



Northern Foods Pension Scheme
Scheme Registration Number: 10143759

Trustee’s Annual Report and Financial Statements
For the Year Ended 31 March 2025



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Trustee, Principal Employer and Advisers

Trustee:	<p>Northern Foods Trustees Limited, the directors of which are:</p> <p>C Martin of Independent Trustee Services Limited (Chairman) ♦ S Imeson*♦+^ (re-appointed on 1 January 2025) J R Searle ♦^ S T Irons + (retired 5 June 2024) S T Irons of Ride:Data Ltd +^ (appointed 5 June 2024) R J Kay*+^</p> <p>*Indicates Member-Nominated Director ♦Indicates Member of the Investment Committee +Indicates Member of the Operations Committee ^Indicates Member of the AVC/DC Working Group</p>
Company Secretary:	Paragon Pension Services Limited
Scheme Secretary:	Paragon Pension Services Limited
Scheme Administrator:	Capita Pension Solutions Limited (until 28 February 2025) Lane Clark & Peacock LLP (from 1 March 2025)
Scheme Actuary:	C High FIA, Aon Solutions UK Limited
Investment Adviser/ Fiduciary Manager:	Willis Towers Watson
Solicitor:	Linklaters LLP
Trustee Executive Governance Services:	XPS Group
Investment Managers:	Alinda Infrastructure Parallel Fund II LP Alpha Real Capital Alvarium formerly LJ Administration Ltd. Home Long Income Fund AMC Colchester (Disinvested 15 January 2025) American Securities Partners V LP (Disinvested 10 September 2024) American Securities Partners VI LP AMX Sands Ancala Partners LLP BlackRock Pensions BlackRock Renewable Income UK BossBrawn Brockton Capital Fund II LP (Disinvested 23 October 2024) Cabot Square Cerberus Institutional Partners International LP Controlled Environment Foods Fund LLC (Equilibrium) Fortress Credit Opportunities Fund (C) LP Energy Capital Partners III Equis Direct Investment Fund

Trustee, Principal Employer and Advisers (continued)

Investment Managers (continued):	<p>Equitix</p> <p>Folium Timber Fund</p> <p>Folium Agriculture Fund</p> <p>Fortress Credit Opportunities Fund III (C) LP</p> <p>Fprop</p> <p>Goldman Sachs Vintage Fund V Offshore LP</p> <p>Greenstone Management II Limited</p> <p>Hayfin Direct Lending Fund LP</p> <p>HgCapital 6 & 7 LP</p> <p>Insight Investment Management (Global) Limited</p> <p>Knight Frank Investment Management</p> <p>Long Harbour</p> <p>Newmarket Capital Limited</p> <p>NSSK II (Intl) Investment LP</p> <p>Nephila Re-Insurance ICF</p> <p>Nimbus Weather Fund Limited</p> <p>Partners Group (UK) Limited</p> <p>Silverpeak (Lehman Brothers Real Estate Partners III LP)</p> <p>True North</p> <p>TW Alternative Credit</p> <p>Towers Watson Investment Management Ltd</p>
Independent Covenant Adviser:	EY Parthenon
AVC Investment Managers:	<p>Utmost Life & Pensions</p> <p>Clerical Medical</p>
Insurance Policy Providers:	<p>Phoenix Life</p> <p>Prudential</p>
DC provider:	Aegon
Currency Manager:	Insight Investment Management
Custodian:	Bank of New York Mellon Limited
Bankers:	<p>National Westminster Bank (until 28 May 2025)</p> <p>Bank of New York Mellon Limited</p> <p>HSBC Bank plc (from 28 February 2025)</p>
Auditor:	Cooper Parry Group Limited
Principal Employer:	<p>Northern Foods Limited</p> <p>Trinity Park House, Fox Way</p> <p>Wakefield</p> <p>WF2 8EE</p>

Trustee's Report

The Trustee is pleased to present its report and the audited financial statements of the Northern Foods Pension Scheme (the "Scheme") for the year ended 31 March 2025 together with the actuarial certificate. The Scheme provides defined benefit pensions and/or lump sum benefits to members and their dependants on retirement and/or death.

The Scheme was closed to new members on 22 March 2005 and closed to future accrual with effect from 31 October 2011.

Scheme Management

Legal Status

The Scheme started on 31 March 1951. The Scheme is governed by a Deed and Rules dated 30 March 2009 which amended the previous rules to document the Scheme changes made with effect from 1 April 2009. Members of the Scheme were contracted out of the State Second Pension using the Reference Scheme Test. Exempt approval was previously granted by HMRC for the purpose of Part XIV of Chapters I of the Income and Corporation Taxes Act 1988 and the Scheme is now registered under the Finance Act 2004.

Principal Employer

The Principal Employer of the Scheme is Northern Foods Limited.

Trustee and Trustee Directors

The powers of appointment of a new Trustee or Trustees and the power of removal of one or more Trustees or directors of a Corporate Trustee are vested in Northern Foods Limited.

Directors of the Trustee are appointed by resolution of the existing board of Trustee directors.

The Member-Nominated Directors of the Trustee are elected under the Procedures notified to the members and serve for six years.

The Trustee of the Scheme, and its directors, are as detailed on page 2.

Management and Advisers

The management and advisers to the Scheme during the year and at the date of this report are shown on pages 2 to 3 of this report.

Trustee's Report

Membership Analysis

The Scheme was closed to future accrual with effect from 31 October 2011 and there have been no active members since this date.

In addition to members of the Northern Foods Pension Scheme (NFPS), the membership analysis has been consolidated to include deferred and pensioner members of the Cavaghan & Gray Ltd Retirement Benefits Plan (C&G) and Fletchers Bakeries Retirement and Benefits Scheme (Fletchers) who previously transferred into the Northern Foods Pension Scheme.

Details of the current membership numbers of the Scheme are as follows:

	Total
Deferred members as at 1 April 2024	5,902
Previous year corrections	(21)
New Deferred members	2
Fully commuted pensions	(24)
Transfers out	(8)
Members retiring	(295)
No liability	(1)
Deaths	(28)
Deferred members as at 31 March 2025	5,527
Pensioner members as at 1 April 2024	7,524
Previous year corrections	57
Deferred to pensioners	295
Deceased	(252)
Suspended	(7)
Reinstated pensioners	14
Commutated	(1)
Pensioner members as at 31 March 2025	7,630
Dependant pensioners as at 1 April 2024	1,137
Previous year corrections	16
New dependants	68
Deaths	(57)
Suspended	(4)
Commutated liability	(9)
No liability	(5)
Reinstated pensioners	8
Dependant pensioners as at 31 March 2025	1,154

Included in the above pensioner members is 1 pensioner (2024: 1) for whom an annuity is received by the Scheme.

Trustee's Report

Internal Disputes Resolution

The Pensions Act 1995 requires the Trustee to establish a formal complaints procedure. The Trustee updated the formal complaints procedure during the Scheme year in March 2025. Members were informed of this change through the annual newsletter. A copy of the new procedure can be requested from the Scheme Administrator.

Pension Increases

Under the Rules, pensions in payment are increased on 1 April each year in line with the RPI figure for January subject to a maximum of 3% (or a maximum of 5% for benefits accrued between 1 April 1997 and 31 August 2005). The Trustee may give discretionary increases if inflation is above 3% or 5% respectively but no such increases have been given during the year.

On 1 April 2025 pensions in payment were increased in accordance with the Scheme rules as follows:

Pre 88 GMP 0.0% (2024: 0.0%)

Post 88 GMP 3.0% (2024: 3.0%)

Pre April 1997: Excess 3.0% (2024: 3.0%)

Post April 1997: Excess 4.9% (2024: 4.9%)

Deferred pension entitlements have been increased in line with the Scheme rules.

