

## **PerkinElmer (UK) Money Purchase Pension Scheme The Chair's Statement 2022**

This statement has been prepared by the Trustee of the PerkinElmer (UK) Money Purchase Pension Scheme ('the Scheme') to demonstrate how the Scheme has complied with the governance standards set out in the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended) (the "Administration Regulations"). Governance requirements apply to Defined Contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The statement covers the period from 1 July 2021 to 30 June 2022 (the "Scheme Year") and covers the Scheme's following DC arrangements:

- DC benefits in the form of money purchase accounts for members of the Scheme (held with AEGON).
- DC benefits provided in the form of Additional Voluntary Contributions (AVCs). The AVC arrangements are provided by Clerical Medical and Utmost Life & Pensions (formerly Equitable Life and are closed to new contributions).

As part of its oversight and effective running of the Scheme, the Trustee typically meets twice a year for full board meetings. In addition, interim calls between the Trustee Directors are held.

The statement covers six key areas:

1. An assessment of the Scheme against the Pensions Regulator's (tPR's) principles and features for a well-governed DC scheme;
2. The Scheme's investment strategy – including the default arrangement;
3. The processing of core financial transactions;
4. Charges and transaction costs;
5. An assessment of the value the Scheme provides to members;
6. Maintaining the Trustee Directors' knowledge and understanding.

### **1. Summary of assessment results**

The Trustee previously assessed the Scheme against the Pensions Regulator's ("tPR's") revised Code of Practice for DC pension schemes entitled "Governance and administration of occupational trust-based schemes providing money purchase benefits", which came into force from 28 July 2016.

The assessment was undertaken in October 2020 with support from the Trustee's DC advisers – WTW. The assessment showed that the Scheme complied with all the legal requirements identified in the Code, bar one which related to the signposting of the Chair's Statement in annual benefit statements. Subsequently, the Trustee, in conjunction with its administrators, amended its processes so as to comply with all legal requirements set out in the Code.

### **2. The Scheme's investment strategy – including the default arrangement**

The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's default arrangement. A copy of the Scheme's Statement of Investment Principles (prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005), including those relating to the default investment strategy in place over the period covered by this statement, is attached. It can also be found at the following website: <https://www.perkinelmer.com/corporate/policies/uk-pension.html>. The SIP includes details of:

- I. The Trustee's/managers' aims and objectives

- II. Its policies in relation to the:
  - a. Kinds of investments to be held
  - b. Balance between the different kinds of investment
  - c. Risks, including how these are measured and managed
  - d. Expected return on investments
  - e. The realisation of investments
  - f. Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments
  - g. The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments
- III. Its policy in relation to:
  - a. The exercise of the rights (including voting rights) attaching to the investments; and
  - b. Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

### **Default arrangement**

The Scheme was closed to new members with effect from 1 April 1997 and therefore, has not been used as a Qualifying Scheme for new employees. New employees were enrolled into the Group Self-Invested Personal Pension (“GSIPP”) with Aegon; with effect from 1 October 2022, new employees are enrolled into the Aon Master Trust. The Trustee has made available a default investment strategy for those members that do not wish to make an active investment decision.

The current default investment strategy is the Aegon Growth Tracker (Cash Target) Fund. It is aimed at those who plan to cash in their DC pension account at retirement. The default strategy aims to grow long-term savings by investing mainly (at least 65%) in global equities (company shares), with the remainder in bonds (corporate and/or government bonds). It's designed to track the markets it invests in, so performance should be similar to those markets. In the six years before a member's target retirement age (the cash target stage), Aegon progressively moves members' investments into less riskier assets, and then into cash.

For those members that may wish to take their DC benefits as an annuity, or as income drawdown at retirement, the Scheme has additional lifestyle strategies specifically targeting these flexibilities - the Aegon Global Equity Tracker Lifestyle Fund (the old default) and the Aegon Global Equity Tracker (Flexible Target) Fund.

