Annual Report
Grant Thornton Pensions Fund

For the year ended 30 June 2024

Scheme Registration 10182760

Table of Contents

Management and advisers

Scheme Registration Number:	10182760
Principal Employer:	Grant Thornton Services LLP
Trustee:	Grant Thornton Pensions Trustees Limited
Directors of Trustee:	Timothy Blades-Member Nominated Director Catherine Higgins-Member Nominated Director Mark Taylor (resigned on 1 January 2024) Carl Williams Independent Governance Group Limited (IGG) (represented by Rachel Croft)
Secretary to the Trustee:	Tony Grist Cartwright Marlborough House Victoria Road South Chelmsford CM1 1LN
Scheme Administrator:	Barnett Waddingham LLP
Scheme Actuary:	Oliver McCulloch, Barnett Waddingham LLP
Investment Managers:	Cardano Risk Management Limited ("Cardano") were appointed as the Fiduciary Manager from 17 November 2023, with assets progressively onboarded from 12 January 2024. BlackRock Investment Management (UK) Limited (BlackRock) acted as the previous Fiduciary Manager and managed Fund assets until 31 May 2024. From that date only the ASG Reditus Fund is still owned and controlled by BlackRock. The Fiduciary Manager manages the vast majority of the assets of the Fund. As at 30 June 2024, other than Cardano, the only other investment managers used were Pension Insurance Corporation Limited (PIC). The Fund fully disinvested its assets held with Aviva Pooled Pensions Limited on 8 February 2024.
Investment Adviser:	Cardano (appointed on 24 October 2023)
Legal Adviser:	Osborne Clarke LLP
Covenant Adviser:	Teneo
Additional Voluntary Contribution (AVC) Providers:	Legal & General Group Plc Utmost Life & Pensions Aviva
Banker:	Lloyds Bank plc
Independent Auditor:	RSM UK Audit LLP
Custodians:	Bank of New York Mellon State Street (from 12 January 2024)

Chair's Statement

Grant Thornton Pensions Fund

Chair's Statement

I took over as Chair of the Fund in January 2024 after many years of service from Mark Taylor. I have pleasure in presenting to you the Trustee's report and financial statements for the year ended 30 June 2024.

The Fund has continued to be managed by the Trustee in conjunction with the advisors.

The actuarial valuation of the Fund as at 30 June 2023 was finalised during 2024. The assets of the Fund have increased over the year to £258 million at 30 June 2024 from £254 million at 30 June 2023 and the actuarial valuation indicates that the deficit narrowed over the year to 86%. In accordance with the recommendation of the Scheme's Actuary the Trustee has agreed with the Firm that contributions of £8.5 million per annum will be paid until 2029. The Firm will continue to pay the Fund's running expenses separately.

As the deficit between the Scheme's assets and liabilities has narrowed the Trustee has agreed with the Firm that it would be in the interest of all parties that the possibility of securing a buy-in policy should be explored and is currently considering how and when to do this. A buy-in policy exactly replicates member's benefits and will involve the Firm contributing a significant lump sum. Subsequent to the purchase of the buy-in policy, the Fund's pension records will be cleansed and Guaranteed Minimum Pension equalisation will be concluded, after which time consideration will be made as to whether to move to a buy-out position. A buy-out is where a third party take over the liabilities of the Fund meaning that benefits are fully secured. The Trustee believes that this course of action is the best approach to secure the long-term benefits of the members. The Trustee will consider other factors such as member experience when deciding on which provider to select.

Cardano replaced BlackRock as the Fund's investment manager with assets being 'on-boarded' from January 2024. However, the Reditus Fund , which represents 16% of the Scheme's assets, is still owned and controlled by BlackRock. The Trustee closely monitors the performance of Cardano.

In common with many defined benefit Pensions Scheme's the Trustee is still considering the impact of the decisions in October 2018 and November 2020 in the Lloyds Bank Group Pensions Trustees Limited v Lloyds Bank plc case with regard to Guaranteed Minimum Pension (GMP) equalisation. Whilst it will have an impact on member's pensions the Trustee does not believe it will be significant. The Trustee together with the advisors will continue to consider the developments following the original decision and intend to finalise the process of equalising GMPs in 2025.

The Trustee will communicate further developments in the Fund via a newsletter and summary funding statement, which will be circulated in the near future.

DocuSigned by:

Carl Williams

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Carl Williams

Chair

December 2024

Report of the Trustee

Introduction

The Trustee of the Grant Thornton Pensions Fund (the Fund) presents its annual report including the investment report and the financial statements for the year ended 30 June 2024. The report also includes the Actuary's certificate based on the valuation of the Fund carried out as at 30 June 2020.

The Fund was established by a deed dated 1 July 1952 and is administered under a Definitive Trust Deed and Rules and subsequent amendments.

The Fund was a defined benefit arrangement until 30 June 2023. From 1 July 2003 the Fund became a Career Average Revalued Earnings ("CARE") arrangement. The Fund closed to future accrual on 31 October 2014.

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

A copy of this report is available to all members by e-mail or hard copy at their request, to the Secretary to the Trustee. It is also available at https://schemedocs.com/grant-thornton-statement-investment-principles

The Trustee Board

There were four Directors of the Trustee company at the year end, two appointed by the Firm and two Member-Nominated Directors appointed in accordance with the Fund's Member-Nominated Director Rules. Member-Nominated Directors are normally appointed for five years.

The Trustee company, Grant Thornton Pensions Trustees Limited, is appointed by and can be removed by the Principal Employer.

IGG, an independent trustee director, was appointed by the Principal Employer with effect from 1 July 2017.

Tony Grist from Cartwright acts as Secretary to the Trustee.

Management of the Fund

The Trustee outsources the day-to-day running of the Fund to Barnett Waddingham LLP (BW), which administers the Fund in accordance with agreed guidelines and financial controls. Oliver McCulloch of BW is the Scheme Actuary.

The Trustee Board meets when necessary to conduct the business of the Fund which, as a minimum, is normally on a quarterly basis. The Trustee also receives regular reports from its advisers, including the Fiduciary Manager which meets with the Trustee normally on a quarterly basis, to report on its activity, results and strategy.

Between meetings, the administrator deals with any management aspects necessary, after consultation with the Trustee. The Trustee continues to monitor the management of the Fund to ensure that all necessary steps are taken for it to operate on an independent basis, separate from the Firm.

Report of the Trustee (continued)

Relationship with the sponsoring employer

The Firm's liabilities so far as they relate to the Fund are covered under the Trust Deed and Rules. Its financial commitment to the Fund is specified in the current Schedule of Contributions. A Schedule of Contributions is drawn up by the Trustee and agreed by the Firm after each actuarial valuation.

Under the guarantee dated 9 December 2022, Grant Thornton UK LLP shall irrevocably and unconditionally meet the obligations of the Principal Employer should they fail to meet this, up to an amount that, if added to the assets of the Fund, would result in the Scheme being 105% funded.

Having taken independent advice from the Fund's advisers, the Trustee continues to monitor the employer covenant using statutory and management accounting information and commentary provided thereon by the Firm, along with such external data as is available and via an independent review of the employer by a third-party. Teneo carried out a review of the covenant of the employer in conjunction with the discussions in respect of the triennial valuation of the Fund as at 30 June 2023 and concluded it was "tending to strong".

Changes to the Fund

There were no changes to the Fund's Rules during the year under review.

GMP Equalisation

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. In addition, in November 2020 a further similar ruling was made in respect of past transfers out. The Trustee is now reviewing, with its advisers, the implication of these rulings on the Fund and the equalisation of guaranteed minimum pensions between men and women; in the context of the rules of the Fund and the value of any liability. As soon as this review is finalised and any liability quantified, then members will be informed. Based on an assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements.

Trustee's responsibilities in relation to financial statements

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 Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund 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 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 judgements 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 Fund will not be wound up.

The Trustee is also responsible for making available certain other information about the Fund 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 it to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

Report of the Trustee (continued)

The Trustee's responsibilities in respect of contributions

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 Fund by or on behalf of the Employer 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 and for adopting risk-based processes to monitor whether contributions are made to the Fund 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.

The Trustee is responsible for the maintenance and integrity of the pension and financial information included on https://schemedocs.com/grant-thornton-statement-investment-principles. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Going concern

The Fund's financial statements have been prepared on the going concern basis. In making this assessment, the Trustee has assessed the ability of the Sponsoring Employer to continue to meet its obligations to the Fund and for the Fund to meet its future obligations to pay member benefits as they fall due. The Trustee has reviewed information available to them from the Sponsoring Employer and its advisers and as a consequence, the Trustee believes the Fund is well positioned to manage its risks successfully. In light of this the Trustee has a reasonable expectation that the Fund will continue in operational existence for the foreseeable future. Accordingly, the Trustee continues to adopt the going concern basis in preparing the Fund financial statements.

Financial review

The financial statements on pages 16 to 31 have been prepared and audited in accordance with s41(1) and (6) of the Pensions Act 1995.

Net withdrawals from dealings with members were £5,688,000 (2023: net withdrawals £5,202,000). Taking into account the net positive return on investments of £9,762,000 (2023: negative return £57,736,000), the net assets of the Fund increased by £4,074,000 (2023: decreased by £62,938,000) to £258,169,000 (2023: £254,095,000). The overall change in the value of the Fund includes an increase in the market value of investments during the year of £1,547,000 (2023: decrease of £59,662,000).

Investment strategy and performance

During the year under review, the Trustee appointed a new Fiduciary Manager, Cardano Risk Management Limited (“Cardano”). Fiduciary Management is an approach to asset management that involved the Trustee appointing Cardano to manage the total assets on an integrated basis through a combination of advisory and delegated investment services with a view to achieving the Trustee's investment objective which is to reduce investment risk without reducing investment returns and to set up a journey plan over a period of time to bring the Fund up to a fully funded position.

