Barnes Group (UK) Ltd Pension & Life Assurance Scheme ("The Scheme")
Chair's Statement for the Year Ending 31 March 2023

Prepared in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Regulations")

Regulations require the Trustees to prepare a statement showing how they have met certain minimum governance standards in relation to defined contribution benefits.

As Chair of Trustees, I have provided details of how the Trustees have embedded these standards for the year ending 31 March 2023. This statement covers six key areas:

- The investment strategy relating to the Scheme's default arrangement;
- The processing of core financial transactions;
- Net return on investments;
- Charges and transaction costs within the Scheme; including the new disclosure requirements;
- Value for Members assessment; and
- The Trustees' compliance with the statutory knowledge and understanding ("TKU") requirements.

The arrangements covered by this statement fall into two categories, namely;

- The Scheme's Defined Contribution ("DC") section where all benefits are DC in nature.
- Additional Voluntary Contributions ("AVCs") linked to the Defined Benefit ("DB") section, which are also DC benefits in nature.

This statement is published on a publicly available website and the information with regards to cost disclosures will be signposted in the annual benefit statements.

1. The Scheme's DC Investment Arrangements

1.1 DC investment options and administration services are provided by Aviva for members of the DC Section and DC AVC benefits in the DB section. In addition, Scottish Widows also provide investment and administration services to DC AVC benefits in the DB section.

1.2 The current default investment arrangement for the DC section of the Scheme is the Five Year Lifestyle Programme. Under this arrangement, a member's Retirement Account is invested in the Aviva Pension BlackRock (60:40) Global Equity Index Tracker fund until 5 years before their Target Retirement Age. From this point, member savings are incrementally transferred to lower-risk funds so that by retirement 38% is invested in the Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker fund, 37% is invested in the Aviva Pension Index-Linked fund, and 25% is invested in the Aviva Pension Cash fund. The switches from higher risk to lower risk assets take place annually on, or as close as possible to, the date on which the member's birthday falls.

1.3 The structure of the current default investment arrangement is further detailed below:

Time to Retirement (years)	Aviva BlackRock (60:40) Global Equity Index Tracker (%)	Aviva BlackRock Over 15 Year Corporate Bond Index Tracker (%)	Aviva Pension Index-Linked (%)	Aviva Pension Cash (%)
5+	100.0	0.0	0.00	0.0
4	70.0	12.0	11.00	7.0
3	50.0	19.0	19.0	12.0
2	30.0	26.0	27.0	17.0
1	10.0	34.0	34.0	22.0
0	0.0	38.0	37.0	25.0

The aims and objectives of the default investment arrangement as set out in the Statement of Investment Principles ("SIP"), dated 23 September 2020 are:

- To generate returns in excess of inflation during the accumulation phase of the strategy.
- To provide a strategy that reduces investment risk for members as they approach retirement.
- To provide exposure at retirement to assets that are broadly appropriate for an individual planning to use their savings in the Scheme to buy an annuity and to take a 25% tax-free cash lump sum at retirement.

The majority of the Scheme's members continue to have savings invested in the default investment arrangement. The Trustees therefore regard the design and performance of the default investment arrangement as pivotal to good member outcomes.

The Trustees started their latest review of the investment strategy during the Scheme year at the 15 November 2022 Trustees' meeting and expect to complete this review at the 14 November 2023 meeting. This review considered the suitability of the funds used within the default options and other possible options on the platform, as well as a review of the self-select range. As a result of this review a number of recommendations were made, which the Trustees are considering in the final stages of the review.

1.4 A copy of the Scheme's latest SIP, dated 23 September 2020 and prepared in accordance with Regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005, is included in the Appendix of this statement.

1.5 The Trustees review how the investments within the Scheme's default and the wider self-select fund options have performed against their targets at each of the Trustees' meetings during the year (these meetings take place twice a year), taking input from professional investment advisors. The Trustees have been satisfied with the performance of the fund options relative to their objectives, and performance of the fund options has been mixed in absolute terms, reflecting the volatility of investment markets over the last few years.

