

# **SIMON GROUP PENSION FUND**

## **Trustee's Report for the Year Ended 31 December 2024**

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The Trustee has pleasure in presenting its report and the audited financial statements of the scheme for the year ended 31 December 2024.

### **Scheme management**

Simon Group Pension Fund Limited is the Corporate Trustee of the Simon Group Pension Fund. A list of the current Trustee Directors is shown listed on page 1 of this Report.

The Trustee is responsible for the management of the Scheme. As a corporate trustee, its functions are carried out by its board of directors.

In accordance with the requirements of the Pensions Act 2004 that at least one third of the composition of the Trustee Board comprises Member Nominated Directors (MNDs), the Trustee has in place arrangements for the selection of one MND, comprising one third of the three Trustee director positions. Participation in the MND process includes all deferred members and pensioners.

A new MND, Mr D Scott, was appointed on 29 June 2024.

The Fund is constituted by the Trust Deed and administered by the Trustee according to the Scheme Rules under the terms of the Deed.

On 26 February 2010 a Deed of Amendment was completed to amend the Rules in respect of closing the Scheme to future accrual. As from 1 March 2010 there have been no active members in the Fund. The closure of the Scheme to future accrual did not and does not change any existing accrual benefit of deferred or pensioner members.

The Fund's investments are held and managed by the Trustee entirely separately from the assets of the sponsoring or participating employer (CLdN Ports Humber Limited and CLdN Ports Killingholme Limited respectively) .

The Trustee is supported to carry out its functions by a dedicated in-house pension administration team.

Administration services for both the Defined Benefit Section and the Defined Contribution Section are provided to the fund by Barnett Waddingham LLP.

The Scheme retains a scheme actuary under a separate appointment, as is the case for its Investment Consultant and legal advisers.

### **Constitution of the scheme**

Up until June 2023 when the DC arrangement was transferred to a new provider, the scheme was a hybrid scheme consisting of distinct groups of members, some of whom accrued benefits on a money purchase basis, and others who accrued benefits on a defined benefit basis up until this date. Details of the transfer out of the money purchase benefits in the prior year are disclosed in note 6 of these financial statements. Following June 2023 the scheme is solely a defined benefit scheme and, as such, all other disclosures in these financial statements are for members who accrue benefits on a defined benefit basis.

The scheme was established on 1 January 1953 to provide retirement benefits to all eligible employees of Simon Group Limited, including previous employing companies, and their dependents.

The scheme is currently governed by the Trust Deed and Rules as amended on 26 February 2010.

### **Changes to the scheme**

There have been no changes to the scheme rules in the year.

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## Trustee's Report for the Year Ended 31 December 2024

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### Trustee meetings

During the Fund year there were four full Trustee board meetings. The board also met ad hoc as the needs of the Scheme required. There is a sub-committee to deal with discretions cases.

### Trustee's Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirements for directors of the Trustee to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Scheme assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 07 and 13.

The directors keep up to date with relevant developments.

All of the existing directors of the Trustee have completed the Pension Regulator's Trustee Toolkit. New directors are required to complete this prior to taking up office. There is a specific requirement for those wishing to be nominated for the role of MND to complete the Toolkit prior to nomination.

All of the directors of the Trustee are also required to familiarise themselves with the Scheme's Trust Deed, Rules and Statement of Investment Principles. The Trustee also receives advice and training from its specialist advisers including the Scheme Actuary, the Investment Consultant, and legal advisers.

Taking account of the knowledge and experience of individual directors of the Trustee and the actions of the Trustee body as a whole as well as the professional advice available to it, the Trustee considers that it is enabled properly to exercise its function as Trustee of the Scheme.

### Financial development of the Scheme

The financial statements included in this annual report are the accounts required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

Full details of the financial development of the Fund are set out in the audited financial statements on pages 21 to 35.

Fees payable in respect of fund management and custodial services were £446k (2023: £474k) and £6k (2023: £1k) for bank charges on cash balances held by the investment managers.

Benefits payable were £12,667k (2023: £12,861k). Payments to leavers of the defined benefit section were £385k (2023: £13k), with all of the defined contribution scheme members being transferred on to other pension providers in the previous year (2023: £29k). Administration expenses of the Fund are paid by the Sponsoring Employer.