Payments to Northern Foods Limited

The Trustee confirms to the Scheme membership that there has not been any payment to the Principal Employer by the Scheme in the year.

Transfer Value Payments

Cash equivalent transfer values quoted prior to 1 October 2008 in respect of transfers to other pension funds were calculated in accordance with Section 97 of the Pension Schemes Act 1993 and were not below the amounts for which Section 94 (1) of the Pension Schemes Act 1993 provides. No allowance was made in the transfer values for discretionary benefits.

With effect from 1 October 2008 cash equivalent transfer values have been calculated in accordance with the Occupational Pension Schemes (Transfer Values) Amendment Regulations 2008. The transfer value basis was set by the Trustee with advice from the Scheme Actuary. Legislation allows the transfer value basis calculations to be reduced to reflect a pension fund's underfunding. The Trustee has agreed that a reduction of 17% from 1 August 2017 should be applied to the transfer values. Prior to this reduction, the reduction was 28%. No allowance was made in the transfer values for discretionary benefits.

Trustee's Report

Financial Development of the Scheme

The financial statements of the Scheme for the year ended 31 March 2025, as set out on pages 28 to 46, have been prepared and audited in accordance with Sections 41 (1) and (6) of the Pensions Act 1995 and within the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (revised 2018).

A summary of the Scheme's financial statements is set out below:

	£'000	£'000
The value of the net assets of the Scheme at the beginning of the year was		747,627
Contributions from the employer and other income during the year amounted to	17,899	
Benefits paid, transfer values paid and Scheme expenses	(54,138)	
Net withdrawals from dealings with members		(36,239)
Investment income net of investment managers' expenses		20,178
The decrease in the market value of the investments of the Scheme was		(86,069)
The value of the net assets of the Scheme at the end of the year was therefore		645,497

GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme is aware that the issues will affect the Scheme and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

The Trustee is reviewing, with its advisers, the implication of these rulings in the context of the Scheme rules and the value of any liability. On completion of the review the Trustee will put together a plan for correcting past benefits as well as inequalities in benefits coming into payment.

Any liabilities arising will be accounted for in the year they are determined.

On 20 November 2020, the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. It is not possible to reliably estimate the value of any such adjustments at this point in time. Any liabilities will be accounted for in the year they are determined.

Trustee's Report

Summary of Contributions

During the year ended 31 March 2025 the contributions payable to the Scheme by the Employer under the Schedule of Contributions certified on 2 October 2023 were as follows:

	2025	2024
	£'000	£'000
Employer's expense contributions	1,500	1,500
Employer's deficit funding contributions	16,000	23,254
Employer contributions relating to future business disposals and improved business performance	387	-
Contributions payable under the Schedule of Contributions (as reported on by the Scheme Auditor)	17,887	24,754
Underpaid contributions	-	(1,854)
Allowance for contributions deferral	-	(3,400)
Contributions included in the financial statements	17,887	19,500

The employer deficit funding contribution for January 2025 was received by the Scheme on 03 February 2025. Per the Schedule of Contributions certified on 2 October 2023, this contribution should have been received by 31 January 2025, and as such this contribution was received 3 days later than the due date stipulated in the Schedule of Contributions.

The employer expense contributions for the months of April 2024, September 2024 and December 2024 were received by the Scheme on 20 May 2024, 21 October 2024 and 20 January 2024, respectively. Per the Schedule of Contributions certified on 2 October 2023, these contributions should have been received by the Scheme on or before the 19th of the following month to which they relate, and as such these contributions were received between 1 and 2 days later than the due date stipulated in the Schedule of Contributions.

Trustee's Report

Going concern

The financial statements have been prepared on a going concern basis as the Trustee Directors believe that this is appropriate. In assessing the going concern position, the Trustee Directors have regard to covenant advice that is provided to the Scheme on a quarterly basis to assess the financial position of the Scheme's employer (Northern Foods Limited) and wider group - 2 Sisters Food Group ("the Group"). The Trustee Directors note that through discussions with the employer and the Group, the Group has recently completed a refinancing process providing debt funding until 2029. Based on a combination of the Group's trading position and having secured a refinancing process, the Group prepares its quarterly results on a going concern basis. As a result, the Trustee Directors believe it is appropriate to conclude that the Scheme is able to meet its financial commitments over the next 12 months from the date of signing, although the Trustee Directors anticipate that the Scheme will still have a significant deficit at the end of this period.

The elimination of the Scheme deficit is dependent on investment performance and significant contributions from the sponsoring employer over the funding period, as outlined in the latest Recovery Plan.

The General Code of Practice

The Pensions Regulator's (TPR) long-awaited General Code of Practice came in to force on 27 March 2024. The code consolidates existing codes of practice into one document, as well as introducing some new requirements for pension schemes.

Central to the Code are the Regulator's expectations as to the features of a well-run scheme and how the governing body (those in charge of pension schemes) should comply with their legal duties. Governing bodies will need to have in place an effective system of governance (ESOG), which is a collection of internal controls and procedures in relation to running a pension scheme. The code sets out TPR's expectations of how occupational pension schemes should be managed and the policies, practices and procedures that should be in place, which includes the obligation to conduct an Own Risk Assessment (ORA).

While the ORA is a new provision, TPR anticipates that many of the stipulations are already being adhered to by schemes. The Trustee have undertaken a gap analysis against the General Code and are actively implementing a plan to ensure compliance.

Virgin Media/NTL

A High Court ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited decided that certain historic rule amendments were invalid if they were not accompanied by an actuarial confirmation. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the High Court legal ruling from June 2023. In June 2025, the Government announced its intention to legislate to give schemes the ability to obtain retrospectively actuarial confirmation that historic benefit changes met the necessary standards.

Trustee's Report

Investment Matters

Overview

The Trustee, with the assistance of its appointed investment adviser, determines the overall investment strategy for the Scheme. The Trustee has appointed an investment manager to manage the Scheme's assets on a discretionary basis and to provide investment advisory services to the Trustee (the "Fiduciary Manager"). The balance within and between these investments will be determined from time-to-time at the discretion of the Fiduciary Manager, with the objective of maximising the probability of achieving the Scheme's investment objective set by the Trustee. The Fiduciary Manager's discretion is subject to guidelines set by the Trustee in the Fiduciary Management Agreement between the parties as amended from time to time (the "FMA"). In exercising investment discretion, the Fiduciary Manager is required to act in accordance with its obligations in the FMA, including the guidelines and any investment restrictions set out therein.

Investment managers

The names of those who have managed the scheme's investments during the year are listed on pages 2 and 3. The Trustee has delegated the day-to-day management of investment to its appointed fund managers. A written agreement between the Trustee and each manager sets out the terms on which the manager will act.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Scheme's assets. The Trustee has reviewed each of the Scheme's equity managers' policies on these issues. The Trustee believes that the policies adopted by the managers are consistent with their own views.

Investment principles

In accordance with Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles which includes the Trustee's policy relating to ethical investment and the exercise of the rights attaching to investments. Any member may request a copy. This Statement may change from time to time according to advice received from the investment manager or consultants. The Statement can be found in the below attachment.

<https://northernfoodspensionscheme.lcp.uk.com/information>

Departures from investment principles

To the best of its knowledge, the Trustee can report that there has not been any significant departures from the SIP by the Scheme's investment managers during the year ended 31 March 2025.

Custodial arrangement

As at 31 March 2025 the Scheme employed Bank of New York Mellon as custodian for the underlying assets held by the Scheme's segregated investment manager.

Employer-related investments

There were limited employer related investments held as at 31 March 2025.