2. Legacy Additional Voluntary Contributions ('AVCs')

2.1 The Scheme has several members invested in policies with Scottish Widows. These members are invested in a variety of ways including unit-linked funds, with-profits funds, and assets held on deposit. The holdings are relatively small in scale compared to the size of the Scheme's main arrangements held with Aviva.

2.2 The Trustees have sought to quantify the charges and transaction costs associated with the holdings in the policies with Scottish Widows by requesting the information from the provider in line with the prescribed transaction cost disclosure methodology. The information provided for the two policies is shown in section 4 of this document.

2.3 With respect to the With-Profits policies, pay outs on surrender and maturity will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of any 'smoothing'. This places limitations on what can be shown in the member illustrations.

2.4 The Company currently meets advisory costs for these assets.

3. Core Financial Transactions

3.1 The Trustees recognise the importance of processing financial transactions promptly and accurately as failure to do so may have an adverse effect on member outcomes and may result in members disengaging with the Scheme.

The Trustees therefore operate measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

3.2 The Trustees are required to explain how they ensure that core financial transactions are processed promptly and accurately. Core financial transactions include:

- Investment of contributions paid to the Scheme;
- Transfer of members' assets into and out of the Scheme;
- Switches of members' assets between investment options available in the Scheme; and
- Payments from the Scheme to, or in respect of, members.

3.3 The DC section of the Scheme's administration is provided by Aviva. Aviva measures performance against Service Level Agreements (SLAs). The Trustees review administration reports from Aviva on an annual basis. For the 12 months to 31 March 2023, the service level achieved was 99.5% for Core Financial Transactions (and 97.5% across all services) which are both above Aviva's target service level of 95%.A breakdown of core financial transactions is shown below:

Process	Number processed	% completed in SLA
Contributions	213	100.0%
Transfer Out	4	75.0%
Retirement Payments	1	100.0%

Aviva confirmed that the service level achieved for the AVC section was 71.4% across all processes and there were no core financial transactions over the period.

3.4 As noted above, Aviva have also monitored the handling of core financial transactions, specifically:

- Contribution payments
- Transfer out payments
- Investment switches
- Payments from the scheme

Aviva have confirmed that 99.5% core financial transactions as described above were completed within their SLA during the period, referring to DC Section. Aviva has been asked to provide further information about the missed SLA for a transfer out. There were no core financial transactions in the Aviva AVC Section during the Scheme year. Aviva have further clarified that there were no complaints raised by members during the Scheme year. Based on this information the Trustees are satisfied that core financial transactions were processed promptly and accurately during the period to which this Statement relates.

4. Charges and Transaction Costs

4.1 As required by regulation 25 of the Administration Regulations, the Trustees are required to report on the charges and transaction costs for the investments used in the default and non-default arrangements and their assessment of the extent to which the charges and costs represent good value for members.

4.2 We note that while transaction costs and charges are an important consideration, they are not the only criteria the Trustees assess. A number of other qualitative and quantitative factors are also considered in a holistic manner when making strategic decisions in relation to investment strategy with good outcomes for members being the ultimate goal for the Scheme.

4.3 In addition to investment management charges and the additional fund expenses included in the Total Expense Ratio ('TER'), investment funds are subject to other implicit costs, such as the investment manager's expenses associated with trading a fund's underlying securities, including commissions and stamp duty. These expenses are not explicitly deducted from the fund but are captured by a reduction in investment returns.

The Financial Conduct Authority has provided guidance (PS17/20) to investment managers regarding calculations and disclosures of transaction costs which comply with the Regulations. The Trustees have requested information about transaction costs calculated according to the 'slippage cost' methodology; information about administration charges and appropriate contextual information from the underlying fund managers, through Aviva. The information was provided and is included below and the Trustees have taken the information in good faith and are not aware of any information that they were unable to obtain in regard to the Aviva arrangements.