The Trustee has produced its Statement of Investment Principles (SIP) as required by section 35 of the Pensions Act 1995 and a copy of the statement is available to view on the following website: https://schemedocs.com/grant-thornton-statement-investment-principles

The Fund's investments are held by a custodian on behalf of the Trustee (see page 12 for further details).

Investment performance is considered in the separate investment report.

Report of the Trustee (continued)

Membership

The change in the membership of the Fund over the year is set out below:

	Deferred Pensioner Members	Pensioner Members
As at 1 July 2023	1,137	1,329
Adjustments	(1)	3
Deaths	(1)	(30)
Retirements	(53)	53
Trivial commutation	(1)	(2)
Transfers out	(2)	-
New spouses'/dependants' pensions	-	12
As at 30 June 2024	1,079	1,365

Included within Pensioners are 221 members (2023: 234) who held an annuity in the Trustee's name.

Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pensions Act 1993 and subsequent amendments and do not include discretionary benefits.

A cash equivalent is the amount which a Fund member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

Pension increases – pensions in payment

Pensions in payment under the Fund are reviewed each year as at 1 July. The Trustee is responsible for the application of any increases due under the Rules of the Fund and for the basis adopted where pensions have not been in payment for a full year as at 1 July. In this regard, the Trustee has confirmed to the Fund Administrators that the approach to be adopted remains unchanged.

Included in the pension paid to members who have reached State Pension Age is a Guaranteed Minimum Pension (GMP). Pensions in excess of the GMP earned before July 2009 are increased each year at the rate of 5%, or in line with the increase to the RPI if lower, calculated to one decimal place. Pensions in excess of the GMP earned after 30 June 2009 are increased each year at the rate of 2.5%, or in line with the increase to the RPI if lower, calculated to one decimal place.

The RPI increase over the year to 30 June 2024 was 2.9% (2023: 10.7%). Hence, pensions increases awarded were at capped amounts where applicable.

Members are reminded that the GMP payable after State Pension Age earned in respect of service after 6 April 1988 is also subject to annual increase by the Fund in line with the CPI (up to a maximum of 3%). The increase on this element of Fund pensions in the year to 30 June 2024 capped at 3% as CPI was 6.7% (2023: 8.0%).

Members should note that State Earnings Related Pension Scheme (SERPS) benefits are now incorporated within the State Second Pension arrangements (S2P). The Government provides increases to basic state retirement pensions and benefits paid under S2P for members who are over State Pension Age. Members' GMP entitlements are taken into account when these increases are calculated and the GMP that relates to pensionable service prior to April 1988 is inflation-proofed by the State. Since 2011, statutory increases to pensions paid by the Government have been linked to CPI.

Report of the Trustee (continued)

Deferred Pensioners

Deferred pensioners are members whose pensionable service has ceased but have not yet started to draw benefit. Deferred pensioners have the option to:

- leave their benefits within the Fund and can retire at any age from 55; and
- transfer the benefits to their new employer's scheme or to a personal pension arrangement or policy.

If the transfer option is chosen, the transfer value is calculated on a basis agreed with the Actuary. The Trustee has directed the Actuary when calculating transfer values for leavers to make no allowance for any discretionary increases to benefits. Transfer values paid are currently not subject to reduction.

If a member leaves a deferred benefit within the Fund, the benefit entitlement relating to Guaranteed Minimum Pension (GMP) calculated at the date of leaving is subsequently increased in line with the Government's Fixed Rate Revaluation basis as follows:

From (date of leaving service)	to	% p.a.
Pre-April 1988		8.50
Between 6 April 1988 and	5 April 1993	7.50
Between 6 April 1993 and	5 April 1997	7.00
Between 6 April 1997 and	5 April 2002	6.25
Between 6 April 2002 and	5 April 2007	4.50
Between 6 April 2007 and	5 April 2012	4.00
From 6 April 2012	-	4.75

For accrual up to 30 June 2009, the excess pension over the GMP is subject to increase up to a maximum of 5% per annum, based on revaluation orders published by the Government each year. For accrual after 30 June 2009 that part of the pension is subject to increase by up to 2.5% per annum.

Since 2011 the Government has used the Consumer Prices Index rather than the Retail Prices Index when assessing statutory pensions increases.

There were no discretionary pension increases in 2024 and 2023.

Lump sum benefits payable on death

Lump sum death benefits can arise under the Fund where a member retires on a pension and dies within the first five years of retirement (whether retirement is at normal retirement date or on early retirement) or in the event of a death in deferment where no spouse's pension is payable.

Because the Trustee can pay lump sum benefits under its discretionary powers, it is important that it knows Members' wishes. By completing a Beneficiary Nomination form and keeping their expressed wishes up to date, Members will be providing the Trustee with information on which to base its decision. This also has the merit of avoiding delays in distribution to beneficiaries that might arise if the benefits were paid to the estate.

Tax and contracted–out status of the Fund

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Fund became a registered scheme under chapter 2 of part 4 of the Finance Act 2004 with effect from 6 April 2006, and continues to benefit from the favourable tax treatment previously afforded to exempt approved UK pension schemes.

The Fund was contracted-out of the State Second Pension scheme under a certificate issued by HMRC until 31 October 2014.

Report of the Trustee (continued)

General Data Protection Regulations

Under the General Data Protection Regulations (GDPR) and the Data Protection Act 2018, pension scheme trustees continue to be classed as data controllers, with legal responsibility for compliance falling to them. Scheme Actuaries are also classed as data controllers (jointly with the Trustee) in accordance with guidance issued by the Actuarial Profession. Barnett Waddingham LLP acts as a data processor as the administrator of the Fund.

The GDPR and the 2018 Act introduced some significant changes, including new contractual obligations, enhanced reporting obligations and tougher enforcement and/ or sanctions for non-compliance. The Trustee has worked with its advisers to receive relevant training, and continues to do so to ensure continued compliance with data protection legislation.

Codes of Practice

The Trustee is aware of and adheres to the Codes of Practice issued by The Pensions Regulator (TPR). The objectives of these codes are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund (PPF) and to promote good administration.

Following the publication of the Pension Regulator's new General Code of Practice on 10 January 2024, the Trustee will be considering the impact of this on the Fund's governance arrangements to ensure there is an appropriate effective system of governance.

Pensions Registry

The Fund is registered with the Registrar of Occupational and Personal Pensions Schemes:
Scheme No: 10182760

Resolving problems which arise

Any queries about the Fund are generally resolved informally. However, if a dispute arises there is initially a two-stage procedure for resolution. Members who have cause to question a decision made or procedure adopted in relation to the Fund should initially contact the Secretary to the Trustee. Thereafter, any case still the subject of dispute can be directed to the Trustee.

If a member is dissatisfied with a decision reached under the disputes resolution procedure, the matter can be referred to The Early Resolution Service at The Pensions Ombudsman, which is available to assist members and beneficiaries of the Fund in connection with any difficulties they have failed to resolve with the Trustee or administrators. The Early Resolution Service can be contacted at 10 South Colonnade, Canary Wharf, London, E14 4PU (Email at helpline@pensions-ombudsman.org.uk or National Telephone Helpline: 0800 917 4487).

Members may wish to note that the overall operation of pension schemes is overseen by The Pensions Regulator, Napier House, Trafalgar Place, Brighton, East Sussex, BN1 4DW. The Pensions Regulator provides information for members of work-based pension schemes. The Regulator's guidance notes for trustees and Members are designed primarily for viewing online at www.thepensionsregulator.gov.uk.

Queries

Members should direct their queries to the Secretary to the Trustee.
Telephone: 07767 496 414
Email: tony.grist@cartwright.co.uk

The Report of the Trustee, including the Investment report on pages 9 to 12 and the Report on Actuarial Liabilities on page 34 were approved on 5 December 2024 and signed on behalf of the Trustee by:

DocuSigned by:
Carl Williams
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Carl Williams
Director

Investment Report

Market commentary

After strong gains for shares in the first half of 2023, global equities and government bonds delivered negative returns in the third quarter. There was uncertainty over the future path for economic growth as central banks tried to negotiate a "soft landing" for their economies. Equity markets continued to be mixed, however generally suffered. The US delivering a negative return of -3.3%, the Eurozone also struggled returning -4.8% and the UK outperformed, returning +2.2%. Both the US Federal Reserve and the European Central Bank raised rates over the quarter. This fed into an increase in yields, and a fall in the value. The US 10-year yield rose from 3.81% to 4.57%. Germany's 10-year yield increased from 2.39% to 2.84%. The UK 10-year yield remained broadly unchanged.

The final quarter of 2023 was strong across the board. The US Federal Reserve signalled that interest rates may be cut in 2024 as inflation started to fall. Equity markets delivered strong returns, with the US returning +11.7%, Eurozone returning +8.6% and the UK returning +2.3%. Global bond markets started to price in easing conditions, in the form of future expected rate cuts from central banks. Government bond yields fell across the board, leading to an increase in prices. The US 10-year yield fell from 4.57% to 3.87%. Germany's 10-year yield decreased from 2.84% to 2.03%. The UK 10-year yield fell from 4.44% to 3.54%.

The first quarter of 2024 was mixed, with equity and bond markets moving in opposite directions. Central banks maintained interest rates over the quarter as inflation fell more slowly than expected. This led to central banks backtracking and pushing back their view on when rate cuts could occur. Equity markets delivered strong returns, with the US returning +10.6%, Eurozone returning +12.9% and the UK returning +4.0%. Global bond markets reacted to the revised central bank stance with an increase in yields. Government bond yields increased across the board, leading to a fall in prices. The US 10-year yield increased from 3.87% to 4.19%. Germany's 10-year yield increased from 2.03% to 2.29%. The UK 10-year yield increased from 3.54% to 3.94%.