Trustee's Report

Investment Matters

Asset allocation

The long-term target asset allocation for the Scheme as at 31 March 2025 was as follows:

Asset Class	Weighting %	Ranges %
Return seeking assets	47.4	+/- 3
Equities	12.4	
Hedge Funds	4.2	
Opportunistic Private Markets	14.7	
Secure Income Assets	11.7	
Dynamic Asset Allocation	1.0	
Alternative Credit	3.4	
Matching assets	52.6	+/- 3
Liability Driven Investments, currency hedging and downside risk protection	48.6	
Cash	4.0	
	100.0	

Trustee's Report

Investment Matters

Review of investment performance

The table below details the performance, net of fees, of the Scheme's investment managers for the periods ending 31 March 2025. Note all returns are in local currency.

Manager	1 Year			3 Years pa			5 Years pa		
	Fund (%)	B'mark (%)	Relative (%)	Fund (%)	B'mark (%)	Relative (% p.a.)	Fund (%)	B'mark (%)	Relative (% p.a.)
Equities									
Sands Emerging Markets Growth*	0.2	5.8	-5.6	-	-	-	-	-	-
TWIM GEFF	-1.3	5.3	-6.6	-	-	-	-	-	-
Liquid Diversifiers									
Nephila Climate DC	-3.1	2.8	-5.9	-	-	-	-	-	-
Nephila Climate Settlement	-5.4	2.8	-8.2	-0.1	4.9	-5.0	2.5	1.8	0.7
Nephila Iron Catastrophe	7.4	2.8	4.6	4.5	4.9	-0.4	1.4	1.8	-0.4
TWIM DSF	-8.7	2.8	-11.5	-	-	-	-	-	-
Private Markets									
Performance is not included for individual Opportunistic Private Market or Secure Income Asset managers. These are included in the annual private markets report.									
Alternative Credit									
HayFin	-2.1	1.1	-3.2	-3.6	2.3	-5.9	4.6	0.3	4.3
Newmarket	8.1	2.8	5.3	9.8	4.9	4.9	9.7	1.8	7.9
TWIM ACF	7.7	2.8	4.9	6.8	4.9	1.9	7.2	1.8	5.4
Liability Hedging									
Insight LDI	-18.2	-18.2	-	-31.8	-31.8	-	-22.4	-22.4	-
Insight Directed Trade	10.7	10.7	-	-0.3	-0.3	-	-59.9	-59.9	-
Cash	4.8	4.8	-	5.1	-	-	2.8	-	-
Total Scheme	-9.3	-5.7	-3.6	-	-	-	-	-	-

Source: BNY Mellon.

Investment risk disclosures

Investment risks are disclosed in note 21 on pages 41 to 44.

Statement of Investment Principles - Annual Implementation Statement

Scheme year ending 31 March 2025

1. Introduction

This document is the Annual Implementation Statement ("the statement") prepared by Northern Foods Trustees Limited as Trustee of the Northern Foods Pension Scheme ("the Scheme") covering the Scheme year to 31 March 2025 ("the year"). The purpose of this statement is to:

- set out how, and the extent to which, in the opinion of the Trustee, the Scheme's engagement policy (required under regulation 23c of the Occupational Pension Schemes Investment Regulations 2005) has been followed during the year; and
- describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) during the year and state any use of services of a proxy voter during the year.

The Scheme makes use of a wide range of investments; therefore, the principles and policies in the Statement of Investment Principles ("SIP") are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact.

In order to ensure that investment policies set out in the SIP are undertaken only by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee delegates some responsibilities. In particular, the Trustee has appointed a Fiduciary Manager, Towers Watson Limited, to manage the Scheme's DB assets on a discretionary basis. The Fiduciary Manager's discretion is subject to guidelines and restrictions set by the Trustee. So far as is practicable, the Fiduciary Manager considers the policies and principles set out in the Trustee's SIP.

A copy of this Implementation Statement will be made available on the following website: <https://northernfoodspensionscheme.lcp.uk.com/information>

2. Voting and engagement

Trustee's engagement policy

As set out above, the Trustee has delegated responsibility to the Fiduciary Manager to implement the Trustee's agreed investment strategy, including making certain decisions about investments (including asset allocation and manager selection/deselection) in compliance with Sections 34 and 36 of the Pensions Act.

The Fiduciary Manager is therefore responsible for managing the sustainability of the portfolio and how Environmental, Social and Governance ("ESG") factors are allowed for in the portfolio.

The Trustee's view is that ESG factors can have a potential impact on investment returns, particularly over the long-term. As a result, the Trustee believe that the incorporation of ESG factors is in the best long-term financial interests of its members. The Trustee has appointed a Fiduciary Manager who shares this view and has fully embedded the consideration of ESG factors in its processes, where appropriate.

The Fiduciary Manager's process for selecting, monitoring and de-selecting managers explicitly and formally includes an assessment of a manager's approach to SI (recognising that the degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and exposures). Where ESG factors are considered to be particularly influential to outcomes, the Fiduciary Manager engages with investment managers to improve their processes.

The Fiduciary Manager has a dedicated Sustainable Investment resource and a network of subject matter experts. The consideration of ESG issues is fully embedded in its investment manager research.

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the Fiduciary Manager, and in turn to the Scheme's investment managers. The day-to-day integration of ESG considerations and stewardship activities (including consideration of all relevant matters, voting and engagement) are delegated to the Scheme's investment managers.

Statement of Investment Principles - Annual Implementation Statement

2. Voting and engagement (continued)

Trustee's engagement policy (continued)

Through the engagement undertaken by the Fiduciary Manager, the Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital as applicable to their mandates. The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG and stewardship both at the appointment of a new manager and on an ongoing basis. The Fiduciary Manager engages with managers to improve their practices and may terminate a manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no managers were terminated on these grounds during the year.

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity managers as here there is a right to vote as an ultimate owner of a stock. Responses received are provided in the table below. Where managers provided multiple examples of votes, one of those deemed most significant by the Trustee have been shown below. The Trustee has endeavoured to select "significant" votes which align with the Trustee's identified priorities for voting and engagement– climate, human and labour rights, biodiversity, remuneration, and diversity, equity and inclusion ("DEI") – where the data has allowed. Over the course of the Scheme year, the Scheme held two pooled equity funds:

- Manager A – Global equities
- Manager B – Emerging Market equities

Industry wide / public policy engagement:

The Fiduciary Manager has partnered with EOS at Federated Hermes (EOS) for a number of years to enhance its stewardship activities. One element of this partnership is undertaking public policy engagement on behalf of its clients (including the Trustee). This public policy and market best practice engagement is done with legislators, regulators, industry bodies and other standard-setters to shape capital markets and the environment in which companies and their investors operate, a key element of which is risk related to climate change. The Fiduciary Manager represents client policies/sentiment to EOS via the Client Advisory Council, of which its Head of Stewardship currently chairs. It applies EOS' services, from public policy engagement to corporate voting and engagement, to several of its funds. Some highlights from EOS' activities over 2024:

- 994 companies engaged across regions on 4,267 issues and objectives.
- 62 companies in their core programme featured engagements with the CEO or chair.
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions.
- Participation in a range of global stewardship initiatives.

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: <https://www.wtwco.com/en-gb/solutions/services/sustainable-investment>.