Due to the way in which transaction costs are required to be calculated, they can be negative or positive; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

4.4 The following table sets out the headline TER applying to each of the funds available to members and the transactions costs incurred by the funds during the year, including those making up the Scheme default investment arrangement for the DC section. The Aviva DB AVCs are also held in the below fund range.

Scheme Funds	TER (% p.a.)	Aggregate transaction costs (%) over the last 12 months
Funds within the Default		
BlackRock Global Equity Index Tracker (60:40)	0.50	0.0347
BlackRock Over 15 Year Corporate Bond	0.50	0.2114
Aviva Index-Linked	0.50	0.0343
Aviva Cash	0.50	0.0009
Self-Select Funds (including those within the Default)		
BlackRock Global Equity Index Tracker (60:40)	0.50	0.0347
BlackRock Over 15 Year Corporate Bond	0.50	0.2114
Baillie Gifford International	0.70	0.0106
Baillie Gifford Managed	0.70	0.1357
Aviva Index-Linked	0.50	0.0343
Aviva Cash	0.50	0.0009

Source: Aviva, as at 31 March 2023
The TER is a measure of the total cost of investing in a fund, which may include various fees and other expenses and may vary from time to time.

4.5 The Pension Regulator has set a charge cap of 0.75% p.a. for the default options for pension schemes. As shown above, the charges for all underlying funds in the default strategy (and therefore the default strategy across a member's lifetime) are 0.50% p.a., and fall well within the charge cap.

4.6 There are members of the Scheme with legacy AVC assets in funds provided by Scottish Widows. These are held across two arrangements; an AVC Master Policy (in which members' benefits are held by the Trustees) and an arrangement wherein benefits are held in members' individual policies. The funds available and charges are specific to each arrangement.

The charges for the Scottish Widows funds invested in by members of the arrangements outlined in the below table are as at 31 March 2023.

Master Policy funds	TER (% p.a.)	Aggregate transaction costs (%) for the last 12 months
Mixed	0.923	0.19
UK Equity	0.875	0.26
Conventional With Profits	*	0.39
Cash	0.875	0.00
Individual Member Policy fund	**TER (% p.a.)***	**Aggregate transaction costs (%) for the last 12 months**
Mixed	0.927	0.19
Consensus	0.939	0.30
Unitised With Profits	*	0.39

Source: Scottish Widows, as at 31 March 2023, except where noted. Scottish Widows provide TER figures to 3 decimal places, but provide transaction costs to 2 decimal places.
The TER is a measure of the total cost of investing in a fund, which may include various fees and other expenses and may vary from time to time.
**Scottish Widows confirmed there are no explicit charges for the Conventional or Unitised With Profits Fund.*

Members of the Master Policy and Individual Policy have access to a limited range of additional funds, including Scottish Widows' Fixed Interest, Indexed Stock, International and Property funds.

With respect to the Conventional With Profits fund (a traditional with-profits fund), pay outs on surrender and maturity will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of any 'smoothing'. The Unitised With Profits fund (while the same underlying investment practice applies) operates in a different manner, represented as a unit-linked fund where the with-profits premiums buy units in the fund (and unlike other unit-linked funds, the unit price is guaranteed not to fall).

One member (who has passed their nominated retirement date) has assets with a guaranteed value held on deposit in line with the Scottish Widows Cash Fund. Whilst this guaranteed value applies, no charges are applicable to the investment. In the event that the bid price of the Cash fund rises to a point where the value of the Cash fund is higher than the guaranteed value, the higher Cash value will be quoted and the charges will be as set out for the Cash fund (as above).

4.7 Using the charges and transaction cost data provided by Aviva 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.

In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Scheme's relevant funds/strategies listed in brackets). As the demographic of the AVC membership can be considered substantially different to that of the main DC membership, and is invested in a different range of funds, we have demonstrated these in a separate illustration from those representing the DC section of the Scheme.