Equities continued to produce gains during the second quarter of 2024. The European Central Bank was the first major central bank to cut interest rates, reducing the base rate by 0.25% in June. The Federal Reserve and Bank of England maintained their current interest policies. Equity markets delivered mixed returns, with the US returning +4.3%, the Eurozone returning -1.6% and the UK returning +3.8%. Government bond yields increased across the board, leading to a fall in prices. The US 10-year yield increased from 4.19% to 4.39%. Germany's 10-year yield increased from 2.29% to 2.49%. The UK 10-year yield increased from 3.94% to 4.18%.

Investment Report (continued)

Investment Strategy

The investment strategy for the Fund is to:

- Invest in a portfolio of assets to immunise a proportion of the interest rate and inflation risk inherent within the Fund's liabilities (the "Matching Strategy")
- Invest in a diversified portfolio of assets to achieve an efficient risk / reward trade off with the objective of generating sufficient returns to close the Fund's funding deficit (the "Growth Strategy")
- When the funding level has achieved a predetermined level, the Fund will seek to achieve a minimum level of interest rate and inflation hedging,

At the end of June 2024 the matching strategy was invested in a combination of Liability Driven Investments, all denominated in GBP. The growth strategy was split between currency hedged/GBP denominated and non-currency hedged exposure.

The high level strategic asset allocation as at 30 June 2024 is as follows:

Asset Class	Actual Allocation	Target Allocation
	30 June 2024	30 June 2024
Growth Strategy - Equities, Global Credit, Government Bonds, Multi-Asset Credit, Cash, Illiquid Assets*	60.9%	0%-70%
Matching Strategy - Liability Matching Funds, Cash	39.1%	30%-100%

*Illiquid Assets are defined as assets where the majority of the assets cannot be sold in any given calendar month in normal market conditions without the expectation of significant transaction costs being incurred. The maximum proportion of Illiquid Assets permitted in the Growth Strategy is 25%.

Investment Performance

The total investment performance for the portfolio prior to the investment transition in Q4 2023 was as follows:

	Portfolio	Benchmark
1 year	5.0%	3.0%
Since inception (May 2021)	-11.4%	-9.4%

Due to the Fund's investment transition that took place in Q4 2023, performance data is only available for the post-transition portfolio since its inception date. Performance of the total portfolio is provided to the Trustee on a quarterly basis. The total investment performance for the portfolio has been as follows:

	Portfolio	Benchmark
Since inception (January 2024)	2.7%	0.8%

Departures from Statement of Investment Principles

During the year under review, the Trustee appointed a new Fiduciary Manager, Cardano Risk Management Limited ("Cardano"). This required the Fund's assets to be transferred from BlackRock Investment Management (UK) Limited ("BlackRock"). There were no deviations from the benchmark allocation outlined in the SIP during the year under review, though the SIP was updated twice during this time with special provisions granted for the transition period.

Investment Report (continued)

Trustee's Policy on Environmental, Social and Governance

The Trustee is seeking to deliver a required level of return over the long term subject to an acceptable level of risk recognising that not all risks are rewarded.

Consideration of financially material factors in investment arrangements

Following advice from the Investment Adviser, the Trustee has adopted a policy of delegating responsibility for the consideration of environmental, social and governance (ESG) issues to the Investment Manager and their delegates. The Trustee is comfortable with the advice it has received and regards the advice on these areas as sufficient to support its investment policy. The Trustee expects the Investment Manager to take account of all financially material factors, including ESG, in the selection, retention and realisation of investments. The Investment Manager will keep the Trustee up to date with their latest position on ESG factors.

The Trustee has not made explicit allowance for the long-term risks of climate change in their investment strategy. As noted above, the Investment Manager is expected to take account of all financially material factors in the selection of investments. The Trustee, and the Investment Manager, will keep this under review.

The Trustee has not imposed any restrictions relating to ESG issues on their Investment Manager and there are no exclusions applied to investment arrangements based on non-financially material factors.

The Fund's investments are achieved via pooled investment funds, in which the Fund's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes, social, ethical or environmental factors, is delegated to the investment manager of the pooled investment fund.

This also applies to the rights (including but not limited to voting rights) attaching to the investments. This therefore determines the methods and the circumstances under which the Trustee engages with issuers of underlying securities on ESG and other matters.

Engaging and Voting

The Fund's investments are achieved via pooled investment funds, in which the Fund's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes, social, ethical or environmental factors, is delegated to the investment manager of the pooled investment fund. This also applies to the rights (including but not limited to voting rights) attaching to the investments. This therefore determines the methods and the circumstances under which the Trustee engages with issuers of underlying securities on ESG and other matters.

The Trustee has also produced an implementation statement, setting out how it has implemented the principles outlined in the SIP, including reporting on the engagement activities and votes exercised during the year, covering stewardship issues and describing the voting behaviour by or on behalf of the Trustee. A copy of the statement can be found on pages 36 to 50.

Arrangements with asset managers

The Trustee recognises that the predominant manager it has arrangements with is its Fiduciary Manager. The arrangement is governed by the Investment Management Agreement (IMA) between the Trustee and the Fiduciary Manager. The Trustee ensures that appropriate restrictions are outlined in the IMA in order to seek to ensure that the decisions which the Fiduciary Manager makes are in line with the long-term interests of the Fund. This includes, but is not limited to, setting a clear investment objective, eligible instruments, asset allocation ranges and which asset classes are in scope for active and/or passive strategies.

The Fiduciary Manager provides the Trustee with an annual cost transparency report, and on a monthly basis, reports total performance net of fees. The Trustee believes that in order to appropriately assess the performance of its managers, the net costs performance returns should be monitored over various time periods to ensure that managers are evaluated in line with the Trustee's policies.

The Trustee will review the arrangements with the Fiduciary Manager on a regular basis, however there is no restriction on the duration of any arrangement.

Investment Report (continued)

Arrangements with asset managers (continued)

The Trustee expects the Fiduciary Manager to review arrangements with the underlying managers which also have no restrictions on duration of any arrangement. The Fiduciary Manager is expected to review these arrangements on an ongoing basis and take action to seek to revise any arrangements where it is understood to be in the best long-term interests of the Fund.

The Fiduciary Manager is expected to take into consideration the Trustee's investment objectives as well as Responsible Investing and Stewardship policies when selecting and/or appointing new underlying managers. The Fiduciary Manager is also expected to monitor the underlying managers and take into consideration the investments that they are permitted to make in order to seek that they are aligned with the long-term interest of the Fund.

The Trustee believes that they have a governance framework in place in order to seek to ensure that the Fiduciary Manager's actions are aligned with the arrangement policies listed above. If the Trustee has reason to believe that the Fiduciary Manager is acting outside of the Trustee's policies, the Trustee will bring this to the attention of the Fiduciary Manager as soon as is reasonably practicable and engage with the Fiduciary Manager so that the parties can understand such actions and seek to resolve any concerns.

Custodian arrangements

BlackRock uses the back-office services of Bank of New York Mellon (BNYM). Cardano funds are custodied with State Street. The Custodians ring fence the Fund's assets from their own assets and those of other clients.

Independent Auditor's report to the Trustee of Grant Thornton Pensions Fund

Opinion

We have audited the financial statements of the Grant Thornton Pensions Fund for the year ended 30 June 2024 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 FRS 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 Fund during the year ended 30 June 2024, and of the amount and disposition at that date of its assets and liabilities, other than the 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 Fund 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 Fund 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 Fund'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 Fund's 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. The Fund's 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.

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.

Independent Auditor's report to the Trustee of Grant Thornton Pensions Fund

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement set out on pages 4-5, the Trustee is responsible for the preparation of 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 Fund'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 Fund 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Fund operates in and how the Fund is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's report to the Trustee of Grant Thornton Pensions Fund

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 Fund's Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements 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 Fund'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 Fund and the Fund's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
RH10 1BG

Date

Fund Account

	Note	2024 £'000	2023 £'000
Contributions and benefits			
Employer contributions	4	**9,236**	9,363
		9,236	9,363
Benefits paid or payable	5	**(14,360)**	(13,088)
Payments to and on account of leavers	6	**(562)**	(1,475)
Administrative expenses	7	**(2)**	(2)
		(14,924)	(14,565)
Net withdrawals from dealings with members		**(5,688)**	(5,202)
Returns on investments			
Investment income	8	**8,215**	1,926
Change in market value of investments	9	**1,547**	(59,662)
Net returns on investments		**9,762**	(57,736)
Net increase / (decrease) in the fund during the year		**4,074**	(62,938)
Net assets of the Fund			
At 1 July		**254,095**	317,033
At 30 June		**258,169**	254,095

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Net Assets

(available for benefits as at 30 June 2024)

	Note	2024 £'000	2023 £'000
Investment assets			
Pooled investment vehicles	14	**243,732**	238,628
Insurance policies	10	**11,778**	12,629
AVC investments	12	**511**	834
Cash deposits	9	**-**	21
Other investment balances	11	**-**	1,372
		256,021	253,484
Investment liabilities			
Other investment balances	11	**-**	(2,505)
Total net investments	9	**256,021**	250,979
Current assets	19	**2,584**	3,354
Current liabilities	20	**(436)**	(238)
Net assets of the Fund at 30 June available for benefits		**258,169**	254,095

The financial statements summarise the transactions of the Fund 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 Fund year. The actuarial position of the Fund, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 34 of the Annual Report and these financial statements should be read in conjunction with those certificates.

