NEWMOND PENSION PLAN

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

Registration Number: 10227400

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TRUSTEE AND ADVISERS

Trustee

Baxi Group and Newmond Pension Trustees Limited

Trustee Directors

BESTrustees Limited

(the independent trustee – represented by Chris Parrott – Chair)
Diane Sutherland
Steve Randall
John McFaull**
Katie Wright*
Claire Carlin
Simon Oliver (resigned 3 May 2023)

* Member Nominated Director
** Pensioner Director nominated by both the Plan and related Baxi Group Pension Scheme

Secretary to the Trustee

Vikki Hall (resigned 14 June 2024)
Richard Brierley (appointed 21 May 2024)

Secretary to the Trustee Directors

Trustee Solutions Limited

Principal Employer

Baxi Heating UK Limited

Plan Actuary

Sophie Young, of Mercer Limited

Independent Auditors

PricewaterhouseCoopers LLP

Covenant Adviser

Grant Thornton UK LLP

Plan Administrators

Buck, A Gallagher Company (Buck) (resigned 31 October 2023)
Mercer Limited (appointed 1 November 2023 until 31 December 2023)
Aptia UK Limited (from 1 January 2024)

Investment Consultant

Mercer Limited

Investment Managers

Legal & General Assurance (Pensions Management) Limited
Insight Investment Management Limited
Schroder Investment Management Limited

Custodians

Citibank NA (for Legal & General Assurance (Pensions Management) Limited)

Chase Nominees Limited (for Schroder Investment Management Limited)

State Street Custodial Services (Ireland) Limited (for Insight Investment Management Limited)

AVC Providers

Legal & General Assurance (Pensions Management) Limited
Phoenix Life
Prudential Assurance Company
Utmost Life and Pensions Limited

Bankers

Lloyds Bank Plc (until 16 February 2024)
The Royal Bank of Scotland plc (from 20 October 2023)

Legal Advisers

Pinsent Masons LLP

TRUSTEE'S REPORT

Introduction

The Trustee is pleased to present its report on the Newmond Pension Plan (the "Plan") for the year ended 31 March 2024.

The Plan was established by an interim deed dated 2 April 1997 and is now governed by a definitive trust deed and rules dated 25 February 1999 (as amended). The Plan provides benefits to former members of the Williams Pension Plan following the sale of the building products businesses by Williams plc to Newmond plc, and to new members joining from Newmond plc on 6 April 1997. The Plan closed to new members from 2 July 2002.

On 4 March 2002, the Trustee agreed to the merger of a large part of the Plan's assets and liabilities into the Baxi Group Pension Scheme. The merger became effective on 2 July 2002 and all active membership ceased on that date. As a consequence of the merger, the benefits of all active members as at 2 July 2002, and all pensioners aged 60 or over on that date, were transferred to the Baxi Group Pension Scheme. Deferred members and pensioners under the age of 60 on 2 July 2002 remained in the Plan.

The Trustee Board merged with the Baxi Group Trustee Board by way of a Deed of Amendment dated 23 March 2018, and became known as the Baxi Group and Newmond Pension Trustees Limited, the sole corporate Trustee (the "Trustee") of the Plan, appointed by the principal employer.

In accordance with HMRC requirements the Plan is registered under Chapter 2, Part 4 of the Finance Act 2004. As a consequence both employee and employer contributions are normally eligible for tax relief and income and capital gains earned by the Plan receive preferential tax treatment.

Appointment and Removal of Trustee Directors / Management of the Plan

The Trustee is responsible for the administration and investment policy of the Plan. The Trustee meets regularly to discuss reports received from the Administrator and the Investment Consultant and Managers. The Administrator and Investment Consultant attend each meeting and Investment Managers will attend at least one meeting per year. During the year under review, the Trustee held meetings, including the Administration and Investment sub-committees, on 4 occasions (2023:15).

All occupational pension schemes must implement arrangements that provide for at least one-third of the total number of Trustee board directors to be member-nominated. The arrangements for the nomination and selection must be proportionate, fair and transparent. The Plan rules contain provisions for the appointment and removal of the Trustee, subject to the member nominated trustee provisions of the Pensions Act 2004. Currently, four of the Trustee Directors are appointed by, and may be removed by, the principal employer of the Plan (one of whom is an independent trustee). Two of the Trustee Directors are appointed following a nomination process among members of the Plan who are in pensionable service and one is nominated by the pensioners of both the related Baxi Group Pension Scheme and the Plan. The names of the current Trustee Directors are included on page 1 of this report.

Trustee fees are paid by the employer and detailed in note 13 to the financial statements.

The Trustee periodically reviews registers of risks and conflicts to ensure that appropriate internal controls are in place and remain effective and has appointed professional advisers to support it in delivering the Plan's objectives. These professionals are detailed on page 1.

Financial Development of the Plan

The Fund Account on page 18 shows that the net movement in the Plan's assets for the year was a decrease of £4,677,000 that is represent by:

	2024 £000	**2023 £000**
Net withdrawals from dealings with members	**(4,683)**	(4,594)
Net returns / (losses) on investments	**6**	(36,447)
Net decrease in the fund	**(4,677)**	(41,041)

The financial statements on pages 18 to 29 have been prepared and audited in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995.

TRUSTEE'S REPORT (CONTINUED)

Administration

During the year, Mercer Limited was appointed as administrators of the Plan on 1 November 2023 and the administration of the Plan was carried out by Mercer Limited until 31 December 2023 and subsequently by Aptia UK Limited. Enquiries about the Plan generally or about an individual's entitlement to benefits should be addressed to the Plan Administrators at the address on page 12.

Contributions

Under the Schedule of Contributions certified by the Plan Actuary on 27 June 2022, no contributions were payable to the Plan during the year.

Actuarial Review

As required by Financial Reporting Standard 102, the financial statements set out on pages 18 to 29 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Plan, these liabilities are considered by the Plan Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Plan and the level of contributions payable.

The most recent triennial valuation of the Plan was carried out as at 31 March 2021 and the formal actuarial certificate required by statute to be included in this Annual Report, which relates to that earlier valuation, from the Plan Actuary is included on page 30.

The next triennial valuation of the Plan is due as at 31 March 2024 and is currently in progress.

Actuarial Liabilities

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 Trustee and the Employer and set out in the Statement of Funding Principles, a copy of which is available to Plan members on request.

The most recent triennial actuarial valuation of the Plan was carried out as at 31 March 2021, with an approximate actuarial updates undertaken as at 31 March 2022 and 31 March 2023. The results can be summarised as follows:

	2021	**2022**	**2023**
	£'m	£'m	£'m
Value of assets available to meet technical provisions	£160.7	£154.5	£113.2
Value of liabilities in respect of technical provisions	£160.6	£155.7	£115.1
Funding level	100%	99%	98%

The value of the technical provisions is based on Pensionable Service to the date of leaving or the scheme closure date and assumptions about various factors that will influence the Plan in the future.

The following significant actuarial assumptions have been used in the calculations using the projected unit credit method:

Discount rate:

Pre-retirement: The discount rate used is a term structure derived from the yields on UK Government conventional gilt stocks appropriate to the date of each future cashflow (extrapolated for cash flows beyond the longest available yields) plus an additional 1.1% per annum to reflect the allowance the Trustee have agreed for additional investment returns.

Post-retirement: The discount rate used is a term structure derived from the yields on UK Government conventional gilt stocks appropriate to the date of each future cashflow (extrapolated for cash flows beyond the longest available yields) plus an additional 0.33% per annum to reflect the allowance the Trustee have agreed for additional investment returns.

TRUSTEE'S REPORT (CONTINUED)

Actuarial Liabilities (continued)

Future Retail Price Inflation: The assumption for the rate of increase in the Retail Price Index (RPI) will be a term structure derived from the difference between the yield on conventional and index-linked UK Government bonds at the date of each future cash flow (extrapolated for cashflows beyond the longest available bonds).

