PGI GROUP PENSION PLAN

Trustees’ annual report and financial statements

Registration number: 10082986

Year ended 31 December 2023

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Trustees and advisers

Trustees:	J Vohryzek-Samuel E Wratten S S Hobhouse (Member nominated trustee)
Secretary to the trustees:	M A Gage PGI Group Limited 3rd Floor 45 Ludgate Hill London EC4M 7JU (mag@pgi-uk.com)
Principal employer:	PGI Group Limited 3rd Floor 45 Ludgate Hill London EC4M 7JU
Actuaries:	Mercer Limited 7 Lochside Avenue Edinburgh EH12 9DJ
Auditors:	DJH Audit Limited St George's House 56 Peter Street Manchester M2 3NQ
Solicitors:	Pinsent Masons LLP 141 Bothwell Street Glasgow G2 7EQ
Investment managers:	BlackRock Advisors (UK) Ltd 12 Throgmorton Avenue London EC2N 2DL
Investment consultants:	Broadstone Corporate Benefits Limited BBS House, 23-25 St George's Road Bristol BS1 5UU
Custodian:	The Bank of New York Mellon (International) Ltd BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
Bankers:	HSBC Plc 69 Pall Mall London SW1Y 5EY

Trustees' report

The trustees of the PGI Group Pension Plan present their annual report together with the investment report, implementation statement, actuarial statement and financial statements for the year ended 31 December 2023.

Constitution of the scheme
The PGI Group Pension Plan is governed by a consolidating Trust Deed and rules dated 22 July 2008. The Plan has been approved as an Exempt Approved Scheme under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 2010. The scheme is closed to new members.

Management of the scheme
The trustees are responsible for the administration and investment policy of the Plan. During the year under review the trustees met four times.

Under the Trust Deed and rules of the Plan, two thirds of the trustees are appointed by PGI Group Ltd (the Employer). One-third of the trustees are nominated by Plan members. Company appointed trustees can serve until removed by the Company. Member nominated trustees, elected from the Plan's membership, serve for a term of three years after which they must stand for re-election.

Trustees
The Trustees who held office during the period and up to the date of signature of the financial statements were as follows:

J Vohryzek-Samuel
E Wratten
S Hobhouse (Member nominated trustee)

Statement of trustees' responsibilities
The accounts, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the trustees. Pension scheme regulations require the trustees to make available to scheme members, beneficiaries and certain other parties, audited accounts for each scheme year which:

- Show a true and fair view of the financial transactions of the Plan during the year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year, and
- Contain the information specified in the Schedule to 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 Statement of Recommended Practice 'Financial Reports of Pension Schemes'.

The trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The trustees are responsible for making available each year, commonly in the form of a trustees' annual report, information about the Scheme prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

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

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

Trustees' report (Cont)

Schedule of contributions

The members do not contribute to the Plan. The employer pays the total amount to fund the benefits and administrative expenses of the Plan. In 2023, the funding of the benefits amounted to a recovery plan contribution to amortise the deficit of £200,000 (2022: £1,100,000 of which £400,000 were recovery plan contributions and £700,000 were additional employer contributions). Funding of the administrative expenses amounted to £90,883 (2022: £36,523).

Membership

The change in the membership of the Plan during the year is given below:

	2023	2022
Deferred pensioners		
Deferred pensioners at the beginning of the year	104	117
Deferred pensioners reaching pensionable age	(6)	(8)
Deferred pensioners who reached pensionable age and whose pensions were commuted in full	(6)	(3)
Deferred pensioners who died during the year	-	(2)
	92	**104**
Pensioners		
Pensioners at the beginning of the year	271	281
Deferred pensioners reaching pensionable age	6	8
Spouses and dependants	5	3
Pensioners who died during the year	(17)	(21)
	265	**271**
Total membership at the end of the year	357	375

Review of financial development of the plan

The last full actuarial valuation was performed by Mercer Limited, the Plan's actuaries, as at 31 December 2022. The 31 December 2022 valuation indicated that on a continuing valuation basis the surplus was £401,000 and the value of the assets was sufficient to cover 103% of the benefits accrued to the members, as disclosed on page 25 of these accounts. The Pension Plan was closed to future accrual for active members from 1 October 2011.

A summary of the actuarial statement based on the 31 December 2022 valuation is disclosed on pages 21 to 26 of these accounts.

The Plan's invested assets were managed by BlackRock Investment Management (UK) Limited ("BlackRock") who were appointed by the Plan in July 2009. BlackRock is remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund and are paid quarterly.