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## Trustee's Report for the Year Ended 31 December 2024

### Investment performance and significant events

The Trustee routinely reviews the performance of its investment portfolio with the assistance of its investment managers, for longer-term performance to meet the fund's commitments to pay current and future benefits as they fall due.

Until mid-June 2023 the scheme held investments in quoted equities, gilts, corporate bonds and pooled investment vehicles in quoted securities. Following improvements in corporate bond and gilt yields, the Trustee (with the advice of the scheme actuary, the investment consultant and the investment manager) reinvested the scheme's assets into a mixed bond/gilt portfolio to match fund the scheme's liabilities. This was still the state of the scheme as at 31st December 2024.

The Trustee will continue to monitor the profile of the scheme's liabilities against the portfolio and make adjustments as necessary so as to continue to be able to meet the scheme's future obligations to pay member benefits. The Trustee maintains an investment policy which it reviews regularly.

The Trustee believes that the scheme will continue to be able to meet its cashflow obligations over the next 12 months. As at 31 December 2024 the scheme held cash deposits £481,467 (2023: £867,563).

The Trustee is aware of the decision of the Courts in the Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors case. The Trustee will undertake a review as necessary of any implications of this decision for the Scheme. It is not possible at the date of this statement to ascertain any potential impact on the Scheme.

### Scheme membership

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

	Deferred members	Pensioners	Total
<b>Members at 1 January 2024</b>	<b>841</b>	<b>2,025</b>	<b>2,866</b>
Adjustments	(8)	3	(5)
Members joining the scheme	-	42	42
Members retiring	(43)	-	(43)
Members commuting retirement benefits	(4)	-	(4)
Transfers to other pension arrangements	(2)	-	(2)
Members for whom annuities are purchased	-	(1)	(1)
Deaths	(3)	(122)	(125)
Spouses and dependants	-	37	37
<b>Total membership at 31 December 2024</b>	<b>781</b>	<b>1,984</b>	<b>2,765</b>

Included in the above membership statistics at 31 December 2024 were 628 (2023: 698) pensions in payment by Legal and General. These pensions arose from a bulk annuity purchased by the Fund from Legal and General in 2001 for pensioners at that time. These insurance policy assets and liabilities are included in the notes to these Accounts.

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### Trustee's Report for the Year Ended 31 December 2024

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#### Pension increases

Subject to the guaranteed rates of increase referred to below pensions were generally increased on 1 January 2024 by 3.0%. The rules provide for annual guaranteed rates of increase as follows:

- In respect of pensions attributable to employment after 6 April 1997, the lower of the rate of RPI inflation and 5%. In respect of pensions attributable to employment between 6 April 1997 and 1 September 2000, there is a guaranteed minimum increase of 3%.
- In respect of pensions attributable to employment prior to 6 April 1997, the lower of the rate of RPI inflation and 4%, subject to a minimum increase of 3%.

As in previous years, these increases were also applied to widows' and widowers' pensions, childrens' allowances and prospective pensions for widows and widowers. Increases for pensioners who had been retired for less than one year were calculated on a pro rata basis.

*The Trustee is in the process of carrying out reconciliation and rectification of Guaranteed Minimum Pensions for service after April 1998 as required by recent caselaw.*

Certain pensions which came into payment under the rules of other schemes which have been merged into the fund, may have been increased at different rates (or not increased at all) depending on the Rules applicable to those particular schemes.

#### Increase in deferred pensions

Deferred pensions were increased in line with the rules of the fund.

The Rules provide for:

- Increases at the statutory rate prescribed by the DWP on the Guaranteed Minimum Pension; and
- Increases at 5% or the rate determined by the State Revaluation Laws, if less, (minimum 0%) on 1 April for each complete year on the excess over the Guaranteed Minimum Pension.

#### Transfers

The cash equivalents (transfer values) paid during the year were calculated and verified in a manner prescribed by regulations under section 97 of the Pension Schemes Act 1993, and none were less than the amount for which section 94(1) of that Act provides.

Transfer values take into account any future discretionary increases in pensions in payment, in accordance with actuarial advice. No discretionary benefits have been included in the calculation of transfer values.