The funds we are required to illustrate to represent the fund range (with the specific fund within the DC Section in brackets) are:

- The fund or strategy with the most members invested (Five Year Lifestyle Programme)
- The most expensive fund (Baillie Gifford Managed Fund)
- The least expensive fund (Aviva Cash)

To illustrate the impact of charges on a typical active member's pension pot, we have provided examples below.

The illustrations that follow take into account the following elements:

- Initial savings pot size;
- Contributions, where applicable;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

The illustrations account for all estimated member costs, including the TER and transaction costs, and inflation.

Illustration 1

A typical active DC member's pot as it changes over time

Age	Default Strategy: Five Year Lifestyle Programme		Baillie Gifford Managed (Highest cost)		Aviva Cash (Lowest cost)	
	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)
45	£13,024	£12,955	£12,937	£12,829	£12,582	£12,518
50	£32,107	£31,342	£31,098	£29,949	£27,292	£26,696
55	£55,361	£53,160	£52,400	£49,205	£42,004	£40,523
60	£83,699	£79,047	£77,385	£70,861	£56,718	£54,008
65	£106,930	£99,208	£106,690	£95,218	£71,434	£67,159

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. Age, salary, and fund size assumptions are based on median full membership data as at 31 March 2023.
4. The starting fund size is assumed to be £9,640, starting salary is assumed be £42,020 per annum and this person is 44 years old. This member is assumed to retire at 65.
5. This member's contribution rate is assumed to be 7% per annum, and their salary increases by 2.5% per annum (in line with the long term inflation assumption).
6. Charges assumed for each individual fund are as provided by Aviva as at 31 March 2023, shown earlier in this Statement.
7. From Aviva's figures, the default strategy has an assumed TER of 0.50% p.a. throughout the member's life.
8. The Regulations require that, where possible, the transaction costs used in these illustrations are based on an average of those for the five years to Scheme Year End. These are shown below:

Current Default Arrangement: 5 Year Lifestyle	0.03% p.a. further than 5 years from retirement, rising to 0.06% p.a. for members at one year to retirement
Highest cost fund: Baillie Gifford Managed	0.14% p.a.
Lowest cost fund: Aviva Cash	0.00% p.a.

9. Inflation is assumed to be 2.5% per annum.
10. The projected gross growth rates for each fund are based on growth assumptions provided by Aviva, and are as follows:

Current Default Arrangement: 5 Year Lifestyle	6.5% p.a. before inflation for members further than 5 years from retirement, falling to 3.3% p.a. before inflation for members at retirement
Highest cost fund: Baillie Gifford Managed	5.6% p.a. before inflation
Lowest cost fund: Aviva Cash	2.50% p.a. before inflation

Illustration 2: *A typical young DC active member's pot as it changes over time*

Age	Default Strategy: Five Year Lifestyle Programme		Baillie Gifford Managed (Highest cost)		Aviva Cash (Lowest cost)	
	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)
23	£4,740	£4,715	£4,712	£4,672	£4,596	£4,572
25	£9,006	£8,894	£8,869	£8,696	£8,327	£8,230
30	£21,272	£20,682	£20,502	£19,624	£17,656	£17,215
35	£36,219	£34,668	£34,147	£31,915	£26,987	£25,977
40	£54,434	£51,265	£50,151	£45,738	£36,319	£34,522
45	£76,631	£70,956	£68,923	£61,285	£45,652	£42,856
50	£103,681	£94,322	£90,940	£78,771	£54,987	£50,984
55	£136,644	£122,045	£116,766	£98,438	£64,323	£58,910
60	£176,815	£154,941	£147,057	£120,557	£73,661	£66,641
65	£203,400	£174,624	£182,586	£145,435	£82,999	£74,179

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. Age, salary, and fund size assumptions are based on median full membership data as at 31 March 2023.
4. The starting fund size is assumed to be £2,730, starting salary is assumed be £26,650 per annum and this person is 22 years old. This member is assumed to retire at 65.
5. This member's contribution rate is assumed to be 7% per annum, and their salary increases by 2.5% per annum (in line with the inflation assumption).
6. Charges assumed for each individual fund are as provided by Aviva as at 31 March 2023, shown earlier in this Statement.
7. From Aviva's figures, the default strategy has an assumed TER of 0.50% p.a. throughout the member's life.
8. The Regulations require that, where possible, the transaction costs used in these illustrations are based on an average of those for the five years to Scheme Year End.

