Trustees' annual report and financial statements for the year ended 31 March 2025

Brockhampton Pension Scheme

Registered number: 10111499

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Trustees, Employers and advisers

Trustees	Nicholas John Roadnight F.C.A. (Chairman) Paul Antony Barfoot, A.C.I.B. John Edward Cogley, B.Sc., C.Eng., M.I.C.E. Neville Smith B.A., F.C.M.A. Timothy Jackson, B.Sc., F.I.C.E. (Member Nominated) Samantha Jessica Dawson (Member Nominated) Alan James Day (Member Nominated) Portsmouth Water Superannuation Fund Trustee Limited
Sponsoring Employer	Portsmouth Water Limited
Participating Employer	South Downs Limited
Scheme Secretary	Christopher Neil Hardyman A.C.I.S
Scheme Actuary	David Stewart, Lane Clark & Peacock LLP ("LCP")
Pension administrator	Lane Clark & Peacock LLP
Investment adviser	Lane Clark & Peacock LLP
Independent auditor	KPMG LLP
Investment managers	Columbia Threadneedle Investments ("CTI") CBRE Global Investors ("CBRE")
Annuity provider	Just Retirement Limited ("JUST")
Legal adviser	Gunnercooke LLP
Bankers	HSBC UK Bank plc Lloyds Bank plc (until 8 April 2024)
Enquiries	Brockhampton Administration Team Lane Clark & Peacock LLP St Paul's House St Paul's Hill Winchester Hampshire SO22 5AB Email: BrockhamptonAdmin@lcp.uk.com

Trustees' report

The Trustees are pleased to present their annual report on the Brockhampton Pension Scheme ("the Scheme"), together with the financial statements of the Scheme for the year ended 31 March 2025.

Constitution of the Scheme

The Scheme is a defined benefit ("DB") scheme established with effect from 1 January 1925, and is governed by rules adopted under the Trust Deed dated 24 January 1974 and subsequent amendments to those rules.

The Scheme is a registered scheme under Chapter 2 of the Finance Act 2004 and is a registered pension scheme for tax purposes.

The Scheme was previously contracted-out of the earnings-related element of the State Second Pension and a certificate to that effect had been issued by the Contributions Agency. The Scheme ceased to contract-out from 6 April 2016.

The Scheme closed to new members on 1 August 2011 and ceased future accrual for active members from 1 April 2023.

Management of the Scheme

The Trustees of the Scheme during the year ended 31 March 2025 are listed on page 3.

The Trustees are appointed and may be removed in accordance with rule 32 of the Scheme by a majority of the Trustees for the time being. Any appointment or removal of a Trustee must be affected by Deed.

The Trustees have agreed a selection process to comply with the requirements of the Member Nominated Trustees regulations of the Occupational Pension Scheme (Member Nominated Trustee and Directors) Regulations 2006. The Member Nominated Trustees of the Scheme are shown on page 3, and they were appointed through this process. Under the Pensions Act 2004, at least a third of Trustees should be Member Nominated.

The Trustees met four times during the year to consider matters relating to the administration of the Scheme and to receive reports from the investment managers.

Financial statements and financial development of the Scheme

The financial statements have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

The fund account and statement of net assets (available for benefits) on pages 19 and 20 show that the value of the Scheme's assets decreased by £16,826,000 to £100,169,000 during the year. The decrease was composed of net withdrawals from dealings with members of £6,626,000 together with net losses on investments of £10,200,000.

Further details of the financial developments of the Scheme may be found in the audited financial statements on pages 19 to 31.

Transfer values

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and in accordance with the regulations under the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008, Pensions Act 2004.

No discretionary benefits were included in the calculation of the transfer values.

Pension increases

Pensions in payment were increased on 1 April 2024 by 6.7%. Deferred pensions also increased by 6.7%.

No discretionary amounts were granted during the year.

Guaranteed Minimum Pension equalisation

On 26 October 2018 the High Court ruled in the Lloyds Banking Group case that inequalities in scheme benefits arising from Guaranteed Minimum Pensions ("GMP") should be removed. Subsequently, on 20 November 2020 the High Court ruled that historical individual transfers from the scheme would also be due a top-up payment where the original transfer payment fell short of what it would have been had the inequalities in scheme benefits from GMP been removed.

The Trustees of the Scheme are aware that the issue affects the Scheme and are taking legal advice prior to considering this at future meetings and making decisions as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustees do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

The judgement in the Virgin Media Ltd v NTL Pension Trustees case

The High Court's judgement in the Virgin Media Ltd v NTL Pension Trustees case, on 16 June 2023 considered the implications of non-compliance with the strict requirements of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met. The High Court decision was subject to an appeal and this judgment was published on 25 July 2024. Following this, the government announcement on 5 June 2025 that it intends to introduce legislation to address the associated issues and the subsequent publications on 1 September 2025 of an amendment paper for the Pension Schemes Bill 2025 and on 2 September 2025 of a new version of the Bill.

Recently, the Sponsoring Employer of the Scheme instructed its solicitors to undertake an initial review of the position of the Scheme in the light of the judgment of the Court of Appeal. That advice and further investigations by the Sponsoring Employer have suggested that non-compliance with section 37 is not a material issue for the Scheme. There is one Deed of Amendment, improving members' benefits, which, it currently appears, did not have the requisite actuarial confirmation. Subject to obtaining their own confirmatory advice, the Trustees intend to correct the position by executing a retrospective Deed of Amendment to ensure that this possible oversight has no impact on the benefits payable by the Scheme whatsoever.