### **Review of the default investment strategy**

The last review of the default investment strategy concluded in September 2020. As part of the review, the Trustee reviewed the expected retirement outcomes of members, in order to understand what retirement option the default arrangement should target, including how this would change as a result of assets and members being transferred into the Scheme from Utmost (which happened in December 2020).

The review showed that the profile of the new membership implied a modest fund value with most members therefore likely to take their benefits as cash. As a result of the review, the Aegon Growth Tracker (Cash Target) Fund was selected as the Scheme's default. However, the existing Scheme members remained in the Aegon Global Equity Tracker Lifestyle Fund as they had higher average pension savings and therefore, would likely purchase an annuity at retirement.

It should be noted that for any active members of the Scheme, future contributions are now being paid to the Aon Master Trust. In addition, any pure DC legacy assets for any active members and the deferred members will be transferred to the Aon Master Trust in Q1 2023.

## Other deemed defaults

As explained above, the Aegon Global Equity Tracker Lifestyle Fund is also classed as a default investment arrangement. The Trustee agreed that any members already in the Scheme, prior to the Utmost transition, and given the average size of the funds, would likely take their pension benefits as an annuity and therefore, the previous default was better suited to them.

## Investment monitoring

Aegon provides stewardship investment reports for each Trustee meeting which includes performance information of the default investment strategy and self-select funds. These are reviewed by the Trustee and any queries are raised with Aegon.

Over the period covered by this Statement, the current default investment strategy underperformed against its benchmark over 3 and 5 years. The Growth Tracker Cash Target and Flexible Target performed better than their benchmarks, but only in the one year period to 30 June 2022. The self-select funds all underperformed against their respective benchmarks on a 1, 3 and 5 year basis to 30 June 2022.

## Net investment performance

The Trustee is required to report on the net investment returns for the Scheme's default arrangements and for each self-select fund in which members have assets invested during the Scheme year. The figures for the net investment returns used in the tables below are based on those provided by Aegon over varying periods to 30 June 2022 and are on an annualised basis.

For the arrangements where returns vary with age, such as the Lifestyle strategies, the returns are shown over a 1, 3 and 5 year basis for members aged 25, 45 and 55, and are calculated using a weighted average of returns, where appropriate.

When preparing this section of the Statement, the Trustee has taken account of the DWP's statutory guidance on "Completing the annual Value for Members assessment and Reporting of Net Investment Returns".

## Default investment arrangements

	Age of member	Last 1 Year (% p.a.)	Last 3 Years (% p.a.)	Last 5 Years (% p.a.)
<b>Aegon Growth Tracker (Cash Target) Fund</b>	<b>25</b>	-4.07	3.54	4.43
	<b>45</b>	-4.07	3.54	4.43
	<b>55</b>	-4.07	3.54	4.43

	Age of member	Last 1 Year (% p.a.)	Last 3 Years (% p.a.)	Last 5 Years (% p.a.)
<b>Aegon Global Equity Tracker Lifestyle Fund</b>	<b>25</b>	-0.95	5.45	5.93
	<b>45</b>	-0.95	5.45	5.93
	<b>55</b>	-0.95	5.45	5.93

## Self-select funds

Fund	Last 1 Year (% p.a.)	Last 3 Years (% p.a.)	Last 5 Years (% p.a.)
AEGON Growth Tracker (Flexible Target) Fund	-4.07	3.54	4.43
AEGON Global Equity Tracker Fund	-0.95	5.45	5.93
AEGON UK Index Tracker Fund	0.82	2.06	2.69

AEGON Long Gilt Fund	-24.48	-7.21	-2.45
AEGON Cash Fund	-0.04	-0.01	0.07

### 3. Core financial transactions

The Trustee has a specific duty to ensure that core financial transactions to and from the Scheme are processed promptly and accurately. The Pensions Regulator lists core financial transactions as the following, but not limited to:

- receipt and investment of contributions,
- transfers into and out of the Scheme,
- fund switches and payments out of the Scheme.