Current Default Arrangement: 5 Year Lifestyle	0.03% p.a. further than 5 years from retirement, rising to 0.06% p.a. for members at one year to retirement
Highest cost fund: Baillie Gifford Managed	0.14% p.a.
Lowest cost fund: Aviva Cash	0.00% p.a.

9. Inflation is assumed to be 2.5% per annum.
10. The projected gross growth rates for each fund are based on growth assumptions provided by Aviva, and are as follows:

Current Default Arrangement: 5 Year Lifestyle	6.5% p.a. before inflation for members further than 5 years from retirement, falling to 3.3% p.a. before inflation for members at retirement
Highest cost fund: Baillie Gifford Managed	5.6% p.a. before inflation
Lowest cost fund: Aviva Cash	2.5% p.a. before inflation

Illustration 3

A typical DC/AVC deferred member's pot as it changes over time

Age	Default Strategy: Five Year Lifestyle Programme		Baillie Gifford Managed (Highest cost)		Aviva Cash (Lowest cost)	
	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)
53	£8,167	£8,123	£8,104	£8,037	£7,850	£7,811
55	£8,839	£8,698	£8,638	£8,424	£7,851	£7,733
60	£10,771	£10,321	£10,132	£9,474	£7,852	£7,541
65	£11,803	£11,000	£11,884	£10,655	£7,853	£7,355

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. Age and fund size assumptions are based on median full membership data as at 31 March 2023.
4. The starting fund size is assumed to be £7,850, this person is 52 years old, and is assumed to be making no further contributions to the Scheme. This member is assumed to retire at 65.
5. Charges assumed for each individual fund are as provided by Aviva as at 31 March 2023, shown earlier in this Statement.
6. From Aviva's figures, the default strategy has an assumed TER of 0.50% p.a. throughout the member's life.
7. The Regulations require that, where possible, the transaction costs used in these illustrations are based on an average of those for the five years to Scheme Year End.

Current Default Arrangement: 5 Year Lifestyle	0.03% p.a. further than 5 years from retirement, rising to 0.06% p.a. for members at one year to retirement
Highest cost fund: Baillie Gifford Managed	0.14% p.a.
Lowest cost fund: Aviva Cash	0.00% p.a.

8. Inflation is assumed to be 2.5% per annum.
9. The projected gross growth rates for each fund are based on growth assumptions provided by Aviva, and are as follows:

Current Default Arrangement: 5 Year Lifestyle	6.5% p.a. before inflation for members further than 5 years from retirement, falling to 3.3% p.a. before inflation for members at retirement
Highest cost fund: Baillie Gifford Managed	5.6% p.a. before inflation
Lowest cost fund: Aviva Cash	2.5% p.a. before inflation

Illustration 4

Scottish Widows provides unit-linked funds and with-profits funds to members of the Scheme with legacy AVC investments. In order to best represent the membership with AVC assets and the fund range invested in through Scottish Widows, we have chosen to illustrate the AVC membership and the AVC fund range separately from the DC section, for a typical AVC member:

- The most expensive fund (UK Equity)
- The least expensive fund (Mixed)

A typical deferred member's pot within Scottish Widows' AVC funds under the Scheme as it changes over time

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.

Age	UK Equity (Highest cost)		Mixed(Lowest cost)	
	Est. fund value before charges (£)	Est. fund value after charges (£)	Est. fund value before charges (£)	Est. fund value after charges (£)
64	£21,601	£21,337	£21,455	£21,222
65	£22,219	£21,679	£21,919	£21,447

3. Age, salary, and fund size assumptions are based on the AVC Master Policy median member data as at 31 March 2023.
4. The starting fund size is assumed to be £21,000, this person is 63 years old, and is assumed to be making no further contributions to the Scheme. This member is assumed to retire at 65.
5. Charges assumed for each individual fund are as provided by Scottish Widows as at 31 March 2023, shown earlier in this Statement.
6. The Regulations require that, where possible, the transaction costs used in these illustrations are based on an average of those for the five years to Scheme Year End.