Custodian services are provided by The Bank of New York Mellon (International) Limited. In accordance with normal practice, the Plan's investments are registered in the name of the custodian's own nominee company with designation for the Plan.

The financial statements have been prepared and audited in accordance with regulations under S41(1) and (6) of the Pensions Act 1995.

Trustees' report (Cont)

Investment management

At the start of the year, the Trustees' long-term investment policy was to invest 25% in equity and 75% in bonds, including gilts and corporate bonds.

In August 2023, the Trustees received advice from its investment adviser, Broadstone Corporate Benefits Limited, to de-risk the Plan and restructure the investment strategy to support the Plan's longer term funding objective and to generate increased cashflow to help meet expected pension payments. The revised strategy reduced the equity allocation to 15%, and increased the bond allocation to 85%, including gilts, corporate bonds and cash. The Trustees subsequently consolidated their passively managed regional equity index funds into a single global equity index fund. The assets were restructured in November and December 2023 and continue to be managed by BlackRock. The Trustees will monitor periodically the actual allocation between equities and bonds to determine if any rebalancing is required. Further details can be found in the Investment report included in these accounts.

In accordance with s35 of the Pensions Act 1995, a Statement of Investment Principles has been prepared by the Trustees which incorporates the investment strategy. A copy of the Statement may be obtained from the Secretary to the Trustees, or is available to view on the website of the Principal Employer at the following web address:

https://www.pgi-uk.com/pgi-group-pension-plan/

Further information

Further details of investment performance are included in the investment report. Further disclosures required by legislation are included in the compliance statement. Requests for additional information about the Plan generally, or queries relating to members' own benefits, should be made to Margaret Gage, Secretary to the Trustees, whose address appears on page 1 of this report.

J Vohryzek-Samuel
Chairman of the Trustees

S S Hobhouse
Trustee

Date:

Investment report

Investments

During the period under review, the Plan's invested assets were managed by BlackRock Investment Management (UK) Limited ("BlackRock") who were appointed by the Plan in July 2009.

A Statement of Investment Principles has been produced as required under Section 35 of the Pensions Act 1995, Section 244 of the Pensions Act 2004, the Occupational Pension Plan (Investment) Regulations 2005, the Pension Protection Fund (Pensionable Service) and Occupational Pension Plan (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and the Occupational Pension Plans (Investment and Disclosure) (Amendment) Regulations 2019. A copy is available on request and can also be found online at the following web address:

https://www.pgi-uk.com/pgi-group-pension-plan/

Custodians

The Trustees are responsible for ensuring the Plan's assets continue to be securely held. They review the custodian arrangements from time to time and the Plan Auditors are authorised to make whatever investigations they deem are necessary as part of the annual audit procedure.

The Plan's managed fund units are held under unitised policies in the name of the Trustees and the assets underlying the units are held by independent corporate custodians which are regularly reviewed by independent auditors.

BlackRock use Bank of New York Mellon as custodians.

Environmental, Social and Governance Considerations

The Trustees recognise that Environmental, Social and Governance (ESG) issues, including climate risk, can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Plan invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate responsibility for day-to-day decisions on the selection of investments to the Investment Manager. The Trustees have an expectation that the Investment Manager will consider ESG issues in selecting investments, or will otherwise engage with the issuers of the Plan's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.

The Trustees do not currently impose any specific restrictions on the Investment Manager with regard to ESG issues, but will review this position from time to time. The Trustees receive information from the Investment Manager on their approach to selecting investments and engaging with issuers with reference to ESG issues.

With regard to the specific risk to the performance of the Plan's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Plan's assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Plan's funding position than other risks. The Trustees will continue to monitor market developments in this area with its investment adviser.

Views of Members and Beneficiaries

The Plan is comprised of a diverse membership, expected to hold a broad range of views on ethical, political, social, environmental, and quality of life issues. The Trustees therefore do not explicitly seek to reflect any specific views through the implementation of the investment strategy.

Investment report (Cont)

Stewardship: Exercise of voting rights and engagement activities

Responsibility for engagement with the issuers of the Plan's underlying investment holdings and the use of any voting rights, where applicable, is delegated to the Investment Manager. The Trustees can therefore only influence engagement and voting policy indirectly.

The Investment Manager provides, on request, information to the Trustees on their actions in relation to engagement and use of any voting rights. The Trustees are therefore aware of the policies adopted by the Investment Manager.

Incentivisation of investment managers – remuneration and objectives

The Investment Manager is remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund.

The Trustees do not directly incentivise the Investment Manager to align the approach they adopt for a particular fund with the Trustees' policies and objectives. Instead, the Investment Manager and the funds are selected so that, in aggregate, the returns produced are expected to meet the Trustees' objectives.