Future Consumer Price Inflation: The assumption for the rate of increase in the Consumer Price Index (CPI) will be derived from the RPI inflation assumption with an appropriate adjustment to recognise the difference between expectations of future RPI increases and future CPI increases. The adjustment will be reviewed at each valuation; at the 31 March 2021 valuation the adjustment was a deduction of 1.0% per annum until 2030 and no deduction after 2030.

Pension increases: The assumption for the rate of inflationary pension increases will be a term structure derived from price inflation annual forward rates allowing for the maximum and minimum annual increase entitlements. As at 31 March 2021, the Jarrow-Yildirim model is used to derive rates with appropriate caps and collars from forward rates of price inflation.

Mortality: The mortality assumptions will be based on up-to-date information published by the Continuous Mortality Investigation (CMI) and National Statistics, making allowance for future improvements in longevity and the experience of the Plan. The mortality tables are the S3PA Year of Birth tables ("middle" tables for females), with improvements based on the CMI 2020 model (smoothing parameter of 7.5 and a w parameter of 0) with a long term improvement rate of 1.5% p.a. The following weightings are applied to the base tables:

a) Male non-pensioners: 115%
b) Female non-pensioners: 106%
c) Male pensioners: 115%
d) Female pensioners: 109%

An additional reserve, calculated as 2% of the liabilities, is also included in the technical provisions.

Recovery Plan

Since the actuarial valuation at 31 March 2021 revealed a funding surplus of £0.1m a recovery plan was not required and the Principal Employer is not required to pay any deficit contributions. This is reflected in the Schedule of Contributions signed on 24 June 2022 and certified by the Plan Actuary on 27 June 2022.

Next actuarial valuation

The next triennial valuation of the Plan is due as at 31 March 2024 and is currently in progress.

Benefit audit

The Trustee is undertaking a check of historic benefits to ensure that they are paid in accordance with the Trust Deed and Rules. This project is on-going, and several issues have been identified. The Trustee considers that the impact of these issues is unlikely to be material to the financial statements and, therefore, has not included a liability or asset in respect of them in these financial statements. Any adjustments to benefits paid will be accounted for in the year they are determined.

TRUSTEE'S REPORT (CONTINUED)

Pension Increases

In accordance with the Plan rules, pensions in payment were increased on 1 January 2024 by 3% in respect of benefits earned up to 5 April 1997 and by 5% for benefits earned after this date. The increases applied in previous years were:

	Pre 1997 elements	Post 1997 elements
January 2023	3.0%	5.0%
January 2022	3.0%	4.8%
January 2021	0.5%	0.5%

All increases were applied to pensions in payment in excess of the Guaranteed Minimum Pension, if any.

There is a small group of pensioners, known as CCL pensioners, who have a mixture of fixed 3% or 5% per annum guaranteed increases or 4.9% Limited Price Indexation ("LPI"). Pensions for these members are increased annually on 1 April each year.

Deferred pensions were increased in line with the Plan rules. For most members, this means that deferred pensions increase in line with the statutory requirements.

There were no discretionary pensions increases awarded during the year.

Membership

Details of the membership movements in the year and the number of members of the Plan as at the year end are given below:

	2024 Number	2023 Number
PENSIONERS		
Opening balance	769	750
Adjustments to pensioners*	-	2
Members retiring during the year	29	24
Deaths	(14)	(14)
New beneficiaries	3	8
Full commutation	(8)	(1)
PENSIONERS AT THE END OF THE YEAR	779	769
MEMBERS WITH DEFERRED BENEFITS		
Opening balance	934	969
Adjustments to members with deferred benefits*	(8)	(4)
Full commutation	(1)	(4)
Retirements	(29)	(24)
Transfers out	(6)	(3)
MEMBERS WITH DEFERRED BENEFITS AT THE END OF THE YEAR	890	934
TOTAL MEMBERSHIP	**1,669**	1,703

* Adjustments are members whose status has been changed where the change relates to a previous year.

Pensioners include 96 individuals receiving a pension upon the death of their spouse (2023: 95). There is one member where an element of their pension is secured under an annuity policy (2023: 1).

TRUSTEE'S REPORT (CONTINUED)

Investment Strategy / Management of the Investments

The Plan's main investments have been managed during the year under review by Legal & General Assurance (Pensions Management) Limited ("LGIM"), Schroder Investment Management Limited ("Schroder") and Insight Investment Management Limited ("Insight"). Members can also pay Additional Voluntary Contributions ("AVCs"). The AVC assets have been managed during the year under review by the Utmost Life (Clerical Medical), Phoenix Life, Prudential Assurance funds and LGIM.

The Trustee is responsible for determining the Plan's investment strategy. The Trustee has set the investment strategy for the Plan after taking appropriate advice. The Trustee has delegated the day-to-day management of investments to professional external investment managers. These managers, which are regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, manage the investments within the restrictions set out in the Statement of Investment Principles ("SIP"). Subject to complying with the agreed strategy, which specifies the target proportions of the Plan which should be invested in the principal market sectors, the day-to-day management of the asset portfolio of the Plan, including the full discretion for stock selection, is the responsibility of the investment managers.

The main priorities of the Trustee when considering the investment policy for the Plan are:

- To make sure that the obligations to the beneficiaries of the Plan are met.
- To pay due regard to the employer's interest in the size and incidence of the employers' contribution payments.

The long-term investment strategy as at 31 March 2024 is to hold:

- 90% in investments that share characteristics with the long term liabilities of the Plan. The strategy includes the use of government and corporate bonds, as well as derivative instruments.
- 10% allocation to return seeking assets comprising of two diversified growth funds.

Full details of the Plan's investment strategy as at the end of year can be found in the SIP.

The Trustee has produced a SIP in accordance with Section 35 of the Pensions Act 1995, the Occupational Pension Scheme's (Investment) Regulations 2005 and subsequent legislation. A copy of the SIP is available on request or online at https://baxipensions.co.uk/downloads.

The main objective of the Trustee is to invest the Plan's assets such that members' benefits under the Plan are met as they fall due and to act in the best interest of the members and beneficiaries. Within this framework the Trustee has agreed a number of objectives to help guide them in the strategic management of the assets. These objectives are as follows:

- To optimise returns from investments over the long terms which are consistent with the long term assumptions of the Actuary in determining the funding of the Plan
- To control the various funding risks to which the Plan is exposed
- To achieve fully funded status on a low-risk liability basis
- To gradually de-risk to a lower risk investment strategy over time
- To provide a suitable range of investment funds for AVC contributions

Responsible Investment and Corporate Governance

The Trustee believes that environmental, social, and corporate governance ("ESG") factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole.

The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments. The Trustee has advised the Plan's investment managers that they will be expected to vote the Plan's UK shares in accordance with the guidelines set down by the UK Stewardship Code and UK Corporate Governance Code. The investment managers have full discretion to vote in favour of actions outside these guidelines but will be expected to report to the Trustee with an explanation of its actions. The trustee will review the investment managers' policies and engagement activities (where applicable) on an annual basis.

TRUSTEE'S REPORT (CONTINUED)

Investment Strategy / Management of the Investments (continued)

Responsible Investment and Corporate Governance (continued)

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. The Trustee will consider the ESG ratings provided by Mercer and how each investment manager embeds ESG factors into its investment process. When appointing managers, the Trustee will also consider how the investment manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. The Trustee reviews the ESG rating provided by Mercer as part of the Plan's regular quarterly performance reporting. A change in ESG rating does not mean that the fund will be removed or replaced automatically. Managers will also be expected to report on their own ESG policies as and when requested by the Trustee.

The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

The Trustee has carried out an ESG beliefs session which determined their key themes and priorities in relation to ESG and sustainability risks. The Trustee's key stewardship themes are:

- Environment – reduction in carbon emissions and alignment with the Paris Agreement on climate change;
- Governance – diversity, equity and inclusivity.

The above key themes and priorities aligns with the strategic priorities of the Principal Employer. The Trustee will look for opportunities to engage with its investment managers on these areas, where appropriate, and disclose voting information in its Implementation Statement in connection with these two key themes. Furthermore, the Plan's SIP is being reviewed to reflect these key themes.