The notes on pages 18 to 31 form part of these financial statements.

The financial statements were approved by the Trustee on 5 December 2024.

DocuSigned by:
Carl Williams
0ADCF5FBFAC24D3...

Carl Williams
Director

Notes to the Financial Statements

1 Basis of preparation

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

The financial statements have been prepared on the going concern basis. At the date of signing these financial statements the Trustee believes that due to its buy in policies and its structure, the Fund is able to comfortably cover its related outgoings until at least 31 December 2025. Together with the strong position of the Principal Employer, the Trustee considers the preparation of the financial statements on a going concern basis to be appropriate.

2 Identification of the financial statements

The Fund is established as a trust under English law. The address for enquiries to the Fund is included in the Trustee's Report.

3 Accounting policies

The principal accounting policies of the Fund are set out below. Unless otherwise stated, they have been applied consistently year on year.

(i) The Fund's functional and presentational currency is pounds Sterling. Monetary items denominated in foreign currencies are translated into Sterling using the closing exchange rates at the Fund year end. Asset and liability balances are translated at the bid and offer rates respectively. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year. Amounts are rounded to £'000's.

(ii) Contributions
Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions and Recovery Plan, or on receipt if earlier, with the agreement of the Employer and Trustee.

Other contributions made by the Employer to reimburse costs are accounted for on the same basis as the corresponding expense.

(iii) Payments to members
- (a) Pensions in payment are accounted for in the period to which they relate.
- (b) Individual transfers in or out of the Fund are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.
- (c) Where the Fund 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 receivable from the Fund, any taxation due is accounted for on the same basis as the event giving rise to the tax liability.

(iv) Expenses
The majority of all running expenses are paid directly by the Firm. Any remaining administrative and investment management expenses are accounted for on an accruals basis.

Notes to the financial statements (continued)

(v) Investment income

- (a) Income from cash and short term deposits is accounted for on an accruals basis.
- (b) Income from pooled investment vehicles is accounted for when declared by the fund manager.
- (c) Receipts from annuity policies held by the Trustee to fund benefits payable to the Fund members, are accounted for as investment income on an accruals basis.

(vi) Changes in market value of 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.

vii) Investments valued are included at fair value as described below:

- (a) Unitised pooled investment vehicles which are not quoted on active markets, 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 assets value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.
- (b) Annuities purchased in the name of the Trustee which fully provide the pension benefits for certain members have been valued by the annuity provider on an actuarial basis.

viii) Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Trustee confirms that no judgements have had a significant effect on amounts recognised in the financial statements.

The main area of estimation is in relation to the annuities held in the name of the Trustee. When valuing the annuity policy, PIC have calculated the present value of future cash flows, based on up-to-date and credible information and realistic assumptions, and using relevant actuarial and statistical methods. The valuation represents the discounted value of the projected future benefit and expense cash flows over the remaining lifetime of the current in-force membership on a member-by-member basis. The assumptions that are used represent a best estimate of the likely future outcomes.

Additionally, the underlying manager fees incurred directly within Cardano's fund have been estimated using the average asset allocations over the period; and performance fees will be calculated after the financial statements have been signed. A true-up exercise will be necessary. The resulting contributions required will be reflected in next year's financial statements.

Notes to the financial statements (continued)

4 Contributions

	2024 £'000	2023 £'000
Deficit funding	8,500	8,500
Additional in respect of reimbursement of fees	736	863
	9,236	9,363

In accordance with the Actuary's recommendations, the Firm paid deficit funding contributions of £8.5 million for the year ended 30 June 2024 and 30 June 2023. Under the Schedule of Contributions certified 28 September 2021, which was finalised following the conclusion of the actuarial valuation as at 30 June 2020, deficit funding contributions were payable until 28 February 2027 (subject to review in light of future actuarial valuations) to reduce the funding deficit of the Fund. The total guaranteed deficit funding contributions to 2027 were £61 million.

The Principal Employer pays additional contributions to reimburse the Fund for investment management expenses deducted from the investment portfolio directly in the period. In the prior year the reimbursement is for fees relating to the period 30 April 2021 to 30 June 2023.

Under the new Schedule of Contributions certified 25 September 2024, which was finalised following the conclusion of the actuarial valuation as at 30 June 2023, an annual deficit funding contribution of £8.5m is payable from 1 July 2023 until 31 August 2029 (subject to review in light of future actuarial valuations) to reduce the funding deficit of the Fund. The total guaranteed deficit funding contributions to 2029 are £51 million.

5 Benefits paid or payable

	2024 £'000	2023 £'000
Pensions	12,695	12,032
Purchase of annuities	39	-
Commutation of pensions and lump sum retirement benefits	1,604	1,039
Lump sum death benefits	22	17
	14,360	13,088

6 Payments to and on account of leavers

	2024 £'000	2023 £'000
Individual transfers out to other schemes	562	1,475

Notes to the financial statements (continued)

7 Administrative expenses

	2024 £'000	2023 £'000
Bank charges	2	2

The administrative expenses are paid directly by the Firm rather than through the Fund with the exception of bank charges.

8 Investment income

	2024 £'000	2023 £'000
Currency gains	2	48
Income from pooled investment vehicles	6,464	131
Annuity income	1,682	1,727
Interest on cash deposits	67	20
	8,215	1,926

9 Reconciliation of investments

	Value at 30 June 2023 £'000	Purchases at cost £'000	Sales Proceeds £'000	Change in Market value £'000	Value at 30 June 2024 £'000
Pooled investment vehicles	238,628	286,264	(283,517)	2,357	243,732
Insurance policies	12,629	-	-	(851)	11,778
AVC investments	834	-	(364)	41	511
	252,091	286,264	(283,881)	1,547	256,021
Cash deposits	21				-
Other investment balances	(1,133)				-
	250,979				256,021

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. These indirect transaction costs are not reported for pooled funds.

Notes to the financial statements (continued)

10 Insurance policies

The Fund held insurance policies at the year-end as follows:

	2024 £'000	2023 £'000
Pensions Insurance Corporation (buy-in policy)	11,778	12,629

The insurance policy is a bulk buy-in securing pensioner members liabilities for the duration that they are payable.

11 Other investment balances

The other investment balances held by the Fund at the year-end are as follows:

Investment assets	2024 £'000	2023 £'000
Pending sales	-	1,372
Investment liabilities	**2024 £'000**	**2023 £'000**
Pending purchases	-	(2,505)
	-	1,133

12 AVC investments

Additional voluntary contributions (AVC) were made by certain members up to 31 October 2014 to purchase additional benefits on a 'money purchase' basis under the provisions of the Fund. The Trustee holds the assets separately from the main fund with Utmost Life and Pensions Limited, Legal & General Group plc and Aviva Pooled Pensions Limited (previously known as Friends Life & Pensions Limited). Members participating in the arrangement each receive an annual statement as at 30 June confirming the amounts held on their behalf and the movement in the year. The aggregate amounts of AVC funds are detailed below:

	2024 £'000	2023 £'000
Utmost Life and Pensions (unit linked)	157	389
Legal & General Group plc (unit-linked)	124	113
Aviva Pooled Pensions Limited (unit linked)	230	332
	511	834

Notes to the financial statements (continued)

13 Taxation

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

	2024 £'000	2023 £'000
Qualifying Investor Alternative Investment Fund	243,732	-
Bonds	-	137,761
Equities	-	46,592
Liquidity	-	8,618
Hedge funds	-	45,529
Property	-	128
	243,732	238,628

During the year under review, the Trustee appointed a new Fiduciary Manager, Cardano Risk Management Limited ("Cardano"). This required the Fund's assets to be transferred from BlackRock Investment Management (UK) Limited ("BlackRock").

The Fund invests in a bespoke Qualifying Investor Alternative Investment Fund ("QIAIF") with Cardano. The QIAIF allows greater flexibility in managing the bond and LDI portfolio and invests in assets such as UK Government securities, swaps, cash, and cash like assets.

The Fund is the sole investor in the QIAIF and a summary of the underlying holdings are below:

Cardano Solution Fund 28	2024 £'000	2023 £'000
Assets		
Bonds	88,431	-
Cash	7,803	-
Multi Asset Fund	102,351	-
Private Equity Fund	41,994	-
Swaps	294	-
Forward Exchange Contracts	103	-
Liquidity Fund	3,936	-
	244,912	-

	2024 £'000	2023 £'000
Liabilities		
Bonds	-	-
Cash	(70)	-
Multi Asset Fund	-	-
Private Equity Fund	-	-
Swaps	(1,110)	-
Forward Exchange Contracts	-	-
Liquidity Fund	-	-
	(1,180)	-
Total	243,732	-

Notes to the financial statements (continued)

14 Pooled investment vehicles (continued)

Collateral of £0.59m (2023: £Nil), comprising of UK Government securities, reported in Fund assets, is pledged to the counterparties for the unrealised losses on certain derivative contracts.

Collateral of, £0.29m (2023: £Nil), comprising of cash was deposited by counterparties in favour of the Fund at the year end date in respect of unrealised gains on derivative contracts. This collateral is not reported within the Fund's net assets.

The Fund's pooled investments are held by the Custodian for the beneficial interest of the Fund. Income generated by the underlying funds, apart from the amounts disclosed in note 8, are not distributed, but retained within the pooled investments and reflected in the market value of the units.

The Aviva property fund was terminated during the year. All dealing in the fund was suspended and the cash was returned to investors during the year.

15 Fair value determination

The fair value of investments has been determined using the following determination:

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

Pooled investment vehicles which are traded regularly are generally included in Level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies, valuation techniques are adopted and the assets or vehicles are categorised as Level 3. The Fund's investment assets and liabilities have been included at fair value within these Levels.