Report on actuarial liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004 every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles.

The Scheme Actuary has reported on the Scheme's actuarial valuation as at 31 March 2024, which included the provision of the relevant actuarial statements and certificates. The results indicated that the value of the assets of the Scheme at 31 March 2024 were £119.7m, and the liabilities were £106.2m which resulted in a surplus of £13.5m.

The 2024 valuation was carried out in line with the legislation and the code of practice set by The Pensions Regulator.

The next full valuation is to be carried out as at 31 March 2027 and is due to be completed by 30 June 2028.

Method

The valuation adopted the 'projected unit method', under which the technical provisions are calculated as the amount of assets required as at the valuation date to meet the projected benefit cashflows, based on benefits accrued to the valuation date and the various assumptions made.

Assumptions

The technical provisions were calculated on the following key assumptions:

Key financial assumptions	% pa
Rate of RPI* price inflation	3.40
Rate of CPI** – pre/post 2030	2.65 / 3.40
Return from gilts	4.30
Discount rates	
Pre/Post retirement	4.30
Revaluation for Final Salary benefits of Employed Deferred Pensioners	CPI + 0.9% pa
Revaluation for Career Average Pensionable Earnings benefits of Employed Deferred Pensioners	RPI
Pension increases in payment	3.20
Revaluation in deferment	3.20

RPI* - Retail Price Index
CPI** - Consumer Price Index

The rates in the table are illustrative single-equivalent rates at 31 March 2024. In practice, the full yield curves for gilts, inflation, and pension increases have been used in the calculations.

Mortality assumption

Mortality	Assumption
Base table	109% of S4NA tables
Future improvements	Projected from 2017 in line with the CMI 2023 extended model with a long-term rate of 1.5%, smoothing parameter of 7, an initial addition to mortality improvements parameter of 0.5% and allowance for 2020 and 2021 data of 0% and allowance for 022 and 2023 data of 20%

Membership

The membership of the Scheme at the beginning and end of the year and changes during the year are set out below.

Employed deferred members	2025
Employed deferred members at the start of the year	**60**
Adjustment to prior year closing balance*	1
Employed members to deferred members	(2)
Retirements	(7)
Employed deferred members at the end of the year	**52**

Deferred members	2025
Deferred members at the start of the year	**121**
New deferred members	2
Retirements	(3)
Transfers out	(1)
Deferred members at the end of the year	**119**

Pensioners (including dependants)	2025
Pensioners at the start of the year	**301**
Adjustment to prior year closing balance*	1
Retirements	10
New dependents	3
Deaths	(11)
Pensioners at the end of the year	**304**

*Adjustments relate to late notification of prior year member movement.

Included within Pensioners are 229 members whose benefits are insured (2024: 236) and 56 dependants in receipt of a pension following the death of a member (2024: 59).

Regulatory bodies

The Pensions Ombudsman is appointed by the Secretary of State for the Department for Work and Pensions to investigate and determine any complaint or dispute of fact or law in relation to occupational pension schemes.

The Pensions Ombudsman can be contacted at:

Email: enquiries@pensions-ombudsman.org.uk
Tel: 0800 917 4487
www.pensions-ombudsman.org.uk

The Pensions Regulator is responsible for occupational pension schemes and enforcing the law that relates to them. It has wide ranging powers which include the ability to:

- suspend, disqualify and remove trustees for consistently not carrying out their duties;
- wind up schemes where necessary;
- apply for information to prevent the misuse and misappropriation of scheme assets and apply for restitution where necessary; and
- take action to prevent schemes being left in deficit with nobody to meet the liability.

The Trustees, their advisers, the Employer and anyone connected with the administration of the Scheme have a statutory duty to report in writing to The Pensions Regulator if there are any breaches of legislation which are deemed to be materially significant to The Pensions Regulator.

The Trustees also have certain responsibilities in respect of contributions which are set out in the statement of Trustees' responsibilities.

The Pensions Regulator can be contacted at:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

Tel: 0345 600 0707
www.thepensionsregulator.gov.uk

The Pension Tracing Service is designed to help former members of pension schemes trace their benefits if they have lost contact with the pension scheme in question. The Pension Tracing Service can be contacted at:

Tel: 0800 731 0175
www.gov.uk/find-pension-contact-details

The Money & Pensions Service ("MaPS") is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the Trustees of the Scheme. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the Government and free to use.

The Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB

Tel: 0800 011 3797
https://www.maps.org.uk/en

Further information

Any enquiries about the Scheme or a member's own pension position should be addressed to:

Brockhampton Administration Team
Lane Clark & Peacock LLP
St Paul's House
St Paul's Hill
Winchester
Hampshire
SO22 5AB

Email: BrockhamptonAdmin@lcp.uk.com

Internal Dispute Resolution Procedure

Under the Pensions Act 1995, the Scheme is required to put in place and maintain an Internal Dispute Resolution Procedure ("IDRP") to deal with members' disputes. This procedure has been updated in line with the requirements of the Pensions Act 2004. Although the Trustees always try to resolve disputes informally and swiftly, an IDRP has been put in place. The formal IDRP is a two-stage process and details can be obtained from the Trustees. In the first instance, complaints should be sent to the Brockhampton Pension Scheme at the address above.