The Trustee does not take into account members' views on non-financial matters, including their ethical views, in the selection, retention and realisation of investments, given the difficulty in determining members' views and applying these to a single Plan investment strategy. However, this position will be reviewed over time.

Investment Manager Appointment, Engagement and Monitoring

Aligning Manager Appointments with Investment Strategy

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

The Trustee will seek guidance from the investment consultant, where appropriate, for its forward looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Plan invests in. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee and are used in decisions around selection, retention and realisation of manager appointments.

The Trustee will review an appointment if the investment objective for a manager's fund changes to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

Where the Trustee invests in pooled investment vehicles they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then it will look to review the appointment.

TRUSTEE'S REPORT (CONTINUED)

Investment Manager Appointment, Engagement and Monitoring (continued)

Evaluating Investment Manager Performance

The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over 3 months, 1 year, 3 years and 5 years (where available). The Trustee reviews the absolute performance and relative performance against a suitable index used as the benchmark, and against the manager's stated target performance objective (over the relevant time period) on a net of fees basis.

The Trustee's focus is on long term performance but, as noted above, may review a manager's appointment if:

- There are sustained periods of underperformance;
- There is a change in the portfolio manager or the team responsible;
- There is a change in the underlying objectives or process of the investment manager;
- There is a significant change to the investment consultant's rating of the manager.

Asset Allocation

The Trustee invests in pooled investment vehicles. The Trustee has authorised the use of derivatives by the investment manager within the pooled funds for efficient portfolio management, liability hedging and currency hedging purposes. The Trustee has considered the nature, disposition, marketability, security and valuation of the Plan's investments and considers them to be appropriate relative to the reasons for holding each class of investment. The following table provides a breakdown of the distribution of assets held by the Plan (excluding AVCs):

	2024 (£m)	2023 (£m)
Return Seeking Assets		
Pooled Diversified Growth Funds	**13.8**	15.4
Liability Matching Assets		
Pooled Liability Driven Investment Funds (within Liability Hedging Portfolio)*	**46.7**	49.5
Pooled Corporate Bonds Fund (within Liability Hedging Portfolio)	**47.3**	47.8
Total Invested Assets	**107.8**	112.7

Subject to rounding. Data sourced from Investment Managers. Bid values shown where relevant.
**Includes cash held in the Sterling Liquidity Fund.*

The Trustee's objective is to hedge 100% of the impact of changes in long-term interest rates and inflation expectations on the value of the Plan's liabilities (measured on the technical provisions basis). This is achieved mainly via the use of a combination of UK government bonds and leveraged LDI solutions within the LDI portfolio.

LGIM has discretion over the how the liability hedge within the LDI portfolio is constructed, using a range of eligible pooled funds specified by the Trustee. LGIM will monitor the level of liability hedging at each five-year tenor point, as well as at the total Plan level, and will rebalance the hedge if the level of liability hedging is not within a ±3% tolerance range of the 100% target (at total Plan level and at each tenor point). The rebalancing activity is carried out under the Enhanced Service Agreement. LGIM's objective is to maintain a pro-rata hedge relative to the term structure of the Plan's liabilities, taking into account the liability hedging provided by the Plan's allocation to the corporate bond holdings.

Over the year to 31 March 2024, LGIM carried out several hedging rebalancing trades which involved transferring assets between leveraged gilt funds, physical gilt funds and the Sterling Liquidity Fund. LGIM traded in order to fund capital calls from underlying leveraged pooled funds in the portfolio and maintain liability hedging within a ±3% tolerance range of the 100% target. This is the process embedded in the Enhanced Service Agreement.

The Trustee regards all the Plan's main investments as readily marketable, as detailed below:

- The pooled corporate bonds funds and pooled liability driven investment funds are weekly priced and traded;
- The pooled diversified growth funds managed by Insight and Schroder are daily priced and traded.

TRUSTEE'S REPORT (CONTINUED)

Investment Performance

The performance of the Plan's assets compared with its benchmark excluding fees for periods to 31 March 2024 are shown in the table below:

	1 Year % per annum	3 Years % per annum	5 Years % per annum
Plan	0.1	-8.9	-3.1
Benchmark	-0.4	-9.1	-3.6

Performance figures shown are net of fees and based on performance provided by the Investment Managers, Mercer estimates and Refinitiv. For periods over one year the figures in the table above have been annualised.

Custodial Arrangements

The Trustee is responsible for ensuring the Plan's assets continue to be securely held. The Trustee reviews the custodian arrangements from time to time and the Plan's auditors are authorised to make whatever investigations it deems are necessary as part of the annual audit procedure.

For the Plan's pooled fund investments, the Trustee has no direct ownership of the underlying pooled funds nor the underlying assets within the pooled funds. The policies, proposal forms, prospectuses and related principles of operation set out the terms on which the assets are managed. The safekeeping of the assets within the pooled funds is performed on behalf of the investment manager by custodian banks specifically appointed to undertake this function and whose appointment is reviewed at regular intervals by the manager. The current custodians are set out in the table below:

Manager	Custodian
Schroder	Chase Nominees Ltd*
Insight	State Street Custodial Services (Ireland) Limited
LGIM	Citibank N.A.

** The Plan's fund holdings with Schroder are held within a Life Company platform and therefore do not have a custodian. The Plan holds a life policy with the respective managers. Legal title to the assets lies with the managers; therefore the managers retain responsibility to appoint a custodian and as such have appointed the companies listed as custodians of the assets of the Life funds held.*

Employer Related Investments

Under the Pensions Act 1995, particular types of investment are classed as "employer-related investments" ("ERI"). Under laws governing employer related investments not more than 5% of the current value of a scheme's assets may be invested in ERI (subject to certain specific exceptions). In addition, some ERI is absolutely prohibited, including an employer related loan or guarantee. In September 2010, the prohibition of ERI was extended to cover pooled funds. It should be noted that this prohibition does not cover pooled funds held in life wrappers, i.e. funds which are packaged in an insurance policy.

The Trustee reviews its allocation to employer-related investments on an on-going basis and is satisfied that, as at 31 March 2024, ERI does not exceed 5% of the market value of the Plan's assets, as no ERI were held as at this date. Consequently, the Trustee is comfortable that the Plan complies with the legislative requirements. This will continue to be monitored going forward.

Implementation Statement

The Trustee is required to prepare an Implementation Statement setting out certain information concerning how it has applied its SIP during the year ended 31 March 2024. The information includes matters such as how the Trustee has engaged with investment managers as well as information concerning the exercise of voting rights in relation to investments, where these exist. The disclosures on policy and engagement is set out in the next section; additional information (including on voting records) is set out in the Implementation Statement in the Appendix which forms an integral part of this Trustee's Report.

TRUSTEE'S REPORT (CONTINUED)

Additional Voluntary Contributions ("AVCs")

The Trustee is also responsible for the investment of AVCs which secure additional benefits for members who made AVCs to the Plan when it was open to accrual. There are members invested in the Clerical Medical with-profits fund under the Utmost Life and Pension Limited policy which continues to be managed by Clerical Medical. Some members also have with-profits AVCs in Phoenix Life, Scottish Friendly and Prudential Assurance.

Transfer Values

Cash equivalent sums (unreduced) paid during the Plan year with respect to transfers of benefits out of the Plan have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and subsequent legislation. No discretionary benefits were awarded in the transfer values paid.

Statement of trustee's responsibilities

The trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the trustee. Pension scheme regulations require, and the trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the plan during the plan year and of the amount and disposition at the end of the plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the plan year; 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, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the plan will continue as a going concern.

The trustee is also responsible for making available certain other information about the plan in the form of an annual report.

The trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The trustee's responsibilities in respect of contributions

The trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the plan by or on behalf of employers and the active members of the plan and the dates on or before which such contributions are to be paid.

