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Report by the Trustees of the Canopus Services Limited Retirement and Death Benefit Scheme (No 2) (“the Scheme”) for the Year Ended 31 March 2019

Scheme Provider: Aviva

Policy Numbers: F24804, F45306, F25520

Scheme Provider: Phoenix Life

Policy Number: 0771793

PSTR Registration Number: 00689190RV

Introduction

This Scheme is a money purchase occupational pension scheme fully insured with Aviva and Phoenix Life.

The Scheme has been approved under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988.

Trustees, Sponsoring Employer and their Advisers

Trustees:

Company Appointed

Barbara Turner, Chair
Steve Harney
Mike Pratten

Member Nominated

None, vacancies remain unfilled.

Secretary to the Trustees

Debbie New (Capita Employee Solutions)

Sponsoring Employer

Canopus Services Ltd
Gallery 9
1 Lime Street
London
EC3M 7HL

Enquiries

Capita Employee Solutions
First Floor
Stirling House
Viscount Way
South Marston Park
Swindon
Wiltshire SN3 4TN

Administrators: Aviva Life & Pensions UK Limited (formerly Friends Life, rebranded as Aviva on 1st October 2017)
PO Box 1550
Salisbury
SP1 2TW

Auditor: PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Investment Manager and Investment Custodians: Aviva Life & Pensions UK Limited (formerly Friends Life, rebranded as Aviva on 1st October 2017)
PO Box 1550
Salisbury
SP1 2TW

Phoenix Life
Lynch Wood Park
Lynch Wood
Peterborough
PE2 6FY

Legal Advisers Stephenson Harwood
1 Finsbury Circus
London
EC2M 7EB

Bankers Barclays Bank
1 Churchill Place
London
E14 5HP

Trustees' Report

The Trustees of the Canopus Services Ltd Retirement and Death Benefit Scheme (No.2) Defined Contribution Scheme (the 'Scheme'), Policy Numbers F24804, F45306, F25520 with Aviva and Policy Number 0771793 with Phoenix Life, present their annual report for the year ended 31 March 2019. The Chair's statement on DC governance is also appended in this annual report.

Scheme Management

Trustees

The Scheme rules contain provisions for the appointment and removal of the Trustees. The Scheme altered the number of Employer Nominated Trustees, nominated by the Sponsoring Employer, from two to three and also increased the potential number of Employee Nominated Trustees posts from one to two. This was done via Deed on 23 January 2018. There are currently no Employee Nominated Trustees despite an election being carried out in May 2017.

The Member Nominated Trustee vacancies are to remain for three years unless the Trustees wish to open the election again during the current term; no such reopening of an election has since been undertaken. Trustees cease to be trustees if either they resign or cease to be employed by Canopus Services Limited.

The following Trustees served during the year:

Employer Nominated	Barbara Turner (appointed as Chair 23 January 2018)
Employer Nominated	Steve Harney (appointed 20 July 2017)
Employer Nominated	Mike Pratten (appointed 23 January 2018)
Employee Nominated	None, Vacancies remain unfilled.

The Trustees met 1 time during the scheme year, in October 2018. (2017: 2). The Trustees usually meet a minimum of twice per year, however the scheduled April 2019 meeting was cancelled and not rearranged. The next meeting is on 30 October 2019.

The Trustees receive no remuneration in respect of their services.

Statement of Trustees' responsibilities

The Trustees are responsible for making available certain information about the Scheme in the form of an annual report.

The Trustees are responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the payment schedule.

Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

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 Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Membership

The membership of the Scheme at year end is given below:

	F24804	F45306	F25520	Phoenix
Active members				
Active members at 31 March 2019	-	-	-	-
Deferred pensioners				
Deferred pensioners at 31 March 2019	212	149	8	2
Total membership at 31 March 2019	212	149	8	2

Retirement Flexibilities

From April 2015 changes in legislation provided more flexibility as to how retirement benefits can be taken, subject to the changes to the Rules of the Scheme. Changes were made to allow members to take their full member account as an 'Uncrystallised Funds Lump Sum' on retirement.

Registered Scheme

The Scheme is legally constituted by a Definitive Trust Deed and Rules and is a Registered Scheme under the Finance Act 2004.