Statement of Investment Principles - Annual Implementation Statement

2. Voting and engagement (continued)

Further information on the voting and engagement activities of the managers is provided below:

Manager and strategy	Voting activity	Most significant votes cast	Use of proxy voting
Manager A – Global equities	<p>Number of eligible votes: 3,181</p> <p>Percentage of eligible votes cast: 99.3%</p> <p>Percentage of votes with management: 87.5%</p> <p>Percentage of votes against management: 12.2%</p> <p>Percentage of votes abstained from: 0.3%</p> <p>Percentage of votes against recommendation of proxy adviser: 9.6%</p>	<p>Company: HCA Healthcare, Inc.</p> <p>Date of vote: 25 April 2024</p> <p>Resolution: Report on maternal health outcomes</p> <p>Voting decision: For shareholder proposal, against management</p> <p>Rationale for voting decision: The manager voted in favor of regular reporting to shareholders regarding the company's progress in reducing maternal morbidities and eliminating racial and ethnic disparities in pregnancy-related outcomes</p> <p>Outcome of the vote: Failed the resolution</p> <p>Rationale for inclusion: Human and labour rights is one of the stewardship priorities. It is also a vote against management.</p>	<p>Manager A uses EOS to provide voting recommendations, to enhance engagement and help achieve responsible ownership. EOS's voting recommendations are informed by its extensive research and experience in the area of stewardship as well as its long-term engagement activities with companies. The underlying managers use ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. The underlying manager must provide an explanation and note their rationale when they choose to vote differently to the recommendation.</p>
Manager B – Emerging Market equities	<p>Number of eligible votes: 547</p> <p>Percentage of eligible votes cast: 100.0%</p> <p>Percentage of votes with management: 95.6%</p> <p>Percentage of votes against management: 3.5%</p> <p>Percentage of votes abstained from: 0.9%</p> <p>Percentage of votes against recommendation of proxy adviser: 9.9%</p>	<p>Company: Dino Polska SA</p> <p>Date of vote: 24 June 2024</p> <p>Resolution: Approve remuneration policy</p> <p>Voting decision: Against management</p> <p>Rationale for voting decision: Institutional Shareholder Services (ISS) recommends voting against Dino Polska SA's proposed remuneration report due to the lack of disclosed key performance indicators (KPIs) for senior managers. The company is centrally controlled by Mr. Biernacki, who owns more than 50% and serves as founder, CEO, and chairman. Increased visibility into management KPIs would be a positive governance step for minority shareholders</p> <p>Outcome of the vote: Passed the resolution</p> <p>Rationale for inclusion: A vote against management</p>	<p>The manager votes on their proxies themselves, but consider the recommendations of proxy advisers such as ISS and Glass Lewis in voting decisions. Their Proxy Voting Policy which can be found here: https://www.sandscapital.com/stewardship/</p>

Trustee's Report

Compliance Matters

The purpose of this section is to provide information which is required to be disclosed in accordance with Schedule 3 of the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 or voluntarily by the Trustee. The information deals with matters of administrative routine.

MoneyHelper

MoneyHelper (formerly The Money and Pensions Service (MaPs)) was created in 2019 as a single body providing information to the public on matters relating to workplace and personal pensions.

Address: Borough Hall
Cauldwell Street
Bedford
MK42 9AB

Website: <https://www.moneyhelper.org.uk/en>

Email: pensions.enquiries@moneyhelper.org.uk

Tel: 0800 011 3797

Pensions Ombudsman

The Pensions Ombudsman will assist members and beneficiaries of the Scheme in connection with difficulties which they have failed to resolve with the Trustee or Administrator of the Scheme and may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme.

The Pensions Ombudsman may be contacted at:

Address: 10 South Colonnade
Canary Wharf
London E14 4PU

or email: enquiries@pensions-ombudsman.org.uk

Telephone: 0800 917 4487

The Pensions Regulator

The Pensions Regulator ("The Regulator") is able to intervene in the running of schemes where the trustees, employers or professional advisers have failed in their duties.

Address: The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
Tel: 0345 600 0707

or via their website at: www.thepensionsregulator.gov.uk.

The Pension Tracing Service

A pension tracing service is carried out by the Department for Work and Pensions. The Pension Tracing Service can be contacted at the following address:

The Pension Service
Post Handling Site A
Wolverhampton WV98 1AF

Telephone: 0800 731 0193 or via the website at: www.gov.uk/find-pension-contact-details

Trustee's Report

Compliance Matters

GDPR

The General Data Protection Regulation ("GDPR") is a regulation by the European Parliament intended to strengthen and unify data protection for all individuals within the EU. It also addresses the export of personal data outside of the EU. GDPR came into force from 25 May 2018 and the Trustee worked with its advisers to formulate its GDPR policy so that it was compliant.

From 1 January 2021, the UK GDPR came into effect which will run alongside the DPA 2018, and the EU GDPR to which all EU nations remain subject, and this includes where Capita and Lane Clark & Peacock operate in the EU. This ensures there is adequate provision for the safe processing of data in the UK and in the EU/EEA.

The Trustee's obligations under the UK GDPR are fundamentally the same as its obligations under the EU GDPR and we continue to remain subject to UK Data Protection laws.

The Trustee has communicated with members on this matter and during the Scheme year, the Trustees updated their privacy notice in preparation for the administration transition from Capita to Lane Clark & Peacock on 1 March 2025.

Trustee's Report

Statement of Trustee's Responsibilities

The Financial Statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (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 Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme 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 the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

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

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer 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 the Members.

Trustee's Report

Report on 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. The technical provisions represent the present value of the members' benefit entitlements, assessed using the assumptions agreed between the Trustee and the Employer. These assumptions are set out in the Statement of Funding Principles dated 29 September 2023, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2022. This showed:

	Actuarial valuation 31 March 2022	Actuarial update 31 March 2024
The value of the Technical Provisions was:	£1,404 million	£963 million
The value of the assets was:	£1,177 million	£738 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant financial assumptions at the Valuation Date

Discount rate	The fixed interest gilt yield curve plus 0.9% p.a. reducing linearly to gilts plus 0.5% p.a. by 31 March 2034.
Rate of (RPI) price inflation	RPI curve with no inflation risk premium deduction.
Rate of (CPI) price inflation	PI inflation less Aon's best estimate of the difference between RPI and CPI.
Increases to pensions in payment	Derived from the RPI or CPI price inflation assumption allowing for the maximum and minimum annual increases using term dependent best estimates of future inflation volatility.
Revaluations of deferred pensions in excess of GMP	Derived from the CPI price inflation assumption

Significant demographic assumptions at the Valuation Date

Post-retirement mortality

Standard tables S3PA Heavy, which have been scaled using results from the Aon Longevity Model.

For each member, an individual scaling factor has been determined using the Aon Longevity Model based on the member's date of birth, sex and socio-economic information inferred from their postcode and membership category. For the 31 March 2022 valuation, an addition of 6% was made to the scaling factors to reflect an updated view on mortality rates following the COVID-19 pandemic.

Trustee's Report

Report on Actuarial Liabilities (continued)

Summarised below are the equivalent single scaling factors by member group that, if applied to all members in that group, would produce approximately the same value of liabilities as the individual scaling factors.

Category	Sex	Equivalent single scaling factor
Deferreds:	Males	101%
	Females	115%
Pensioners and dependants:	Males	96%
	Females	115%

An allowance for future improvements has been made in line with the CMI_2021 core projections with parameters $S_k = 7.0$, $A=0$ and assuming a long-term rate of improvement in mortality rates of 1.5% p.a.

Commutation

Each member is assumed to commute 66% of maximum allowable cash taken based on commutation factors in force at the valuation date allowing for improved factors over the period to 31 March 2032.

An approximate allowance for GMP equalisation is made by adding 0.8% to the Scheme's technical provisions and solvency basis liability.

Next valuation

The next actuarial valuation is as at 31 March 2025 and is currently in progress.