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

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

TRUSTEE'S REPORT (CONTINUED)

Guaranteed Minimum Pension ("GMP") Equalisation

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The Trustee is reviewing, with its advisers, the implication of this ruling on the Plan in the context of the rules of the Plan and the value of an estimate of the Plan's potential liability arising from GMP equalisation in respect of backdated benefits and related interest. Once the effect on individual members' benefits has been calculated and the liability quantified, this will be communicated to the members.

A supplemental ruling in November 2020 clarified the position in relation to historic transfers out. This ruling requires the rectification of any shortfall in these transfer values, calculated on the basis of unequalised GMPs. The Trustee is working with the Plan administrator to finalise GMP and data rectification.

Virgin Media case

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court.

The Trustee is monitoring the position and will consider the possible implications, if any, for the Plan of the above with its advisers and what steps, if any, it wishes to take. Therefore, it is not possible, at present, to estimate the potential impact, if any, on the Plan.

General Code of Practice

The long-awaited final version of The Pension Regulator's new General Code, which combines a number of existing Codes of Practice into one and provides detailed guidance on what is expected of trustees, how schemes should be managed and what specific actions need to be taken, has finally been published and came into force on 27 March 2024. The Trustee has started the process of reviewing and updating its policies and procedures, adopting a pragmatic and proportional approach, to ensure its practices will be consistent with the new requirements, which the Plan will have to meet by 30 September 2026.

Going Concern

During the year, the Trustee has received regular updates and evaluated the financial strength of the Employer and does not consider there to be any significant concerns regarding the going concern status of the Plan. As at 31 March 2024, in the Trustee's view, the Plan has adequate resources to meet obligations as they fall due for at least the next twelve months from the approval of the financial statements and there are no current plans to wind up the Plan. Accordingly, the Trustee continues to adopt the going concern basis of accounting in the financial statements.

Internal Dispute Resolution (IDR) Procedure

The Trustee has adopted a dispute resolution procedure, a copy of which can be provided on request to the Plan Administrators.

Any member with a complaint against the Plan or a query about their pension entitlement which they consider has not been satisfactorily addressed can use the "Internal Disputes Resolution Procedure" or, alternatively, they can obtain free advice through The Pensions Ombudsman (TPO) who can be reached at 10 South Colonnade, Canary Wharf, E14 4PU.

TRUSTEE'S REPORT (CONTINUED)

Further Information

Members are entitled to inspect copies of documents giving information about the Plan. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Plan Actuary's report.

The Plan's Trustee can be contacted at the address given below. All queries should be addressed to:

The Secretary to the Trustee of the Newmond Pension Plan
c/o Trustee Solutions Limited
Pinsent Masons LLP
30 Crown Place
London
EC2A 4ES

Any query about the Plan, including requests from individuals for information about their benefits, should be addressed to the Plan Administrators at the following address:

Newmond Pension Plan
c/o Aptia UK Limited
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP

Alternatively, Aptia can be contacted directly at the following address: https://pensionuk.aptia-group.com/.

Approval of Trustee's Report

This Trustee's Report on pages 2 to 12, including the Members' Information on page 31, was approved by the Trustee and signed on its behalf by:

[redacted].............
Name:

31 October 2024
....
Date

SUMMARY OF CONTRIBUTIONS

Trustee's Summary of Contributions payable under the Schedule in respect of the Plan year ended 31 March 2024

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and employee contributions payable to the Plan under the Schedule of Contributions certified by the Plan Actuary on 27 June 2022.

In accordance with the Schedule of Contributions no contributions were payable to the Plan during the year.

The Summary of Contributions was approved by the Trustee and signed on its behalf by:

[redacted]..................

Name:

31 October 2024
....

Date

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF NEWMOND PENSION PLAN

Statement about contributions

Opinion

In our opinion, the contributions payable under the schedule of contributions for the plan year ended 31 March 2024 as reported in Newmond Pension Plan's summary of contributions have, in all material respects, been paid in accordance with the schedule of contributions certified by the plan actuary on 27 June 2022.

We have examined Newmond Pension Plan's summary of contributions for the plan year ended 31 March 2024 which is set out on the previous page.

Basis for opinion

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

Responsibilities for the statement about contributions

Responsibilities of the trustee in respect of contributions

As explained more fully in the statement of trustee's responsibilities, the plan's trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the plan by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

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

Use of this report

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date: 31/10/24

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NEWMOND PENSION PLAN

Report on the audit of the financial statements

Opinion

In our opinion, Newmond Pension Plan's financial statements:

- show a true and fair view of the financial transactions of the plan during the year ended 31 March 2024, 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 year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Statement of Net Assets Available for Benefits as at 31 March 2024; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the plan's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the plan's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NEWMOND PENSION PLAN (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The trustee is responsible for the other information. 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 thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the trustee is responsible for assessing the plan'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 the trustee either intends to wind up the plan, or has no realistic alternative but to do so.

Auditors' 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the plan and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the plan in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NEWMOND PENSION PLAN (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date: 31/10/24

FUND ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £000	2023 £000
CONTRIBUTIONS AND BENEFITS			
Other income		**-**	2
Benefits paid or payable	4	**(4,316)**	(4,377)
Transfers out	5	**(366)**	(218)
Administrative expenses	6	**(1)**	(1)
		(4,683)	(4,596)
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		**(4,683)**	(4,594)
INVESTMENT RETURNS			
Investment income	7	**14**	6
Change in market value of investments	9.1	**83**	(36,368)
Investment management expenses	8	**(91)**	(85)
NET RETURNS ON INVESTMENTS		**6**	(36,447)
NET DECREASE IN THE FUND DURING THE YEAR		**(4,677)**	(41,041)
OPENING NET ASSETS		**113,651**	154,692
CLOSING NET ASSETS		**108,974**	113,651

The notes on pages 20 to 29 form an integral part of these financial statements.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AT 31 MARCH 2024

	Note	2024 £000	2023 £000
INVESTMENT ASSETS	9		
Pooled investment vehicles	9.4	**107,784**	112,656
AVC investments	9.5	**156**	159
TOTAL INVESTMENTS		**107,940**	112,815
CURRENT ASSETS	11	**1,061**	964
CURRENT LIABILITIES	12	**(27)**	(128)
TOTAL NET ASSETS AVAILABLE FOR BENEFITS AT 31 MARCH		**108,974**	113,651

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which takes into account such obligations, is dealt with in the report on actuarial liabilities on pages 3 and 4 of the Trustee's Annual Report, and these financial statements should be read in conjunction with this report.

The notes on pages 20 to 29 form an integral part of these financial statements.

These financial statements on pages 18 to 29 were approved by the Trustee and were signed on its behalf by:

[redacted]....................

Name:

31 October 2024
....

Date

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND BASIS OF PREPARATION

The Plan is an occupational pension scheme, established by an interim deed dated 2 April 1997 and is now governed by a definitive trust deed and rules dated 25 February 1999 (as amended). The Plan provides benefits to former members of the Williams Pension Plan following the sale of the building products businesses by Williams plc to Newmond plc, and to new members joining from Newmond plc on 6 April 1997. The Plan closed to new members on 2 July 2002.

On 4 March 2002 the Trustee agreed to the merger of a large part of the Plan's assets and liabilities into the Baxi Group Pension Scheme. The merger became effective on 2 July 2002 and all active membership ceased on that date. As a consequence of the merger, the benefits of all active members as at 2 July 2002, and all pensioners aged 60 or over on that date, were transferred to the Baxi Group Pension Scheme. Deferred members and pensioners under the age of 60 on 2 July 2002 remained in the Plan.

In accordance with HMRC requirements the Plan is registered under Chapter 2, Part 4 of the Finance Act 2004. As a consequence, both employee and employer contributions are normally eligible for tax relief and income and capital gains earned by the Plan receive preferential tax treatment.

The individual financial statements of Newmond Pension Plan (the “Plan”) 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 “Financial Reports of Pension Schemes” (revised June 2018) (“the SORP”).

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Plan 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 from the date when the financial statements are authorised for issue.