	Assumed transaction costs
Cheapest fund: UK Equity	0.34% p.a.
Most expensive fund: Mixed	0.19% p.a.

Where funds have negative transaction costs over the period of this Statement, we have assumed these costs to be nil, as negative costs are not expected to continue consistently over time.

7. Inflation is assumed to be 2.5% per annum.
8. The projected gross growth rates for each fund are based on growth assumptions provided by Scottish Widows, and are as follows:

Cheapest fund: UK Equity	5.00% p.a. before inflation
Most expensive fund: Mixed Series 1	4.50% p.a. before inflation

Net Return on Investments

4.8 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of 'relevant' occupational pension schemes.

From 1 October 2021, trustees of all relevant pension schemes, regardless of asset size, are required 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 and 5 year periods for the lifestyle arrangement (for age 25, 45, and 55) and 1, 3, 5, 10, 15 and 20 year periods for the self-select fund range. Performance for the AVC providers has been provided over 1, 3 and 5 year periods.

Lifestyle

Five Year Lifestyle Programme (age at start of period)	Annualised returns to 31 March 2023 (%)	
	1 year	5 years (p.a.)
25	1.1	6.2
45	1.1	6.2
55	1.1	6.2

Source: Aviva.

Self-Select Funds

Fund	Annualised returns to 31 March 2023 (%)					
	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	15 years (p.a.)	20 years (p.a.)
BlackRock Global Equity Index Tracker (60:40)	1.1	15.0	6.2	7.1	7.0	8.6
BlackRock Over 15 Year Corporate Bond	-23.8	-8.7	-4.0	1.2	3.9	3.7
Baillie Gifford International	-7.7	11.3	8.4	11.5	10.9	11.3
Baillie Gifford Managed	-8.8	7.6	5.8	7.1	7.7	8.6
Aviva Index-Linked	-26.5	-9.5	-3.4	1.4	3.6	4.3
Aviva Cash	1.7	0.3	0.3	0.1	0.4	1.4

Source: Aviva.

AVC Master Policy Funds

Fund	Annualised returns to 31 March 2023 (%)		
	1 year	3 years (p.a.)	5 years (p.a.)
Mixed	-4.19	8.74	3.65
UK Equity	0.58	11.23	2.26
Conventional With Profits	-5.32	2.08	3.25

Source: Scottish Widows.

AVC Individual Policy Funds

Fund	Annualised returns to 31 March 2023 (%)		
	1 year	3 years (p.a.)	5 years (p.a.)
Mixed Pension	-4.19	8.74	3.65
Consensus Pension	-2.42	10.39	4.14
Unitised With Profits	2.00	5.27	3.36

Source: Scottish Widows.

5. Value for members

5.1 The Trustees are committed to ensuring that members receive good value from the Scheme. In conjunction with professional advisors, the Trustees have undertaken a formal value for members' assessment, as has been the case in previous years.

5.2 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.

5.3 The Trustees have carried out a value for members assessment as at 31 March 2023. The conclusions of this assessment are set out in the table below:

Assessment area	Type of assessment
Costs and charges	The Trustees have assessed the Scheme as offering reasonable value from a costs and charges perspective, relative to the three comparator schemes. The Scheme's costs and charges are in many cases higher than the comparator schemes, they can be considered reasonable in the perspective of performance.
Net investment performance	The Trustees have assessed the Scheme as offering good value from a net investment performance perspective, relative to the three comparator schemes. The default strategy in which the majority of members are invested has outperformed the comparator arrangements over all period and ages. Where the self-select funds have underperformed this can be partially explained by the differences with comparator funds.
Governance and administration	The Trustees have assessed the Scheme as offering good value from a governance and administration perspective, with a few minor actions recommended to maintain this rating.
Overall	Overall, considering all three areas set out above, the Trustees have assessed the Scheme as offering good value for members. Based on its assessment, the Trustees have identified some minor areas for improvement, which the Trustees believe will help ensure the Scheme continues to provide good value for members going forward.