Trustee's Report

Contact for Further Information

Any enquiries or complaints about the Scheme, including requests from individuals for information about their benefits or Scheme documentation, should be sent to:

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

Or email:

northernfoodsadmin@lcp.uk.com

Or website:

<https://northernfoodspensionscheme.lcp.uk.com/contact>

Approval of the Trustee's Report

This Trustee's Report was approved by the Trustee of the Northern Foods Pension Scheme on
24 October 2025
.....

and signed on its behalf by:

Rebecca Kay
Trustee Director

Stewart Imeson
Trustee Director

Actuary’s Certification of the Adequacy of Contributions

Northern Foods Pension Scheme

Adequacy of rates of contributions

- 1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2022 to be met by the end of the period specified in the recovery plan dated 2 October 2023.

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 2 October 2023.

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

Signature		Date:	2 October 2023
Name:	Robert Mellor	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	3 The Embankment Sovereign Street Leeds LS1 4BJ	Name of employer:	Aon Solutions UK Limited

Independent Auditor's Statement about Contributions to the Trustee of the Northern Foods Pension Scheme

We have examined the Summary of Contributions to the Northern Foods Pension Scheme for the Scheme year ended 31 March 2025 which is set out in the Trustee's Report on page 8.

Qualified Statement about Contributions payable under the Schedule of Contributions

In our opinion, except for the effects of the departures from the Schedule of Contributions referred to below, contributions for the Scheme year ended 31 March 2025 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 2 October 2023.

Basis for qualified Statement about Contribution

The employer deficit funding contribution for January 2025 was received by the Scheme on 03 February 2025. Per the Schedule of Contributions certified on 2 October 2023, this contribution should have been received by 31 January 2025, and as such this contribution was received 3 days later than the due date stipulated in the Schedule of Contributions.

The employer expense contributions for the months of April 2024, September 2024 and December 2024 were received by the Scheme on 20 May 2024, 21 October 2024 and 20 January 2024, respectively. Per the Schedule of Contributions certified on 2 October 2023, these contributions should have been received by the Scheme on or before the 19th of the following month to which they relate, and as such these contributions were received between 1 and 2 days later than the due date stipulated in the Schedule of Contributions.

Scope of work on Statement about Contributions

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

Respective responsibilities of Trustee and the Auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme'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 Scheme by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedule of Contributions and to report our opinion to you.

Northern Foods Pension Scheme

Confidential

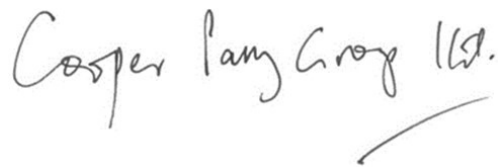
Independent Auditor's Statement about Contributions to the Trustee of the Northern Foods Pension Scheme

Use of our report

This statement is made solely to the Scheme's Trustee, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in such an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustee, for our work on contributions, for this statement, or for the opinions we have formed.

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 24 October 2025



COOPER PARRY GROUP LIMITED

Statutory Auditor

Independent Auditor's Report to the Trustee of the Northern Foods Pension Scheme

Opinion

We have audited the financial statements of the Northern Foods Pension Scheme for the year ended 31 March 2025 which comprise the fund account, the statement of net assets and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 Scheme'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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustee of the Northern Foods Pension Scheme

Other information (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 18, the Scheme's Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Scheme has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Pensions Act 1995 and United Kingdom Generally Accepted Accounting Practice.

Independent Auditor's Report to the Trustee of the Northern Foods Pension Scheme

Auditor's responsibilities for the audit of the financial statements (continued)

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Scheme and how the Scheme is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Scheme's control environment and how the Scheme has applied relevant control procedures, through discussions and sample testing of controls;
- obtaining an understanding of the Scheme's risk assessment process, including the risk of fraud;
- reviewing Trustee meeting minutes throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing the appropriateness of journal entries and other adjustments made.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustee, for our audit work, for this report, or for the opinions we have formed.

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 24 October 2025



COOPER PARRY GROUP LIMITED

Statutory Auditor

Fund Account

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Contributions and benefits			
Employer contributions	4	17,887	19,500
Other income	5	12	32
		<u>17,899</u>	<u>19,532</u>
Benefits paid or payable	6	(50,539)	(49,075)
Payments to and on account of leavers	7	(478)	(791)
Administrative expenses	8	(3,121)	(2,534)
		<u>(54,138)</u>	<u>(52,400)</u>
Net withdrawals from dealings with members		<u>(36,239)</u>	<u>(32,868)</u>
Returns on investments			
Investment income	9	21,682	22,925
Change in market value of investments	10	(86,069)	(66,287)
Investment management expenses	12	(1,504)	(1,428)
Net returns on investments		<u>(65,891)</u>	<u>(44,790)</u>
Net decrease in the fund during the year		(102,130)	(77,658)
Net assets of the Scheme at 1 April		<u>747,627</u>	<u>825,285</u>
Net assets of the Scheme at 31 March		<u>645,497</u>	<u>747,627</u>

The notes on pages 30 to 46 form an integral part of these financial statements.

Statement of Net Assets available for benefits as at 31 March 2025

	Note	2025 £'000	2024 £'000
Investment assets:			
Equities	10	6	6
Bonds	10	765,155	853,429
Pooled investment vehicles	14	297,193	303,745
Derivatives	15	2,995	213
Insurance policies	16	108	59
AVC investments	18	9,911	10,048
Repurchase agreements receivable	17	4,009	-
Cash and cash equivalents	19	42,276	38,064
		1,121,653	1,205,564
Investment liabilities:			
Derivatives	15	-	(512)
Repurchase agreements payable	17	(475,250)	(455,268)
Other investment balances	10	(1,656)	(1,177)
		(476,906)	(456,957)
Total net investments	10	644,747	748,607
Current assets	22	2,741	1,341
Current liabilities	23	(1,991)	(2,321)
Net assets of the Scheme at end of year		645,497	747,627

The financial statements summarise the transactions of the Scheme 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 Scheme year. The actuarial position of the Scheme, which does take into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 19 and 20 included in the Annual Report and these financial statements should be read in conjunction with this.

The notes on pages 30 to 46 form an integral part of these financial statements.

The financial statements on pages 28 to 46 were approved and authorised for issue by the Trustee

on 24 October 2025 **and signed on its behalf by:**

Rebecca Kay
Trustee Director

Stewart Imeson
Trustee Director

Notes to the Financial Statements

1. Basis of preparation

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

The financial statements have been prepared on the going concern basis which the Trustee believes to be appropriate based on their expectations for a 12 month period from the date of approval of these financial statements which indicate that sufficient funds should be available to enable the Scheme to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due.

2. Identification of the financial statements

The Northern Foods Pension Scheme ("the Scheme") is an occupational pension scheme which started on 31 March 1951. The Scheme is a Trust governed by a Deed and Rules established under English Law dated 30 March 2009 which amended the previous rules to document the Scheme changes made with effect from 1 April 2009. The Scheme was established to provide retirement benefits to certain groups of employees of Northern Foods Limited whose principal office is Trinity Park House, Fox Way, Wakefield, WF2 8EE. The Trustee company is Northern Foods Trustees Limited whose principal office is at the same address. Enquiries should be addressed to Lane Clark & Peacock LLP, St Paul's House, St Paul's Hill, Winchester, Hampshire, SO22 5AB.

3. Accounting policies

The principal accounting policies of the Scheme are as follows:

Contributions

Employer deficit funding and expense contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and Trustee.

Employee contributions relating to future business disposals and improved business performance are accounted for on a receipts basis.

Employer contributions relating to future business disposals and improved business performance are accounted for based on the dates determined in either the Schedule of Contributions or relevant side agreements.

Payments to members

Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or on the date of retiring or leaving.

Pensions in payment are accounted for in the period to which they relate.

Individual transfers out of the Scheme are accounted for when member liability is discharged which is normally when the transfer amount is paid.

Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits from the Scheme, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and is shown separately within benefits.