Summary of Contributions

Contributions are no longer being accepted for the Scheme. As well as no contributions being accepted by the Scheme, none are due in accordance with the Schedule of Contributions dated 5 March 2018.

Approved by the Trustees on

..... *M. Pault*

Signed on behalf of the Trustees by

..... *[Signature]*

Date

..... 30/10/19

Investment Matters

Employer-related investments

The Scheme has no Employer related investments.

The Trustees have delegated the responsibility to administer the policy and its underlying assets to Aviva and Phoenix Life. They have confirmed to the Trustees that the Canopus Services Limited No. 2 Retirement and Death Benefits Scheme meets the definition of an ear-marked scheme under the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

The Policy Numbers F25520 and F24804 are part of Aviva's Annual Premium Hypothesized Schemes (APH). This has guaranteed Annuity Rates (GAR's) which are dependent on the member's age and gender. The APH contract is invested in the Conventional with profit fund. Details of the Principles and Practices of Financial Management (PPFM) for this fund are on the attached link.

<https://www.aviva.co.uk/retirement/select-investment/fund-guides/#fp-with-profits/>

A summary of changes made by Aviva during year to 31 March 2019:

The following changes were effective from 1 January 2019

- Where possible, wording has been standardised and any Practices no longer applicable have been removed. These are not described by Aviva as they make no material change to the PPFM.
- Some changes have been made to the way Aviva apply smoothing of pay-outs to better achieve the way smoothing is described in the Principles.
- Clarification of the approach to reviewing investment strategy and how it is described within the PPFM was provided. The investment approach relating to assets backing asset shares ("return assets") and assets backing other assets ("non-return assets") was also clarified.
- It was clarified how derivatives may be used.

No changes to Principles were made in 2018.

A summary of the changes made by Phoenix Life during the year to 31 March 2019:

In July 2018 the Expenses and charges practices for Pearl With-Profits Fund was updated.

In January 2019 the Capital Policy (section 3.4) was updated to reflect the latest Solvency Capital Requirement.

Asset Allocation

The values of the Scheme's Fund holdings with both Aviva and Phoenix Life are set out below:

	Scheme Allocation as at 31 March 2019 (£)	Scheme Allocation as at 31 March 2019 (%)
F24804		
Aviva With Profits	6,044,993.94	47.1
F25520		
Aviva With Profits	167,919.40	1.3
F45306		
Av FP With-Profits Sub-Fund (Main Series 24)	6,360.55	0.0
Av FP With-Profits Sub-Fund (Main Series 4)	269,066.28	2.1
Aviva Pension Cash FPP	179,995.80	1.4
Aviva Pension European FPP	335,188.52	2.6
Aviva Pension Fixed Interest FPP	502,772.07	3.9
Aviva Pension Global Equity FPP	366,238.73	2.9
Aviva Pension Index-Linked FPP	62,438.20	0.5
Aviva Pension Managed FPP	1,850,615.64	14.4
Aviva Pension Managed FPP	101,810.85	0.8
Aviva Pension North American FPP	474,115.88	3.7
Aviva Pension Pacific Basin FPP	384,161.26	3.0
Aviva Pension Pre-retirement Fixed Interest FPP	20,919.79	0.2
Aviva Pension Property FPP	452,824.73	3.5
Aviva Pension Stewardship FPP	301,219.18	2.3
Aviva Pension Stewardship Managed FPP	527,548.05	4.1
Aviva Pension UK Equity FPP	450,919.52	3.5
Aviva Pension UK Index Tracking FPP	245,852.41	1.9
771793		
Phoenix Life	91,169.49*	0.7
Overall Assets Held	12,836,130.29	100

*Please note that this figure is the encashment value of the policy. The value provided in the 2018 accounts was the guaranteed policy value which would only be payable if the member remained – and took benefits – at the policy's Normal Retirement Date.

Review of investment performance

Aviva F24804 and F25520

Conventional with profit policies typically provide a guaranteed amount of money on a set date or dates and /or on death. The value of the initial guarantee may increase from time to time by the addition of regular bonuses. The regular bonuses are usually added at or shortly after the end of each calendar year.

In 31 December 2018, Aviva added a bonus of 2.25% to members' plans, which when added to the underlying guarantee of 3% per annum on regular contributions is equivalent to an underlying gross yield of 5.3175%.

