	0.15	0.17	0.18	0.20	0.19	0.19	0.18	0.17	0.16
Transaction costs % p.a.	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.00	0.00
Total costs % p.a.	0.13	0.15	0.17	0.19	0.20	0.22	0.20	0.20	0.19	0.17	0.16

The charges paid by members invested in either of the above arrangements are within the 0.75% p.a. charge cap for schemes that are used for auto enrolling their employees.

(ii) Self-select – Annuity Targeting Lifestyle Strategy

In addition to the Drawdown Targeting Lifestyle Strategy and the Cash Targeting Lifestyle Strategy shown above, members also have the option to invest in the Annuity Targeting Lifestyle Strategy.

The actual costs that a member paid over the year depends on their term to retirement. The TER ranged from 0.11% p.a. to 0.20% p.a. Transaction costs were 0.02% p.a.

The actual costs based on term to retirement during the year are shown in the table below:

Years to retirement	10+	9	8	7	6	5	4	3	2	1	0
TER % p.a.	0.11	0.13	0.15	0.17	0.18	0.20	0.19	0.17	0.15	0.14	0.12
Transaction costs % p.a.	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total costs % p.a.	0.13	0.15	0.17	0.19	0.20	0.22	0.21	0.19	0.17	0.16	0.14

(iii) Self-select investment funds

In addition to the lifestyle strategies shown above, members also have the option to invest in seven self-select funds.

The TERs and transaction costs for each of the individual funds available to members are shown in the following table:

Self-select Fund name	TER % p.a.	Transaction Costs % p.a.	Total Costs % p.a.
SL Vanguard FTSE Developed World ex UK Pension Fund ^{1,2,3}	0.11	0.02	0.13
SL Vanguard FTSE UK All Share Index Pension Fund ^{1,2,3}	0.11	0.04	0.15
SL Vanguard Emerging Markets Stock Index Pension Fund	0.26	0.07	0.33
SL Vanguard UK Investment Grade Bond Index Pension Fund ^{1,2,3}	0.11	0.01	0.12
SL Vanguard UK Inflation Linked Gilt Index Pension Fund ^{1,2,3}	0.11	0.02	0.13
SL SLI Absolute Return Global Bond Strategies Pension Fund ^{1,2,3}	0.52	0.01	0.53
Standard Life Deposit and Treasury Fund ^{2,3}	0.16	0.00	0.16

1 Funds also used in the Drawdown Targeting Lifestyle Strategy

2 Funds also used in the Cash Targeting Lifestyle Strategy

3 Funds also used in the Annuity Targeting Lifestyle Strategy

(iv) Additional Voluntary Contributions (AVCs)

The costs and charges for the AVC funds are shown in the table below.

	TER % p.a.	Transaction Costs¹ % p.a.	Total Costs % p.a.
Aviva			
Long Gilt Fund	0.60	0.08	0.68
Global Equity Fund	0.60	0.04	0.64
UK Equity Fund	0.60	0.16	0.76
My Future Focus Consolidation Fund ¹	0.60	0.07	0.67
Mixed Invest (40-85% Shares) Fund	0.60	0.06	0.66
With-Profit Fund	0.60	0.07	0.67
Standard Life			
Standard Life Stock Exchange Pension Fund	1.00	0.00	1.00
Standard Life Money Market Pension Fund	1.00	0.00	1.00

¹ Transaction costs are shown to 31 March 2024 as the legacy AVCs transferred into the main scheme arrangement with abrdn in Q1 2024, with the exception of the Aviva With Profit Fund and the Standard Life Stock Exchange Pension Fund which are shown to 30 September 2023 (the most recent costs made available at the time of publishing this statement)

(v) Illustrations of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided two illustrations of their cumulative effect on the value of typical scheme members' savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members and are based on a number of assumptions about the future which are set out below.

Members should be aware that such assumptions may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Scheme, they are not a substitute for the individual and personalised illustrations which are provided to members in their annual Benefit Statements.

Each illustration is shown as a table. As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, comparison figures with other investments have been included in the tables. For comparison purposes, the projected retirement savings if the typical member were invested in the SL Vanguard UK Investment Grade Bond Index Pension Fund (which has the lowest charge level) and the Absolute Return Global Bond Strategies Pension Fund (which has the highest charge level) are shown in the tables.

All projected fund values are shown in today's terms so do not need to be reduced further for the effect of future expected inflation.

Illustration A: is based on an existing deferred Scheme member who has 12 years to go until their retirement at age 65. The member is not contributing and has a starting fund value of £19,700.