Notes to the Financial Statements

3. Accounting policies (continued)

Expenses

Administration and investment managers' expenses are accounted for on an accruals basis.

Investment income

Income from cash and short-term deposits is accounted for on an accruals basis.

Dividends from equities are accounted for on the ex-div date.

Income from bonds is accounted for on an accruals basis and includes bought and sold on investment purchases and sales.

Income from pooled investment vehicles is accounted for when declared by the fund manager.

Derivative income is shown net of interest payable and is accounted for on an accruals basis.

Income from annuity policies is accounted for on an accruals basis.

Gains and losses on foreign exchange are shown within investment income, previously they were recognised in change in market value.

Investments

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.

Investments are included at fair value as described below:

Quoted securities in active markets are usually valued at the current bid prices at the reporting date.

Accrued interest is excluded from the market value of fixed income securities and is included in other investment balances.

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Over the counter (OTC) derivatives are valued using the following valuation techniques:

Forward foreign exchange (Forward FX) – the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

Options - are valued by the investment manager using generally accepted pricing models, where inputs are based on market data at the year end date.

Annuities have been valued at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

With profit AVC insurance policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.

Unit linked AVC insurance policies are valued at the unit value provided by the insurance company.

Repurchase agreements are accounted for as follows:

Repurchase agreements (repo) – the Scheme continues to recognise and value the securities that are delivered out as collateral and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.

Notes to the Financial Statements

3. Accounting policies (continued)

Investments (continued)

Reverse repurchase agreements (reverse repo) – the Scheme does not recognise the securities as collateral in its financial statements. The Scheme does recognise the cash delivered to the counterparty as a receivable in the financial statements.

Presentational currency

The Scheme's functional and presentational currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year end. Foreign currency transactions are recorded in sterling at the spot exchange rate on the date of the transaction.

4. Contributions

	2025 £'000	2024 £'000
Employer contributions		
Expenses	1,500	1,500
Deficit funding	16,000	18,000
Employer contributions relating to future business disposals and improved business performance	387	-
	<u>17,887</u>	<u>19,500</u>

The Schedule of Contributions certified on 2 October 2023 recommended contributions of £1,333,333 monthly from April to July 2024, £800,000 monthly from August 2024 to January 2025 and £2,933,335 from February to March 2025.

The Employer's expense contributions remain at £1,500,000 per annum (£125,000 per calendar month) to cover the cost of Scheme expenses under the Schedule of Contributions and are payable until 30 September 2030.

The Employer also paid a one off contribution of £387,000 relating to future business disposals and improved business performance. This amount was in line with clause 3.2 of the Deed of Agreement as laid out in the October 2023 Schedule of Contributions.

5. Other income

	2025 £'000	2024 £'000
AVC transfer in	-	29
Compensation	12	3
	<u>12</u>	<u>32</u>

Notes to the Financial Statements

6. Benefits paid or payable

	2025	2024
	£'000	£'000
Pensions	43,737	42,013
Commutations and lump sum retirement benefits	6,511	6,914
Death benefits	291	148
	50,539	49,075

7. Payments to and on account of leavers

	2025	2024
	£'000	£'000
Individual transfers out to other schemes	478	791

8. Administrative expenses

	2025	2024
	£'000	£'000
Administration and processing	1,544	1,296
Trustee fees (see note 24)	156	149
Actuarial fees	390	691
Audit fee	50	47
Legal and other professional fees	971	340
Sundry fees and expenses	10	11
	3,121	2,534

9. Investment income

	2025	2024
	£'000	£'000
Dividends from equities	2	2
Income from bonds	18,446	18,520
Income from pooled investment vehicles	2,396	6,689
Interest on cash instruments and deposits	1,617	224
Net interest charge on derivatives & repurchase agreements	(1,576)	(2,510)
Gain on foreign exchange	797	-
	21,682	22,925

In the previous year the gain/loss on foreign exchange was included within the Change in Market Value.

Notes to the Financial Statements

10. Reconciliation of investments

	Value at 1 April 2024 £'000	Purchases at cost & derivative payments £'000	Sales proceeds & derivative receipts £'000	Change in market value £'000	Value at 31 March 2025 £'000
Equities	6	-	-	-	6
Bonds	853,429	29,320	(55,519)	(62,075)	765,155
Pooled investment vehicles	303,745	23,553	(12,903)	(17,202)	297,193
Derivative contracts (net)	(299)	1,285	(1,426)	3,435	2,995
Insurance policies	59	-	-	49	108
Insurance policies – AVC and Group Transfer Plan	10,048	-	(1,130)	993	9,911
	1,166,988	54,158	(70,978)	(74,800)	1,075,368
Cash and cash equivalents	38,064			(31)	42,276
Repurchase agreements (net)	(455,268)			(11,238)	(471,241)
Other investment balances	(1,177)			-	(1,656)
	748,607			(86,069)	644,747

	2025 £'000	2024 £'000
Other investment balances		
Unsettled transactions	-	(90)
Accrued investment income	(1,656)	(1,087)
	(1,656)	(1,177)

Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Direct transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty.

There were no material direct transaction costs in the 2024 or 2025 Scheme years.

In addition, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

11. Concentration of investments

The following investments account for more than 5% of the Scheme's net assets at the end of the year, excluding UK government securities:

	2025 £'000	2025 %	2024 £'000	2024 %
Towers Watson Investment Management Global Equity Focus Fund	56,826	8.8	45,239	6.1
Towers Watson Investment Management Alternative Credit	35,439	5.5	26,276	3.5
BNY Mellon Cash Instruments	32,876	5.1	29,845	4.0

Notes to the Financial Statements

12. Investment management expenses

	2025 £'000	2024 £'000
Administration, management and custody	812	681
Advisory	692	747
	<u>1,504</u>	<u>1,428</u>

13. Taxation

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

14. Pooled investment vehicles

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

	2025 £'000	2024 £'000
Equities	67,273	55,666
Bonds	8,280	13,367
Hedge funds	25,751	26,182
Private equity	36,716	37,110
Property and infrastructure	76,600	88,142
Credit and loans	40,485	33,813
Designated multi asset funds	3,317	3,425
Reinsurance	1,778	2,174
Energy	17,415	18,960
Natural resources	19,578	24,906
	<u>297,193</u>	<u>303,745</u>

Notes to the Financial Statements

15. Derivatives

Objectives and policies

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the Scheme as follows:

Forward FX – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in GBP, a currency hedging programme, using forward FX contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

Options - Equity option contracts have been entered into in order to allow the Scheme to benefit from potentially greater returns from equities whilst minimising the risk of loss through adverse market movements.

Futures - Where cash is held for short-term liquidity, the Trustees have entered into contracts of equivalent economic value to avoid being 'out-of-the-market'.