The financial statements summarise the transactions of the Plan and deal with the statement of net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Plan is established as a trust under English law. The address for enquiries to the Plan is Newmond Pension Plan, c/o Aptia UK Limited, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Payments to members

Pensions in payment, including pensions funded by annuity contracts, are accounted for in the period to which they relate.

Where members can choose 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.

Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Plan as appropriate.

Transfers to other pension arrangements are accounted for when the transfer has been agreed between the transferring and receiving scheme and the amount can be determined with reasonable certainty, which is normally when funds are transferred.

3.2 Expenses

Administrative expenses are paid by the employer except as stated.

3.3 Investment income and expenditure

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 and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.4 Investment income and expenditure (continued)

Investment income includes withholding taxes. Withholding tax is accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense within investment returns.

Income arising from annuity policies is included in investment income on an accruals basis.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Plan such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

3.5 Valuation of investments

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 single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustee adopts valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- With profits insurance policies (including those held as AVC investments) are reported at the policy value provided by the insurer based on cumulative reversionary bonuses declared and the current terminal bonus.
- AVC investments are valued at the market value provided by the AVC provider as at the year end date.

A number of insurance policies, which have been historically purchased in the name of the Trustee, partially fund benefits payable to particular members of the Plan. The value of this income stream is considered to be of negligible value and the Trustee has not valued such policies in the financial statements.

The Plan's functional and presentational currency is pound sterling (GBP).

3.6 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

For the Plan, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Plan's investments and, in particular, those classified in Levels 2 and 3 of the fair-value hierarchy.

4 BENEFITS PAID OR PAYABLE

	2024	2023
	£000	£000
Pension payments	3,906	3,769
Commutations and lump sum retirement benefits	406	583
Lump sums on death	4	20
Benefits under income drawdown arrangements	-	5
	4,316	4,377

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 TRANSFERS OUT

	2024 £000	2023 £000
Individual transfers out to other schemes	**366**	218

6 ADMINISTRATIVE EXPENSES

	2024 £000	2023 £000
Administration and processing	**1**	1

7 INVESTMENT INCOME

	2024 £000	2023 £000
Interest from cash deposits	**11**	3
Annuity income	**3**	3
	14	6

8 INVESTMENT MANAGEMENT EXPENSES

	2024 £000	2023 £000
Administration, management and custody	**91**	85

9 INVESTMENTS

9.1 RECONCILIATION OF INVESTMENTS

Reconciliation of investments held at beginning and end of year:

	Value at 01.04.2023 £000	Purchases at cost and derivative payments £000	Sales proceeds and derivative receipts £000	Change in market value £000	Value at 31.03.2024 £000
Pooled investment vehicles	112,656	98,476	(103,426)	78	**107,784**
AVC investments	159	-	(8)	5	**156**
	112,815	**98,476**	**(103,434)**	**83**	**107,940**

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.

The purchase and sales movements in the year reflect the application of the Plan's investment strategy during the year.

9.2 TRANSACTION COSTS

There were no direct transaction costs incurred by the Plan during the year (2023: £nil). In addition to any direct transaction costs, indirect costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It has not been possible for the Trustee to quantify such indirect transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.3 CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Plan's net assets at 31 March 2024 and 31 March 2023:

	2024 £000	%	2023 £000	%
Legal & General Bonds over 15 years Fund	**47,313**	**43.4**	47,771	42.0
Legal & General 2027 Index-Linked Gilt	**11,526**	**10.6**	-	-
Legal & General 2035 Index Linked Gilt	**11,321**	**10.4**	7,056	6.2
Insight Broad Opportunities Diversified Growth Fund	**6,991**	**6.4**	7,736	6.8
Schroder Life Diversified Growth Fund	**6,760**	**6.2**	7,686	6.8
Legal & General 2034 Gilt Fund	**5,666**	**5.2**	-	-

9.4 POOLED INVESTMENT VEHICLES

	2024 £000	2023 £000
Bonds	**47,313**	47,771
Diversified Growth	**13,751**	15,422
Liability driven investment	**46,257**	46,283
Cash	**463**	3,180
	107,784	112,656

9.5 AVC INVESTMENTS

The Trustee holds assets which are separately invested from the main fund to secure additional benefits on a money purchase basis for those members who had previously elected to pay Additional Voluntary Contributions. Members participating in this arrangement receive an annual statement made up to 31 March each year, confirming the amounts held to their account and the change in value over the year. The amount of AVC investments held at the year end are as follows:

	2024 £000	2023 £000
Unit-Linked investments:		
Legal & General	**82**	78
	82	78
With-Profits investments:		
Utmost Life & Pension Limited	**32**	32
Phoenix Life	**23**	31
Prudential Assurance Company	**19**	18
	74	81
	156	159

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.6 FAIR VALUE HIERARCHY

The fair value of financial instruments has been determined 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 the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable for the asset or liability.

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

	Level 1	**Level 2**	**Level 3**	**Total 2024**
	£000	**£000**	**£000**	**£000**
Pooled investment vehicles	**-**	**107,784**	**-**	**107,784**
AVC investments	**-**	**82**	**74**	**156**
	-	**107,866**	**74**	**107,940**

	Level 1	Level 2	Level 3	Total 2023
	£000	£000	£000	£000
Pooled investment vehicles	-	112,656	-	112,656
AVC investments	-	78	81	159
	-	112,734	81	112,815

9.7 INVESTMENT RISKS

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 is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:

- **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.
- **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.
- **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 Trustee has produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995. A copy of the SIP is available on request. The main objective of the Trustee is to invest the Plan's assets such that members' benefits under the Plan are met as they fall due and to act in the best interest of the members and beneficiaries. Within this framework the Trustee has agreed a number of objectives to help guide them in the strategic management of the assets. These objectives are as follows:

- To optimise returns from investments over the long term which are consistent with the long term assumptions of the Actuary in determining the funding of the Plan
- To control the various funding risks to which the Plan is exposed
- To achieve fully funded status on a low-risk liability basis
- To gradually de-risk to a lower risk investment strategy over time

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.7 INVESTMENT RISKS (continued)

The Plan has exposure to the above risks because of the investments it makes to implement its investment strategy. The Trustee manages its investment risks within agreed risk limits which are set taking into account the Plan's strategic investment objectives. The investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment manager and monitored by the Trustee through regular reviews of the investment portfolios. The investment objectives and risk limits of the Plan are further detailed in the SIP.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include any legacy insurance policies nor Additional Voluntary Contribution ("AVC") investments as these are not considered significant in relation to the overall investments of the Plan.

(i) Investment Strategy

The Trustee is responsible for determining the Plan's investment strategy. The Trustee has set the investment strategy for the Plan after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the portfolio which should be invested in the principal market sectors, the day-to-day management of the asset portfolio of the Plan, including the full discretion for stock selection, is the responsibility of the investment manager.

The main priorities of the Trustee when considering the investment policy for the Plan are:

- To make sure that the obligations to the beneficiaries of the Plan are met.
- To pay due regard to the employer's interest in the size and incidence of the employers' contribution payments.

The long-term investment strategy as at 31 March 2024 is to hold:

- 90% in investments that share characteristics with the long term liabilities of the Plan. The strategy includes the use of government and corporate bonds, as well as derivative instruments.
- 10% allocation to return seeking assets comprising of two diversified growth funds.

(ii) Market Risk

Credit Risk

The Plan is subject to indirect credit risk as it invests in fixed interest gilts, index-linked gilts and associated derivatives (which forms the pooled Liability Driven Investment ("LDI") portfolio) and the pooled corporate bond funds, which in total makes up the Plan's matching portfolio. This risk is mitigated through investment in high-quality bonds which are at least investment grade and daily collateralisation of derivative contracts.

The Plan also invests in funds which hold non-investment grade credit rated instruments via the diversified growth funds with a view to adding value and indirect credit risk is mitigated through diversification of the underlying securities to minimise the impact of default by any one issuer. The Trustees consider financial instruments or counterparties to be of investment grade if they are rated at BBB– or higher by Standard & Poor's or Fitch or rated at Baa3 or higher by Moody's.