Incentivisation of investment managers – performance

The Trustees do not directly incentivise the Investment Manager to make decisions about the medium to long-term performance of an issuer of debt or equity, or to engage with those issues to improve their performance. The Trustees expect such assessment of performance and engagement to be undertaken as appropriate and necessary to meet the investment objectives of the funds used by the Plan.

Monitoring the investment strategy and managers

The Trustees employ Broadstone to assist them in monitoring the performance of the Plan's investment strategy and Investment Manager.

The Trustees receive quarterly reports from the Investment Manager and meet with their representatives periodically to review their investment performance and processes.

The Trustees and Broadstone will monitor the Investment Manager's performance against their performance objectives.

The appropriateness of the Investment Manager's remuneration will be assessed relative to market costs for similar strategies, the skill and resources required to manage the strategy, and the success or otherwise a manager has had in meeting its objectives, both financial and non-financial.

Portfolio turnover and costs

The Trustees expect the investment manager to change underlying holdings only to an extent required to meet its investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions. The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying funds. The investment manager provides information on portfolio turnover and associated costs to the Trustees so that this can be monitored, as appropriate.

Investment report (Cont)

Investment Strategy

The investment objective of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity in a way that is consistent with the Plan's funding objectives and which will generate investment returns to meet the benefits of the Plan payable under the Trust Deed and Rules as they fall due.

The Trustees sets the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant and the long-term liabilities of the Plan. The investment strategy is set out in the Plan's Statement of Investment Principles (SIP).

At the start of the year, the Trustees' long-term investment policy was to invest 25% in growth strategies and 75% in bonds, including gilts and corporate bonds. Within the growth strategies the Trustees had implemented a benchmark allocation of UK Equity Index Fund, 56%; US Equity Index Fund, 11%; European Equity Index Fund, 11%; and an Overseas Fixed Benchmark Equity Fund, 22%. Of total assets, the bonds consisted of a 37.5% allocation to buy and maintain corporate bond funds; 11.0% to an Over 15 Years UK Gilt Index Fund and 26.5% to an Over 5 Years Index-Linked Gilt Fund.

Towards the end of the year, following a review of the investment strategy and consideration of updated liability cashflows of the Plan, the Trustees agreed to de-risk the Plan's strategy by reducing the equity allocation from 25% to 15% of total assets, and restructuring the matching assets to generate increased cashflow to help meet expected pension payments through the use of shorter dated buy and maintain funds. The revised strategy consists of 15% in equities and 85% in bonds, including gilts, corporate bonds and cash. The previously held regional equity funds were all switched to a World Index Fund, whilst the allocation of buy and maintain corporate bonds increased to 43% of total assets. The Trustees also switched the gilt fund used, with 26% of assets allocated to an Over 25 Years UK Gilt Index Fund, and reducing the holding in the Over 5 Years Index-Linked Gilt Fund to 16% of assets.

The Trustees use a range of passively managed equity index funds, gilt index funds, including both nominal and index-linked gilts, together with high quality corporate bonds that are managed on a 'buy and maintain' basis. The structure and combination of these bonds funds is determined with the aim of providing a broad match to the interest rate and inflation sensitivities of the Plan's liabilities.

The Trustees have considered various risks the Plan faces, including market risk, interest rate risk, inflation risk, default risk, concentration risk, manager risk and currency risk, and consider that the strategy strikes a reasonable balance between risk mitigation and seeking an appropriate level of return, taking account of the strength of the Sponsoring Employer's covenant and the long-term nature of the Plan.

Investment report (Cont)

Risk Disclosures

Summary

The Plan's invested assets and *direct* risks as at 31 December 2023 are summarised in the table below.

Fund	Credit Risk	Currency Risk	Interest Rate Risk	Other Price Risk	2023 Value £	2022 Value £
Direct Holdings						
Pooled investment vehicles	●	○	○	○	15,499,861	15,300,224

Key: ● = Significant risk exposure, ◑ = Partial risk exposure, ○ = Immaterial/no risk exposure

The Plan's invested assets and *indirect* risks as at 31 December 2023 are summarised in the table below.