At the year end the Scheme had the following derivatives:

	2025 Assets £'000	2025 Liabilities £'000	2024 Assets £'000	2024 Liabilities £'000
Forward FX contracts	2,750	-	5	(512)
Futures	245	-	208	-
	2,995	-	213	(512)

Where the balance is showing -, this is due to the balance being less than £1k

Collateral arrangements – unrealised gains and (losses)

The counterparties to the swaps are banking institutions. Collateral is held/posted to support the unrealised gains/losses on derivative contracts. At 31 March 2025 the value of collateral posted in the form of bonds was as follows:

	2025 £'000	2024 £'000
Credit Agricole	(307)	2,454
HSBC Bank PLC	69	-
Goldmans	-	1
Lloyds Bank PLC	(3,175)	(16)
Lloyds TSB	(7,997)	2,478
National Australia Bank	(879)	-
Royal Bank of Canada Europe	(2,122)	164
Societe Generale	(108)	126
Bank of Nova Scotia	(439)	-
Toronto Dominion	(4,974)	(335)
Morgan Stanley & Co International	(961)	2,063
	(20,893)	6,935

Notes to the Financial Statements

15. Derivatives (continued)

(i) Futures

Expiration date – 3 months	Underlying investment	2025 Asset £'000	2025 Liability £'000	2024 Asset £'000	2024 Liability £'000	Notional value £'000
3 months	US 10yr Note	84	-	49	-	95
3 months	US 10yr Ultra	95	-	82	-	97
3 months	US 5yr Note	56	-	31	-	139
3 months	CAN 10 yr Bond	-	-	39	-	82
3 months	AUS 10yr Bond	10	-	7	-	98
		245	-	208	-	

(ii) Forward Foreign Exchange (FX)

Forward Contract	Settlement date	2025 Currency payable '000	2025 Currency receivable '000	2025 Asset £'000	2025 Liability £'000	2024 Asset £'000	2024 Liability £'000
OTC	3 months	GBP 96,765	USD 94,014	2,750	-	5	512
OTC	3 months	GBP 8	CAN 9	-	-	-	-
OTC	3 months	GBP 71	EUR 70	-	-	-	-
				2,750	-	5	512

Where the balance is shown as – is due to balances being less than £1k

The expiration date for the forward currency contracts rolls every quarter end. The forward foreign exchange contracts entered into by the Scheme are over the counter contracts whereby two parties agreed to exchange two currencies on a specified future date at an agreed rate of exchange.

Notes to the Financial Statements

16. Insurance policies

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

	2025 £'000	2024 £'000
Annuities with Phoenix Life	105	59

17. Repurchase agreements

Settlement date	2025 Par value £'000	2025 Asset - Reverse Repos £'000	2024 Asset - Reverse Repos £'000	2025 Liability - Repos £'000	2024 Liability - Repos £'000
3 months	(104,754)	4,009	-	(96,268)	(45,686)
4-6 months	(305,685)	-	-	(305,685)	(382,354)
10-12 months	(73,297)	-	-	(73,297)	(27,228)
		4,009	-	(475,250)	(455,268)

At the year-end Government Bonds to the value of £477,586,000 (2024: £460,834,000) included in Scheme investment assets are held by counterparties under repurchase agreements. Negative collateral in bonds of £20,893,000 (2024: £8,105,000) was held to cover the difference between the liability and the value of the bonds.

18. AVC investments

Insurance policies – AVC and Group Transfer Plan investments

The Trustee holds assets invested separately from the main fund in the form of insurance policies securing additional benefits on a Money Purchase basis for those members who had elected to pay Additional Voluntary Contributions and for those who have transfers in from other schemes. Members participating in these arrangements each receive an annual statement made up to 31 March confirming the amounts held in their account. All AVC contributions ceased on 31 October 2011. Group Transfer Plan investments relate to transfers in from other schemes and are included at the year end values provided by the Group Transfer Plan investment managers who are Clerical Medical and Utmost.

The aggregate amounts of these insured designated investments are as follows:

	2025 £'000	2024 £'000
Clerical Medical:		
With profits	5,379	5,096
Unit-linked	4,337	4,730
	9,716	9,826
Utmost:		
Unit-linked	195	222
	9,911	10,048

Notes to the Financial Statements

18. AVC investments (continued)

Insurance policies – AVC and Group Transfer Plan investments (continued)

	2025 £'000	2024 £'000
Comprising:		
AVCs	3,097	3,294
Group Transfer Plan	6,814	6,754
	9,911	10,048

The Scheme also holds designated BlackRock Pensions investments of £3,317,000 (2024: £3,425,000) relating to funds transferred into the Scheme following an acquisition. These are included within the pooled investment vehicles detailed in note 14 on page 35.

19. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash instruments – Sterling	41,455	36,104
- Foreign currencies	423	465
Cash - Sterling	398	1,252
- Foreign currencies	-	243
	42,276	38,064

20. Fair value determination

The fair value of financial instruments has been disclosed 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 assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

Notes to the Financial Statements

20. Fair value determination (continued)

The Scheme's investment assets and liabilities fall within the above hierarchy levels as follows:

As at 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	6	-	-	6
Bonds	30,518	734,637	-	765,155
Pooled investment vehicles	-	84,092	213,101	297,193
Derivatives (asset)	244	2,751	-	2,995
Insurance policies	-	-	108	108
AVC and Group Transfer Plan investments	-	4,532	5,379	9,911
Cash	398	41,878	-	42,276
Repos liabilities	-	(471,241)	-	(471,241)
Other investment balances	(1,656)	-	-	(1,656)
	29,510	396,649	218,588	644,747

As at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	6	-	-	6
Bonds	30,073	823,356	-	853,429
Pooled investment vehicles	-	78,176	225,569	303,745
Derivatives (asset)	208	5	-	213
Derivatives (liability)	-	(512)	-	(512)
Insurance policies	-	-	59	59
AVC and Group Transfer Plan investments	-	4,952	5,096	10,048
Cash	1,495	36,569	-	38,064
Repos liabilities	-	(455,268)	-	(455,268)
Other investment balances	(1,177)	-	-	(1,177)
	30,605	487,278	230,724	748,607

Notes to the Financial Statements

21. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Scheme is exposed to at the end of the reporting period. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- 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 of 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 currency risk or interest rate 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 is responsible for determining the Scheme's investment strategy. The Trustee has set the investment strategy for the Scheme after taking advice from its Fiduciary Manager, WTW.

Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day-to-day management of the asset portfolio of the Scheme, including the full discretion for stock selection, is the responsibility of the investment managers.

The Scheme has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustee delegates the management of investment risks to its Fiduciary Manager within agreed guidelines which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio. The investment objectives and risk limits of the Scheme are further detailed in the Statement of Investment Principles.

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

The Scheme's net assets as at 31 March 2024 and 31 March 2025 are detailed in the Statement of Net Assets (available for benefits).

Notes to the Financial Statements

21. Investment risk disclosures (continued)

Defined benefit section

(i) Investment strategy

The investment objective is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits payable under the trust deed and rules as they fall due.

The Trustee sets the investment strategy taking into account considerations such as the strength of the employer covenant, the long-term liabilities and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

The strategy at the end of the year was to hold:

- 53% in Liability Driven Investments ('LDI') that, using a derivatives overlay, provides exposure to the equivalent of 119% of the assets to investments that move in line with the long-term liabilities of the Scheme. The LDI allocation includes UK government bonds and sterling denominated supranational bonds, the purpose of which is to hedge against the impact of interest rate movement on long-term liabilities.
- 47% in return-seeking investments including, but not limited to, UK and overseas equities, real assets, fixed income, alternative credit, diversifying strategies, hedge funds and private equity.

9% of the Scheme assets (held in the return seeking portfolio) are in overseas currencies. The exposure to US dollar, euro and yen is managed by the Trustee using a currency hedging strategy using forward foreign exchange rates.

The Statement of Net Assets (available for benefits) disclose the value of equity securities as at 31 March 2025 as £5,639, fixed interest and index-linked securities as £765,155,316 and cash balances of £42,276,446. The comparative amounts as at 31 March 2024 are further detailed in Note 10 of the accounts.

(ii) Credit risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, OTC derivatives, has cash balances, invests in pooled funds which undertake stock lending activities and enters into repurchase agreements. The values of the Scheme's arrangements as at 31 March 2024 and 31 March 2025 are detailed in Note 10.

The Scheme also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is indirectly exposed to credit risks arising on the underlying financial instruments held by the pooled investment vehicles.

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade. The Scheme also invests in alternative credit which may be rated below investment grade. Whilst the Trustee recognises there are additional risks associated with such investments, the expected return of these investments is deemed to compensate for the additional risk.

