



The EMA Money Purchase Pensions Schemes

Trustees Report 2010

Meet the Trustees...

The EMA Pensions schemes are available to all members of Global Connections (the trading name of the Evangelical Missionary Alliance (EMA)) and have a Board of Trustees to oversee how they are managed and administered. During 2010 the Trustees were as follows:

Mr Alan Hodkinson – Hon Treasurer of the EMA and current Chair of the EMA's Finance Advisory Committee.

Mr Philip Tadman – member of EMA's Finance Advisory Committee.

Mr Gladstone Worthington – member of EMA's Council and Finance Advisory Committee.

Mr Mark Richardson – member of the EMA's Finance Advisory Committee

Mr David Wright – Business Manager of the EMA

The Trustees receive no remuneration for their services as trustees either from the pension fund or from the EMA. Additional trustees are always welcome. Please contact the Chair c/o the EMA if you would like to be considered as a Trustee.

In addition, Mr Jeff Martina (Managing Director of Kingsworld Walder Ltd) acts as technical advisor to the Trustees, and Mr Evan Winter (Operations Director of the EMA) acts as Secretary. Neither have executive Trustee status.

So what do they do?

The role of the Trustees is to monitor the performance of the schemes whilst Kingsworld Walder Ltd deals with day-to-day administration and correspondence. During 2010 the Trustees met three times. Two meetings were by telephone conference. The main issues coming before the trustees in 2010 were:

- *Change of scheme's auditors*
It is a legal requirement for all pension schemes to undergo an annual audit. As the EMA has appointed new auditors for its 2010 accounts, the EMA Pension Scheme will be audited by the same company – A J Carter & Co of Witney, Oxfordshire.
- *Continuation of contributions after the age of 65.*
The HMRC has relaxed its rules so that contributions to the schemes can be made after the age of 65 provided they are made on 3- or 6-monthly basis.
- *Issue of a new procedures manual*
An updated procedures manual for the unapproved (overseas) scheme was compiled and circulated to all members by Kingsworld Walder Ltd on behalf of the Trustees. Further copies are available from Kingsworld Walder Ltd.
- *Contact with organisations using the scheme*
Kingsworld Walder Ltd would appreciate being advised of any change of the organisation's main contact for the EMA Pension Schemes.

How do the Schemes work?

There are two matching schemes, one for members paying UK Income Tax, which is registered by the HMRC; and one for members mainly based overseas, which is unregistered and does not need HMRC approval. Contributions are directed to whichever scheme is appropriate for individual members at the time, and therefore members may have their funds in both schemes. Love gifts and other single voluntary contributions can be paid into the schemes in addition to the regular contributions but must be paid via the Member Organisation.

Contributions are invested until retirement, when the benefits are payable as a full pension or a mix of tax-free cash and pension. Normal scheme retirement date is age 65, although earlier or later retirement is possible. Contributions made to the scheme after age 65 must be made on a 3-or 6-monthly basis. Benefits under the unregistered scheme are paid in full but may be taxable for individuals.

Members are also advised to check that their annual statements contain their correct personal details and that their contributions are as advised to them by their agency.

What happens to my contributions?

The main aim of the policy is to provide a good return on the assets whilst maintaining the maximum amount of financial security. To achieve this objective the Trustees invest in the With-Profits Fund of the Legal & General Assurance Society. This fund is currently one of the few that guarantees the value of the assets. In order to avoid large fluctuations in the schemes' value, and hence the amount you may receive on retirement, the funds are not invested in high-risk markets (*See the asset allocation chart on page 3*).

It is written into the Schemes' constitution that its funds should be invested with Legal & General within the 'With Profits Fund'. To transfer to another fund manager would therefore require a change to the constitution.

What are the Charges?

94% of every contribution is invested and there are no additional initial charges, including monthly or annual plan charges, although a discontinuance charge may apply within the first four years. The remaining 6% covers pension management and administration fees of Legal & General and Kingsworld Walder Ltd. The whole of the declared bonus is added to members' funds each year and there are no further costs to the members of the Societies.