	2024 Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Pooled investment vehicles	-	-	243,732	**243,732**
Insurance policies	-	-	11,778	**11,778**
AVC investments	-	511	-	**511**
Cash deposits	-	-	-	**-**
Other investment balances	-	-	-	**-**
	-	511	255,510	**256,021**

	2023 Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Pooled investment vehicles	8,618	184,481	45,529	238,628
Insurance policies	-	-	12,629	12,629
AVC investments	-	834	-	834
Cash deposits	21	-	-	21
Other investment balances	(1,133)	-	-	(1,133)
	7,506	185,315	58,158	250,979

Notes to the financial statements (continued)

16 Investment risk disclosures

Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Fund 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, inflation rate risk and other price risk.

- Currency risk: this is the risk that the fair value of 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.
- Inflation rate risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in realised or expected inflation.
- Other price risk: this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from the risks described above), 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 Fund's investment strategy. The Trustee has set the investment strategy for the Fund after taking advice from Cardano. 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 Fund, including the full discretion for stock selection, is the responsibility of the investment manager.

The Fund has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Fund's strategic investment objectives. These investment objectives and risk limits are implemented through the agreement in place with the Fund's fiduciary manager and monitored by the Trustee by regular reviews of the investment performance. The investment objectives and risk limits of the Fund are further detailed in the Statement of Investment Principles ("SIP").

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include the AVC investments, as these are not considered significant in relation to the overall investments of the Fund.

The legal structure of the pooled investment vehicles held by the Fund is as follows:

	2024 £'000	2023 £'000
Open Ended Investment Companies	243,732	131,400
Unit-Linked Insurance Contract	-	53,302
Irish Collective Asset Management	-	10,270
Luxembourg Special Limited Partnership	-	35,258
Exchange Traded Fund	-	8,398
	243,732	238,628

Notes to the financial statements (continued)

16 Investment risk disclosures (continued)

Investment strategy
The investment strategy for the Fund is to:

- Invest in a portfolio of assets to immunise a proportion of the interest rate and inflation risk inherent within the Fund's liabilities
- Invest in a diversified portfolio of assets to achieve an efficient risk / reward trade off with the objective of generating sufficient returns to close the Fund's funding deficit
- When the funding level has achieved a predetermined level, the Fund will seek to achieve a minimum level of interest rate and inflation hedging,

Sole Investor Fund
Pooled investment vehicles in the current year include the Fund's investment in a Qualifying Investor Alternative Investment Fund ('QIAIF') held with Cardano. The QIAIF 'wraps' two sub-portfolios: a Growth Strategy portfolio invested in currency hedged/GBP denominated and non-currency hedged exposure and a Matching Strategy portfolio comprising of Liability Driven Investments, all denominated in GBP.

The Fund is the sole investor in this fund and accounting regulations require that the risk disclosures required by FRS 102 are made on a 'look through' basis as if the Fund held the investments in this fund directly. The following table summarises the extent to which the underlying investments of this fund are affected by financial risks:

		Market risk				
	Credit risk	**Currency**	**Interest rate**	**Other price**	**2024 £m**	**2023 £m**
Bonds	●	◐	●	○	88.4	n/a
Pooled investment vehicles	●	◐	◐	◐	148.3	n/a
Derivatives	◐	◐	◐	◐	-0.7	n/a
Cash and other investment assets	●	◐	○	○	7.7	n/a
Total					**243.7**	n/a

In the above table, the risks noted affect the asset class [●] significantly, [◐] partially or [○] hardly/not at all.

As sole investor, the Fund is subject to the following risks arising on the underlying investments held at the period end within the QIAIF. Outlined below is the Trustee's approach to risk management.

(i) Credit risk

Credit risk arising on bonds is mitigated by investing in UK government bonds where the credit risk is minimal.

The QIAIF is also subject to indirect credit risk in relation to the instruments held within the pooled investment vehicles. This is mitigated by ensuring cash is held with a diversified range of institutions which are at least investment grade credit rated and the securities themselves are typically short dated. This manages downside risks and reduces the chance of large losses in stress situations.

The credit risk associated with the Fund's swaps is mitigated by the use of a central clearing house to manage the required margin levels on a daily basis. The Fund is also subject to credit risk because it has a significant cash balance. Cash is held within financial institutions which are at least investment grade rated.

Notes to the financial statements (continued)

16 Investment risk disclosures (continued)

(ii) Currency risk

The QIAIF is exposed to indirect currency risk through some of the Fund's investments that are either denominated in foreign currencies or through investments in overseas markets held in pooled investment vehicles.

The Fiduciary Manager monitors the currency risk and regularly reports the position to the Trustee. Where investments are not denominated in Sterling and currency exposure is not desired, currency derivatives are used to mitigate the currency risk.

The Fund's approach to currency risk is to remove non-GBP currency exposure wherever possible in the developed markets, unless a tactical view on currency exposure is taken. Currency hedging is implemented through hedged share classes at the underlying pooled vehicles. The Fiduciary manager may express tactical currency views from time to time via an allocation to unhedged pooled vehicles share classes. In addition, the Fund has unhedged currency exposure via the allocation to the ASG Reditus Fund.

(iii) Interest rate and inflation risk

The underlying assets of the QIAIF are subject to interest rate risk because a proportion of its investments are held in bonds and bond-like instruments (liquidity funds).

The Fiduciary Manager monitors any mismatch between the interest rate and inflation sensitivities of the assets relative to the Liability Benchmark and regularly reports the position to the Trustee

If interest rates rise, the value of these investments will fall but this risk is mitigated as it will be offset by a fall in the actuarial value of the Fund's liabilities as a result of a rise in the discount rate.

The Fund targets a minimum level of interest rate and inflation risk to match the sensitives of the Fund's liabilities and thus reducing the risk of the funding deficit increasing as a result of a fall in government yields. This is primarily executed through the matching strategy by holding a combination of physical and synthetic (derivatives) exposure to Gilts and Index-Linked Gilts via pooled vehicles.

The level of interest rate exposure is monitored daily. The Fund's exposure to interest rates will gradually increase over time as the Fund de-risks, ultimately bringing the interest exposure of the assets in-line with the liabilities exposure (adjusted for the funding ratio).

(iv) Other price risk

Indirect price risk arises principally from the Fund's growth strategy within the QIAIF, which is designed to generate long term returns. The level of price risk varies for each of the underlying investments. The portfolio has been designed to deliver an appropriate risk-return profile by investing across a diverse range of asset classes. The risk attributes of the portfolio are reviewed on a regular basis and rebalanced accordingly.

(v) Leverage risk and collateral monitoring

The Fund utilises leverage in the QIAIF. Leverage in the context of the hedging portfolio is the ratio of hedging exposure to the amount of collateral held in the QIAIF. Leverage may result in mark-to-market losses that exceed the amount of capital invested. Leverage is used to achieve the objective of aiming to match the Fund's liabilities due to movements in interest rates and inflation (up to an agreed level).

The leverage is kept under regular review by the Trustee. The Trustee also has an expectation that the LDI manager has robust processes in place to monitor and manage collateral adequacy to support the underlying derivative positions as part of the ongoing management of the hedging programme.

Notes to the financial statements (continued)

16 Investment risk disclosures (continued)

Other investments

The table below summarises the levels of risk arising across the Fund's pooled investment assets that were held by BlackRock prior to the transition of funds to the QIAIF managed by Cardano. As at 30 June 2024, there are no assets held outside the QIAIF, besides the Reditus Fund held by BlackRock and the annuity policy held in the Trustee's name.

Given the Fund only invested in commingled vehicles the majority of credit risk and market risk arose from indirect exposure.

		Market risk				
	Credit risk	Currency	Interest rate	Other price	2024 £m	2023 £m
Equities	○	◐	○	●	n/a	46.6
Bonds/Credit and Cash Funds	●*	○	●	○	n/a	146.4
Cash deposits and other net investment assets	◐	○	○	○	n/a	0.0
Alternatives	○	◐	○	●	n/a	45.6
Total					**n/a**	**238.6**

Source: Investment Managers

**In this instance we are referring to the indirect credit risk of the underlying holdings, rather than the direct credit risk associated with the Fund owning units in pooled funds.*

In the above table, the risks noted affect the asset class [●] significantly, [◐] partially or [○] hardly/not at all.

Outlined below is the Trustee's approach to risk management.

(i) Credit risk

The Fund was indirectly exposed to credit risk arising from the instruments held by the pooled investment vehicles.

Direct credit risk arising from pooled investment vehicles was mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operated and diversification of investments amongst a number of pooled arrangements.

The Fund had indirect exposure to credit risk because it invested in pooled funds that held derivatives, bonds, cash balances and repurchase agreements.

- The credit risk arising from derivatives was managed by the underling manager and reduced by collateral or margin requirements,
- The credit risk arising from bond holdings was mitigated by the underlying manager by investing in a diversified portfolio of assets,
- Repurchase agreements were held across a diversified panel of counterparties.

The Fund has an annuity policy held in the Trustee's name. This will be subject to credit risk in respect of the solvency of the insurer. This risk is mitigated by the due diligence performed on the insurer when the policy was taken out and an annual review of the financial position of the issuer. In addition, there will be a degree of protection offered by the Financial Services Compensation Scheme should the insurer have financial difficulties which threaten its ability to meet its obligations.

Notes to the financial statements (continued)

16 Investment risk disclosures (continued)

(ii) Currency risk

The Fund was exposed to indirect currency risk through some of the Fund's investments in overseas markets held in pooled investment vehicles.