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## Trustee's Report for the Year Ended 31 December 2024

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### Actuarial liabilities

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

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

The most recent full actuarial valuation of the scheme was carried out as at 31 December 2022. This showed that on that date:

The value of the Technical Provisions was: £131,581,000.

The value of the assets at that date was: £131,472,000.

The method and significant actuarial assumptions used to determine the Technical Provisions are as follows:

### Method

The value of technical provisions is based on Pensionable Service to the valuation date and assumptions about various factors that will influence the scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

The actuarial method to be used in the calculation of the Technical Provisions is the Defined Accrued Benefit Method.

### Significant actuarial assumptions

#### Discount rate

The discount rate shall be set as the Trustee's prudent expectation of future returns on the scheme's assets, as determined by the Trustee and rounding down to the lower 0.1%. At the valuation date the resulting discount rate was 4.5%.

#### Future Retail Price inflation

The RPI inflation assumption shall be derived from the Bank of England's inflation spot curve at a 13-year duration, to be consistent with the duration of the Scheme's liabilities, less a deduction of 0.2% to allow for the Inflation Risk Premium. The resulting figure shall be round up to the nearest 0.05%. At the valuation date the resulting RPI assumption was 3.5%.

#### Future Consumer Price inflation

CPI inflation shall be assumed to be 1.0% less than RPI assumption, giving an assumption for future CPI at the valuation date of 2.5%.

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## Trustee's Report for the Year Ended 31 December 2024

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### Pension increases

The rate of inflation-linked pension increases after retirement shall be determined by applying a statistical model to allow for the existence of minimum and maximum that apply to certain elements of pensions. At the Valuation Date the resulting assumptions for pension increases were:

- RPI to a maximum of 5%: 3.50%
- RPI subject to a maximum of 5% and a minimum of 3%: 3.50%
- RPI subject to a maximum of 4% and a minimum of 3%: 3.50%
- CPI subject to a maximum of 3%: 2.50%

### Expected return on assets

The assumed investment return on Scheme assets for any recovery plan shall be equal to the discount rate.

### Mortality

The tables used are the S3PXA tables. Allowance for future improvements in mortality has been made by using the CMI 2021 projection factors with an assumed long-term rate of 1.5%.

### Retirement

Members are assumed to retire at Normal Retirement Age.

### Age difference of dependants

Males are assumed to be three years older than a female spouse.

### Percentage with dependants' benefits at death

70% of members are assumed to have a dependant on death.

### Commutation

All members exchange 25% of their pension for tax free cash at retirement.

### Transfer Values

No allowance has been made for members transferring out of the Scheme.

### Expenses and levy payments

The Technical Provisions will not include an expense reserve. The employer will pay for all Scheme expenses, including the PPF levy, as and when they arise.

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## Trustee's Report for the Year Ended 31 December 2024

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### Recovery plan

As at the date of these financial statements the Trustee and Company had in place a Recovery Plan to meet the SFO deficit as follows:

Monthly payments of £108,333.33 were paid from the Escrow account to the Scheme until 30 June 2023.

In addition, the Employer will pay the costs of administering the scheme, including levies to PPF and any investment manager costs, as and when they arise, other than in respect of fees for GMP Equalisation which shall be met from Scheme assets. Indirect investment manager costs, such as annual management charges deducted by fund managers from assets they hold, are allowed for when setting the discount rate and no employer contributions are expected in relation to these.

The SFO funding shortfall is expected to have been eliminated by 30 June 2023.

For calculating the length of the Recovery Plan the following assumptions were made:

- Technical provisions calculated according to the method and assumptions set out in the Trustee's Statement of Funding Principles
- The return on existing assets and the return on new contributions during the period as set out in the Statement of Funding Principles for the calculation of technical provisions
- Scheme experience in line with assumptions set out in the Trustee's Statement of Funding Principles

All contributions due under the Recovery Plan will be paid by 30 June 2023.

These arrangements were formalised in a schedule of contributions which the Scheme Actuary certified on 27 July 2023. A copy of his certificate is included on page 48 of this annual report.

To reflect the outcome of the triennial actuarial valuation for the period ending 31 December 2022, the Trustee and the sponsoring employer agreed the revised recovery plan above for the support of the Fund.

The sponsoring employer also made an additional £10 million contributions from the escrow account in December 2023 to assist with future funding requirements of the scheme.