Investment management

The overall management of the Trustees' investments is the responsibility of the Trustees. However, the day-to-day management of the Scheme's asset portfolio is the responsibility of the investment managers and bulk annuity provider, who operate within the guidelines of their specific mandates.

The investments of the Scheme are managed on behalf of the Trustees by the Scheme's investment managers:

- CTI
- CBRE

In addition, the Trustees have a bulk annuity contract with JUST Retirement to insure the benefit payments linked to the Scheme's pensioner members. After the period covered by this report, in June 2025, the Trustees invested in a second bulk annuity contract with JUST retirement to insure the benefit payments of the Scheme's remaining members.

Custody of assets

The underlying assets are held with custodians who have agreements with the investment manager of the assets. There is no direct relationship between the investment managers' custodians and the Trustees.

Statement of Investment Principles

In accordance with section 35 of the Pensions Act 1995, a Statement of Investment Principles ("SIP") has been produced by the Trustees following consultation with the Employer. The main purpose of the SIP is to set out details of the investment strategy that is to be followed, the Trustees' investment objectives and their attitude to risk. The SIP was last reviewed and updated in October 2025. The Trustees review the SIP at least once every three years, and after any significant change in investment strategy. The Employer, the appointed Investment Consultant, and the appointed Scheme Actuary are consulted during the review. A copy of the latest SIP is available online at the following address https://www.portsmouthwater.co.uk/about-us/brockhampton-pension-scheme/.

Departures from the SIP

There were no departures from the May 2024 version of the SIP over the year covered by these accounts.

Post year end, in June 2025, the Trustees entered a bulk annuity contract with JUST retirement to insure the benefit payments linked to the Scheme's members. This involved selling the majority of the Scheme's liquid invested assets, with the cash proceeds paid to JUST retirement to meet the premium payment required under the bulk annuity contract. The Trustees updated the SIP to reflect this change in October 2025.

Implementation statement

The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 requires the Trustees to include an annual statement confirming the extent to which the Trustees have followed their SIP, including details of any reviews or subsequent changes to the SIP during the Scheme year.

The Implementation Statement relating to the Scheme has been appended to the end of this report as Appendix 2. The Statement forms part of this Trustees' report.

Investment strategy

The broad investment objectives are agreed by the Trustees, having consulted with the Employer. Within the context of these risk and return objectives, the Trustees, taking advice from the Scheme’s investment adviser, decides on the overall allocation of assets between the various asset classes, and selects the appropriate managers within each asset class.

The following table details the asset distribution at the financial year end by fund.

Fund	Asset class	Allocation as at 31 Mar 2025 £’000	Allocation as at 31 Mar 2024 £’000
CBRE UK Osiris Property Fund	Property	1,244	4,062
CTI Net Zero Transition Low Duration Credit Fund	Corporate bonds	9,307	8,818
CTI Real Dynamic LDI Fund	Liability-Driven Investment (“LDI”)	3,265	23,623
CTI Regular Profile Unleveraged Real Gilt Fund	Gilts	39,603	26,304
CTI Ultra-Long Real Gilt Fund	Gilts	1,363	-
CTI Sterling Liquidity Fund	Liquidity	846	1,799
Total		**55,628**	**64,606**

Material changes to the investments during the year ended 31 March 2025 are set out below:

- In November 2024, the Scheme made a new allocation of £1.9m to the CTI Ultra-Long Real Gilt Fund to help duration improve the duration match of the Scheme’s assets versus the buy-in estimate pricings.
- Post year end, in June 2025, the Trustees entered into a second bulk annuity contract with JUST retirement and paid the £44.9m premium through the sale of Scheme’s Gilts, LDI and Cash assets.

Investment performance

The performance of the investment managers is reviewed periodically at the Trustees' meetings. The following table shows the performance of the Scheme and the appointed investment managers over the year to 31 March 2025, before the deduction of fees except where indicated.

Fund	One year (%)	
	Fund	**Benchmark**
CBRE UK Osiris Property Fund	1.2	6.4
CTI Net Zero Transition Low Duration Credit Fund	5.6	4.0
CTI Real Dynamic LDI Fund	-27.2	-26.6
CTI Regular Profile Unleveraged Real Gilt Fund	-8.5	-8.6
CTI Ultra-Long Real Gilt Fund	-23.6	-23.6
CTI Sterling Liquidity Fund	5.2	4.9
Scheme	-10.0	-9.4

Source: Investment managers. LCP calculations

Due to a significant change in investment strategy and manager during the year to 31 March 2023, longer-term performance is not available.

Trustees’ policies in relation to voting rights

The Trustees recognise their responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. Responsible investment and environmental, social, governance (“ESG”) considerations will be specifically referenced when conducting fund manager due diligence. They will be factored into the selection and appointment process and included in investment management agreements. Managers are expected to include ESG issues within their investment decision making process. Managers will be required to report back to the Scheme regarding their responsible investment activities on a regular basis. The Trustees expect the managers to undertake engagement in line with their stewardship policies, considering the long-term financial interests of investors.

Voting rights are an asset and the Scheme will encourage its investment managers to ensure its rights are exercised carefully to promote and support good corporate governance principles. All external managers are encouraged to aim to vote in every market in which they invest and to vote in line with ESG considerations.

Meeting and engaging with companies is an integral part of the investment process. The Trustees, as part of their stewardship duties, require the investment managers to regularly monitor investee companies and take appropriate action if investment returns are at risk, which would include engaging with companies. Managers are required to report such engagement to the Scheme on a regular basis.

