

# THE EQUITABLE LIFE SCHEME FOR THE BENEFIT OF EMPLOYEES OF SCORE (EUROPE) LIMITED

ANNUAL GOVERNANCE STATEMENT FOR PERIOD 5 APRIL 2024 TO 4 APRIL 2025

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

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## 1. Introduction and Governance Structure

- 1.1 I am pleased to present the Trustees' statement of governance for the Equitable Life Scheme for the Benefit of Employees of Score (Europe) Limited ("the Scheme"), covering the period 5 April 2024 to 4 April 2025.
- 1.2 The Statement examines five key areas of the Trustees' governance, in doing so, we provide the various statutory disclosures required by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. This statement has been prepared with reference to statutory guidance.
- 1.3 This Statement covers the following areas:
  - The Scheme investments;
  - The processing of core financial transactions;
  - Charges and transaction costs within the Scheme, as well as net investment returns;
  - The Value for Members Assessment, and
  - The Trustees' compliance with the statutory knowledge and understanding requirements.
- 1.4 The Scheme is a small legacy Defined Contribution (DC) pension arrangement, with less than 100 members, which closed to new contributions on 31 March 1999. As at 4 April 2025, there were 12 members in the Scheme.
- 1.5 Following a thorough review of the Scheme, the Trustees have identified some areas for improvement. The Trustees are working with their new advisers to address these and consider the future of the DC Scheme to ensure members receive good value.
- 1.6 This Statement has been completed based on the current understanding of the Trustees and information available at the time of writing.
- 1.7 The Trustees acknowledge their requirement to publish this Statement on a publicly available website and will ensure this is signposted in the annual benefit statements going forward.
- 1.8 This Statement does not contain advice in respect of actions that members should take and is not intended to be used for that purpose. If members need advice, they can visit the Money Helper website [www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser](http://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser). If members choose to use a financial adviser, they should check the adviser's area of expertise. The adviser should be transparent about any charges that apply in return for their advice.
- 1.9 If you are aged over 50, you can also obtain free and impartial pensions information from a government service called Pension Wise, which can also be accessed via the Money Helper website [www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise](http://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise) or by telephoning 0800 138 3944.

## 2. The Default Investment Arrangement

- 2.1 The Trustees are responsible for selecting the range of funds offered to members and for selecting and appointing the provider/platform.
- 2.2 The Scheme closed to future contributions on 31 March 1999 and therefore has never been used as a Qualifying Scheme for compliance with automatic enrolment legislation, and as such, there is no legislative requirement for the Scheme to have a default investment option in relation to the DC benefits. For this reason, the Trustees believe that the disclosures required in the Regulations with regard to default investment arrangements are not applicable to this Statement.
- 2.3 The Trustees have appointed Utmost Life and Pensions (Utmost) as the bundled administrator for the Scheme. This means Utmost provide both the administration and investment platform (and thus funds) for the members. Utmost provide a number of funds which the Trustee can make available to members.
- 2.4 Although there is no default investment arrangement, the most popular arrangement used by members is the Lifestyle Arrangement. The glidepath of the Lifestyle Arrangement is detailed below:

Age	Fund
< 55	Utmost Multi-Asset Moderate Fund
55 to 65	Gradual transition to Utmost Multi-Asset Cautious Fund
65 to 75	Utmost Multi-Asset Cautious Fund
75 to 85	Gradual transition to Utmost Money Market Fund
> 85	Utmost Money Market Fund

- 2.5 The investment strategy and performance of the funds used in the Scheme have not historically been reviewed by the Trustees. This is now being addressed in conjunction with the Trustees' advisers.

## 3. Core Financial Transactions

- 3.1 As required by the Administration Regulations, the Trustees must ensure that core financial transactions are processed promptly and accurately. This includes:
- Investment of contributions paid to the Scheme (noting no further contributions have been paid into the Scheme since 31 March 1999);
  - Transfer of members' assets into and out of the Scheme;
  - Transfers of members' assets between different investment options available in the Scheme; and
  - Payments from the Scheme to, or in respect of members.
- 3.2 Part of the administration of the Scheme has been delegated to Utmost. The Trustees expect Utmost to process core financial transactions well within any applicable statutory timescales.
- 3.3 The Trustees have not been receiving governance information from Utmost to enable them to monitor and ensure that the requirements of the Disclosure Regulations are regularly being met, and that core financial transactions were processed promptly and accurately during the Scheme year, except when directly requested. The Trustees are working with their new advisers to try and obtain this information regularly from Utmost.
- 3.4 Utmost has confirmed, at book level (across all the schemes they look after for Trustees,) that all processes were completed within SLA during 2024. Service Level Agreements during 2024 were measured as follows:
- 95% of payments out made within 5 days