The Fund's approach to currency risk was to remove non-GBP currency exposure wherever possible in the developed markets, unless a tactical view on currency exposure is taken. All currency hedging was implemented through hedged share classes at the underlying pooled vehicles. The Fiduciary manager may express tactical currency views from time to time via an allocation to unhedged pooled vehicles share classes. In addition, the Fund had unhedged currency exposure via the allocation to the ASG Reditus Fund.

At 30 June 2023 the matching strategy (£114.2 million) was invested in a combination of Liability Driven Investments and cash funds, all denominated in GBP. The growth strategy was split between currency hedged/GBP denominated and non-currency hedged exposure.

(iii) Interest rate and inflation risk

The Fund had indirect exposure to interest rate risk through its fixed income pooled investments. At 30 June 2023, the Fund had interest rate risk exposure through its investments in Government Bonds, Global Investment Grade Credit, Multi-Strategy Credit, cash and the matching strategy. At 30 June 2023 the monetary value for the aforementioned assets was £144.7 million.

The Fund targeted a minimum level of interest rate and inflation risk to match the sensitivity of the Fund's liabilities and thus reducing the risk of the funding deficit increasing as a result of a fall in government yields. This was primarily executed through the matching strategy by holding a combination of physical and synthetic (derivatives) exposure to Gilts and Index-Linked Gilts via pooled vehicles. In addition, a portion of the matching strategy was invested in Buy & Maintain Credit.

The level of interest rate exposure was monitored daily. The Fund's exposure to interest rates will gradually increase over time as the Fund de-risks, ultimately bringing the interest exposure of the assets in-line with the liabilities exposure (adjusted for the funding ratio).

(iv) Other price risk

Indirect price risk arose principally from the Fund's growth strategy, which was designed to generate long term returns. The level of price risk varied for each of the underlying investments. The portfolio was designed to deliver an appropriate risk-return profile by investing across a diverse range of asset classes. The risk attributes of the portfolio were reviewed on a regular basis and rebalanced accordingly.

As at 30 June 2023 the Fund's exposure to investments subject to other indirect price risk, namely the growth strategy, was £77.0 million.

Pension Insurance Corporation buy-in policy

The buy-in policy with the Pension Insurance Corporation (PIC) is subject to credit risk in relation to the solvency of PIC and also interest rate and inflation risk. However, the Trustee does not monitor those risks as the policy fully insures the pensioner members' benefits that it relates to and so there is no net impact on the Fund's actuarial funding position of any change in its value.

Notes to the financial statements (continued)

17 Self investment

There were no Employer related investments in 2024 or 2023.

18 Concentration of investments

The following investments each account for more than 5% of the Fund's net asset at the year end:

	2024		2023	
	£'000	%	£'000	%
Cardano Solution Fund 28	243,732	94.4	n/a	n/a
ASG Reditus Fund	-	-	44,826	13.9
Aquila Life 2040 Index-Linked Gilt Fund	-	-	21,917	8.6
BlackRock LMF 2040 Index-Linked Gilt Fund	-	-	18,369	7.2
BlackRock LMF 2050 Index-Linked Gilt Fund	-	-	18,254	7.2
BlackRock LMF 2032 Index-Linked Gilt Fund	-	-	14,271	5.6

19 Current assets

	2024	2023
	£'000	£'000
Cash balances	1,372	1,676
Prepayments	-	105
Employer contributions in respect of fees	504	863
Deficit funding contributions	708	708
Other income	-	2
	2,584	3,354

The employer contributions were received after the year end in accordance with the Schedule of Contributions.

20 Current liabilities

	2024	2023
	£'000	£'000
Accrued benefits	215	38
PAYE	221	200
	436	238

Notes to the financial statements (continued)

21 Related party transactions

Trustee Directors who are members of the Fund receive benefits on the same basis as all other members. Trustee Directors' fees and expenses are met by the Principal Employer. Trustee Directors' fees and expenses were £74,239 for the year ended 30 June 2024 (2023: £62,269). The Fund expenses including the PPF levy are paid directly by the Principal Employer.

22 Contingent Liabilities

GMP Equalisation

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997. In addition, in November 2020 a further similar ruling was made in respect of past transfers out. The Trustee of the Fund is aware these issues will affect the Fund and will be considering this at a future meeting and decisions will be made as to the next steps. Under the rulings pension schemes are required to backdate benefit adjustments and transfers out in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined

Ruling on amendment of Contracted-Out Salary-Related pension schemes

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the case has the potential to cause significant issues in the pensions industry. The Trustee has commenced preliminary investigations on the possible implications with its advisers, but an initial review suggests that the impact will not be material. In particular, an investigation has been made into the deeds executed between 6 April 1997 and 5 April 2016 and a legal opinion has been sought. Any potential impact would be reflected within the Fund liabilities which are not recorded in these financial statements and will be considered as part of the next valuation.

Independent Auditor's Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of Grant Thornton Pensions Fund

Statement about contributions payable under schedule of contributions

We have examined the Summary of Contributions payable to the Grant Thornton Pensions Fund on page 33, in respect of the Fund year ended 30 June 2024.

In our opinion the contributions for the Fund year ended 30 June 2024 as reported in the summary of contributions on page 33 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 actuary on 28 September 2021.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 33 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 Fund and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustee and auditor

As explained more fully on pages 4-5 in the Statement of Trustee's Responsibilities, the Fund's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised Schedule of contributions showing the rates and due dates of certain contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Fund and for monitoring whether contributions are made to the Fund 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.

Use of our statement

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

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
RH10 1BG

Date:

Summary of contributions

The contributions payable to the Fund in respect of the year ended under the Schedule of Contributions certified by the Scheme Actuary on 28 September 2021, were as follows:

	£'000
Contributions payable under the Schedule of Contributions:	
Employer deficit funding contributions	8,500
Employer additional contributions in respect of fees	736
Total contributions payable under the Schedule of Contributions	9,236
Total contributions payable as reported in the Fund account	**9,236**

Signed on behalf of the Trustee on 5 December 2024

DocuSigned by:
Carl Williams
0ADCF5EB5AC24D3...

Carl Williams

Director

Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, the Fund 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 benefits members are entitled to at the valuation date. This is assessed using the assumptions agreed between the Trustee and the employer and set out in the Statement of Funding Principles, which is available to Fund members on request.

The most recent full actuarial valuation of the Fund was carried out as at 30 June 2023 and was signed on 12 September 2024. This showed that on that date:

The value of the Technical Provisions was:	£295.3 million
The value of the assets was:	£252.6 million

Therefore, the Fund had a funding deficit of £42.7 million corresponding to a funding level of 86%.

The funding position of the Fund improved compared to the previous actuarial valuation date of 30 June 2020. There were a number of factors which contributed to this change, in particular the deficit reducing contributions paid by the Employer and changes in market conditions.

The next valuation will be carried out as at 30 June 2026.

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

Method

The actuarial method to be used in the calculation of the Technical Provisions is the Projected Unit Method.

Actuarial assumptions at 30 June 2023

Discount rate: term dependent rates derived from the Bank of England nominal gilt curve at the valuation date, plus a decreasing margin: initially 1.8% pa for two years from 30 June 2023, then reducing linearly until it reaches 0.5% pa on 30 June 2032.

Retail Prices Index inflation: term dependent rates derived from the Bank of England curves for gilt implied inflation at the valuation date.

Consumer Prices Index inflation: term dependent rates derived from the Bank of England curves for gilt implied inflation at the valuation date, less an adjustment equal to 0.8% pa pre-2030 and 0% pa post-2030.

Pension increases and deferred revaluation: term dependent rates derived from the assumptions for RPI and CPI inflation, allowing for the caps and floors on pension increases according to the provisions in the Fund's rules and using a statistical model of movements in inflation.

Cash commutation: 70% of maximum allowable using factors in force at the valuation date.

Mortality: 100% of S3PMA table for male members and 100% of S3PFA table for female members, projected in line with the CMI_2022 model with a long-term rate of mortality improvements of 1.5% pa and a 25% 2022 weight parameter.

Marital statistics: 72% of non-pensioner members and 82% of current pensioner members are married at retirement, with wives 3 years younger than husbands.

The financial statements on pages 16 to 31 do not take into account liabilities, which fall due after the year end. As part of the triennial valuation, the Scheme Actuary considers the funding position of the Fund and the level of contributions payable.

Certificate of the Schedule of Contributions

Grant Thornton Pensions Fund

Certification of the Schedule of Contributions

Adequacy of rates of contributions

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 30 June 2023, to be met by the end of the period specified in the Recovery Plan dated September 2024.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated September 2024.

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

Signature:	OL McCulloch	Date:	25 September 2024
Name:	Oliver McCulloch	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Decimal Place Chiltern Avenue Amersham HP6 5FG	Employer:	Barnett Waddingham LLP

Implementation statement

Introduction

This implementation statement (the "Statement") is produced alongside the Trustee Report and Accounts and is required by pensions regulations. Grant Thornton Pensions Trustees Limited as trustee of the Fund (the "Trustee" and the "Fund" respectively) has prepared this Statement to provide stakeholders with a transparent and accurate review of how it has acted in line with the stewardship policies, including engagement and voting, set out in the Statement of Investment Principles (the "SIP") during the accounting year.

This Statement includes details of:

- Compliance against the stewardship and voting policies;
- Any changes made to the stewardship and voting policies ("Stewardship Policy") during the year; and
- Specifically, how the Fund's investment managers voted and engaged on our behalf.

This statement has been prepared by the Trustee to cover the period 30 June 2023 to 30 June 2024.