The Trustees do not wish to interfere with the day-to-day investment decisions of the investment manager. However, the Trustees encourage their investment managers to comply with the principles outlined in the UN's Principles for Responsible Investing and the UK Stewardship Code where this is appropriate for their mandate.

The Trustees note that there are limited opportunities to vote and engage with underlying issuers of assets within their target investment strategy.

Trustees’ policies on environmental, social and governance and ethical factors

The Trustees have considered ESG and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members. ESG issues can have a material impact on the value of financial assets and on the long-term performance of investments, and therefore need to be considered across all asset classes to better manage risk and generate sustainable, long-term returns. Well-managed companies with strong governance are more likely to be successful long-term investments. The Scheme will endeavour, through its Investment Managers, to be an active owner and steward of its investments.

The Scheme does not take into account any ‘non-financial’ considerations when considering the ESG approach.

The Scheme will only appoint active managers that will consider material ESG factors when analysing potential investments. ESG factors tend to be longer term in nature and can create both risks and opportunities. As a long-term investor, it is therefore important that they are taken into account when analysing potential investments.

The Trustees will also introduce an evidence-based appraisal to inform decision making that Investment Managers will be expected to use to assess and review current and potential investments.

The factors considered are those which can cause financial and reputational risk, ultimately resulting in a reduction in shareholder value. External managers will be required to report on how ESG issues will be considered and monitored within their mandates.

Trustees’ policy on the implementation of asset manager arrangements

Before investing in any manner, the Trustees obtain and consider proper written advice from their investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable investments.

The Trustees have limited influence over managers’ investment practices because all of the Scheme’s assets are held in pooled funds, but they encourage their managers to improve their practices where appropriate.

The Trustees’ view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high-quality service that meets the stated objectives, guidelines and restrictions of the funds. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustees’ responsibility to ensure that the managers’ investment approaches are consistent with their policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustees expect investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. They assess this when selecting and monitoring managers.

The Trustees evaluate investment manager performance by considering performance over both shorter and longer-term periods as available. Generally, the Trustees would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustees’ policy is to evaluate each of their investment managers by reference to the manager’s individual performance as well as the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each managers’ remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustees recognise that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustees expect their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme’s investment mandates.

Employer-related investment

As at 31 March 2025 there were no assets invested in employer-related investments in the Scheme, within the meaning of Section 40(2) of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 (2024: Nil).

Statement of Trustees' responsibilities

The audited financial statements, which are required to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. They are also responsible for:

- assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to wind up the Scheme, or have no realistic alternative but to do so; and
- making available each year, commonly in the form of a Trustees' annual report, information about the Scheme prescribed by pensions legislation, which they should ensure are fair and impartial.

The Trustees also have certain responsibilities in respect of contributions which are set out in the statement of Trustees' responsibilities accompanying the Trustees' summary of contributions.

The Trustees are responsible for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The Trustees are responsible for the maintenance and integrity of the Scheme and financial information included on the Scheme's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for and on behalf of the Trustees:

_______________________________ Date: 28.10.25

Trustee

_______________________________ Date: 28.10.25

Trustee

Independent Auditor's Report to the Trustees of Brockhampton Pension Scheme

Opinion on the financial statements

We have audited the financial statements of Brockhampton Pension Scheme ("the Scheme") for the year ended 31 March 2025 which comprise the Fund Account and the Statement of Net Assets (available for benefits) and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Scheme in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to wind up the Scheme, and as they have concluded that the Scheme's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the Scheme and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Scheme will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustees as to the Scheme's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Trustees (or their delegates) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of investments. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustees; there are no subjective issues or judgements required.

We did not identify any additional fraud risks. We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared and unusual journals posted to cash.
- Assessing whether the judgement made in making accounting estimates are indicative of potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and their delegates (as required by auditing standards) and discussed with the Trustees and their delegates the policies and procedures regarding compliance with laws and regulations.

As the Scheme is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Scheme's procedures for complying with regulatory requirements and reading the minutes of Trustees' meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Scheme is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Scheme is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Scheme’s registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, recognising the financial and regulated nature of the Scheme’s activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and their delegates and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the Schedules of contributions in our statement about contributions on page 32 of the annual report.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees’ report (including the report on actuarial liabilities and the summary of contributions), and the actuarial certification of the Schedule of Contributions. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Responsibilities of the Trustees

As explained more fully in their statement set out on page 14, the Scheme Trustees are responsible for: supervising the preparation of financial statements which show a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Scheme’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to wind up the Scheme, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Scheme Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme Trustees, as a body for our audit work, for this report, or for the opinions we have formed.

E Black

Emma Black
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD

Date: 28 October 2025

Fund account

	Note	2025 £'000	2024 £'000
Other income	4	3	5
Benefits paid or payable	5	(5,512)	(5,595)
Payments to and on account of leavers	6	(207)	(126)
Administrative expenses	7	(889)	(445)
Other payments	8	(21)	(24)
		(6,629)	(6,190)
Net withdrawals from dealings with members		(6,626)	(6,185)
Returns on investments			
Investment income	9	4,926	4,538
Change in market value of investments	10	(15,068)	(8,813)
Investment management expenses	12	(58)	(82)
Net return on investments		(10,200)	(4,357)
Net decrease in the fund during the year		(16,826)	(10,542)
Net assets of the Scheme			
At 1 April		116,995	127,537
At 31 March		100,169	116,995

The notes on pages 21 to 31 form part of these financial statements.