The Liability Hedging portfolio comprises of an allocation to liability matching funds (including swaps), a pooled cash fund and a pooled corporate bond fund. The target allocation for the Plan's matching portfolio is 90.0% of Plan assets, with an equal target allocation of 45.0% to both the liability matching funds (including cash), and the pooled corporate bond fund. As at 31 March 2024, the total matching portfolio represented 87.2% of the portfolio, with the pooled liability matching funds (including the pooled cash fund) representing 43.4% (2023: 43.9%) and the pooled corporate bond fund representing 43.8% (2023: 42.4%) of the total investment portfolio.

Pooled investment arrangements

The Plan's investments are held via pooled investment vehicles. Pooled investment arrangements used by the Plan comprise unit linked insurance contracts and open ended investment companies. The Plan is therefore directly exposed to credit risk arising from these pooled investment vehicles and is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.7 INVESTMENT RISKS (continued)

Pooled investment arrangements (continued)

The Plan's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustee manages and monitors the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. Cash held by the pooled managers' custodians is ring-fenced where possible. Where this is not possible, the credit risk arising is mitigated by the use of regular cash sweeps (typically daily) and investing cash in liquidity funds.

Investments backing unit-linked insurance contracts are comingled with the insurer's own assets and direct credit risk is mitigated by capital requirements and the Prudential Regulatory Authority's regulatory oversight. In the event of default by the insurer, the Plan may be protected by the Financial Services Compensation Scheme ("FSCS") and may be able to make a claim for at least 100% of its policy value, although compensation is not guaranteed. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2024	2023
	£000	£000
Unit linked insurance contracts	100,793	104,920
Open ended investment companies	6,991	7,736
	107,784	112,656

Values based on bid prices where applicable.

Currency Risk

The Plan is subject to indirect currency risk as the Plan invests in Sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currencies.

The currency risk exposures the Plan faces are from the allocation to Diversified Growth Funds ("DGFs") (which consist of underlying investments across a range of asset class and regions, exposing the Plan to indirect currency risk). The DGFs also use currency exposures as part of the managers' investment strategy to add value.

As at 31 March 2024, DGFs represented 12.6% (2023: 13.6%) of the total investment portfolio.

Interest Rate Risk

The Plan is subject to indirect interest rate risk because some of the Plan's investments are held in index-linked gilts, fixed interest gilts, interest rate swaps and short term fixed income and variable rate securities through pooled investment vehicles. The Trustee has set targets for their exposure to interest rates, as part of its LDI investment strategy. Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

The Trustee has set a benchmark for the matching portfolio of 90.0% of the total investment portfolio.

As at 31 March 2024, the Liability Hedging portfolio (including liability matching funds, cash and corporate bonds) represented 87.2% of the total investment portfolio. The Plan's current pooled LDI vehicle holding is slightly underweight compared to the target allocations set out in the SIP, however this is within the +/-5% rebalancing tolerance range set by the Trustee and the asset allocation is reviewed on a regular basis.

The Trustee also has an exposure to growth fixed income assets through diversified growth funds. The interest rate exposure that this asset class introduces is taken by the investment managers as part of their investment strategy to add value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.7 INVESTMENT RISKS (continued)

Inflation risk

The Plan holds index-linked gilts and associated derivatives as part of the LDI portfolio to manage against inflation risk associated with pension liability increases.

Other Price Risk

The Plan is exposed to indirect other price risk in relation to the Plan's return seeking portfolio which includes diversified growth funds (comprising primarily bonds, equities and illiquid assets such as infrastructure and property), held through underlying investments in pooled investment vehicles.

The Trustee has set target asset allocations of around 10% of assets being held in return seeking investments. As at 31 March 2024, the return seeking portfolio represented 12.8% (2023: 13.7%) of the total investment portfolio.

Risk summary

			Exposed to			
Fund	**2024 £000**	**2023 £000**	**Currency Risk**	**Interest Rate Risk**	**Credit Risk**	**Other Price Risk**
Schroders – DGF	6,760	7,686	✓	✓	✓	✓
Insight – DGF	6,991	7,736	✓	✓	✓	✓
LGIM – Corporate Bonds (within Liability Hedging portfolio)	47,313	47,771		✓	✓	✓
LGIM – LDI portfolio	46,257	46,283		✓	✓	✓
LGIM – Sterling Liquidity Fund	463	3,180		✓	✓	

Source: Investment managers.

Values based on bid prices where applicable.

The Trustee has selected the above funds and has considered the indirect risks in the context of the investment strategy described here and in the Statement of Investment Principles.

Other matters

During 2023 and 2024, geopolitical and economic issues (such as increases in the rates of inflation and interest rates and movements in foreign currencies) have had a significant effect on domestic and global economies, with disruption and volatility in the financial markets. The Trustee, in conjunction with its advisers, monitors the situation closely and determines any actions that are considered to be necessary. This includes monitoring the Plan's investment portfolio, the operational impact on the Plan and the covenant of the sponsor.

The extent of the impact on the Plan's investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted. Since the year end, the value of the Plan's investment assets and investment liabilities have been impacted. Whilst the Trustee monitors the overall position, it has not, at this time, quantified the change (being an increase or decrease) in market value of investment assets and investment liabilities as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

10 TAX

The Newmond Pension Plan is a registered pension scheme for tax purposes under the Finance Act 2004. The Plan is therefore exempt from income tax and capital gains tax except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 CURRENT ASSETS

	2024	2023
	£000	£000
Cash balance	780	675
Prepaid pensions	279	280
Due from Baxi Group Pension Scheme	-	6
Other debtors	2	3
	1,061	964

12 CURRENT LIABILITIES

	2024	2023
	£000	£000
Unpaid benefits	4	100
Accrued investment management expenses	23	25
Due to HMRC	-	3
	27	128

13 RELATED PARTY TRANSACTIONS

Key management personnel

None of the Trustee Directors were active members of the Plan during the year, however there were 5 Trustee Directors (2023: 5) who were active members of the Baxi Group Pension Scheme (the "Scheme") during the year. 1 of the Trustee Directors (2023: 1) is a retired member of the Scheme and is currently in receipt of a pension. The Baxi Group Pension Scheme (whose Trustee is Baxi Group and Newmond Pension Trustees Limited, the same as for the Plan) is a related pension scheme as explained in note 1.

The employer meets the administrative costs of the Plan directly. Fees of £23,674 (2023: £17,454) of which £5,285 (2023: £4,602) was outstanding at year end, have been paid by the employer and not recharged to the Plan in respect of independent trustee services. The Trustee director – BESTrustees Limited, represented by Chris Parrott, also received fees for the Baxi Group Pension Scheme of £59,758 (2023: £35,666) in addition to those disclosed above, £10,925 (2023: £9,425) of which remained outstanding at the year end.

Except as noted above and elsewhere within the financial statements there are no further related party transactions to disclose.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CONTINGENT LIABILITIES

Guaranteed Minimum Pension (GMP)

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The Trustee is reviewing, with its advisers, the implication of this ruling on the Plan in the context of the rules of the Plan and the value of an estimate of the Plan's potential liability arising from GMP equalisation in respect of backdated benefits and related interest. Once the effect on individual members' benefits has been calculated and the liability quantified, this will be communicated to the members.

A supplemental ruling in November 2020 clarified the position in relation to historic transfers out. This ruling requires the rectification of any shortfall in these transfer values, calculated on the basis of unequalised GMPs. The Trustee is working with the Plan administrator to finalise GMP and data rectification.

Virgin Media case

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court.

The Trustee is monitoring the position and will consider the possible implications, if any, for the Plan of the above with its advisers and what steps, if any, it wishes to take. Therefore, it is not possible, at present, to estimate the potential impact, if any, on the Plan.

Benefit audit

The Trustee is undertaking a check of historic benefits to ensure they are paid in accordance with the Trust Deed and Rules. This project is on-going, and several issues have been identified. The Trustee considers the impact of these issues is unlikely to be material to the financial statements and, therefore, has not included a liability or asset in respect of them in these financial statements. Any adjustments to benefits paid will be accounted for in the year they are determined.