These transactions are undertaken on the Trustee's behalf by the Scheme's administrator, Buck. The Trustee has received assurance from Buck and has taken steps to try and ensure that there were adequate internal controls to ensure that core financial transactions relating to the Scheme were processed promptly and fairly. The Trustee reviews the core financial transactions of the Scheme at each Trustee meeting via Buck's administration reports. The reports contain details of Buck's timeliness of completing administration tasks against the agreed service level agreements (SLA).

The main SLAs for the Scheme are:

SLA description	No. of days
Transfer value quotations	10
Transfer value payment	10
Death case	5
Retirement quotation	5
Retirement finalisation	5
General enquiry	10

The overall SLA percentages achieved for the period 1 July 2021 to 30 June 2022 are as follows:

Period	% achieved
Q3 2021	85.07
Q4 2021	91.78
Q1 2022	91.94
Q2 2022	85.45

SLAs over the period were at circa 85% which is below the target level of 90%. Buck have advised that this was due to a change in procedures following the buy in of the PerkinElmer (UK) Pension Scheme and subsequent impact on Scheme members. However, the Trustee and Buck held monthly calls to discuss the position and ensure that progress was being made.

The administration reports also highlight any complaints raised in the period. During the period covered by this Statement there were four complaints raised. The complaints covered delays in finalising the settlement of a member's benefit, which was upheld and an apology letter issued; delays in providing information to a member which was upheld and an apology letter issued; the incorrect dis-investment of a member's fund which was upheld and the member reinstated to the same position; a data protection incident in sharing unencrypted information with the Trustee which was upheld.

In addition to the SLA, the Scheme's financial statements are audited annually.

An annual report is produced on Buck's Description and Suitability of the Design and Operating Effectiveness of its Controls, which has been audited by external auditors having regard to the International Standard on Assurance Engagements 3000 and 3402, and Institute of Chartered Accountants in England and Wales Technical Release AAF 01/06 and the criteria of pensions administration services therein.

Based on the above, the Trustee is satisfied that over the period covered by this statement:

- Buck was operating appropriate procedures, checks and controls and, although not operating within the agreed SLA's, work was being undertaken to improve this.
- there have been no material administration errors in relation to processing core financial transactions; and
- the Scheme's core financial transactions have been processed promptly and accurately during the Scheme Year.

#### 4. Charges and transaction costs

For the purpose of this section "charges" are defined as the ongoing annual charges, which consists of the Annual Management Charges plus additional fund expenses (e.g. for custody but excluding transaction costs – see below) that make up the Total Expense Ratio (TER). The Trustee has also set out cost and charges information for the legacy AVC funds with Utmost.

##### Scheme and legacy AVCs

The TERs for the funds available within the Scheme are set out in the table below:

Fund name	Asset Class	TER (p.a.)	Aggregate transaction costs (% of funds p.a.)
AEGON Global Equity Tracker Lifestyle Fund	Global Equity	0.47%	0.09059*
AEGON Global Equity Tracker Fund	Global Equity	0.47%	0.09059*
AEGON UK Tracker Fund	UK Equity	0.46%	0.11917*
AEGON Long Gilt Fund	Bonds	0.45%	0.03000
AEGON Cash Fund	Cash	0.45%	0.00000
AEGON Growth Tracker (Cash Target) Fund (default fund)	Mixed	0.46%	0.05000#
AEGON Growth Tracker (Flexible Target) Fund	Mixed	0.46%	0.05000#

Source for transaction cost data: Aegon. All data above is for the year ending 30 June 2022 except for those funds marked # which are as at 31 December 2021 and \* which are as at 31 March 2022 as Aegon could not provide the relevant information in time to produce the Statement.

\* The charge for the default investment strategy remains below the charge cap of 0.75% p.a. set out in the Regulations.

Only a very small number of members have retained legacy AVC benefits with Utmost. These members either hold Clerical Medical With Profit funds or Utmost unit linked funds. These members had elected to transfer or take their benefits in a different way at the time of the Utmost transition, but they did not provide the relevant paperwork so remain with Utmost. The charges and transaction costs for the unit linked funds range from 0.50% to 0.75% and for the legacy Clerical Medical With Profits Funds, the cost and charges were 1.00%.