Regular Additional Voluntary Contributions (AVC's) have a 100% allocation to the scheme. Single AVC's have a 94% allocation.

What if I die before drawing my pension?

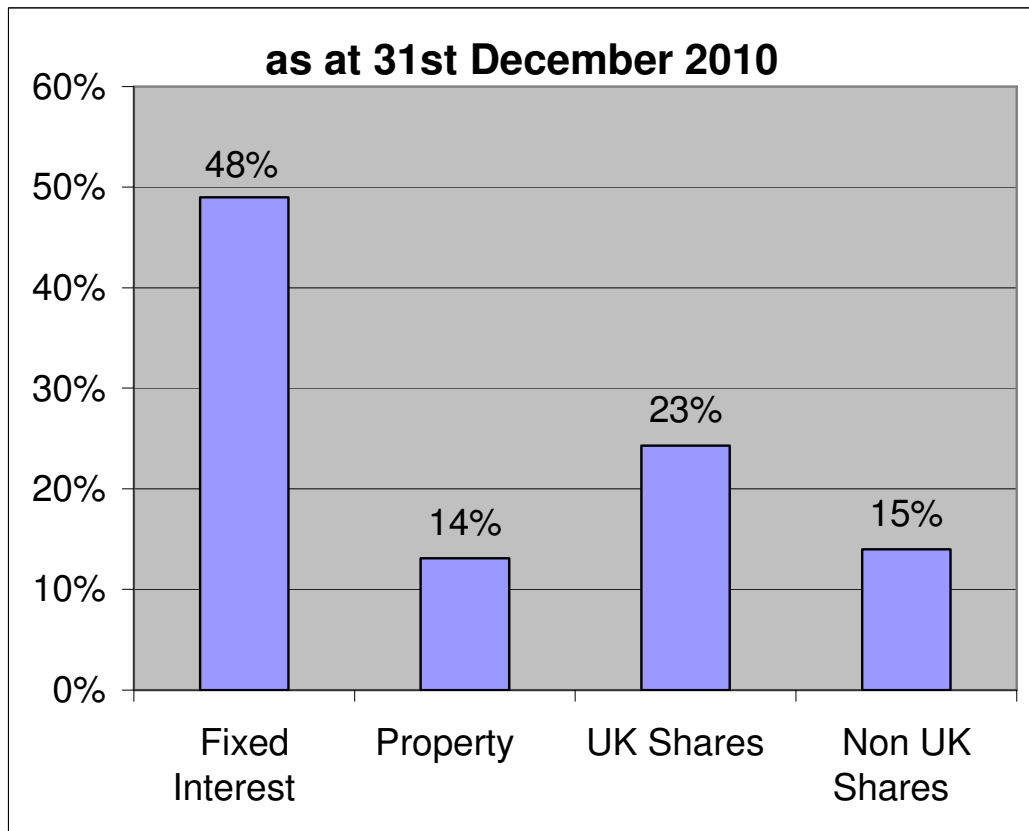
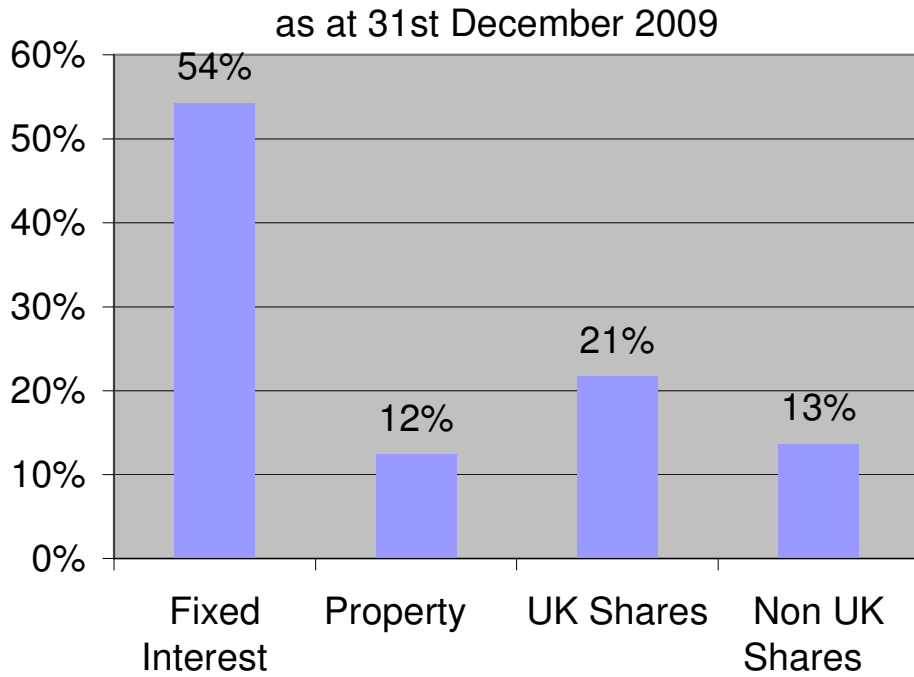
If you die before retirement all the assets held in the pension fund for you are payable under trust to anybody else you wish to nominate. This can be done by lodging a signed "Expressions of Wish" form at the time of your application with your agency, stating how you would like the money to be distributed. You may change and/or update your 'Expression of Wish' form at any time. These forms can be kept in a sealed envelope with your agency if you prefer. We encourage all members to complete 'Expression of Wish' forms to avoid any misunderstanding, as this will enable the funds to be paid to the beneficiaries of your estate.