- 95% of illustrations completed within 10 days
  - 95% of general servicing completed within 10 days
- 3.5 During the year to 4 April 2025, two members left the Scheme.
- 3.6 The Trustees expect the processes adopted by Utmost to help process transactions promptly and accurately to include:
- Timeliness of transactions monitored and reported.
  - Straight through processing for payments have automated systems (validations built in)
  - Manual processes require a separate processor and authoriser
  - Daily monitoring of bank accounts
  - Quality audit checks are undertaken on a sample of processes throughout the year.
  - Unit reconciliation between investment and administration systems undertaken and are checked and approved
  - Payments checked and approved independently by one or more individuals (depending on value).
  - Assist the Trustees with annual reporting on common and conditional data scores
- 3.7 The Trustees are not aware of any member complaints during the period.
- 3.6 The Trustees recognise that delay and errors can cause significant losses for members. Delays and errors can also cause members to lose faith in the Scheme, which may in turn reduce their propensity to save and impair future retirement outcomes.
- 3.7 Utmost is aware of the statutory deadlines for the processing of all member-related services, including core financial functions such as investment switches and benefit payments. Should standards fall, Utmost will be asked by the Trustees to explain the reasons for this. The Trustees will continue to seek the relevant details to support effective monitoring of these processes.
- 3.8 As far as the Trustees are able to determine, the Scheme's core financial transactions have been processed promptly and accurately during the period to which this Statement relates.

#### **4. Charges and Transaction Costs**

- 4.1 As required by the Administration Regulations, the Trustees are required to report on the charges and transaction costs for the investments used by the Scheme and the Trustees' assessment on the extent to which the charges and costs represent good value for members.
- 4.2 The charges deducted from these funds relate to investment management and administration services and are:
- Total Expenses Ratio ('TER') - these costs comprise of management fees and additional expenses such as legal fees, auditor fees and other operational expenses. The TER is typically made up of two components, the Annual Management Charge (AMC) and additional fund expenses.
  - Transaction costs - these are the fund manager's expenses associated with trading a fund's underlying securities, including commissions and stamp duty. These costs are taken into account by the fund managers when calculating the unit price for each of the funds, but are not included in the TER. Due to the way in which transaction costs are required to be calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, notwithstanding their costs.
- 4.3 As the Scheme closed to further contributions on 31 March 1999, it is not used for auto-enrolment purposes and, as such, is not required to comply with the charge cap regulations. However, the overall fees each year for all the fund options are in line with the charge cap of 0.75% per annum, which is measured by TER. For the period in question, the maximum TER a member would have incurred was 0.75% if invested in the Lifestyle option.

- 4.4 The table below shows charges and costs to 31 March 2025, for the funds currently invested in by members, as this is the closest date this information is available to.

Fund	Total Expense Ratio (% p.a.)	Transaction Cost (%)
Utmost Multi-Asset Moderate Fund	0.75	0.31
Utmost Multi-Asset Cautious Fund	0.75	0.39
Utmost Money Market Fund	0.50	0.01

Source: Utmost as at 31 March 2025

The self-select funds are also components of the lifestyle arrangement.

## 5. Net Investment Returns

- 5.1 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') require Trustees to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

The tables below set out annualised net performance for the 1 year period for the Lifestyle Arrangement and Self Select funds to 31 March 2025, as this was the closest available date. The Trustees have had regard to the statutory guidance when preparing these returns.

### Lifestyles

Lifestyle Arrangement	Annualised returns to 31 March 2025 (%)	
	1 year	5 years*
Starting age of member		
25	4.9	-
45	4.9	-
55	5.0	-

Source: Utmost and Mercer.

\* 5-year performance data unavailable as the Multi-Asset Moderate and Cautious funds which are components of the lifestyle were introduced in 2020 and inception date is currently unknown, confirmation has been requested from Utmost.

### Self-Select Funds

Self-Select Funds**	Annualised returns to 31 March 2025 (%)	
	1 year	5 years*
Utmost Multi-Asset Moderate Fund	4.9	-
Utmost Multi-Asset Cautious Fund	3.7	-
Utmost Money Market Fund	4.7	-

Source: Utmost and Mercer.

\* 5-year performance data unavailable as the Multi-Asset Moderate and Cautious funds which are components of the lifestyle were introduced in 2020 and inception date is currently unknown, confirmation has been requested from Utmost.

\*\* Self-select funds are also components of the lifestyle arrangement and inception date is currently unknown confirmation has been requested from Utmost.