##### Transaction costs and gains

Transaction costs and gains are those incurred by fund managers as a result of buying, selling, lending or borrowing investments. These costs are allowed for within the unit price for each of the Scheme's unit-linked DC and AVC funds. In 2017, the Financial Conduct Authority (FCA) published its policy on how asset managers must disclose transaction costs and administration charges and, as a result, providers have started reporting on this new basis when the data has been made available by the underlying fund managers.

Details of the aggregate transaction costs for all the Scheme's funds are set out, alongside the TERs, in the tables above.

## ‘£ and pence’ illustration

Over a period of time, the charges and transaction costs that are taken out of a member’s pension savings can reduce the amount available to the member at retirement. The Trustee has set out below illustrations of the impact of charges and transaction costs on different investment options in the Scheme. The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 require the Trustee to produce a “£ and pence” illustration showing the compounded effect of costs and charges. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

The Trustee has, therefore, set out an illustration below which shows the projected value, over different time horizons for the default fund (including two of the self-select funds used in the default) plus the fund with the lowest total expense ratio.

Example Member	Years	Aegon Growth Tracker (Cash Target) Fund (new member default)		Aegon Long Gilt Fund		Aegon Cash Fund		Aegon Global Equity Tracker Lifestyle Fund (existing member default)	
		Before charges	After charges	Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000		
	3	£1,100	£1,000	£1,000	£900	£900	£900		
	5	£1,100	£1,100	£900	£900	£900	£900		
	10	£1,200	£1,100	£900	£800	£800	£800		
	15	£1,300	£1,200	£800	£700	£800	£700		
	20	£1,300	£1,200	£700	£700	£700	£600		
Average member invested in new member default	1	£20,300	£20,200	£19,700	£19,600	£19,600	£19,600		
	3	£21,000	£20,700	£19,100	£18,900	£18,900	£18,700		
	5	£21,600	£21,000	£18,600	£18,100	£18,300	£17,800		
	9	£21,400	£20,500	£17,500	£16,800	£17,000	£16,300		
Average member invested in existing member default	1			£49,300	£49,000	£49,100	£48,900	£51,300	£51,000
	3			£47,900	£47,100	£47,300	£46,700	£52,700	£51,900
	5			£46,500	£45,300	£45,700	£44,600	£53,100	£51,700
	7			£45,100	£43,600	£44,000	£42,600	£52,100	£50,200

NB: Projected fund values are rounded to the nearest £100

**Notes:**

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
2. Contributions shown as a percentage or a monetary amount are credited halfway through the year, with investment returns as a percentage, assumed to be credited at the end of the year.
3. Costs/charges as a percentage or monetary amount per annum, are assumed to be deducted halfway through the year.
4. Charges and costs are deducted before applying investment returns.
5. Switching costs are not considered in the lifestyle strategy.
6. Inflation is assumed to be 2.5% each year.
7. No additional contributions are assumed to be paid.
8. Values shown are estimates and are not guaranteed.
9. The real projected growth rates (rounded to 2 decimals) for each fund are as follows:

Fund	Real projected growth rate (p.a.)
Aegon Growth Tracker (Cash Target) Fund (default)	From -1.80% to 1.68% (adjusted depending on term to retirement)
Aegon Long Gilt Fund	-1.45%
Aegon Cash Fund	-1.80%
Aegon Global Equity Tracker Lifestyle Fund (existing members' default)	From -1.54% to 2.62% (adjusted depending on term to retirement)

10. Transactions costs and other charges have been provided by Aegon and covered the period 1 July 2021 to 30 June 2022 unless noted differently in section 4. The transaction costs have been averaged by WTW using a time-based approach. The transaction costs for Blended funds were estimated by WTW based on the transaction costs for the underlying funds.
11. Pension scheme's normal retirement age is 65.
12. Example member:
  - Youngest: age 45, total contribution: nil, starting fund value: £1,000.
  - Average member in new member default: age 56, total contribution: nil, starting fund value: £20,000.
  - Average member in existing member default: age 58, total contribution: nil, starting fund value: £50,000.