These bonus rates only apply to the main fund benefits; they do not apply to the Demutualisation Terminal Bonus. When Friends Provident demutualised in 2001, a demutualisation terminal bonus (DTB) was added to the benefits for those members who were in the scheme at that time and held With Profit funds. This extra benefit has its own bonus scale and is eligible for a final bonus should one be payable at the date benefits are taken. DTB only applies to members who joined pre 2001.

At scheme level, a calculation was done to determine the number of shares the plan was entitled to. The basis of calculation was the same as if a policy holder was entitled to shares and took them, or the "cash".

Where a plan was under trust, the number of shares were converted to DTB points. These were distributed across the scheme, based on the with profit holding each member had at the time of demutualisation.

Guaranteed annuity rates do not apply to DTB. Aviva's current market rates would apply at all times.

The value of the DTB would be payable on the death of a member.

Future bonuses are not guaranteed as they depend on investment returns yet to be earned and on Aviva's distribution policy.

Source: Aviva

Phoenix (0771793)

On 31st December 2018, Phoenix Life added a bonus of 2.50% to members' plans.

Final bonuses are not guaranteed. A sample of the final bonus rates that apply from 1 July 2019 can be found in Table 1 as a percentage of the sum assured (or guaranteed sum) plus attaching annual bonus at <http://www.phoenixlife.co.uk/~media/Files/T/The-Phoenix-Life-V2/documents/customer-centre-pdfs/info-pwp-twp-uk.pdf>.

Source: Phoenix Life

Aviva F45306

Investments in this scheme are held within a number of fund (both unitised and With-Profits). Details of the individual fund performance are given below.

The table overleaf shows the historic investment performance of the funds offered to Scheme members for the investment of contributions. Performance is measured in the year ended 31 March 2019. (*Benchmark in italics*)

Fund Performance (Gross)	1 year	3 years	5 years
	(%)	(% p.a.)	(% p.a.)
F45306 Funds			
FL Cash	-0.21	-0.41	-0.41
<i>Money Market</i>	-0.07	-0.18	-0.20
FL European	-4.99	7.22	5.78
<i>Europe Excluding UK</i>	-1.25	7.56	5.43
FL Fixed Interest	2.88	3.32	4.19
<i>Sterling Fixed Interest</i>	2.37	2.74	3.60
FL Global Equity	12.36	13.20	12.08
<i>Global Equities</i>	6.08	10.30	8.28
FL Index-Linked Gilts	6.72	8.39	7.95
<i>UK Index – Linked Gilts</i>	5.12	6.77	7.09
FL Managed (ex Flexible)	0.10	5.57	4.65
<i>Mixed Investment 40%-85% Shares</i>	3.72	6.57	5.17
FL North American	12.71	15.08	13.85
<i>North America</i>	12.98	13.19	11.80
FL Pacific Basin	3.82	14.17	10.72
<i>Asia Pacific Including Japan</i>	0.94	11.96	8.86
FL Pre-retirement Fixed Interest	3.91	4.67	7.80
<i>Sterling Long Bonds</i>	4.60	6.20	8.20
FL Property	1.07	2.17	5.65
<i>UK Direct Property</i>	2.77	3.20	5.54
FL Stewardship	5.02	7.09	5.04
<i>UK All Companies</i>	1.88	5.93	4.04
FL Stewardship Managed	6.95	9.47	8.11
<i>Mixed Investment 40%-85% Shares</i>	3.72	6.57	5.17
FL UK Equity	5.17	8.76	4.96
<i>UK All Companies</i>	1.88	5.93	4.04
FL UK Index Tracking	4.80	7.84	5.12
<i>UK All Companies</i>	1.88	5.93	4.04

Compliance Matters

The purpose of this Statement is to disclose information required by law.

Status of the Scheme

The Scheme is legally constituted by a Definitive Trust Deed and Rules and is a Registered Scheme under the Finance Act 2004.

Scheme investments

The investment managers appointed on behalf of the Trustees to manage funds under Section 34(4) of the Pensions Act 1995 are appropriately authorised under the Financial Services Act. The investment managers appointed have the appropriate knowledge and experience necessary to manage the particular investments delegated to them.

Scheme advisers

There are written agreements in place between the Trustees and each of the Scheme advisers listed on page 1 & 2 of this report.