Statement of net assets (available for benefits)

	Note	2025 £'000	2024 £'000
Investment assets			
Pooled investment vehicles	10/14	55,628	64,606
Insurance policies	10/15	44,071	51,854
Other investment balances	10/16	5	28
Total net investments		99,704	116,488
Current assets	20	1,224	1,187
Current liabilities	21	(759)	(680)
Net assets of the Scheme at 31 March		100,169	116,995

The notes on pages 21 to 31 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on actuarial liabilities on pages 5 to 7 of the Trustees' report and these financial statements should be read in conjunction with this report.

These financial statements were approved for and on behalf of the Trustees by:

Date: 28.10.25

Trustee

Date: 28.10.25

Trustee

Notes to the financial statements

1. Basis of preparation

The individual financial statements of the Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice (revised June 2018) ("the SORP").

The financial statements are prepared on a going concern basis, which the Trustees believe to be appropriate as they believe that the Scheme has adequate resources to realise its assets and meet benefit obligations in the normal course of affairs (continue to operate) for at least the next twelve months. In reaching this conclusion, the Trustees have considered the financial position of the Scheme and the Sponsoring Employer and have taken into account the current funding level of the Scheme being in surplus on a technical provision's basis, the impact on investments, future income, and capital growth, portfolio liquidity, cashflow requirements and the employer covenant. This assessment gives the Trustees confidence to prepare the financial statements on a going concern basis.

2. Identification of the financial statements

The Scheme is established as a trust under English law. The Scheme is a registered pension scheme for tax purposes. It is therefore exempt from UK income and capital gains taxes. The Scheme is a DB occupational pension scheme, providing retirement and other benefits, which is closed to new members and to future accrual. The address for enquiries to the Scheme is included in the Trustees' report on page 9.

3. Accounting policies

The principal accounting policies of the Scheme have been applied consistently and are as follows:

3.1. Currency

- The Scheme's functional currency and presentational currency is pounds sterling (GBP). Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction. Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

3.2. Other income

- Other forms of income are accounted for on an accruals basis.

3.3. Benefits paid or payable

- Pensions in payment, including pensions funded by annuity contracts are accounted for in the period to which they relate.
- Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

3.4. Transfer values

- Individual transfers out of the Scheme are accounted for on a cash basis which is when a members' liability is discharged.

3.5. Administrative and other payments

- Administrative expenses are accounted for on an accruals basis.

3.6. Investment income and change in market value

- Income from pooled investment vehicles which distribute income, is accounted for on an accruals basis.
- Investment income arising from the underlying investments of the pooled investment vehicles which do not distribute income is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within 'Change in market value'.
- Other interest on cash and short-term deposits and income from other investments are accounted for on an accruals basis.
- Receipts from annuity policies held by the Trustees to fund benefits payable to Scheme members are included within investment income on an accruals basis.
- The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

3.7. Investment management expenses and transaction costs

- Investment management expenses are accounted for on an accruals basis and shown within investment returns.

3.8. Investment assets/liabilities

- Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing price, single dealing price or most recent transaction price is used.
- Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.
- Annuities purchased in the name of the Trustees which fully provide the pension benefits for certain members are included in these financial statements at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions and methodology by the Scheme Actuary.

3.9. Critical accounting judgements and estimation uncertainty

- Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3.10. Key accounting estimates and assumptions

- The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustees believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of net assets within the next financial year are related to the valuation of the insurance policies. Explanation of the key assumptions underpinning the valuation of the insurance policies are included within note 14.

4. Other income

	2025 £'000	2024 £'000
Sundry income	3	-
Compensation	-	5
	3	5

5. Benefits paid or payable

	2025 £'000	2024 £'000
Pensions	4,624	4,306
Commutation of pensions and lump sum retirement benefits	888	1,289
	5,512	5,595

6. Payments to and on account of leavers

	2025 £'000	2024 £'000
Individual transfers out to other schemes	207	126

7. Administrative expenses

	2025 £'000	2024 £'000
Administration and processing	185	165
Actuarial fees	431	178
Legal and other professional fees	187	53
Audit fees	19	35
Trustee fees and expenses	40	-
Pension Protection Fund levies and regulatory fees	5	5
Other professional fees	22	8
Bank and sundry charges	-	1
	889	445

8. Other payments

	2025 £'000	2024 £'000
Trustee insurance	21	24

9. Investment income

	2025 £'000	2024 £'000
Income from pooled investment vehicles	1,136	880
Annuity income	3,744	3,610
Interest on cash deposits and investment managers	46	48
	4,926	4,538

10. Reconciliation of investments

Reconciliation of investments held at the beginning and the end of the year:

	Value at 31 March 2024 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 March 2025 £'000
Pooled investment vehicles	64,606	22,892	(24,585)	(7,285)	55,628
Insurance policies	51,854	-	-	(7,783)	44,071
	116,460	22,892	(24,585)	(15,068)	99,699
Investment income receivable	28				5
	116,488				99,704

Included with the sales and purchases figures above are switches of £21,802,292.

11. Transaction costs

The Trustees are aware that indirect transaction costs will be incurred through the bid-offer spread on investments within the Scheme's pooled investment vehicles and charges made within those vehicles.