In the opinion of the Trustee, the Plan had no other contingent liabilities at 31 March 2024, other than long term pension liabilities which are not dealt with in these financial statements (2023: Nil).

15 EMPLOYER RELATED INVESTMENTS

The Trustee reviews its allocation to employer-related investments on an on-going basis and is satisfied that as at 31 March 2024, ERI does not exceed 5% of the market value of the Plan's assets, as no ERI were held as at this date (2023: nil). Consequently, the Trustee is comfortable that the Plan complies with the legislative requirements.

ACTUARIAL CERTIFICATE

Mercer

Certificate Of Schedule Of Contributions

Name of the Plan	Newmond Pension Plan

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 20 June 2022.

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 Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature	[redacted]
Name	Matthew Jones FIA
Date of signing	27 June 2022
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of employer	Mercer Limited
Address	Four Brindleyplace Birmingham B1 2JQ United Kingdom

MEMBERS' INFORMATION

INTRODUCTION

The Plan is a defined benefit scheme and is administered by Aptia UK Limited in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Schemes is 10227400.

Other information

(i) The Trustee is required to provide certain information about the Plan to the Registrar of Pension Schemes. This has been forwarded to:

The Registrar of Pension Schemes
PO Box 1NN
Newcastle Upon Tyne
NE99 1NN

(ii) The Pensions Ombudsman (TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Members have the right to refer a complaint to TPO free of charge.

Contact with TPO about a complaint needs to be made within three years of when the event(s) being complained about happened – or, if later, within three years of when a member first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

TPO now operates an Early Resolution Service (ERS) in addition to its normal Adjudication Service that aims to provide a quick, informal and streamlined process. Any member that elects to use the ERS does not need to follow the Trustee's Internal Dispute Resolution Procedure (IDRP). However, should any complaint that has gone through the ERS remain unresolved, TPO expects the IDRP to be followed prior to complaint being passed to its Adjudication Service:

The Pensions Ombudsman	✉ enquiries@pensions-ombudsman.org.uk
10 South Colonnade	☏ 0800 917 4487
Canary Wharf	💻 www.pensions-ombudsman.org.uk
E14 4PU	

(iii) The Money & Pensions Service ("MAPS") previously known as the Single Financial Guidance Body is committed to ensuring that people throughout the UK have guidance and access to the information that they need to make effective financial decisions over their lifetime. MAPS brings together three respected providers of financial guidance; Pensions Wise, the Money Advice Service and the Pensions Advisory Service. Further information can be found at https://maps.org.uk.:

Money and Pensions Service ("MAPS")
Holborn Centre, 120 Holborn,
London
EC1N 2TD

(iv) The statutory body that regulates occupational pension schemes is The Pensions Regulator ('TPR'). TPR works with pension scheme trustees, scheme managers and employers to help protect workplace pensions but does not deal with queries about individuals' pension benefits.

(v) The Pension Protection Fund (PPF) was introduced to protect members' interests in certain circumstances, i.e. to provide compensation where an employer has become insolvent and the scheme assets have been reduced due to fraud, theft, or misappropriation. It does not cover losses resulting from adverse investment returns.

The PPF is funded by a levy on occupational pension schemes.

(vi) The Trust Deed and Rules, the Plan details, and a copy of the Statement of Investment Principles are available for inspection free of charge by contacting the Trustee at the address on page 11. Any information relating to the members' own pension position, including estimates of transfer values, should be requested from the Plan Administrators at the address on page 12.

Newmond Pension Plan (‘the Plan’)

Engagement Policy Implementation Statement for the Year Ended 31 March 2024

October 2024

Contents

Section 1: Introduction

This statement sets out how, and the extent to which, the Plan's Engagement Policy in the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year running from 31 March 2023 to 31 March 2024 (the "Plan's Year"). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year, which was the SIP dated June 2020 covering the period between March 2023 to November 2023 and the SIP dated September 2023 covering the period between September 2023 to March 2024.

Sections 2.1 and 2.2 of this statement set out the investment objectives of the Plan and changes which have been made to the Engagement Policy during the Plan Year, respectively.

A copy of the SIP containing the Engagement Policy is available at https://baxipensions.co.uk/downloads.

Section 3 of this statement provides some highlights of the activity undertaken by the Trustee in relation to Responsible Investment and Environmental, Social and Governance (ESG) over the Plan Year.

Sections 4 and 5 include information on the engagement and key voting activities of the underlying investment managers of the Plan, and also sets out how the Plan's engagement and voting policy has been followed during the Plan Year in respect of the Plan's assets.

The Trustee can confirm that all policies in the SIP on engagement in relation to the Plan's assets have been followed during the Plan Year.

Section 2: Statement of Investment Principles

2.1 Investment Objectives of the Plan

The Trustee believe it is important to consider the policies in place in the context of the objectives they have set. The objectives for the Plan specified in the SIP are as follows:

- To optimise returns from investments over the long term which are consistent with the long term assumptions of the Actuary in determining the funding of the Plan.
- To control the various funding risks to which the Plan is exposed.
- To achieve fully funded status on a low-risk liability basis.
- To gradually de-risk to a low-risk investment strategy over time.
- To provide a suitable range of investment funds for AVC contributions.

2.2 Review of the SIP

During the year, the Trustee did review the Plan's SIP, taking formal advice from its Investment Consultant (Mercer Limited ("Mercer")). A revised SIP was signed in November 2023 and was updated for the following key changes:

- Expansion of the risks which the Plan is exposed to, in particular, climate change and ESG risks, and collateral adequacy within the Plan's LDI portfolio.
- Inclusion of the Trustee's key stewardship themes and further information on the Trustee's sustainable investment policy.

Section 3: Environmental, Social and Governance ("ESG")

Policy

The Scheme's Engagement Policy outlines the Trustee's beliefs on ESG factors (including climate change). Further details are included in Section 8 (Policy on Socially Responsible Investment and Corporate Governance) of the SIP. The Trustee keeps their policies under regular review.

How has this policy been met over the Plan Year?

The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments. In order to monitor the extent to which ESG factors are integrated into the managers' investment decision making, the Trustee has continued to review the Mercer ESG ratings assigned to the strategies in which the Plan invests as part of regular quarterly performance reporting. Most the Plan's investment managers remained generally highly rated during the year.

In Q2 2023, the Trustee completed an ESG beliefs survey, which was facilitated by Mercer. Based on the results and the subsequent Trustee discussion, the Trustee has produced a standalone ESG Policy. This contains further details regarding how the Trustee manages ESG risks and opportunities and is available to members on request.

In addition, the Trustee has asked the managers to comment on these areas when they have presented at meetings. The Trustee met with BlackRock in May 2023, Insight in September 2023 and LGIM in November 2023, and discussed how ESG factors are considered as part of the managers investment processes.

Where managers may not be highly rated from an ESG perspective the Trustee continues to monitor and engage with the managers. When implementing a new manager the Trustee considers the ESG rating of the manager and balances this against the prospects of the fund achieving its objective.

The Trustee acknowledges that managers in certain asset classes, such as fixed income, may not have a high ESG rating assigned by the investment consultant due to the nature of the asset class. The Trustee does not require the Plan's investment managers to take non-financial matters into account in their selection, retention and realisation of investments. invests or the strategy pursued by the manager) and against criteria which include ESG considerations. ESG and the level of integration will differ across asset classes and by investment manager.

The Trustee also undertakes a more in-depth annual ESG monitoring report. This considers how the ESG ratings assigned to the managers by Mercer compare to their peers, alongside further ESG-related research. The report also contains Mercer's Responsible Investment Total Evaluation assessment, which measures how well the Trustee integrates ESG factors into Scheme decision-making. The first such report was considered by the Trustee during the year under review.

Section 4: Engagement Activity by the Plan’s Investment Managers

The following are examples of engagement activity undertaken by the Plan’s investment managers, where relevant. Examples were provided by the investment manager(s).

See section 5 for more details on how the Trustee’s policies on engagement have been implemented, as well as their policies on the exercise of investment rights (including voting).