Fund	Credit Risk	Currency Risk	Interest Rate Risk	Other Price Risk	2023 Value £	2022 Value £
Pooled Investment Vehicles						
BlackRock Aquila Life UK Equity Index Fund	○	○	○	●	-	2,232,496
BlackRock Aquila Life US Equity Index Fund	○	●	○	●	-	429,385
BlackRock Aquila Life European Equity Index Fund	○	●	○	●	-	464,604
BlackRock Aquila Life Overseas Fixed B'mark Equity Index Fund	○	●	○	●	-	894,755
BlackRock Aquila Life MSCI World Index Fund	○	●	○	●	2,299,031	-
BlackRock Buy & Maintain ESG Vintage Fund 2020-2024	●	○	●	○	1,273,447	-
BlackRock Buy & Maintain ESG Vintage Fund 2025-2029	●	○	●	○	3,637,445	-
BlackRock Buy & Maintain ESG Vintage Fund 2030-2034	●	○	●	○	1,406,215	3,057,890
BlackRock Buy & Maintain ESG Vintage Fund 2035-2039	●	○	●	○	-	2,650,943

Investment report (Cont)

Risk Disclosures (Cont)

BlackRock Aquila Life Over 15 Years UK Gilt Index Fund	◑	○	●	○	**-**	**1,607,954**
BlackRock Aquila Life Over 25 Years UK Gilt Index Fund	◑	○	●	○	4,171,156	-
BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund	◑	○	●	●	2,613,993	3,859,941
BlackRock Aquila Life 5-15 Years Corporate Bond Index Fund	●	○	●	○	-	3,759
Cash	◑	○	●	○	98,574	98,497

Key: ● = Significant risk exposure, ◑ = Partial risk exposure, ○ = Immaterial/no risk exposure

Credit Risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled managers, the regulatory environments in which the pooled managers operate, and the ongoing due diligence of the pooled manager. The Trustees carry out due diligence checks on the appointment of a new pooled investment manager and on an ongoing basis monitors any changes to the operating environment of the pooled manager.

Indirectly the Plan has exposure to credit risk within some of the funds held. This risk is delegated to the manager, who monitors the magnitude of credit risk and exposure to bonds rated below investment grade over time, as the manager changes the underlying investments.

The manager also appoints custodians to further mitigate any credit risk.

Currency Risk

The Plan is exposed to currency risk because the BlackRock Aquila Life MSCI World Index Fund has overseas investments which are non-Sterling. The exposure to foreign currencies will vary over time as the manager changes its underlying investments. The Trustees consider the overseas currency exposure in the context of the overall investment strategy and will keep this under review.

Interest Rate Risk

The bond and cash funds are subject to indirect interest rate risk. This risk is delegated to the manager and the exposure will vary over time as the underlying investments within the funds are altered by the manager.

Other Price Risk

The equity fund and the index-linked gilts fund are subject to other price risk. The exposure to other price risk within the pooled funds will vary over time depending on how the managers change the underlying asset allocation. The Trustees believe that this risk is appropriately managed via diversification between the different asset classes and within each asset class. The Trustees monitor this risk on a regular basis, looking at the performance of the manager, asset class and holding, and works with its investment adviser to consider the appropriateness of all risk exposures within the portfolio. The Trustees receive an investment report on the overall management of the fund. This report is received quarterly.

Investment report (Cont)

Performance

A summary of the overall performance of the assets for the Plan for periods to 31 December 2023 is provided in the table below (shown net of fees).

	1 year (%)		3 years (p.a.) (%)		5 years (p.a.) (%)	
	Fund	Index	Fund	Index	Fund	Index
BlackRock Aquila Life MSCI World Index Fund	17.5	16.8	10.4	9.8	13.4	12.8
BlackRock Buy & Maintain ESG Vintage Fund 2020-2024	4.8	-	-	-	-	-
BlackRock Buy & Maintain ESG Vintage Fund 2025-2029	8.2	-	-	-	-	-
BlackRock Buy & Maintain ESG Vintage Fund 2030-2034	10.8	-	-	-	-	-
BlackRock Aquila Life Over 25 Years UK Gilt Index Fund	-0.6	-0.6	-21.0	-21.0	-8.1	-8.1
BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund	0.7	0.1	-13.5	-13.5	-4.9	-4.9

Source: BlackRock, net of fees.

Overall Plan Performance	
1 year	6.8%
3 years (p.a.)	6.5%
5 years (p.a.)	7.8%

Source: BlackRock. Performance provided gross of fees.

Investment report (Cont)

Investment Markets

After the market volatility seen over 2022, overall the first half of 2023 was quieter, with investors experiencing positive returns across most asset classes. However, volatility spiked in March after the failure of Silicon Valley Bank in the US and the emergency sale of Credit Suisse in Europe spooked investors into buying traditional safe haven assets such as government bonds. With economic data proving to be more resilient than expected and inflation remaining stubbornly high, central banks in the UK, European Union, and US each raised interest rates several times, leading to increased gilt yields.