6. Trustee knowledge and understanding

6.1 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 the professional advice which is available to them, enables them to properly exercise their functions and duties in relation to the Scheme. This requirement has been met during the period to which this Statement relates as follows:

- The Trustees have spent time considering their pension arrangements, and have taken advice from the investment consultant as appropriate. The 2022 Chair Statement and Value for Members assessments were discussed during the 15 November 2022 Trustee meetings and actions considered. In addition to this, the triennial investment strategy review was started during the Scheme Year. During each of these, the Scheme's investment consultant provided guidance on outcomes and underlying components used within the Scheme, so that the Trustees could complete a full evaluation.

- The Trustees have continued to monitor fund performance and options throughout the year, via quarterly investment monitoring reporting, with particular regard to the Scheme's Trust Deed and SIP. The SIP outlines the Trustees' objectives for the investment strategy and these objectives are taken into account during investment strategy reviews, such as the one started during the Scheme Year. The Trustees also review the SIP on a regular basis, either every three years or if there are changes to the investment strategy, to ensure the objectives remain appropriate.

- The Trustees have undertaken ongoing training, both collectively as a group and individually to keep them abreast of pensions' legislation and regulations, and relevant developments; all such training is recorded on a training log, which was also reviewed in the Scheme Year (in April 2022).

- Training needs are considered at the Trustees' regular meetings, which for the Scheme year, was the 15 November 2022 meeting.

- The Trustees assess their training needs in light of the business plan priorities and with regard to the statutory requirements to have knowledge and understanding of pension's law, and maintain a good working knowledge of the Trust Deed & Rules, Statement of Investment Principles and other policy documents.

- During the 15 November 2022 Trustee meeting, the Trustees received training on Pensions Dashboards.

- The Trustees have received 'Current Issues in Pensions' training monthly over the Scheme Year which allow them to remain abreast of any changes in the industry that may affect the Scheme and action accordingly.

- Updates on current DC topics including the Pension Regulator Code of Practice, AVC Governance requirements and DWP guidance on new transfer rules were considered at the Trustees' meeting on 15 November 2022.

- There is an induction process in place for new Trustees. All new Trustees are required to complete the Pension Regulator's toolkit within 6 months of becoming a Trustee and will undertake training with the Scheme's advisors as deemed necessary. There were no new Trustees appointed during the Scheme year.

The above demonstrates that the Trustees hold relevant knowledge on DC specific internal controls and the regulatory requirements.

6.2 Using Advisors

The Trustees believe that the best run schemes use the combined skill and knowledge of both the Trustees and their professional advisors. The relevant skills and experience of those advisors are key criteria when evaluating advisor performance and selecting new advisors.

Additionally, the following measures have applied during the period:

- The Trustees' professional advisors attend their formal meetings;
- The Trustees receive briefings from their advisors on relevant legislative and regulatory developments and DC topics at each meeting.

6.3 Trustees meetings occur at least twice every calendar year with additional meetings as needed and minutes are taken and approved at the next meeting. During the scheme year, there was only one meeting in November 2022, although other meetings were held shortly before and shortly after the Scheme Year (March 2022 and April 2023). Advisors are invited to all meetings.

6.4 Taking into account actions taken individually and as a Trustee group and the professional advice available to us, the Trustees consider that we are able to exercise our function as Trustees appropriately.

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.

Signed for and on behalf of the Trustees of the Barnes Group (UK) Ltd Pension & Life Assurance Scheme

Date ……...

By ……

Chair of Trustees

Appendices

Appendix A: The most recent Statement of Investment Principles (SIP) for the Scheme