The Statement is publicly available at

https://schemedocs.com/grant-thornton-statement-investment-principles.html

Executive summary

The day-to-day management of the Fund's assets is delegated to Cardano Risk Management Limited (the "Fiduciary Manager" or "Cardano"). In advance of the appointment, the Trustee took steps to ensure that the management of the Fund's assets and the Fiduciary Manager's policies were aligned with the Trustee's own policies. The Trustee continues to monitor the Fiduciary Manager, as part of its regular interactions with them.

The Trustee monitors the voting and engagement activity of the Fund's investment managers, and, through the Fiduciary Manager, challenges their decisions. Effort is focused on those investment managers where voting and engagement is material. The policies of those investment managers are summarised in this Statement, along with examples of the type of activity which took place during the period covered. Some of the investment managers use investment approaches where stewardship is less likely to be relevant or significant. The Trustee is comfortable that the Fiduciary Manager has an appropriate approach to assess the stewardship and voting policies for all investment managers and receives a summary of the Fiduciary Manager's overall assessments once a quarter.

During the 12-month period covered by the Statement, the Trustee underwent a competitive tender and selection process, following which they appointed Cardano as new Fiduciary Manager, replacing BlackRock Investment Management (UK) Limited (the "Previous Fiduciary Manager" or "BlackRock"). This appointment necessitated a transfer of assets from BlackRock to Cardano. This statement uses BlackRock data for the period from 30 June 2023 to 31 December 2023, and Cardano data for the period from 1 January 2024 to 30 June 2024.

Unless otherwise stated, the Trustee policies referenced throughout this Statement relate to the most up-to-date policies in place at 30 June 2024, that were drafted by the Trustee under advice from their current Fiduciary Manager, Cardano.

Implementation statement (continued)

1. Our Stewardship Policy

1.1. What is Stewardship?

"Stewardship" is the responsible allocation, management and oversight of capital to create long-term value, which should also lead to sustainable benefits for the economy, the environment and society. In practice, stewardship is effected through exercising the right to vote on shares owned and engaging with the management of companies or properties in which we have a stake.

1.2. What is our Stewardship Policy?

The Stewardship Policy in force at the end of the 12-month period was:

> "The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The Fiduciary Manager encourages the Fund's investment managers to discharge their responsibilities in respect of investee companies in accordance with the Stewardship Code published by the Financial Reporting Council…
>
> …Where relevant, the Trustee prefers its investment managers to have an explicit strategy, outlining the circumstances in which they will engage with a company (or issuer of debt or stakeholder) on relevant matters (including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance matters) and how they will measure the effectiveness of this strategy.
>
> The Fiduciary Manager is responsible for engaging with investment managers regarding those investment managers' voting records and level of engagement with the underlying investments, where this is expected to have meaningful impact (and the Trustee monitors the Fiduciary Manager's activity in this regard)."

1.3. How have we implemented our Stewardship Policy?

Fund structuring

The Trustee holds investments primarily on an indirect basis through pooled funds, but also holds some assets such as Government Bonds directly. The reason for this approach is that:

- It provides a broader range of investment opportunities, which helps to improve the diversification of investments, which in turn helps to manage risk;
- Fixed costs are shared amongst other investors, thereby reducing overall costs; and
- It simplifies the implementation process as existing funds can be used with standard terms and agreements, reducing the overall governance burden both on the Trustee and the Sponsor.

Where investments are made in pooled funds the Trustee follows the voting and engagement policies of the investment managers of the pooled funds. However, the Trustee remains responsible for ensuring that the investment managers act consistently with the Trustee's Stewardship Policy. The Trustee achieves this by ensuring that the Fiduciary Manager's beliefs and policies on engagement, manager selection and manager monitoring are aligned with the Stewardship Policy.

Implementation statement (continued)

External engagements

The Trustee assesses that the Fiduciary Manager has been aligned with our Stewardship Policy throughout the period since their appointment. For example, the Fiduciary Manager has been a signatory to the UN Principles for Responsible Investment since 2011 and they are a signatory to the UK Stewardship Code 2020.

In addition, the Fiduciary Manager is a member of a range of sustainable investment organisations, including those noted below.

Engagement beliefs

The development of engagement beliefs is an important Trustee responsibility. The day-to-day implementation of the beliefs has been delegated to the Fiduciary Manager, having concluded that the Fiduciary Manager's core beliefs are consistent with the Trustee's.

The beliefs driving the Fiduciary Manager's approach to engagement are as follows:

Quality over quantity

The Fiduciary Manager is interested in a few meaningful quality engagements with strong reporting (rather than being interested in the quantity of votes). They want managers to prioritise the highest sustainability impacts in their portfolios

Long-term

The Fiduciary Manager encourages underlying managers to form long-term relationships with companies. Successful stewardship can take many months, maybe even years

Real world impact

The Fiduciary Manager is interested in engagement on topics that contribute to positive real-world sustainability impact (such as, reduction in absolute carbon emissions)

Transparency

Some engagement, perhaps even most engagement, will be unsuccessful. The Fiduciary Manager is realistic, and they prefer transparency from managers

Collaboration

Engagement is more efficient when managers collaborate – not just for the managers, but for the companies too (who will field fewer, but higher conviction, engagements from their investors). The Fiduciary Manager encourages underlying managers to participate in collaborative initiatives, such as Climate Action 100+

Implementation statement (continued)

Innovation

The Fiduciary Manager welcomes innovation, for example, third-party tools to assess a company's conviction on sustainability topics

Integrated

The Fiduciary Manager is interested in how (if at all) stewardship contributes to the investment thesis and whether managers link their stewardship to other engagement activity (for example, policy engagement)

Engagement priorities

The Trustee has recently selected three stewardship priorities for manager engagement in order to improve alignment against our policies and beliefs as well as enhance disclosure. These priorities are linked to the UN Sustainable Development Goals and aim to improve sustainability within the portfolio and have a direct real-world impact to our members' current and future landscape. The Trustee's three stewardship priorities are:

- **Climate Crisis** (with a focus on climate change and net zero greenhouse gas emissions)
- **Environmental Impact** (with a focus on biodiversity, deforestation and water)
- **Human Rights** (with a focus on living wages, gender equality and health & nutrition)

The Trustee expects the investment managers to incorporate these themes into their future voting practices and the Fiduciary Manager monitors manager disclosures to ensure alignment against our priorities.

Manager selection and monitoring

When selecting investment managers, the Fiduciary Manager scrutinises the stewardship, voting and engagement policies. Activities of investment managers are assessed before the initial investment to ensure they align with the Trustee's Stewardship Policy. The Fiduciary Manager monitors the investment managers on an ongoing basis, ensuring their activities align with the Stewardship Policy and engaging with the investment managers to help them improve their stewardship approach.

The Fiduciary Manager closely monitors investment managers who do not meet the stewardship standards and actively works with them to improve their policies, processes and reporting.

The Trustee monitors the voting and engagement activity of our investment managers and challenges their activity through the Fiduciary Manager. Managers are categorised according to how material voting and engagement is in their mandate. The Fiduciary Manager focuses its efforts on any managers where voting and engagement is material.

The Fund invests in a series of Private Market investments. Most of these strategies own controlling stakes in the underlying businesses, meaning that stewardship and engagement is evidenced in a much broader way than, for example, investing in company shares that are listed on a stock market (i.e. public market investments).

One important way for a Private Markets investment manager to add value is to ensure that each business has the best corporate governance possible – dictating and controlling the policies and make up of senior leadership (versus voting at shareholder meetings). Engagement is, therefore, highly relevant in some cases and we include some examples in the relevant section of this report.

Compliance statement

To the best of our knowledge, the Trustee has complied with the Stewardship Policy over the year.

Implementation statement (continued)

2. Voting Activity

The Shareholder Rights Directive (SRD II) and the UK Stewardship Code 2020 both emphasise the importance of institutional investors and asset managers engaging with the companies in which they invest. They stress the importance of exercising shareholder voting rights effectively. Voting only applies to equities held by the Fund and given the use of pooled funds, there is limited scope for the Trustee to directly influence voting. Voting is carried out by the investment managers on behalf of the Trustee.

2.1. How did the managers vote?

The tables below provide a summary of the voting activity undertaken by the managers during the year.

Note: the managers included denote those where voting and engagement are seen as material aspects of their investment process, rather than necessarily those investments the Fund has the largest exposure to. In addition, not all managers in this category will always have voting opportunities in any given year. Although all investment managers that the Fund invests with, directly or indirectly, are subject to the Trustee's Stewardship Policy and monitored accordingly, some managers are not subject to engagement / stewardship disclosure obligations. In some cases, aspects of a manager's voting activity may not be included in this document; where we have concerns that public disclosure would be detrimental to the success of the investment strategy of the Fund.