What other benefits are available from the scheme?

Additional life assurance cover is available to Global Connections members in units of £5,000 (up to a maximum of 15 units per person) at a unit cost of £0.80 per person per month, **provided that all the members of the individual agency are included**. Cover applies for active members up to State Retirement Age. This can be extended beyond State Retirement Age subject to favourable medical history. The premium rates are reviewed in May each year and advised to the Trustees. We urge all agencies to consider taking advantage of the Death in Service Plan for their staff and members.

Investment Policy

The charts below show the distribution of investments held within Legal & General's With-Profits Fund as at 31st December 2009 and as at 31st December 2010. They are included here so that members can compare the position over the two years.



Comparison of Investment Returns

The Trustees continue to monitor the return on the pension funds. Now that the schemes have been in operation for over 20 years, performance can be judged over reasonably long periods. The figures below show the value of £1,000 invested in the UK Scheme over the ten year period from 2001 to 2010 inclusive and how this compares with other investments (comparison figures from Money Management and Moneyfacts, January 2011). Figures for the overseas scheme are comparable.

EMA UK Money Purchase Pension Scheme "Figures for the period 1/1/2001 to 31/12/2010"

- A) Excluding Final Bonus £1301
- B) Including Final Bonus £1365

The average % returns p.a. compound over the past 10 years based on the L&G With Profits Bonus rates is

- A) 3.3%
- B) 3.8%

The assets in the EMA Pensions Schemes are guaranteed, so how does this result compare with Average Guaranteed Fund*, Balance Managed** and Cautious Managed*** Funds?

(Trustee Report 2009)

Average Guaranteed Fund*	£1131	(Average %)	1.0%	(2.00%)
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Had the assets been invested on the stock markets they would not have been guaranteed, but how would they have performed?

Average Balanced Managed Fund**	£1314	(Average %)	2.7%	(0.60%)
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Average Cautious Managed Fund***	£1351	(Average %)	3.0%	(1.50%)
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Building Society Investment Rates:-

Average Rate 1/1/2001 to 31/12/2010 (Instant Access)	2.49% (before tax)			(2.19%)”
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Example of current Building Society Rates

Nationwide e-Savings plus	2.00% (before tax)
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Nationwide Champion Saver (60 days notice)	2.55% (before tax)
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Does the scheme pay bonuses?