The key market development for pension schemes was the change in investor sentiment in the second half of 2023. Earlier market losses, when much of the focus was on central banks' 'higher interest rates for longer messaging, were reversed. Towards the end of the year, government bond yields fell sharply as inflation tumbled and the expectation of reduced central bank rates over 2024 increased. The value of corporate bonds rose off the back of falling yields and the increasing view that a hard recession was now less likely. Equities also rallied, especially in sectors which are most sensitive to interest rates, including technology and consumer discretionary stocks.

Annualised UK CPI inflation continued to fall sharply over the period, from 10.1% p.a. in January 2023 to 4.0% p.a. in December 2023. Key drivers of this fall were lower energy and food prices. While CPI has fallen from the peak of 11.1% p.a. in October 2022, it is still twice the Bank of England (BoE)'s 2.0% p.a. target rate. The BoE last raised interest rates in August 2023 and expects inflation to return to target by the end of 2025. However, longer term (20-year) inflation implied by gilt markets remains over 3.4% p.a. similar to that at the end of 2022. UK inflation has remained higher than that of the Eurozone and the US over the last year.

Most government bond yields fell significantly over the second half of 2023, given the change in market perception towards the end of the year. While it was previously felt interest rates would be held 'higher for longer', this changed over Q4 to a strong belief that central banks could start cutting rates during 2024. However, UK 20-year yields remained broadly the same as the start of the year.

The collapse of several regional US banks and the sale of Credit Suisse at the start of the year led to an increase in the spread over gilts, or additional return required by investors to invest in corporate bonds. However, during the second half of the year, UK corporate bonds rallied sharply over the period, delivering returns of over 9%. As well as benefitting from falling yields, the additional risk premium required by the market for investing in credit relative to government bonds also fell.

Over the year, equities globally performed strongly, however, the rise was not shared widely across sectors, being concentrated in firms which the market believes will benefit from the rise in artificial intelligence (AI). Indeed, over the first six months of the year, just 10 firms within the S&P 500 led to 75% of the index's returns. The strong performance continued into the second half of the year, with the view that borrowing costs will fall during 2024. The market rally towards the end of the year saw returns on US equities broaden across the market, but the vast majority of the returns were driven by the 'Magnificent Seven' stocks (including Apple, Microsoft, Meta/Facebook, and Nvidia).

Away from the buzz of AI, UK equities generated a smaller positive return over the year. While UK shares performed well in 2023, with no large technology stocks listed in the UK and a large allocation to oil majors, it has underperformed wider international markets.

Investment report (Cont)

Investment Markets (Cont)

The returns from major global asset classes during the twelve months, three years and five years to 31 December 2023 are set out in the table below.

Asset Class Returns	1 year (%)	3 yrs (% p.a.)	5 yrs (% p.a.)
Equities			
UK Equities	7.9	8.6	6.6
Global Equities (Hedged)	22.1	7.9	12.8
North American Equities (Hedged)	26.5	9.3	15.5
European Equities (ex UK) (Hedged)	17.7	7.8	10.4
Japanese Equities (Hedged)	28.3	12.1	12.6
Pacific Equities (ex Japan) (Hedged)	11.3	3.2	7.8
Emerging Market Equities (Hedged)	9.0	-1.4	6.2
Bonds			
UK Gilts (All Stocks)	3.7	-9.2	-2.8
UK Gilts (Over 15 Years)	1.7	-17.3	-6.3
UK Index-Linked Gilts (All Stocks)	0.9	-11.3	-3.8
UK Bonds (All Stocks)	8.6	-4.7	0.4
UK Bonds (Over 15 Years)	10.6	-11.9	-1.6
Overseas Government Bonds	-2.6	-5.0	-1.8
Other Asset Classes			
Commercial Property	-0.1	2.5	1.7
Cash	4.7	2.0	1.4
Oil	-10.4	14.2	9.8
Gold	13.8	2.9	10.0

Source: Refinitiv Datastream, Bank of England, Managers.

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information which is required to be disclosed in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustees' Statement of Investment Principles (SIP) dated 24 October 2022 have been implemented. The SIP provides further background details on investment arrangements.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the period covered by this statement, subsequent changes made and the reasons for the changes (if any). A description of the voting behaviour during the period, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this statement.

This Statement covers the period 1 January 2023 to 31 December 2023.

Investment Objectives of the Scheme

The Trustees' objectives for setting the investment strategy of the Plan have been set broadly with regard to the Plan's Statutory Funding Objective set out in the Statement of Funding Principles.