Age	Drawdown Targeting Lifestyle Strategy (default)			SL Vanguard UK Investment Grade Bond Index Pension Fund			Absolute Return Global Bond Strategies Fund		
	Before charges £	After charges £	Effect of charges £	Before charges £	After charges £	Effect of charges £	Before charges £	After charges £	Effect of charges £
53	19,700	19,700	0	19,700	19,700	0	19,700	19,700	0
55	21,100	21,060	40	20,280	20,230	50	19,510	19,270	240
60	24,490	24,240	250	21,810	21,620	190	19,040	18,230	810
65	27,440	26,830	610	23,450	23,100	350	18,580	17,250	1,330

Illustration B: is based on an existing deferred Scheme member who has 12 years to go until their retirement at age 65 and is invested in the Cash Targeting Lifestyle Strategy. The member is not contributing and has a starting fund value of £19,700.

Age	Cash Targeting Lifestyle Strategy (default)			SL Vanguard UK Investment Grade Bond Index Pension Fund			Absolute Return Global Bond Strategies Fund		
	Before charges £	After charges £	Effect of charges £	Before charges £	After charges £	Effect of charges £	Before charges £	After charges £	Effect of charges £
53	19,700	19,700	0	19,700	19,700	0	19,700	19,700	0
55	21,100	21,060	40	20,280	20,230	50	19,510	19,270	240
60	24,490	24,240	250	21,810	21,620	190	19,040	18,230	810
65	25,980	25,450	530	23,450	23,100	350	18,580	17,250	1,330

Members are encouraged to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the strategy) when making investment decisions.

Assumptions and data for illustrations:

The following assumptions have been made for the purposes of the above illustrations:

- Annual salary growth and inflation are assumed to be 2.5% per annum
- The starting fund values used in the projections are representative of the average for the Scheme.
- The projected growth rates used are consistent with the growth rates providers use in members' annual benefit statements which are determined by the statutory guidance for producing money purchase illustrations and which are now based on the historic volatility of the fund not expected future returns. The projected annual returns on assets (gross of costs and charges) are:

Fund		Return (% p.a.)
SL Vanguard FTSE Developed World ex UK Pension Fund	Used in the Drawdown and Cash Targeting Lifestyle Strategies	6.0
SL Vanguard FTSE UK All Share Index Pension Fund		7.0
SL Vanguard UK Investment Grade Bond Index Pension Fund		4.0
SL Vanguard UK Inflation Linked Gilt Index Pension Fund		7.0
SL SLI Absolute Return Global Bond Strategies Pension Fund		2.0
Standard Life Deposit and Treasury Fund	Used in the Cash Targeting Lifestyle Strategy	2.0

- *The projections assume the lifestyle strategies are rebalanced annually across the different underlying funds associated with a members' term to retirement*
- *The transaction costs are based on an average of the previous 5 years' transaction costs or, where data was available for fewer than 5 years, an average of transactions costs over the years for which data is available, as per Statutory guidance.*

4. Processing of Core Financial Transactions

Core financial transactions include the investment of contributions, transfer of member funds into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members/beneficiaries. The bulk of the core financial transactions are undertaken on behalf of the Trustee by the Scheme administrator, Aon, while the Company was responsible for ensuring that contributions are paid to the Scheme promptly, until the Scheme closed. The timing of such payments is monitored by the Trustee from quarterly administration reports submitted by Aon.

In order to determine how well the administration is performing, the Trustee has service level agreements (SLAs) in place with Aon. These SLAs detail a number of key administration processes to be performed and the target timescale within which each of these processes needs to be completed. There are SLAs in place for all core financial transactions.

The Trustee periodically reviews the key processes adopted by the administrator and their output in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

- A full member and Scheme reconciliation being undertaken annually as part of the annual preparation of the Trustee Report & Accounts.
- Provision of quarterly administration reports – enabling the Trustee to check core financial transactions and review processes relative to any member complaints made.
- Monthly contribution checks and daily reconciliation of the Trustee's bank account.
- Checks for all investment and banking transactions prior to processing.
- Straight-through processing where possible, therefore avoiding the need for manual intervention and, in turn, significantly reducing the risk of error.
- Annual data reviews.
- Documentation and operation in line with quality assurance policies and procedures.
- Operation in line with the business continuity plan and confirmation that the administrator has prioritised core financial transactions during this period.