Members' information

Members can obtain information about their own pension benefits contacting the Scheme's administrators:

Capita Employee Solutions
First Floor, Stirling House
Viscount Way
South Marston Park
Swindon
Wiltshire
SN3 4TN

Telephone: 0370 129 0764

Email: Benefits-administration@capita.co.uk

The Pension Tracing Service

Information about the Scheme, including the address at which the Trustees may be contacted, has been lodged with the Pensions Tracing Service. This organisation provides a tracing service for members of all UK pension schemes. Enquiries should be addressed to:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Telephone: 0800 731 0176

The Pensions Advisory Service ("TPAS")

Members and beneficiaries of occupational pension schemes who have problems concerning their scheme which are not satisfied by the information or explanation given by the administrators or the Trustees can consult with the Pensions Advisory Service.

TPAS can be contacted at:

11 Belgrave Road
London
SW1V 1RB

Telephone: 0800 011 3797

Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved, normally after the intervention of TPAS, an application can be made to the Pensions Ombudsman to investigate and determine any complaint or dispute of fact or law involving occupational pension schemes. The address is:

10 South Colonnade
London
E14 4PU

Telephone: 0800 917 4487

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme and can be contacted at the above address.

Pensions Regulator

The Pensions Regulator is a regulatory body for occupational pension schemes in the UK. The Pensions Regulator may be contacted at:

PO Box 332
Darlington
DL1 9PS

Annual Report

The annual report has been prepared and reported on in accordance with the regulations made under Sections 41(1) and (6) of the Pensions Act 1995.

Approved by the Trustees on ^{30th} October 2019 and signed on behalf of the Trustees by:


.....


.....

Statement of the Chair of the Trustees of the Canopus Services Limited Retirement and Death Benefit Scheme No. 2 for the scheme year ended 31 March 2019

This statement is produced in accordance with section 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the Regulations).

I hereby confirm that I, Barbara Turner, the appointed Chair of the Trustees of the Canopus Services Limited Retirement and Death Benefit Scheme No. 2 ('the Scheme'). In accordance with section 23 of the Regulations I hereby confirm, on behalf of the Trustee, in relation to the Scheme that:

1. Having reviewed the Scheme there is no consistent default strategy in place between the four different policies held within this Trust.
2. Further to this, there is no Statement of Investment Principles in place which covers all of the investments available to members of the Scheme. There is a Statement of Investment Principles which includes details of some of the investment options available to Scheme members. The Trustees understand that this represents a breach of DC Minimum Governance Standards and a plan to rectify this will be covered below.
3. The investment options offered to members of the Scheme have not been reviewed in the last five years. The Trustee acknowledges that this represents a further breach of the DC Minimum Governance Standards. However, it should be noted that this is now a closed Scheme and is not used for the purposes of the sponsoring employer meeting their duties under automatic enrolment.
4. As a result of the continuing non-compliance existing throughout the structure and governance of the Scheme, the sponsoring employer, in liaison with Trustees and the product providers' Aviva and Phoenix Life are continuing to review the potential wind-up of the Scheme in the interests of all beneficiaries.
5. As referred to in previous Chair Statements, Capita, the Trustees advisers have been working on a feasibility study, concentrating on the on the best course of action to ensure members suffer no detriment from a Scheme wind-up. This review is taking longer than originally anticipated. The feasibility study is also covered in the Value for Members assessment and statement attached. Once finalised, this will provide evidenced recommendations to the Trustees and employer and will be available on request.
6. The Trustees however still wish to complete the Scheme wind up, and are looking to undertake this review by the end of the Scheme year ending 31 March 2020. A full update of evidence; rationale and progress will be made available in the next Chair's Statement to be published in 2020. This has been in part impacted by a company acquisition which has taken up significant resource of two of the three Trustees.
7. As a closed scheme the core financial transactions relate to transfers out, benefit settlements and switches only. Based on the information made available by the providers, the Trustee is of the view that, on the whole, core financial transactions are processed promptly and accurately.
8. Throughout the lifetime of the Scheme, all costs, outside of the underlying transaction costs in the conventional with profit fund, or Annual Management Charge for the unitised contracts have

been borne by the employer. We have referred to these as part of our assessment of Value for Members, which is attached in appendix A.