The objectives of the Plan are set out on page 2 of the SIP and are summarised below:

- To ensure that the assets are of a nature to enable the Trustees to meet the Plan's benefits as they fall due.
- To aim to maximise returns at an acceptable level of risk, taking into consideration the circumstances of the Plan.
- To invest the Plan's assets in an appropriately diverse and liquid range of investments.
- To invest in a way that is consistent with the Plan's funding objectives, i.e. to invest so that the invest return assumptions used to determine the Trustees' funding plan have a reasonable chance of being achieved in practice.
- Where future opportunities arise to increase protection against liability-related risks in such a way that it does not invalidate the Trustees' funding plan, the Trustees will consider steps to further reduce the volatility of the Plan's funding position relative to its funding objective.

Review of the Statement of Investment Principles

The Trustees reviewed the SIP in February 2024, which was updated to reflect the Trustees' de-risked investment strategy for the Plan. The revised investment strategy was in force at the Plan's year-end and is detailed in the sections below.

The Trustees have a policy on financially material considerations relating to Environmental, Social and Governance (ESG) issues, including the risk associated with the impact of climate change. In addition, the Trustees have a policy on the exercise of rights and engagement activities, and a policy on non-financial considerations. These policies are set out below and are detailed in the Trustees' SIP.

The Trustees' policies on financially and non-financially material considerations, as well as engagement and voting activities were not updated in the SIP in force during the year.

There were no departures from the policies set out in the SIP, including the Trustees' policies on financially and non-financially material considerations, during the year.

Investment managers and funds in use

The investment funds used at year-end are set out in the table below:

Asset Class	Fund	Target Asset Allocation
Global Equity	BlackRock Aquila Life MSCI World Index Fund	15.0%
Corporate Bonds	BlackRock Buy & Maintain ESG Vintage Fund 2020-2024	9.0%
Corporate Bonds	BlackRock Buy and Maintain ESG Vintage Fund 2025-2029	25.0%
Corporate Bonds	BlackRock Buy and Maintain ESG Vintage Fund 2030-2034	9.0%
Government Bonds	BlackRock Aquila Life Over 25 Years UK Gilt Index Fund	26.0%
Government Bonds	BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund	16.0%
Total		100.0%

Strategy Review

At the start of the year, the Trustees' long-term investment policy was to invest 25% in equity and 75% in bonds, including gilts and corporate bonds. The Trustees used a range of passively managed equity index funds, high quality corporate bonds managed on a 'buy and maintain' basis that generate cashflow to help meet the Plan's benefit outgoings, and nominal and index-linked gilts.

In August 2023, the Trustees received advice from its investment adviser, Broadstone, to de-risk the Plan and restructure the investment strategy to support the Plan's longer term funding objective and to generate increased cashflow to help meet expected pension payments. The revised strategy reduced the equity allocation to 15%, and increased the bond allocation to 85%, including gilts, corporate bonds and cash. The Trustees subsequently consolidated their passively managed regional equity index funds into a single global equity index fund. The assets were restructured in November and December 2023 and continue to be managed by BlackRock.

Scheme Governance

The Trustees are responsible for making investment decisions, and seek advice as appropriate over the year from Broadstone Corporate Benefits Limited ('Broadstone'), as the Trustees' investment consultant.

The Trustees do not actively obtain views of the membership of the Plan to help form its policies set out in the SIP, as the Plan is comprised of a diverse membership, which the Trustees expect to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

The Trustees have put in place strategic objectives for Broadstone, as the Trustees' investment consultant, as required by the Occupational Pension Schemes (Governance and Registration) (Amendment) Regulations 2022, in August 2022, and are due to formally review these objectives by August 2025, or earlier. These strategic objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, scheme management, compliance and service standards.

The investment arrangements of the Plan are reviewed by the Trustees on a quarterly basis, with the assistance of Broadstone.

The investment management agreement with BlackRock was updated during the year to include the new funds used by the Plan within the Schedule of investments and fees.

Trustees' Policies

The table below sets out how, and the extent to which, the relevant policies in the Plan's SIP have been followed:

Requirement	Policy	Implementation of Policy
Selection of Investments	The Trustees may select investments from a wide range of asset classes from time to time, including, but not restricted to UK equities, overseas equities, government bonds, corporate bonds, commercial property, and alternative asset classes, such as hedge funds, private equity, and infrastructure. The investments selected will generally be traded on regulated markets and, where this is not the case, any such investments will be kept to a prudent level. The Trustees may invest in products that use derivatives where this is for the purpose of risk management or to improve the efficiency of the management of the Plan's investments. The Trustees may hold insurance policies such as deferred or immediate annuities which provide income to the Plan, matching part or all of the future liabilities due from it. The Trustees may hold a working cash balance for the purpose of meeting benefit payments due to members and the expenses of running the Plan.	No deviation from this policy over the period to 31 December 2023.
Balance of Investments	The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives. The Target Asset Allocation will be set taking account of the characteristics of different asset classes available and will be reviewed in light of any changes to the Trustees' view of the Sponsoring Employer's covenant, the nature of the Plan's liabilities or relevant regulations governing pension Plan investment.	No deviation from this policy over the period to 31 December 2023.
Delegation to Investment Manager	The Trustees will delegate the day-to-day management of the Plan's assets to professional investment managers and will not be involved in the buying or selling of investments.	No deviation from this policy over the period to 31 December 2023.
Realising Investments	The Trustees make disinvestments from the Investment Manager taking advice from Broadstone, where appropriate, to meet the Plan's cashflow requirements.	No deviation from this policy over the period to 31 December 2023.
Maintaining the Target Asset Allocation	The Trustees have responsibility for maintaining the overall balance of the asset allocation. The Trustees monitor the asset allocation on a regular basis with the assistance of their adviser, Broadstone, and will consider switching assets between funds should the allocation move significantly away from the aim described above.	Following a review of the investment strategy, an updated asset allocation was implemented in late 2023. The SIP was amended and reviewed in February 2024 to reflect the changes in the revised strategy.

Requirement	Policy	Implementation of Policy
Performance Benchmarks and Objectives	All equity and gilt funds used are index-tracking funds, meaning that their objective is to track the total return on a specified market index. The buy and maintain corporate bond funds aim to deliver the credit risk premium (additional return) over and above comparable gilts, whilst minimising the risk of default losses. The buy and maintain funds do not have specific performance benchmarks. The cash fund aims to deliver a stable rate of return consistent with short-term high quality money market instruments and is benchmarked against the Sterling Overnight Index Average Rate (SONIA).	The performance benchmarks and objectives were reviewed periodically to 31 December 2023. Following implementation of the revised investment strategy, a cash fund was added to the Plan's policy.
Investment Management Charges	The investment management charges of the funds used are set out on page 4 of the SIP.	No deviation from this policy over the period to 31 December 2023.
Financially and Non-Financially Material Considerations	The Trustees' policy on financially and non-financially material considerations is set out on page 8 of the SIP and in full below.	No deviation from this policy over the period to 31 December 2023 (see below).
Engagement and Voting Rights	The Trustees' policy on engagement and voting rights is set out on page 8 of the SIP and in full below.	No deviation from this policy over the period to 31 December 2023 (see below).
Additional Voluntary Contributions (AVCs)	The Plan holds AVCs separately from the assets backing defined benefits via investments held with Utmost Life and Pensions and Santander.	No deviation from this policy over the period to 31 December 2023.

Policy on financially and non-financially material considerations

Trustees' Policy:

The Trustees recognise that Environmental, Social and Governance (ESG) issues, including climate risk, can and will have a material impact on the companies, governments and other organisations that issue or otherwise support the assets in which the Plan invests. In turn, ESG issues can be expected to have a material financial impact on the returns provided by those assets. The Trustees delegate responsibility for day-to-day decisions on the selection of investments to the Investment Manager. The Trustees have an expectation that the Investment Manager will consider ESG issues in selecting investments, or will otherwise engage with the issuers of the Plan's underlying holdings on such matters in a way that is expected to improve the long-term return on the associated assets.

The Trustees do not currently impose any specific restrictions on the Investment Manager with regard to ESG issues, but will review this position from time to time. The Trustees receives information from the Investment Manager on their approach to selecting investments and engaging with issuers with reference to ESG issues.

With regard to the specific risk to the performance of the Plan's investments associated with the impact of climate change, the Trustees take the view that this falls within their general approach to ESG issues. The Trustees regard the potential impact of climate change on the Plan's

assets as a longer term risk and likely to be less material in the context of the short to medium term development of the Plan's funding position than other risks. The Trustees will continue to monitor market developments in this area with its investment advisers.

The Trustees have determined that the financial interests of the Plan members are their priority when choosing investments. The Trustees have decided not to consider non-financial considerations, such as ethical views when setting the investment strategy for the Plan.

There have been no changes to the Trustees' policy, nor any departures from their policy, during the year.

The Trustees note that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustees are satisfied that the funds currently invested in by the Plan are managed in accordance with their views on financially material considerations, as set out below, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically. As part of the monitoring process, the Trustees have access to updates on governance and engagement activities by the investment manager, and input from their investment advisors on ESG matters. These views are also taken into account when appointing and reviewing investment managers.

The Trustees acknowledge that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment manager, given they are investing in pooled funds.