Notes to the Financial Statements

21. Investment risk disclosures (continued)

(ii) Credit risk (continued)

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements (see Note 15). Credit risk also arises on forward foreign currency contracts which are collateralised.

Credit risk for direct cash holdings is managed by investing any significant balances into a cash vehicle that diversifies by instrument and issuer.

Credit risk on repurchase agreements is mitigated through collateral arrangements as disclosed in Note 17.

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. The Fiduciary Manager carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager.

Pooled investment arrangements used by the Scheme include limited liability companies.

(iii) Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets and denominated in a foreign currency (i.e. a currency other than Sterling). These investments are held via pooled investment vehicles. Indirect currency risk arises from the Scheme's investments in Sterling priced pooled investment vehicles which hold underlying investments denominated in a foreign currency.

To limit currency risk, the Trustee has implemented a pragmatic approach to hedge, on a passive basis, a proportion of the Scheme's exposure to the US dollar, euro and yen. As at 31 March 2025, the target proportion of exposure to US dollar (as a percentage of total assets) is 6%. The target proportion of exposure to the euro (as a proportion of total assets) is 1%. The target exposure to yen is 2%. The net currency exposure at the year-end was 6% US dollar, 1% euro and 2% yen (2024: 3% US dollar, 1% euro and 1% yen).

The Scheme uses hedged share classes of pooled funds and a currency hedging overlay manager, Insight, to manage currency risk. Insight determines the size of the relevant contracts, executes them and transfers cash to/from the Scheme when required as a result of a gain or losses on the hedging account. Insight reports to the Trustee on the currency hedging positions.

(iv) Interest rate risk

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds, interest rate swaps, either as segregated investments or through pooled vehicles, and cash. Indirect market risk arises if the underlying investments of the pooled investment vehicles are exposed to interest rate or other price risks.

As at 31 March 2025, the Trustee had set a benchmark for total investment in LDI of 53% of the total investment portfolio that, using a derivatives overlay, provides exposure to the equivalent of 119% of the Scheme's assets. 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.

Notes to the Financial Statements

21. Investment risk disclosures (continued)

(iv) Interest rate risk (continued)

At the year end the (physical) LDI portfolio represented 53.0% (2024: 59.2%) of the total investment portfolio. This variance from the target asset allocation is deemed to be within an acceptable range and will vary depending on normal market movements.

(v) Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes UK and overseas equities, real assets, fixed income, alternative credit, diversifying strategies, hedge funds, equity options and private equity.

As at 31 March 2025, the Scheme had set a target asset allocation of 47% of investments being held in return-seeking investments. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

At the year end, the return seeking portfolio represented 47.0% (2024: 40.8%) of the total investment portfolio.

22. Current assets

	2025 £'000	2024 £'000
Bank balances	2,186	585
VAT recoverable	424	558
Sundry	6	73
Contributions due from employer in respect of:		
Employer	125	125
	<u>2,741</u>	<u>1,341</u>

23. Current liabilities

	2025 £'000	2024 £'000
Due to HMRC - PAYE	647	542
Unpaid benefits	653	825
Accrued expenses	682	954
Prepaid Contributions	9	-
	<u>1,991</u>	<u>2,321</u>

Notes to the Financial Statements

24. Related party transactions

During the year, fees, expenses and salaries were paid to the following directors of the Trustee of the Scheme, Northern Foods Trustee Limited: S Irons £36,846 (2024: £30,087), R Kay £16,877 (2024: £17,190), J Searle £410 (2024: £290), S Imeson £24,998 (2024: £22,956) and C Martin ITS £77,486 (2024: £27,771). As at 31 March 2025 £17,800 (2024: £11,280) in respect of directors' fees, expenses and salaries was outstanding.

There were also the following related party transactions in respect of Scheme administrative costs paid by the Employer and not recharged to the Scheme. Fees of £56,906 (2024: £43,488) were paid by Northern Foods Limited to Independent Trustee Services Limited for their services during the year.

All those who were Trustee directors during the year except C Martin of Independent Trustee Services Limited, S Irons and J Searle are members of the Scheme, and their benefits under the Scheme are calculated in line with the Scheme rules.

25. Self investment

The Scheme has limited exposure, either directly or indirectly, to 2 Sisters Food Group (the owner of Northern Foods Limited) as a result of its investments.

26. Contingent liabilities

GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme is aware that the issues will affect the Scheme and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

The Trustee is reviewing, with its advisers, the implication of these rulings in the context of the Scheme rules and the value of any liability. On completion of the review the Trustee will put together a plan for correcting past benefits as well as inequalities in benefits coming into payment.

Any liabilities arising will be accounted for in the year they are determined.

On 20 November 2020, the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. It is not possible to reliably estimate the value of any such adjustments at this point in time. Any liabilities arising will be accounted for in the year they are determined.

27. Contingent assets

Boparan Holdings Limited (part of the Northern Foods Group) have entered into a guarantee with the Trustee to guarantee to them the punctual performance by Northern Foods Limited of all its guaranteed obligations. Following the non-payment of any guaranteed obligations by Northern Foods Limited when due, Boparan Holdings Limited must pay any such amounts to the Scheme within 10 business days of the first written demand by the Trustee.

Notes to the Financial Statements

28. Capital commitments

There were financial commitments as at 31 March 2025 (2024: £22,815,019 remaining) for the ongoing funding of certain investment managers on a drawdown basis out of existing assets as follows:

	Currency	Committed	Drawn	Remaining
Fortress	USD	11,500,000	10,145,106	0*
Fortress III	USD	11,500,000	14,979,266	0*
American Securities VI	USD	16,000,000	18,263,820	1,379,242
Cerberus	USD	12,500,000	11,284,103	0*
ECP	USD	16,500,000	18,952,310	1,839,211
GSAM	USD	35,000,000	28,595,281	0*
HgCapital 7	GBP	10,000,000	8,451,124	49,267
Cabot Square	GBP	13,000,000	12,777,408	222,592
Silverpeak	USD	11,440,000	9,840,181	0*
Partners	EUR	15,000,000	14,227,237	0*
Equitix	GBP	17,000,000	16,982,994	0
Alinda	USD	23,000,000	21,200,034	0*
Ancala	GBP	13,000,000	13,113,721	209,353
BlackRock	GBP	17,500,000	17,500,000	0*
Long Harbour	GBP	13,000,000	12,593,116	406,884
Mariner	USD	18,600,000	26,082,576	127,088
Greenstone	USD	11,627,907	11,626,014	2,708
NSSK	JPY	1,750,000,000	1,657,720,684	145,650,453
Fprop	GBP	15,000,000	9,701,752	7,978,311
Folium (Agriculture)	USD	10,000,000	9,970,158	29,842
Folium (Timber)	USD	10,000,000	10,000,000	0
Equilibrium	USD	21,600,000	23,534,593	733,014
LJ Capital (Alvarium)	GBP	19,100,000	19,100,000	0
Alpha Real	GBP	26,200,000	21,791,913	4,408,087
Knight Frank	GBP	21,600,000	21,600,000	0
Brawn	JPY	730,000,000	730,000,000	0
True North	GBP	8,000,000	6,999,049	1,000,951
Subtotal \$	USD	209,267,907	214,473,442	4,111,105
Subtotal €	EUR	15,000,000	14,227,237	0
Subtotal £	GBP	173,400,000	160,611,077	14,275,445
Subtotal ¥	JPY	2,480,000,000	2,387,720,684	145,650,453
Total £ equivalent	GBP	360,928,478	351,047,793	18,214,965

* Manager expectations are that no further drawdowns will be called on these investments therefore the table does not cast in respect of these items.