Controls around administration and the processing of transactions are being documented in the Scheme risk register so that they will be subject to regular review. The Scheme audit also reviews a sample of calculations carried out during the Scheme year.

The Trustee is satisfied that, over the period:

- The administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA.
- There have been no material administration errors in relation to processing core financial transactions.
- All core financial transactions have been processed promptly and accurately during the Scheme year.

5. Assessment of Value for Members

There is no legal definition of "good value" or the process of determining this for Scheme members. Therefore, working in conjunction with its advisers, Aon, the Trustee has developed a cost-benefit analysis framework in order to make an assessment as to whether members receive good value from the Scheme relative to the costs and charges they pay.

Costs

The costs have been identified as TERs and transaction costs and are set out in section 3 of this statement. Benchmarking relative to other pension arrangements or industry best practice guidelines has been undertaken.

Based on the profile of the Scheme's DC/AVC arrangements, we believe that the explicit charges are generally competitive when compared to current market rates on a like-for-like basis.

Benefits

The Trustee has considered the benefits of membership under the following four categories:

Scheme governance

The Scheme is governed by an experienced group of Trustee Directors including a professional, independent Chair. The Board regularly reviews information about the performance of Scheme investments and the DC members and decisions being made, amongst other information. This helps the Trustee to determine an appropriate strategy to support members and make improvements.

Investments

The Scheme provides members with an appropriate range of lifestyle and self-select fund options. The investment strategy and performance are regularly monitored and reviewed by the Trustee. The investment funds available have been designed, following advice from the Trustee's investment advisers, Aon, with the specific needs of members in mind.

Administration

The Trustee regularly monitors the Scheme administration and, over the period, found that the necessary administration standards were being achieved.

Member support

The Scheme provides members with regular, clear communications regarding the choices open to them, as well as annual benefit statements and 'at retirement' communications. The Trustee will continue to review and improve as necessary.

Conclusion

The Trustee's assessment concluded that the charges and transaction costs borne by Scheme members represents good value for members relative to the benefits of Scheme membership.

6. Trustee's Knowledge and Understanding

The comments in this section relate to the Scheme as a whole and not solely the DC section.

The Trustee has processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements (as set out in their Code of Practice No 7); some of which are identified below:

- A structured training programme for newly appointed Trustee Directors including completion of the Pension Regulator's Trustees toolkit, which is an online learning programme.
- Assessing training needs and identifying gaps in knowledge through regular self-assessments.
- Undergoing regular training for the year, this included investment strategy training, training on pensioner buy-ins and training on funding.
- Maintaining training logs for each individual Trustee Director which supports the above.

The Trustee has engaged with its professional advisers regularly throughout the year to ensure that it exercises its functions properly and take professional advice where needed. In exercising its functions, this has required knowledge of key scheme documents such as the Trust Deed & Rules, Trustee Report & Accounts and Statement of Investment Principles. A few of the areas that support this statement are set out below:

- Preparation for the production of an Implementation statement.
- Arrange preparation and audit of the annual Trustee's Report and Accounts.
- The law relating to pensions and trusts through updating the risk register.
- Review of quarterly administration reports to monitor service delivery against agreed service levels standards and assessing the member experience.
- Reviewing investment reports to assess fund performance against benchmarks, and funds against overall Scheme aim and objectives, as set out in the statement of Investment Principles.
- Maintaining a regime for proper governance – reviewing and updating the Trustee's governance framework for the DC Section of the Scheme and working on the Scheme's Own Risk Assessment to comply with the Pension Regulators new General Code.
- Implementing the investment strategy changes following completion of the investment strategy review in March 2022.

The Trustee held 10 meetings across the Scheme year including its Sub-Committee meetings.

The Trustee board is currently made up of five Trustee Directors with diverse skill sets. During the Scheme year, one Trustee Director stepped down. The Chair of the Trustee is an independent professional trustee and there are three other Company appointed Trustee Directors and two member nominated Trustee Directors. The composition of the Trustee board aims to demonstrate diversification of skills and breadth and depth of pension knowledge. New Trustee Directors receive comprehensive introductory training which they are required to supplement with the Pensions Regulator's Trustee Toolkit (within 6 months of appointment).

The Trustee Directors consider that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustee of the Scheme.

The Trustee publishes this statement on a publicly accessible website (<https://www.spiritpensioninfo.co.uk/>) and confirms the location to members in their annual benefits statements.

Signed on behalf of the Trustee of the Spirit (Legacy) Pension Scheme.

Iain Urquhart, Chair of Trustee

Date 09/12/24