**Transaction cost data**

*'A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one scheme year may not accurately represent the actual transaction costs a member may expect to see in any future scheme year.'*



## 5. Value for members (VFM)

### Value for members

The Trustee is legally required to assess the extent to which member borne-charges and transaction costs represent sufficient value for members on an annual basis. In addition, the Trustee is committed to ensuring that members receive good value for their money (i.e. that the costs and charges provide good value in relation to the benefits and services provided). Members only meet the cost for the investment options, with the remaining costs being met by the Company.

New changes to the Vfm assessment came into effect for the Trustee for the period covered by this statement. Trustees of relevant occupational scheme with total assets under £100m and who have been operating for more than three years must undertake a “more detailed” Vfm assessment. Therefore, the Trustee, in conjunction with WTW, carried out an independent value for members assessment in November 2022, in line with these requirements, for the period covering this statement, to support the Trustee in its own assessment of the Scheme.

### Assessment

Three core areas were reviewed as part of the assessment:

1. The level of charges and transaction costs members pay
2. The net investment returns of the Scheme’s fund range and how these funds performed
3. Comparing the services and features offered by the Scheme against those observed across market leading DC arrangements.

### Results

Having considered the assessment, the Trustee has concluded that the Scheme represents “poor value” for members overall. The results of the assessment are set out below:

1. **Costs and charges:** the charges for the growth phase of the Scheme’s default investment strategy were compared against three comparator schemes. This assessment showed that the Scheme’s default option charges provide “poor value” to members. Furthermore, the transaction cost assessment shows the overall transaction costs are higher than the comparators and therefore, this represents “poor value” for members. Taking this into account, we therefore concluded that the Scheme’s costs and charges as a whole provide “poor value” to members.

However, it should be noted that the majority of members in the Scheme are no longer contributing. Taking this into account, along with modest fund values, this will have an impact on the terms received from providers in relation to assessing competitiveness.

2. **Net investment returns:** the Scheme’s default investment strategy has underperformed (on a 1, 3 and 5 year basis to 30 June 2022) against the comparator schemes. As a result, we assessed that the default investment strategy delivers “poor value” to members. The performance of the self-select funds was mixed, and therefore assessed that the investment returns from the self-select fund range provided “fair value” to members. Given the above, we concluded that the Scheme’s net investment returns as a whole provide “poor value” to members.
3. **Governance, administration and communication:** the Scheme was assessed against seven areas which contain key features typically available within leading DC schemes. This section of the assessment deemed the Scheme to provide poor value to members, as only c60% of the key features are available under the Scheme.

It should be noted that any active members of the Scheme have now been enrolled into the Aon Master Trust, which, amongst other things, has markedly lower charges for the investment options available. In addition, all

pure DC legacy assets for active and deferred members are due to be transferred to the Aon Master Trust in Q1 2023 in order to provide better value to members.

## 6. Trustee knowledge and understanding (TKU)

The Scheme's Trustee Directors are required to maintain appropriate levels of knowledge and understanding to run the Scheme effectively and properly exercise the Trustee's functions and duties in relation to the Scheme. Each Trustee Director must:

- be conversant with the Scheme's trust deed and rules, the Statement of Investment Principles and any other documents recording policy for the time being adopted by the Trustee relating to the administration of the Scheme more widely; and
- have knowledge and understanding of the law relating to pensions and trust and the principles relating to investment of the assets of occupational pension schemes to the degree that is appropriate for the purposes of enabling the individual to properly exercise his or her role.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding. Details of how the TKU requirements have been met during the period covered by this statement are set out below:

- The Trustee Directors have a working knowledge of the Trust Deed and Rules as well as the documents setting out the policies for the running of the Scheme.
- The majority of Trustee Directors have completed the Pensions Regulator's Trustee Toolkit. The downloadable modules and content available have been sent to the Trustee Directors, by the Scheme Secretary, for ease of review and to ensure ability with technology is not a barrier. It is noted that the Trustee Toolkit is just one way to help meet the Trustee Directors meet their 'Knowledge and Understanding' requirements as the Trustee Directors are free to choose alternative forms of learning that is best suited to their requirements.
- The Trustee Directors receive general and specific updates from their advisers about matters relevant to the Scheme, and the Chair of the Trustee Directors and Secretary to the Trustee ensure that all Trustee Directors understand the topic sufficiently to make an informed decision in relation to any key decisions relating to the Scheme. The Chair regularly considers any training needs and key areas of focus for the future.
- The Trustee Directors consider that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