12. Investment management expenses

	2025 £'000	2024 £'000
Administration, management and custody	58	82

13. Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

14. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year end comprised:

	2025 £'000	2024 £'000
Corporate bonds and Gilts	50,273	35,122
Property	1,244	4,062
Cash	846	1,799
LDI	3,265	23,623
	55,628	64,606

15. Insurance policies

The Scheme held insurance policies at the year end as follows:

	2025 £'000	2024 £'000
Just Retirement	44,071	51,854

In 2019 the Trustees purchased a buy-in policy with Just Retirement to secure the benefits of 283 members. The value above is included at the amount of the related obligation and is valued using the assumptions set out in the Employer's FRS102 report dated 17 April 2025.

The key assumptions that were used are set out below:

Assumption	31 March 2025
Key financial assumptions	
Discount rate	5.7% pa
Retail Prices Index (RPI)	3.1% pa
Consumer Price Index (CPI)	2.7% pa
Pension increases (CPI minimum 0% pa)	2.7% pa
Mortality assumptions	
Base table	109% of S4NA
Projection table	CMI 2023
Smoothing factor	7.0
Initial improvement addition ("A")	0%
Weighting for 2020/21 data	0%
Weighting of 2022 data	20%
Weighting of 2023 data	20%
Long-term improvement rate	1.25% pa

The financial assumptions are set by reference to yield curves at the accounting date and reflect the Scheme's projected benefit payment profile. The above assumptions are the single equivalent assumptions that give the same value of the buy-in policy as the figures, rounded to one decimal place for presentational purposes.

16. Other investment balances

	2025 £'000	2024 £'000
Investment income receivable	5	28

17. Concentration of investments

The following investments represent more than 5% of the net assets of the Scheme.

	2025 £'000	%	2024 £'000	%
Just Retirement	44,071	44	51,854	44
CTI Regular Profile Unleveraged Real Gilt Fund	39,603	40	26,304	22
CT GlobalLowDurationCreditFund - Category	9,307	9	8,818	8
CTI Real Dynamic LDI Fund	N/A*	N/A*	23,623	20

* Not disclosed as the value was below 5%.

18. Fair value hierarchy

The fair value of financial instruments has been estimated using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The Scheme's investment assets have been fair valued using the above hierarchy categories as follows:

31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	54,384	1,244	55,628
Insurance policies	-	-	44,071	44,071
Other investment balances	5	-	-	5
	5	54,384	45,315	99,704

31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	60,544	4,062	64,606
Insurance policies	-	-	51,854	51,854
Other investment balances	28	-	-	28
	28	60,544	55,916	116,488

19. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk: this comprises currency risk, interest rate risk and other price risk.
    1. Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
    2. Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
    3. Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determined the Scheme's investment strategy after obtaining written professional advice from their professional investment adviser. The Scheme has exposure to the aforementioned risks because of the investments held to implement the investment strategy, which is described on page 11 of the Trustees' report. The Trustees manage investment risks, including credit risk and market risk, considering the Scheme's investment objectives and strategy, and the advice of their investment adviser.

Within each investment portfolio, investment objectives and restrictions to manage risk are implemented through the legal agreements in place with the Scheme's investment managers. The Trustees monitor the performance of the strategy and associated risks, and each investment manager against its objectives and restrictions, on a regular basis.

Further information on these risks and the Trustees' approach to risk management is set out below.

Investment strategy

The broad investment objectives are agreed by the Trustees, having consulted with the Employer. Within the context of these risk and return objectives, the Trustees, taking advice from the Scheme's investment adviser, decide on the overall allocation of assets between the various asset classes, and select the appropriate managers within each asset class.

Credit risk

Direct credit risk – pooled funds

The Scheme is subject to credit risk through its investments in pooled investment vehicles. It is directly exposed to credit risk in relation to the solvency of the custodians of those funds.

The Scheme's holdings in pooled investment vehicles are 'unrated' from a credit perspective. Direct credit risk arising from pooled investment vehicles is mitigated by: the underlying assets of the pooled arrangements being ring-fenced from the assets of the custodian and the investment manager; the regulatory environments in which the pooled fund managers operate; and diversification of the Scheme's investments across a number of pooled funds. Therefore, this risk is minimal.

The Trustees carry out due diligence checks on investments into new pooled funds and on an ongoing basis monitor any changes to the operating environment of those pooled funds.

The role of a custodian is to ensure the safe-keeping of the assets and facilitate all transactions entered into by the appointed investment managers. The Trustees are not responsible for the appointment of the custodian of the assets contained within the various pooled fund investments. The pooled investment vehicle's governing body is responsible for appointing its own custodian for the safe-keeping, monitoring and reconciliation of documentation relating to these securities.

A summary of the type of pooled investment vehicle arrangements as at 31 March 2025 is as follows:

	2025 £'000	2024 £'000
Luxembourg Fonds Commun de Placement	54,384	60,544
Pension Funds Pooling Scheme	1,244	4,062
	55,628	64,606

Indirect credit risk - bonds

Scheme is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds, for example where they invest in bonds. The indirect exposure to credit risk arises from the Scheme's investments in the CTI Net Zero Transition Low Duration Credit Fund and CTI Real Dynamic LDI Fund. The amount invested in each of these mandates is shown in the table on page 30.

The managers of the pooled funds that invest in fixed income manage credit risk by having a diversified exposure to issuers, conducting thorough research on the probability of default of those issuers, and having only a limited exposure to securities rated below investment grade. The magnitude of credit risk within each fund will vary over time, as the manager changes the underlying investments in line with its views on markets, asset classes and specific securities.