## 6. The Impact of Costs and Charges

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

6.2 In order to represent the range of funds available to members to the Trustees have calculated the effect on a member's savings of investment in the following (with the Scheme's relevant funds/strategies listed in brackets):

- The most popular fund (The Lifestyle Arrangement)
- The most expensive fund (Utmost Multi-Asset Cautious Fund)
- The least expensive fund (Utmost Money Market Fund)

The illustrations that follow take into account the following elements:

- DC pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Period of investment.

6.3 Future contributions have not been considered given the Scheme closed to future contributions on 31 March 1999 when the members became deferred.

6.4 To illustrate the impact of charges on a typical deferred member's pension pot, we have provided the below illustrations, which account for all estimated member costs, including the TER, transaction costs and inflation. To make this representative of the membership, we have based the illustrations on assumptions representative of the youngest deferred member. This member is 54 (11 years from Normal Retirement Age) and a starting pot size of £22,400 has been used, based on the median pot size of the youngest 10% of the membership.

### Illustration: The youngest deferred member invested in the DC fund range

Age	Most popular fund: Lifestyle Arrangement		Highest cost fund: Utmost Multi-Asset Cautious		Lowest cost fund: Utmost Money Market	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
54	£22,400	£22,400	£22,400	£22,400	£22,400	£22,400
55	£22,795	£22,565	£22,808	£22,565	£22,291	£22,177
57	£23,608	£22,900	£23,646	£22,900	£22,075	£21,736
59	£24,455	£23,240	£24,515	£23,240	£21,860	£21,305
61	£25,339	£23,584	£25,416	£23,584	£21,648	£20,882
63	£26,260	£23,934	£26,351	£23,934	£21,438	£20,467
65	£27,221	£24,289	£27,319	£24,289	£21,230	£20,061

### Notes

- Values shown are estimates at the end of each year and are not guaranteed.
- Projected pension pot values are shown in today's terms.
- To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the Utmost. The assumed youngest member is age 54, with a Normal Retirement Age (NRA) of 65, using a starting pot size of £22,400. There are no additional contributions as all members of the Scheme are deferred.
- Inflation is assumed to be 2.5% per annum.
- Charges, transaction costs and estimated growth rates are as outlined in the notes below for the example member.
- The Lifestyle Arrangement goes beyond the assumed NRA and continues to gradually de-risk until at age 85 a member is wholly invested in the Utmost Money Market Fund. This has not been included in the illustrations as this is not representative of the Scheme's membership.

	TER	Growth rate assumptions
<b>Lifestyle Arrangement</b>	0.75% p.a.	1.76% p.a. before inflation for members 55 or below. 1.76% p.a. before inflation to 1.82% p.a. before inflation for members between the ages of 55 and 65.
<b>Utmost Multi-Asset Cautious</b>	0.75% p.a.	1.82% p.a. before inflation.
<b>Utmost Money Market</b>	0.50% p.a.	- 0.49% p.a. before inflation.

Source: Utmost. Charge and costs figures as at 31 March 2025; Growth rate assumptions as at 31 December 2024.

6.5 The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. However, only the current and prior Scheme Year's transaction costs were available at the time of producing the above illustration. The Trustees will work with their advisers and Utmost to obtain these for inclusion in the next Statement.

## 7. Value for Members

7.1 The Trustees have received advice from their new advisers on how to assess good value and considered regulatory guidance. The Trustees are required to undertake a more detailed assessment given the total assets of the Scheme are less than £100 million and have undertaken this assessment for the first time this year.

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

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

7.3 The comparator pension schemes have been selected as those who would be willing and able to accept the DC funds and do not apply a minimum transfer value.

7.4 The Trustees carried out a value for members' assessment for the year ending 4 April 2025, in October 2025. An overview of the results of the Trustees' assessment against the three areas is shown below.

Assessment area	Summary of assessment and action being taken
Costs and charges	<p>The Trustees have assessed the Scheme as offering poor value from a costs and charges perspective, relative to the three comparator schemes.</p> <p>The costs and charges for the Lifestyle Arrangement and other self-select funds are higher than those of the comparator arrangements when considering both the costs and charges based on the average pot size of a member as well as the top level charges levied by the Comparators (disregarding any tiered charging structure or fixed annual charges).</p>