There are two types of bonus payable: annual bonus and final or terminal bonus. Each year Legal & General use their judgement to decide whether there will be a bonus payment and if so, how much the payment will be. The amount will depend on a number of factors, including how the assets backing the plans have performed and the overall financial position of the fund.

A terminal bonus, if allocated, acts as a balancing item, it is paid to make up the difference between the amount Legal & General have guaranteed to pay (annual or interim bonus) and the overall amount Legal & General have decided is fair to all plan holders. It is paid when the fund is withdrawn at retirement or on transfer to another approved pension plan.

Terminal bonus is a result of "Smoothing" which is a feature of your plan and means that some of the investment returns are held back to reduce the short term effects of falls in investment performance.

Is the scheme checked by anybody else?

EMA's auditors, A J Carter & Co, prepare an annual report of the UK registered scheme. This involves visiting a random sample of the participating agencies to monitor the contributions being paid into the scheme. The Trustees would urge those organisations visited by the auditors to provide the information required so that the report can be as accurate as possible. The auditors' report lists the total number of participants in the UK Approved scheme and the aggregate amount paid into the scheme over the year.

The latest report can be downloaded from Global Connections' website <http://www.globalconnections.co.uk/aboutthenetwork/legalfin.htm>.

The auditors' fees, usually in the region of £2,000 are paid by the EMA.

What records do I need to keep as an agency?

The trustees would like to remind all member agencies that you are required by law to maintain a schedule of all payments made into the scheme, which needs to be signed off at the end of each tax year by the relevant Board of Trustees. Further details can be obtained from the trustees of the pension scheme or from Kingsworld Walder Ltd. Contact details can be found on page 6 of this report.

Additionally, it is, of course, good practice to keep as accurate a financial record as possible of all payments made into the scheme on behalf of your employees.

Are other EMA schemes available?

Although it is not the responsibility of the trustees to oversee Stakeholder Pension Schemes Global Connections has put in place an arrangement to work along side the existing EMA Occupational Scheme. The 'Global Stakeholder Pension Scheme' is an option open to members who may not be eligible to enter the existing EMA Occupational Scheme. However, the Trustees' would strongly encourage any member who is not sure of the most suitable scheme for their organisation to contact our Independent Financial Advisers and Employee Benefit Consultants Kingsworld Walder Ltd.

Any questions?

The Trustees welcome general views and comments from members about the scheme, its performance, or its administration. However, queries about the day-to-day running of the scheme, or advice on setting up a scheme should be directed to our scheme administrators, Kingsworld Walder Ltd. Their aim is to respond within 3 working days, although this may take longer if other parties need to be consulted, such as Legal & General.

Contact details are listed at the end of this report.

Who's Who

The Scheme Administrator and Adviser is:

Kingsworld Walder Ltd
Independent Financial Advisers & Employee Benefit Consultants

EMA Scheme Administration Department:
1 The Courtyard
Newbury Court
Gillingham
Dorset SP8 4QX
Tel: 01747 826251
Fax: 01747 821213
www.kingsworld.co.uk
E-mail:office@kingsworld.co.uk

Authorised and Regulated by the Financial Services Authority

Complaints should be addressed in the first instance to the Compliance Officer at Kingsworld Walder Ltd. at the above address.

It is the Trustees' hope that any complaint will be resolved in a professional and timely manner, but in the event that it remains unresolved the following regulators may be approached:

<p>The Pensions Regulator Napier House Trafalgar Place Brighton BN1 4DW www.thepensionsregulator.gov.uk</p>	<p>The Financial Services Authority 25 The North Colonnade Canary Wharf LONDON E14 5HS www.fsa.gov.uk</p>
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The Pension Provider is:

Legal & General Assurance Society Ltd
Legal & General House
Kingswood
TADWORTH
KT20 6EU
www.legalandgeneral.com

Authorised and Regulated by the Financial Services Authority

The Schemes' Trustees can be contacted c/o David Wright, Global Connections, Caswell Road, Leamington Spa CV31 1QD. Telephone 01926 487755. email pensions@globalconnections.co.uk.