Direct credit risk - annuities

There is also direct credit risk associated with the Scheme's insured bulk annuity with JUST Retirement, which the Trustees considered before the policy was taken out. This risk is mitigated by the regulatory environment in which the insurer operates and the diversification of the policy's underlying assets. Therefore, this risk is minimal.

Currency risk

As the Scheme's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk.

Whilst the majority of the currency exposure of the Scheme's assets is to Sterling, the Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets. The Trustees consider the overseas currency exposure in the context of the overall investment strategy, and believe that the currency exposure that exists diversifies the strategy and is appropriate. Furthermore, the Trustees manage the amount of currency risk by investing in pooled funds that hedge some or all of their currency exposure, or implement separate currency hedging arrangements.

All of the Scheme's pooled funds are accessed via a Sterling share class. Therefore, the Scheme is not subject to direct currency risk. As the Scheme's assets are only invested in Sterling investments, Sterling hedged overseas investments or mandates with minimal exposure to overseas investments, the Scheme has negligible exposure to indirect currency risk.

As at 31 March 2025 none of the Scheme's invested assets (ie excluding annuities) (2024: Nil) of the Scheme's invested assets were invested in funds or securities that are significantly exposed to currency risk.

Interest rate and inflation rate risk

Interest rate risk and inflation risk is a material risk for the Scheme given that movements in interest rates and inflation are a material influence on the value of the liabilities assessed in present day terms. Some of the Scheme's assets are subject to interest rate risk (both nominal and real interest rates). However, the overall interest rate exposure of the Scheme's assets hedges part of the corresponding risks associated with the Scheme's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustees believe that it is appropriate to have exposure to interest rate risk in this manner.

The only assets the Scheme invests in with material exposure to changes in interest rates are the CTI Net Zero Transition Low Duration Credit Fund, CTI Real Dynamic LDI Fund and CTI Ultra-Long Real Gilt Fund. The amount invested in each of these mandates is shown in the table on page 30.

As at 31 March 2025 around 96% (2024: 91%) of the Scheme's invested assets (ie excluding annuities) were invested in funds or securities that are significantly exposed to interest rate and/or inflation risk.

Other price risk

The Scheme's assets are exposed to risks of market prices other than currencies and interest rates, such as the pooled funds that hold equities being subject to movements in equity prices.

The Trustees monitor this risk on a regular basis, looking at the performance of the Scheme as a whole as well as each individual portfolio. The Trustees believe that the Scheme's assets are adequately diversified between different asset classes and within each asset class to manage this risk.

As at 31 March 2025 around 4% (2024: 6%) of the Scheme's invested assets (ie excluding annuities) were invested in funds or securities that are significantly exposed to other price risk.

The table below summaries the allocations that have significant exposure to these indirect risks:

	Credit risk	Currency risk	Interest rate risk	Other price risk	2025 £'000	2024 £'000
Annuities / Buy-ins	○	○	●	●	44,071	51,854
CBRE UK Osiris Property Fund	○	○	○	●	1,244	4,062
CTI Net Zero Transition Low Duration Credit Fund	●	○	●	○	9,307	8,818
CTI Real Dynamic LDI Fund	●	○	●	○	3,265	26,304
CTI Regular Profile Unleveraged Real Gilt Fund	●	○	●	○	39,603	23,623
CTI Ultra-Long Real Gilt Fund	●	○	●	○	1,363	-
CTI Sterling Liquidity Fund	○	○	○	○	846	1,799
Total					**99,699**	**116,460**

Key: The risk noted affects the fund significantly (●) or hardly / not at all (○).

20. Current assets

	2025 £'000	2024 £'000
Cash balances	1,224	1,187

21. Current liabilities

	2025 £'000	2024 £'000
Unpaid benefits	-	417
Accrued expenses	689	204
Amounts due to HMRC	70	59
	759	680

22. Employer-related investments

There were no employer-related investments as at 31 March 2025 within the meaning of section 40(2) of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 during the year (2024: Nil).

23. Related-party transactions

At 31 March 2025 one Trustee was an Employed Deferred member of the Scheme (2024: one) and six Trustees were Pensioner members of the Scheme (2024: six). Trustees who are members receive pension benefits from the Scheme in accordance with the Scheme rules. £40,000 was also paid in respect of Trustee fees and expenses in the year (2024: Nil).

24. Guaranteed Minimum Pension equalisation

On 26 October 2018 the High Court ruled in the Lloyds Banking Group case that inequalities in scheme benefits arising from GMP should be removed. Subsequently, on 20 November 2020 the High Court ruled that historical individual transfers from the scheme would also be due a top-up payment where the original transfer payment fell short of what it would have been had the inequalities in scheme benefits from GMP been removed.

The Trustees of the Scheme are aware that the issue affects the Scheme and are taking legal advice prior to considering this at future meetings and making decisions as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustees do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

25. The Virgin Media Ltd v NTL Pension Trustees' II decision

The High Court's judgement in the Virgin Media Ltd v NTL Pension Trustees case, on 16 June 2023 considered the implications of non-compliance with the strict requirements of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met. The High Court decision was subject to an appeal and this judgment was published on 25 July 2024. Following this, the government announcement on 5 June 2025 that it intends to introduce legislation to address the associated issues and the subsequent publications on 1 September 2025 of an amendment paper for the Pension Schemes Bill 2025 and on 2 September 2025 of a new version of the Bill.