Schroders engages with ASML to discuss their climate change activities

Schroders held a meeting with regards to ASML’s climate change activities. Schroders encouraged the company to publish a detailed transition plan explaining how the company will transition its business and meet its targets.

Schroders learnt ASML aims to achieve net zero for Scope 1, 2, and parts of Scope 3 emissions by 2025, primarily through energy reduction and renewable energy use. Challenges remain in Asian markets, but progress has been made in Taiwan. ASML is also addressing Scope 3 emissions in its supply chain, with increasing supplier commitments to sustainability. Product energy efficiency has improved significantly, with further reductions planned. Collaboration with customers like TSMC on renewable energy adoption and with SEMI on industry-wide sustainability efforts is ongoing. While costs are hard to quantify, they are part of ASML's substantial R&D investments. ESG metrics are now linked to 20% of executive long-term incentives.

Overall, Schroders were satisfied that ASML had made considerable progress on its climate goals, with more work to be done in certain areas. They will continue to monitor ASML’s progress.

Insight engages with Aquilla European Renewable Income to discuss their ESG-linked objectives

Insight held a meeting with regards to Aquilla European Renewable Income ESG-linked objectives. Insight believed that the ESG-linked objectives to the company’s borrowings could help reduce borrowing costs in some instances and improve overall ESG outcomes.

In Q1 2023, Insight encouraged the company to adopt ESG-linked objectives in its borrowings. This could help reduce borrowing costs and improve overall ESG outcomes.

Insight plan to review progression towards ESG-linked objectives with the company in future engagements.

Section 5: Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee's would monitor and engage with relevant persons about relevant matters).

Policy

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the investment managers. Further details are set out in Section 6 (Policy on Socially Responsible Investment and Corporate Governance) of the SIP. In addition, it is the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

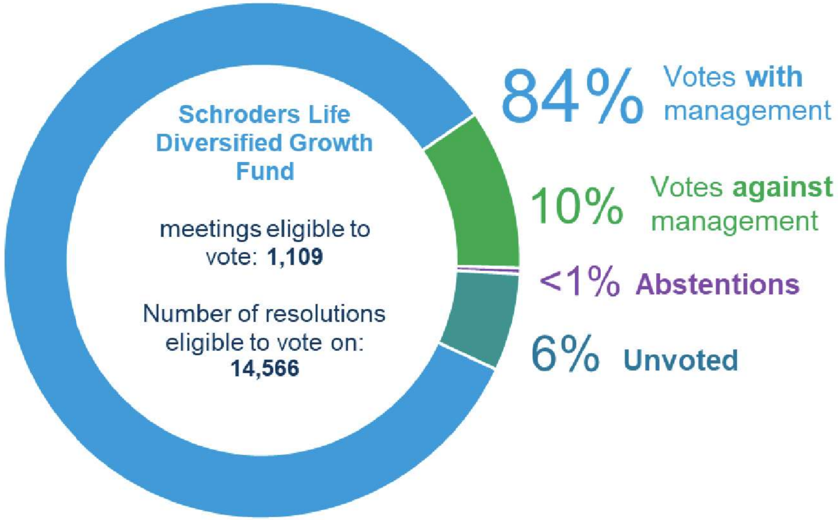
How has this policy been met over the Plan Year?

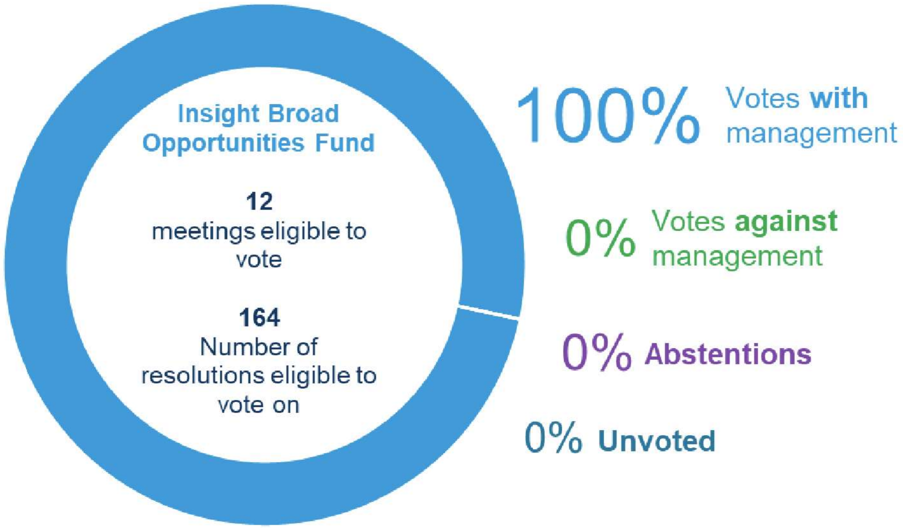
The Trustee does not use the direct services of a proxy voter.

The Trustee supports the aims of the UK Stewardship Code and their investment managers are encouraged to report their adherence to the Code. All of the Plan's investment managers are currently signatories of the current UK Stewardship Code.

Voting Activity during the Plan year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies of the Plan. Funds where voting is not applicable (i.e. non-equity funds) are not included in the list below.





Source: Investment managers, data may not sum due to rounding.

Most significant votes

A “Significant Vote” is defined, by the Trustee as one that relates to the Trustee’s following key stewardship priorities:

- Environment - climate change;
- Governance – diversity, equity and inclusivity (e.g. board diversity).

The Trustee considers a vote to be most significant if the company holding represents the top 4 of the relevant fund assets (where data is available) at the time of voting. The table overleaf shows available voting information of companies in relation to the Trustee’s key priority areas.

× Resolution not passed ✓ Resolution passed

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme	Is the manager's vote in line with trustee priority
Insight Broad Opportunities Fund[1]	The strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social infrastructure, renewable energy and asset-backed aviation finance. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing basis ensuring that the underlying strategy and portfolio activities within it remain within the agreed framework. This governance framework, that is with an independent board acting on behalf of shareholders, generally limits contentious issues that can arise with other listed entities. As a result, significant votes cast that may be comparable to other listed entities are not applicable to the strategy's exposures.								
Schroders Diversified Growth[2]	0.70%	Alphabet Inc	2 Jun 2023	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	The Manager voted **for** the resolution	Schroders believe shareholders would benefit from additional disclosure on how the company's lobbying activities align to its climate goals and how it addresses any misalignment with its trade associations and other indirect lobbying activities.	×	Environment	✓
	0.40%	Amazon.com Inc	24 May 2023	Report on Efforts to Reduce Plastic Use	The Manager voted **for** the resolution	Schroders believe that the Company should be making meaningful steps towards eliminating use of plastic within the Company and its operations. More disclosure would enable shareholders to have a more comprehensive understanding of progress. We believe how we have voted is in the best financial interests of our clients' investments.	×	Climate Change	✓

Fund	Portion of the fund (%)	Company	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme	Is the manager's vote in line with trustee priority
Schroders Diversified Growth[2]	0.16%	JP Morgan Chase	16 May 2023	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	The Manager voted **for** the resolution	JP Morgan Chase was asked to produce a report disclosing how it intends to align its financing activities with its 2030 sectoral GHG emission reduction targets. Schroders welcomed additional disclosures that help better understand how the company is implementing its climate strategy.	✕	Climate Change	✓
	0.05%	Oracle	15 Nov 2023	Report on Median Gender/Racial Pay Gap	The Manager voted **for** the resolution	Shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives.	✕	Diversity, Equity & Inclusivity	✓

Source: Investment managers

1 Overview of Insight's voting process:
"Insight retains the services of Minerva Analytics (Minerva) for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from thousands of market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote."

2 Overview of Schroders voting process:
"We evaluate voting issues arising at our investee companies and, where we have the authority to do so, vote on them in line with our fiduciary responsibilities in what we deem to be the interests of our clients. We utilise company engagement, internal research, investor views and governance expertise to confirm our intention."