Net investment performance	<p>The Trustees have assessed the Scheme as offering reasonable value from a net investment performance perspective, relative to the three comparator schemes.</p> <p>Whilst net performance of the Utmost Lifestyle Arrangement, the Utmost Multi Asset Cautious Fund and Utmost Multi Asset Moderate Fund lagged behind their comparators over the one year period, some funds were within an acceptable tolerance.</p> <p>The Money Market Fund's net performance over the one year period was in line with one of the comparators and within an acceptable tolerance for the other comparators.</p>
Governance and administration	<p>The Trustees have assessed the Scheme as offering poor value from a governance and administration perspective. A summary of this assessment is set out below.</p> <p><b>Quality of record keeping</b> Utmost does not measure the quality of data, and the Trustees only consider high-level common data.</p> <p><b>Quality of investment governance</b> No governance of the Scheme's investments has been undertaken for a number of years, other than the detailed value for members assessment last year.</p> <p><b>Level of trustee knowledge, understanding and skills to operate the pension scheme effectively</b> No activity was undertaken in the Scheme Year.</p> <p><b>Quality of communication with scheme members</b> The quality of materials (both online and by letter) to members is not currently assessed.</p> <p><b>Effectiveness of management of conflicts of interest</b> The Trustees do not currently have in place procedures that allow the effective management of conflicts of interest.</p>
Summary	<p>Overall, considering all three areas set out above, the Trustees have assessed the Scheme as offering poor value for members.</p> <p>The Trustees are continuing to explore the feasibility of alternative forms of pension provision for the members, on the basis that better value may be achieved outside of the Scheme and in the meantime are looking to improve existing governance.</p>

## 8. Trustee Knowledge and Understanding

- 8.1 In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice, enables them to properly exercise their functions and duties in relation to the Scheme.
- 8.2 Trustees are also required to explain how their combined knowledge and understanding, together with the advice that is available to them, enable them properly to exercise their functions as Trustees of their Scheme.
- 8.3 The Trustees must also be conversant with, and have a working knowledge of, the Trust Deed and Rules and the policies and documents setting out the running of the Scheme.
- 8.4 The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the trustees can use them effectively when they are required to do so in the course of carrying out their duties on behalf of the members. In addition, trustees are also required to have a knowledge and understanding of the law relating to trusts and pensions.

### How the Trustees have met these requirements

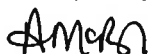
- 8.5 The Trustees have appointed advisers to support them in aspects of governing the Scheme in line with the Trust Deed and Rules and in accordance with the expectations of the Pensions Regulator. The

advice received is intended to allow them to properly exercise their function as Trustees. If there are any ambiguities over the interpretation of the Rules legal advice is sought from their newly appointed legal advisers.

- 8.6 During the Scheme year the Trustees did not undertake any specific training and have not historically undertaken an assessment of their training needs, they recognise that trustee training is of high importance to the good running of the Scheme.
- 8.7 The Trustees are continuing to work with their advisers to put steps in place to increase their conversance and working knowledge of the Scheme in line with their working knowledge of the general Trust and Pensions Law. The current focus continues to be on understanding the benefits under the Scheme and the options available for the future management of these benefits.
- 8.8 In addition, the Trustees are continuing to undertake a number of activities that involve giving consideration to pensions and trust law, the Plan's governing documents and Investment Principles as part of the review of their pension provision and more specifically this Scheme. This will include consideration of the Scheme Rules, demographics of the members, the requirements as set out in legislation, the Pensions Regulator expectations and liaising with their advisers and the Regulator about the various aspects of complying with these.
- 8.9 Given the output of the value for members assessment has confirmed the Scheme delivers poor value for members the Trustees will continue to work with their adviser to determine how this can be improved, and if it is not possible to improve the value within the Scheme, will give further consideration to moving the assets to an alternative arrangement, subject to receiving legal advice that this is possible within the Scheme's Rules.
- 8.10 Whilst there have been no changes to Trustees during the year, the expected induction process going forward would be as follows:
- Newly appointed individuals are to have completed all relevant modules of the Pensions Regulator's "Trustee toolkit" online training programme for trustees within six months of initial appointment. This covers topics such as the role of a trustee, the process of running a pension scheme, managing conflicts of interest, key areas of pensions law, and the principles of investment of pension scheme assets;
  - Supplemented with targeted individual training based on analysis of learning needs;
  - Facilitate familiarisation with the Scheme, stakeholders, advisers and providers and working methods

## 9. Statement of DC Governance

- 9.1 This Statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 and I confirm that the above Statement has been produced by the Trustees to the best of my knowledge.
- 9.2 Signed for and on behalf of the Trustees of the Equitable Life Scheme for the Benefit of Employees of Score (Europe) Limited



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Chair of Trustees for the Equitable Life Scheme for the Benefit of Employees Score (Europe) Limited

Date 31 October 2025