### Next actuarial valuation

The next actuarial valuation will be performed for the period ended 31 December 2024.

### Investment management

The Trustee has appointed Credit Suisse (UK) Limited and Indosuez Wealth Management to keep custody of the Scheme's investments, other than Additional Voluntary Contributions and other investments which are in the form of insurance policies, where the master policy documents are held by the Trustee.

The investment managers, appointed on behalf of the Trustee to manage the funds under section 34(4) of the Pensions Act 1995, are appropriately authorised under the Financial Services and Markets Act 2000 to manage investments or are specifically exempt from the requirements of the Act.

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The Trustee has delegated the management of investments to professional investment managers which are listed on page 3. These managers, which are regulated by the Financial Conduct Authority in the United Kingdom, manage the investments within the restrictions set out in investment management agreements which are designed to ensure that the objectives and policies set out in the SIP are followed.

The mandates put in place by the Trustee specifies how rights attaching to the Scheme's segregated investments are acted upon. This includes active voting participation and a requirement to consider social, ethical and environmental factors when making investment decisions. The Trustee has less influence over the underlying investments within pooled investment vehicles held by the Scheme but review the managers' policies and statements of compliance in respect of these matters.

### Investment principles

The Trustee is responsible for determining the Scheme's investment strategy.

In accordance with section 35 of the Pensions Act 1995, the Trustee has agreed a statement of investment principles and a copy is available on request. The Trustee is currently undertaking a review of the Statement of Investment principles following the reallocation of the scheme's assets.

The Trustee's investment strategy considers the Scheme's investments as liability-driven assets; predominantly bonds, LDI funds and swaps, where the objective is to secure fixed or inflation-adjusted cash flows in future, and where the investments are generally expected to be held to maturity.

### Review of investment performance

Liability-driven assets are compared with benchmarks but the Trustee's main concern is security of cash flows and therefore growth in these assets (which is normally linked to growth in Scheme liabilities, or vice versa) is less relevant.

The Trustee receives reports from their investment managers monthly showing actual performance by manager and fund. Investment managers present to the investment committee once or twice (for return-seeking managers) each year, to report on compliance with their agreements and to be questioned by the investment committee members.

Performance of the Scheme's investments over short and longer periods is assessed on the basis of security of cash flows to meet forecasted liabilities rather than growth in the overall value of the portfolio.

Therefore, whilst global economic conditions and geo-political events may affect underlying value of investments, the priority measurement for performance is the matching of investment returns to cash flow.

### The Pension Tracing Service, MaPS, the Pensions Ombudsman and The Pension Regulator

In accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulation 2013, Members are advised that:

- The Money and Pensions Service (MaPS) of 120 Holborn, London EC1N 2TD is able to assist members and beneficiaries with pension questions and issues which they have been unable to resolve with the Trustee or the Plan administrator (email: [contact@maps.org.uk](mailto:contact@maps.org.uk))
- The Pensions Ombudsman of 10 South Colonnade, Canary Wharf, London E14 4PU may investigate and determine certain complaints or disputes about pensions that are referred to the Ombudsman (email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk))



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In addition to the above The Pensions Regulator of Telecom House, 125-135 Preston Road, Brighton BN1 6AF (email: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)) may intervene in the running of pension schemes where trustees, managers, employees or professional advisers have failed their duties.

It has wide ranging powers which include the power to:

- suspend, disqualify and remove a Trustee, or Director of a Trustee company, for consistently not carrying out their duties;
- wind up schemes where necessary, and
- apply for injunctions to prevent the misuse and misappropriation of Scheme assets and apply for restitution where necessary.

Information regarding the Scheme has been given to the Pension Tracing Service. You can trace your pension by contacting the Pension Tracing Service at The Pension Tracing Service, The Lantern, High Street, Ilfracombe EX34 9QB or online at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details).

#### Internal Dispute Resolution Procedures

A disputes resolution procedure has been agreed by the Trustee to resolve any queries raised by beneficiaries or potential beneficiaries of the Plan and details of this can be obtained by writing to the Scheme Secretary, Mr B Dove-Seymour.

Approved by the Board on *25 July 2025* and signed on its behalf by:

  
M Couvreur  
Trustee Director