9. As noted under point 1 above, there is no consistent default strategy in place within the Scheme and so a sample of transaction costs are provided, as disclosed by the providers, in Appendix A.
10. Any deferred members who remain in service with Canopus Services Limited have had contributions applied to the qualifying Group Personal Pension Plan with Scottish Widows since January 2014.
11. Examples of the cumulative effect of costs and charges on a range of member funds is given in Appendix B, noting that there is no consistent default strategy in place within the scheme.
12. As referenced earlier and in previous Chair Statements, the Trustees, in liaison with the sponsoring employer and their advisers, have reached a decision that the Scheme may be operating in a way which does not promote the best interests of all beneficiaries and is likely not to be offering Value for Members. As such, discussions are still ongoing regarding winding up the Scheme.
13. Trustees are expected to complete all relevant sections of The Pensions Regulator's Trustee Toolkit. Further to this, advisers are engaged to provide regular training sessions for the Trustees to ensure their knowledge is both relevant and current. A training log is maintained and it is the view of the Trustees that they each meet the requirements for Trustee Knowledge & Understanding relevant to DC schemes.
14. The Pensions Act 2004 requires pension scheme trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding and investment of assets of occupational pension schemes; and to be conversant with the Trust Deed and Rules, other important Scheme documentation, such as the Statement of Investment Principles and any other pension scheme documentation that records the policy in respect of administration of a scheme. New Trustees are expected to become familiar with this documentation within 6 months of appointment.
15. The Trustee and sponsoring employer also employ professional advisers, including but not exclusively limited to PwC, Capita Employee Solutions and Stephenson Harwood, to provide advice and ensure that scheme governance, controls, skills and knowledge are current and meeting the expectations of Regulators and scheme members.

Signed for and on behalf of the Trustee of the Scheme in my capacity as Chair of the Trustees.



Barbara Turner

Chair of the Trustees for the Scheme

Appendix A: Value for Members Assessment

To make an assessment of the Scheme in terms of whether and how it represents Value for Members, the Trustees have considered the following evidence:

- With Profits fund factsheet for Aviva – Principles & Practice of Financial Management
- (PPFM) <https://www.aviva.co.uk/adviser/product-literature/files/hl/hl06002.pdf>
- Policy documents that were issued by Aviva and Phoenix Life.
- Example member communications

The Trustees have taken into account the following considerations and decisions:

- 1) The Scheme is closed, however all historic contributions to two of the Aviva policies under this Trust were only applied to Aviva's Annual Premium (Hypothecated) Scheme which is a conventional with profits fund. Unlike unit linked funds, any expenses or charges to the scheme are not specific but are instead implicit in the rates Aviva use to calculate and secure the member's benefits. Therefore, charges such as bid-offer spreads do not apply.
- 2) The members within these two conventional with profit policies receive a guaranteed bonus rate of 3% per annum on all funds and additional annual bonuses can be applied.
- 3) The members referred to above also benefit from guaranteed annuity rates. The guaranteed annuity rates apply at any age from 55 until age 75 and are generally higher than annuity rates available on the open market for a lifetime annuity. Members are able to decide how they take benefits from their retirement account. Whilst the Scheme rules and annual benefit statement assume a pension for the member with provision for a 50% spouse's pension and income increasing throughout lifetime of 5%, members can tailor the income to suit their personal circumstances whilst benefitting from the guaranteed annuity rates.
- 4) Under the other Aviva and Phoenix Life policies, the costs of the Scheme are predominantly borne by the member, although following ongoing costs are borne by the sponsoring employer:
 - i. Cost of running the Trust Board
 - ii. Cost of advice (EBCs, legal costs, other advice)
- 5) Most, but not all investment options, fall within the Government's prescribed Charge Control cap of 0.75% however as noted above, this is not a qualifying pension scheme.
- 6) The members invested in these policies will not benefit from access to the flexibilities provided by Pensions Freedoms and other such advances in the provision of workplace pensions.
- 7) All parties involved in the running and management of the Scheme have committed to consider winding-up the Scheme; however this will only be done on the basis that this represents the best course of action for members. Further progress will be made during scheme year ending 2020 following the Pension Regulator's authorisation of Master Trusts.

Value for Members Statement:

As described above, the Trustees have discussed whether or not the Scheme represents Value for Members. The conclusion at this point in time is that there is sufficient evidence available to conclude that it does not.