A list of the training undertaken during the year is set out below:

Area	Training provided by	Date of training
Pension Scams	WTW	23 November 2021
Pension Schemes Act 2021	WTW	23 November 2021
Increase to Normal Minimum Pension Age	WTW	5 May 2022
TPR's new Single Code of Practice	WTW	5 May 2022
Stronger Nudge to Pension Wise guidance	WTW	5 May 2022
Statutory Money Purchase Illustrations	WTW	5 May 2022
Scheme Pays (Finance Act 2022)	WTW	5 May 2022

The Trustee has reviewed and assessed that the systems, processes and controls across the key governance functions are consistent with those set out in The Pensions Regulator's:

- Code of Practice 13: Governance and administration of occupational defined contribution trust-based schemes July 2016.

- Regulatory guidance for defined contribution schemes.

The Trustee receives professional advice from its advisers including, but not limited to, Baker & McKenzie (legal advice) and WTW (investment and DC consulting advice) to support it in governing the Scheme. The advisers attend Trustee meetings, where required, and provide advice when requested and on an ongoing basis. The Trustee periodically reviews the appointment of its advisers to help ensure that the Scheme runs effectively. The Trustee has sufficient knowledge of the Scheme and pension matters more widely to be able to challenge its advisers when required. The knowledge and experience of the Trustee Directors, together with seeking professional advice when required, allows the Trustee to properly exercise its functions.

The Chair of the Trustee Directors is a professional independent trustee, Ross Trustees Services Limited, represented by Jo Myerson. Jo has over 20 years of experience within the pensions industry, acts as a Trustee (and Chair) to a number of schemes, which supplements the trustee's knowledge and understanding and formerly practiced as a pensions lawyer. Jo is required to undertake Continued Professional Development which includes undertaking training each year to keep abreast of industry developments and matters. The Pensions Regulator has more recently introduced an accreditation regime for professional trustees, and Jo has completed the accreditation process. Ross Trustees Services Limited has an extensive training programme in place and each director tracks and documents the skills, knowledge and experience which is gained and records all training in a personal training record to ensure expertise in various areas including funding and investment, pensions law and trust law is kept up to date. This includes, but is not limited to, attendance at external training courses and webinars, training at trustee meetings, self-study through the Pensions Management Institute, attendance at round table discussions and professional reading.

The Chair's statement can be viewed online at [www.perkinelmer.com/uk/corporate/policies/UK-pension.html](http://www.perkinelmer.com/uk/corporate/policies/UK-pension.html)

Ross Trustees Services Limited was appointed in September 2020 to act as Secretary to the Trustee to help ensure that the Scheme is governed in line with expectations. The Trustee feels that having the same firm appointed as the Chair of the Trustee Directors and Scheme Secretary (represented by different individuals) brings many benefits to the Scheme, which help it run smoothly.

Although this relates to a period following this statement, Ross Trustees Services Limited has been appointed as sole Trustee for the Scheme, with effect from 29 November 2022. Jo Myerson continues to serve as Chair of the Trustee Directors.

#### **Statement of compliance**

On behalf of the Trustee of the PerkinElmer (UK) Money Purchase Pension Scheme, I confirm that the Trustee is comfortable that the Scheme has met the minimum governance standards as defined in the Occupational Pension Schemes (Charges and Governance) Regulations 2015 during the period 1 July 2021 to 30 June 2022.

**THIS STATEMENT WAS APPROVED ON 26 JANUARY 2023 BY JO MYERSON ON BEHALF OF ROSS TRUSTEES SERVICES LIMITED ACTING AS CHAIR AND TRUSTEE OF THE SCHEME**