BlackRock: 30 June 2023 to 31 December 2023

Emerging Market Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	197
% of eligible resolutions the manager voted on	78%
% of votes with management	71%
% of votes against management	7%
% of resolutions the manager abstained from	0%

Multi-themes Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	4,615
% of eligible resolutions the manager voted on	97%
% of votes with management	84%
% of votes against management	13%
% of resolutions the manager abstained from	0%

Implementation statement (continued)

Systematic Global Small Cap Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	1,707
% of eligible resolutions the manager voted on	93%
% of votes with management	87%
% of votes against management	6%
% of resolutions the manager abstained from	0%

Systematic A Share Opportunities Equities (sold end-October 2023)

	Manager response
Number of resolutions the manager was eligible to vote on over the period	1,403
% of eligible resolutions the manager voted on	100%
% of votes with management	78%
% of votes against management	22%
% of resolutions the manager abstained from	0%

Sustainable Equity Factor Plus

	Manager response
Number of resolutions the manager was eligible to vote on over the period	286
% of eligible resolutions the manager voted on	100%
% of votes with management	99%
% of votes against management	0%
% of resolutions the manager abstained from	1%

Implementation statement (continued)

MSCI USA Value Factor

	Manager response
Number of resolutions the manager was eligible to vote on over the period	206
% of eligible resolutions the manager voted on	100%
% of votes with management	100%
% of votes against management	0%
% of resolutions the manager abstained from	0%

Japan Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	427
% of eligible resolutions the manager voted on	100%
% of votes with management	95%
% of votes against management	5%
% of resolutions the manager abstained from	0%

Asia Pacific Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	941
% of eligible resolutions the manager voted on	100%
% of votes with management	93%
% of votes against management	7%
% of resolutions the manager abstained from	0%

Implementation statement (continued)

UK Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	4,367
% of eligible resolutions the manager voted on	97%
% of votes with management	94%
% of votes against management	3%
% of resolutions the manager abstained from	0%

US Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	875
% of eligible resolutions the manager voted on	100%
% of votes with management	99%
% of votes against management	1%
% of resolutions the manager abstained from	0%

European Equities

	Manager response
Number of resolutions the manager was eligible to vote on over the period	80
% of eligible resolutions the manager voted on	100%
% of votes with management	90%
% of votes against management	8%
% of resolutions the manager abstained from	2%

Implementation statement (continued)

Cardano: 1 January 2024 to 30 June 2024

Cardano Global Sustainable Equity Fund

	Manager response
Number of resolutions the manager was eligible to vote on over the period	22,714
% of eligible resolutions the manager voted on	98%
% of votes with management	75%
% of votes against management	24%
% of resolutions the manager abstained from	1%

2.2. Use of proxy voting services

Proxy voting services are specialist firms that provide an outsourced voting service. Some investment managers choose to use these services (rather than vote themselves) if, for example: the investment manager lacks the resource to research each vote and submit votes; or, the investment manager wants to follow a recognised code of practice and the proxy voting service is an effective way to implement this

Using a proxy voting service does not necessarily mean that voting is done poorly. In fact, many professional proxy voting services are able to devote significant resource to researching AGM motions and are able to follow best practice guides like the Financial Reporting Council's (FRC) Stewardship Code.

The Trustee recognises that by having a suitable Stewardship Policy in place and using the Fiduciary Manager to monitor voting activity, investment managers can create more engagement over time; particularly in the case of smaller, more boutique managers with less in-house expertise and resource.

The table below outlines the use of proxy voting services by the Fund's investment managers where voting is deemed to be of material importance.

Manager	Use of proxy voting service
BlackRock	While we subscribe to research from the proxy advisory firms Institutional Shareholder Services and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. We primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research.
Cardano	We have selected Glass Lewis as a proxy provider to deliver vote recommendation and execution services. Glass Lewis applies the custom voting policy of Cardano and an audit process is in place with Glass Lewis to ensure the policy is applied correctly.

Implementation statement (continued)

2.3. Examples of significant votes

When collating voting statistics, we asked managers to provide examples of significant votes cast. The tables provide a sample of responses received.

BlackRock: 30 June 2023 to 31 December 2023

Emerging Market Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Alibaba Group Holding Limited	28/09/2023	Elect Independent Director Kabir Misra	For	Vote in favour of appointing an independent director as the Chairman of the board is not independent, and a lead independent director has not been identified.

Multi-themes Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Oracle Corp. Japan	24/08/2023	Elect Director Natsuno, Takeshi	Against	This outside director sits on more than four boards of directors or audit & supervisory boards of listed companies.

Systematic Global Small Cap Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Safari Industries (India) Ltd.	27/11/2023	Approve Issuance of Bonus Shares	Against	We vote against bonus shares issuance due to negative tax implication for investors.

Systematic A Share Opportunities Equities (sold end of October)

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Beijing Capital Eco-Environment Protection Group Co., Ltd.	26/12/2023	Approve to Appoint Auditor	Against	Concerns about the professional qualification of the auditor.

Implementation statement (continued)

Sustainable Equity Factor Plus

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Electronic Arts Inc.	10/08/2023	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	Against	Executive compensation matters should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors.

MSCI USA Value Factor

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
NetApp, Inc.	13/09/2023	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against (with management)	Shareholders should have the right to act without waiting for the company to call a shareholder meeting. At this company, shareholders already have the right to act by calling a special meeting.

Japan Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Kusuri No Aoki Holdings Co., Ltd.	17/08/2023	Appoint Shareholder Director Nominee Ikei, Yoshiaki	For	The proposed candidate will contribute to improvement of corporate governance of the company.

Asia Pacific Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Qantas Airways Limited	03/11/2023	Approve Remuneration Report	Against	Remuneration arrangements are poorly structured and remuneration committee discretion has been used poorly.

Implementation statement (continued)

UK Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Domino's Pizza Group Plc	30/06/2023	Approve Remuneration Policy	Against	Poor use of remuneration committee discretion regarding the grant of a one-off award and regarding remuneration increases.

US Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Oracle Corporation	15/11/2023	Report on Median and Adjusted Gender/Racial Pay Gaps	For	It is in the best interests of shareholders to have access to greater disclosure on this issue.

European Equities

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Compagnie Financiere Richemont SA	06/09/2023	Reappoint Maria Ramos as Member of the Compensation Committee	Against	Pay is not properly aligned with performance and/or peers, remuneration committee discretion has been used poorly and remuneration arrangements are poorly structured.

Implementation statement (continued)

Cardano: 1 January 2024 to 30 June 2024

Cardano Global Sustainable Equity Fund

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Yara	28/05/2024	Shareholder proposal regarding science-based scope 3 targets requesting the company to set comprehensive science-based scope 3 target in line with a 1.5C pathway	As a co-filer of the resolution, we voted 'for' the resolution.	Yara is part of the by Shareaction coordinated chemicals decarbonisation engagement program which Cardano actively participates in, and their progress has been lagging. Scope 3 emissions account for about 75% of their total emissions but Yara does not have a comprehensive 1.5°C aligned scope 3 target. After two years of engagement, Yara has not provided a credible reason for not setting an ambitious scope 3 target and could not give assurances that the company will be operating in line with a 1.5°C degrees pathway, despite investors raising this concern repeatedly in meetings. Various investors, including Cardano, therefore decided to escalate the engagement by co-filing a shareholder resolution.

3. Engagement Activity

Engagement is considered to be purposeful dialogue with a specific and targeted objective to achieve positive change in the interests of beneficiaries, thereby a key action required for delivering good stewardship. The Fiduciary Manager is passionate about active engagement, as opposed to disinvestment or exclusions practices, in order create positive real-world change. Through engagement, asset managers can build relationships with the companies in which they invest, helping to steward companies on a range of topics, including sustainability.

Implementation statement (continued)

The tables below provide examples of engagement activity of the Fund's investment managers where engagement should be a material activity in the management of the assets.

BlackRock: 30 June 2023 to 31 December 2023

UK Equities

Key Points	Engagement activity
Engagement Theme: **Governance** **Industry:** **Auto** **Outcome:** In September 2023, the company appointed two new independent directors to the board, raising the independence of the board to BlackRock's desired 50% level. Furthermore, the firm's CEO stepped down from the audit committee to improve the composition and independence of the committee	BlackRock had taken the time to better understand the firm's governance structure and the composition of its board and various committees. They found the board and the audit committee (which the CEO sat on) to be below their preferred 50% independence. Consequently, BlackRock voted against the CEO's appointment to the audit committee in 2021, and again raised concerns in 2022, including voting against the appointment of a nominated director. Prior to the 2023 AGM, BlackRock again raised these concerns, as well as highlighting the length of tenure of the independent non-executive director sitting as chair of the board.

Systematic Global Small Cap Equities

Key Points	Engagement activity
Engagement Theme: **Governance** **Industry:** **Software** **Outcome:** The company has been responsive to shareholder feedback and has demonstrated that this feedback is informing changes they have made to their executive remuneration practices	BlackRock has engaged with the firm following concerns over two features of their compensation program. Firstly, they elected to grant equity awards, allowing the earning of a fixed number of shares since 2005. In this period (ending 2022), investors saw very high returns which alongside receiving additional shares year-on-year, led to an opportunity for large pay-outs. Secondly, their long-term incentive plans for employees were only linked to one metric, earnings per share. BlackRock prefer these metrics to be varied and preferably within management's control. As a result, BlackRock voted against the proposed compensation policy and will continue to engage with the firm to improve their remuneration practices.

Implementation statement (continued)

Cardano: 1 January 2024 to 30 June 2024

Cardano Global Sustainable Equity Fund

Key Points	Engagement activity
Engagement Theme: **Social / Governance** **Industry:** **Entertainment software** **Outcome:** Over 2023, the firm demonstrated via its new ESG report that a cohesive strategy had been developed to manage diversity, equity, and inclusion (DEI) initiatives. In April 2024, a conference call was held between the company, Sustainalytics and investors regarding a more systematic approach to DEI progress within the overall management plan. They stated that the DEI policy will be aligned, but independent from their parent company. Sustainalytics and Cardano will monitor the implementation of this in the second half of 2024.	In July 2021, the California Civil Rights Department (CRD) filed a civil lawsuit against the firm for violations of equal pay laws through its treatment of female employees. The CRD found evidence that they discriminated against their female employees in their employment terms and that female employees were subjected to constant sexual harassment by male co-workers, supervisors and high-ranking executives. In their initial response, the firm denied the accusations; however, soon after, the company's CEO, announced a third-party review of the company's procedures. In July 2021, our provider, Sustainalytics, initiated contact with the firm and the CEO acknowledged the issue and stated that action would be taken to address it. As of January 2022, their president, a senior vice president of human resources, a chief legal officer and three lead game designers stepped down from their positions and 37 employees exited for disciplinary reasons.