Recently, the Sponsoring Employer of the Scheme instructed its solicitors to undertake an initial review of the position of the Scheme in the light of the judgment of the Court of Appeal. That advice and further investigations by the Sponsoring Employer have suggested that non-compliance with section 37 is not a material issue for the Scheme. There is one Deed of Amendment, improving members' benefits, which, it currently appears, did not have the requisite actuarial confirmation. Subject to obtaining their own confirmatory advice, the Trustees intend to correct the position by executing a retrospective Deed of Amendment to ensure that this possible oversight has no impact on the benefits payable by the Scheme whatsoever.

26. Subsequent events

Post year end, in June 2025, the Trustees entered a bulk annuity contract with JUST retirement to insure the benefit payments linked to the Scheme's members. This involved selling the majority of the Scheme's liquid invested assets, with the cash proceeds paid to JUST retirement to meet the premium payment required under the bulk annuity contract. The Trustees paid the £44.9m premium through the sale of Scheme's Gilts, LDI and Cash assets.

Independent Auditor's Statement about Contributions to the Trustees of Brockhampton Pension Scheme

Statement about contributions

We have examined the Summary of Contributions payable under the Schedule of Contributions to the Brockhampton Pension Scheme in respect of the Scheme year ended 31 March 2025 which is set out on page 33.

In our opinion contributions for the Scheme year ended 31 March 2025 as reported in the Summary of Contributions and payable under the Schedules of Contributions have, in all material respect, been paid from 1 April 2024 to 16 February 2025, at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 3 May 2022 and subsequently have been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 17 February 2025.

Scope of work

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 at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 33, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedules of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions to the Scheme and to report our opinion to you.

The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Scheme's Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees, as a body, for our work, for this statement, or for the opinions we have formed.

E Black

Emma Black
for and on behalf of KPMG LLP, Statutory Auditor
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD

Date: 28 October 2025

Summary of Contributions payable during the year ended 31 March 2025

Statement of Trustees' responsibilities in respect of contributions

The Scheme's Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustees are also responsible for keeping records of contributions received in respect of any active member of the Scheme and for monitoring those contributions are made to the Scheme in accordance with the Schedule.

Summary of Contributions payable during the year ended 31 March 2025

During the year, the contributions payable to the Scheme under the Schedules of Contributions certified by the Actuary on 3 May 2022 and 17 February 2025 were as follows:

	£'000
Required by the Schedules of Contributions	
Employer contributions:	
Deficit funding contributions	-
Total contributions as required by the Schedules of Contributions and as reported on by the Scheme Auditor	-
Total contributions as reported as reported in the Fund account	-

Signed for and on behalf of the Trustees:

Date: 28.10.25

Trustee

Date: 28.10.25

Trustee

Appendix 1 – Certification of the Schedule of Contributions

Actuary's certification of schedule of contributions

This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: **Brockhampton Pension Scheme ("the Scheme")**

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 17 February 2025.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature: D Stewart

Date: 17 February 2025

Name: *David Stewart*
Appointed Scheme Actuary
Fellow of the Institute and Faculty of Actuaries

Address: Lane Clark & Peacock LLP
St Paul's House
St Paul's Hill
Winchester
SO22 5AB

Appendix 2 – Implementation statement (forming part of the Trustees' report)

Implementation Statement, covering the Scheme Year from 1 April 2024 to 31 March 2025 (the "Scheme Year")

The Trustees of the Brockhampton Pension Scheme (the "Scheme") are required to produce a yearly statement to set out how, and the extent to which, they followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Scheme Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Scheme Year.

The Trustees have, in their opinion, followed the Scheme's voting and engagement policies during the Scheme Year.

2. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are as detailed below.

- CTI: Responsible investment | Columbia Threadneedle Investments
- CBRE: Sustainability | CBRE Investment Management (cbreim.com)

As the Scheme does not invest in any listed equities or pooled funds that hold listed equities, the Trustees do not direct how votes are exercised nor have used proxy voting services over the Scheme Year. However, the Trustees take ownership of the Scheme's stewardship by monitoring and engaging with their managers, most often via their investment advisor, Lane Clark and Peacock ("LCP").

While the Trustees do not direct how votes are exercised, their investment managers are aware of the Trustees' voting preferences and that the Trustees may consider remedial action and possibly replacing an investment manager if they are not compliant with these policies.

The Trustees also rely on their investment managers to take environmental, social, and governance considerations into account to the extent they believe that these factors impact on financial performance.

As part of its advice on the selection and ongoing review of investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of manager's approaches to voting and engagement.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees expect their advisor to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Scheme Year

The Trustees have delegated to their investment manager the exercise of voting rights, relying on the voting policies which its manager has in place. The Trustees do not direct how votes are exercised and the Trustees themselves have not used proxy voting services over the year.

Whilst the Pensions and Lifetime Savings Association (PLSA) guidance requires Schemes to focus primarily on listed public equity holdings (in which the Scheme doesn't hold any funds), it also recognises that voting opportunities may arise in other asset classes beyond public equities. In these instances, the PLSA recommends that trustees ask their managers – at a minimum – for narrative information and explanation from the relevant manager.

The Trustees contacted the Scheme's asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. CTI and CBRE confirmed there were no material voting opportunities for any of the pooled funds in which the Scheme invests, which are:

- CT Net Zero Transition Low Duration Credit Fund
- CT Regular Profile Unleveraged Real Gilt Fund
- CT Real Dynamic LDI Fund
- CBRE UK Osiris Property Fund