- The feasibility review the Trustees and sponsoring employer are undertaking remains ongoing as the Trustees are keen to ensure that members will not be placed in a position of detriment by any transfer or wind-up activity and that they will be receiving better value from an alternative arrangement for use in their retirement saving.
- The Trustees acknowledge that the wind up has not progressed as quickly as originally anticipated however the intention remains to complete this as soon as possible/practicable.
- The aim is the review will be completed by the end of the Scheme year ending 31 March 2020 and a full update of evidence; rationale and progress will be made available in the next Chair's Statement to be published in 2020. This has been delayed as it was previously anticipated this will take place during 2018.
- The funds offered to members are regarded as legacy products.
- The Aviva conventional with profits fund, whilst having a guaranteed bonus rate of 3% per annum and additional discretionary bonuses each year provides relatively low returns for members when compared to newer style contracts.
- The Friends Life conventional with profits fund has a lack of transparency of costs and charges.
- However the conventional with profit members benefit from guaranteed annuity rates at any age from 55 to 75 and the rates are usually higher than those currently available on the open market.
- The Aviva and Phoenix unitised arrangements have limited fund choices, and high fund charges.
- The IT platforms these arrangements sit on are not capable of providing access to Pensions Freedoms flexibilities.
- Members have no online access to their funds.

Charges and Transaction Costs Disclosure

In accordance with regulatory guidelines, schemes are to present information around the costs and charges of the default funds borne by members, along with an illustration of how, in practical terms, these can impact on fund values over a period of time.

As noted within the Chair Statement, there is no documented Default fund across the Scheme and so the following information, which is not exhaustive, is given purely to demonstrate a range of fund costs and the impact of charges on various fund options.

Charges and transaction costs for a sample of funds within the Canopus Services Limited Retirement and Death Benefit Scheme (No 2) for the year ending 31 March 2019

Fund	Charges	Transaction costs
FP With-Profits Sub-Fund (policy F24804)	0.55%	0.039%
FP With-Profits Sub-Fund (policy F25520)	0.55%	0.039%

Projected Pension pot showing effect of charges and transaction costs produced in accordance with DWP guidance

The following applies to both With Profit policies with Aviva, F24804 and F25520:

Projected pension fund in today's money				
	Fund of £10,000, assuming no further contributions made		Fund of £50,000, assuming no further contributions made	
Years	Projected fund assuming no charges	Projected fund assuming 0.589% charges per year	Projected fund assuming no charges	Projected fund assuming 0.589% charges per year
5	£10,300	£10,000	£51,500	£50,000
10	£10,600	£10,000	£53,000	£50,100
15	£10,900	£10,000	£54,600	£50,100
20	£11,200	£10,000	£56,200	£50,100
25	£11,600	£10,000	£57,900	£50,100
30	£11,900	£10,000	£59,600	£50,200

Notes:

The projected funds above have been assumed to grow by 3.1% a year, which is the assumed growth rate of the FP With-Profits Sub-Fund. Note that there is an underlying guaranteed 3% growth each year as part of this policy for Canopus scheme members.

The benefits are shown in 'today's money' which reduces values by 2.5% a year.

The costs have assumed to remain static throughout the period.

Independent auditors' statement about contributions to the Trustees of the Canopus Services Limited Retirement and Death Benefit Scheme (No 2)

Statement about contributions

Opinion

In our opinion, the contributions required by the payment schedule for the Scheme year ended 31 March 2019 as reported in Canopus Services Limited Retirement and Death Benefit Scheme (No 2)'s summary of contributions have, in all material respects, been paid in accordance with the payment schedule dated 5 March 2018.

We have examined Canopus Services Limited Retirement and Death Benefit Scheme (No 2)'s summary of contributions for the Scheme year ended 31 March 2019 which is set out on page 4.

Basis for opinion

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

Responsibilities for the statement about contributions

Responsibilities of the Trustees in respect of contributions

As explained more fully in the statement of Trustees' responsibilities, the Scheme's Trustees are responsible for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Scheme by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

Date

15.11.19
kg

Statement of Trustees' responsibilities

The Trustees are responsible for making available certain information about the Scheme in the form of an annual report.

The Trustees are responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the payment schedule.

Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

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 Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

