

WATFORD TIMBER COMPANY 1994 PENSION SCHEME

CHAIR'S STATEMENT

For the Scheme Year Ended 31 March 2026

1. Investment Return

The Trustees have reviewed the investment information supplied by Phoenix Life. The Scheme's benefits are provided through the Phoenix Life with-profits arrangement and are not operated on a unit-linked fund basis.

Phoenix Life has confirmed that annual bonuses have been added to the plans and that, as at 31 December 2025, the annual bonus rate was 0.05% on the existing guaranteed basic sum and 0.05% on existing bonuses. Final bonuses, where applicable, are not guaranteed and are reviewed regularly.

The Trustees have not been provided with a Scheme-specific annual investment return figure, net of charges and transaction costs, which can appropriately be presented as the investment return achieved for the Scheme's four members during the scheme year.

The Trustees have therefore not sought to derive or estimate an investment return from the bonus rates. Instead, they have relied upon the information provided by Phoenix Life concerning the operation of the with-profits arrangement, the guarantees and bonuses applicable to members' benefits, and the costs and charges applicable to the plans.

The Trustees will continue to seek appropriate investment information from Phoenix Life when preparing future Chair's Statements.

2. Investment Arrangement and Benefits

The Scheme is closed and paid-up and currently has four members. No further contributions are being made by the members or the former sponsoring employer. The former sponsoring employer, Watford Timber Company, has ceased trading and has been wound up.

Members' benefits remain provided through the Phoenix Life with-profits arrangement.

Phoenix Life has confirmed that the plans provide a basic guaranteed benefit. Annual bonuses may be added to members' plans and final bonuses may be payable, although final bonuses are not guaranteed.

The plans also contain a guaranteed minimum annuity rate, applicable in the circumstances set out in Phoenix Life's documentation.

3. Trustee Knowledge and Understanding

The Trustees have considered the knowledge and understanding required to fulfil their duties in relation to the Scheme and have taken account of the requirements applicable to trustees of occupational pension schemes.

The Trustees have reviewed the Scheme's governing and benefit documentation, the information provided by Phoenix Life in relation to the Scheme's with-profits arrangement, and the information relating to costs and charges and member benefits.

Where appropriate, the Trustees have sought information and clarification from the Scheme's relevant service providers and have access to appropriate professional guidance, resources and tools to assist them in areas where specialist knowledge is required.

The Trustees will continue to review the information available to them and seek appropriate assistance where necessary to ensure that they can properly discharge their responsibilities to the members.

4. Processing of Core Financial Transactions

The Scheme is closed and paid-up and no further contributions are being made by members or the former sponsoring employer.

The Trustees have considered the arrangements for the processing of core financial transactions in relation to the Scheme. The administration and payment of members' benefits are undertaken through the Scheme's arrangements with Phoenix Life.

The Trustees receive information from Phoenix Life concerning members' benefits and have considered the processes in place for the administration and payment of those benefits.

During the period covered by this statement, the Trustees have not identified any material concerns regarding the processing of core financial transactions. The Trustees will continue to monitor the administration of the Scheme and will raise any issues identified with the relevant service provider.

5. Costs and Charges

The Trustees have reviewed the costs and charges information provided by Phoenix Life for the Scheme.

Phoenix Life has confirmed that, for the period covered by its costs and charges information, there are no policy charges, adviser remuneration, adviser charges, consultancy charges, commission or commission equivalent payable in respect of the plans.

The costs associated with the with-profits investment arrangement include charges relating to the with-profits investment fund and investment transaction costs. These costs are taken into account within the operation of the with-profits arrangement.

Phoenix Life's information for the relevant member statements covers the period from 2 May 2025 to 1 May 2026. The information includes individual fund charges and transaction costs, which vary between members.

For example, the information supplied for two member plans showed total fund and transaction costs of £368.36 and £126.11 respectively. These figures are individual to those plans and are not representative of all four members.

The Trustees have considered the costs and charges information supplied by Phoenix Life, including the information made available in the member statements provided to the Trustees for forwarding to the relevant members.

The Trustees will continue to review the information supplied by Phoenix Life and consider any changes that may be relevant to members.

6. Illustrative Effect of Costs and Charges

Phoenix Life provides information about costs and charges applicable to individual member plans through the annual member statements.

The Trustees have considered the costs and charges information supplied by Phoenix Life in preparing this statement.

The statutory guidance requires an illustration showing the cumulative effect of costs and charges and transaction costs over time on the value of a member's accrued money purchase benefits.

The Trustees have not been provided by Phoenix Life with a Scheme-specific cumulative costs-and-charges illustration containing the assumptions and information necessary to produce such an illustration for a typical member of this Scheme.

The Trustees have therefore not attempted to create or estimate an illustration from incomplete information, as doing so could produce figures which are not representative of the members' actual arrangements.

The Trustees have recorded this limitation and will seek appropriate information from Phoenix Life so that the required illustration can be considered for future Chair's Statements.

7. Assessment of Value for Members

The Trustees have assessed the value provided to members, having regard to the benefits available under the Scheme, the investment arrangement, the security of guaranteed benefits, the costs and charges applicable to the arrangement, and the services provided by Phoenix Life.

The Scheme is closed and paid-up, and no further contributions are being made. Members' benefits remain invested in the Phoenix Life with-profits arrangement. Phoenix Life has confirmed that the plans provide a basic guaranteed benefit and that annual bonuses have been added to members' plans. The plans also contain a guaranteed minimum annuity rate, applicable in the circumstances set out in Phoenix Life's documentation.

The Trustees have considered the costs and charges information provided by Phoenix Life, together with the information available to them concerning the administration and servicing of members' benefits.

Taking these matters into account, the Trustees consider that the Scheme continues to provide an appropriate range of benefits and services for its members, having regard to the Scheme's closed and paid-up status.

The Trustees will continue to monitor the information provided by Phoenix Life and consider whether any action is required in relation to the arrangements for members.

8. Member Communications

The Trustees consider that effective communication with members is important, particularly as the Scheme is closed and paid-up.

Phoenix Life provides the annual member statements to the Trustees, who then forward the statements to the relevant members. The statements contain information about each member's individual pension plan, including their benefits and relevant costs and charges information.

Phoenix Life also provides information concerning retirement options and other matters relevant to members' pension arrangements. The Trustees make this information available to members where appropriate and members are encouraged to obtain appropriate guidance or regulated financial advice when considering their retirement options.

The Trustees will continue to ensure that members receive the information provided by Phoenix Life that is relevant to their benefits and pension arrangements.

9. Conclusion

The Trustees have prepared this Chair's Statement for the Scheme year ended 31 March 2026 having considered the information available to them from the Scheme's governing and benefit documentation and from Phoenix Life.

In particular, the Trustees have considered information concerning the Scheme's investment arrangement, member benefits, costs and charges, administration and member communications.

The Trustees will continue to monitor the arrangements applying to members and will seek further information from Phoenix Life where necessary to assist them in fulfilling their responsibilities to the members.

10. Signature

Signed for and on behalf of the Trustees of the Watford Timber Company 1994 Pension Scheme.

Name: GRAHAM PERRY

Position: Chair of Trustees 

Signature: _____

Date: 30/9/20

11. Publication

This Chair's Statement will be made available free of charge on a publicly accessible website.

The relevant costs and charges information and other information required to be made publicly available will also be made available through the website.

Members will be informed of the website address through the Scheme's member communications.

Website address: <https://watford-timber-pension.pages.dev>