The Trustees invest across a range of asset classes and styles. The Trustees expect the investment manager to take into account ESG considerations by engaging with the underlying companies and where relevant, by exercising voting rights on these companies.

In the case of the Plan's investments in the corporate bond funds, the investment manager incorporates ESG within the investment process in a manner which ensures that ESG considerations are taken into account at each stage of the investment process (portfolio construction and review), and ensures a pathway to net zero carbon across the portfolios by 2050.

A summary of the Trustees' views for each asset class in which the Plan invests is outlined below.

Asset Class	Actively or Passively Managed?	Comments
Equities	Passive	The Trustees acknowledge that the investment manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustees do expect the investment manager to take into account ESG considerations by engaging with companies that form the index, and by exercising voting rights on these companies.
Corporate bonds	Active	The Trustees expect the investment manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustees also expect its investment manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.
Government bonds	Passive	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.
Cash	Active	The Trustees believe there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the securities.

Policy on the exercise of voting rights and engagement activities

Trustees' Policy:	***Responsibility for engagement with the issuers of the Plan's underlying investment holdings and the use of any voting rights, where applicable, is delegated to the Investment Manager. The Trustees can therefore only influence engagement and voting policy indirectly.*** ***The Trustee's voting and engagement policy is to use their investments to improve the ESG behaviours of the underlying investee companies. These ESG topics encompass a range of priorities, which may over time include climate change, biodiversity, the remuneration and composition of company boards, as well as poor working practices. The Trustees believe that having this policy and aiming to improve how companies behave in the medium and long term will protect and enhance the value of their investments and is in the members' best interests. The Trustees will aim to monitor the actions taken by the Investment Manager on their behalf and if there are significant differences from the policy detailed above, the Trustees will escalate their concerns which could ultimately lead to disinvesting their assets from the manager.*** ***The Investment Manager provides, on request, information to the Trustees on their actions in relation to engagement and use of any voting rights. The Trustees are therefore aware of the policies adopted by the Investment Manager.***

There have been no changes to the Trustees' policy, nor any departures from their policy, during the year. In particular, all voting activities have been delegated to the investment manager, as the Trustees do not have any legal right to vote on the underlying holdings, given the pooled nature of the Plan's investments.

The Trustees currently invest in pooled investment funds with the investment manager, and they acknowledge that this limits their ability to directly influence the investment manager. In particular, all voting activities have been delegated to the investment managers, as the Trustees do not have any legal right to vote on the underlying holdings, given the pooled nature of the Plan's investments.

However, the Trustees and/or Broadstone periodically meet with their investment manager, to engage with them on how they have taken ESG issues and voting rights into account for the investment approaches they manage on behalf of the Trustees. As part of this, the Trustees and/or Broadstone will seek to challenge their investment manager on these matters where they think this is in the best interests of members.

The Trustees have delegated engagement activities to their investment manager, and the investment manager reports quarterly to the Trustees on how they have voted on behalf of the Trustees for the underlying holdings.

Within the current investment arrangements, the equity funds contain equity holdings, and therefore have voting rights attached. The Trustees have delegated these voting rights to BlackRock, where BlackRock sets its own voting Policy.

A summary of the votes made from 1 January 2023 to 31 December 2023 on behalf of the Trustees for each fund used by the Trustees during the year (where the investment owns equities) is provided in the table below. The proportion of votes split by Environmental, Social or Governance issue was requested but has not been provided at the time of producing this statement. The analysis is based on the latest information available from the investment manager.

Fund	Third Party Proxy Policy Used	Resolutions Voted On	Resolutions Voted:		
			For	Against	Abstained
BlackRock Aquila Life UK Equity Index Fund	No – in house but cast votes using ISS	14,393	96%	3%	1%
BlackRock Aquila Life US Equity Index Fund	No – in house but cast votes using ISS	7,999	97%	3%	-

BlackRock Aquila Life European Equity Index Fund	No – in house but cast votes using ISS	6,873	88%	11%	1%
BlackRock Aquila Life Overseas Fixed Benchmark Equity Index Fund	No – in house but cast votes using ISS	24,038	93%	6%	1%
BlackRock Aquila Life MSCI World Index Fund	No – in house but cast votes using ISS	14,399	94%	5%	1%

All the Plan's assets are invested in pooled funds. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas ("AMRS"), Asia-Pacific ("APAC"), and Europe, Middle East and Africa ("EMEA"). The analysts within each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute voting instructions.

Significant Votes

The Trustees have requested details of the significant votes made on behalf of the Trustees (where voting rights are attached) and engagements made on behalf of the Trustees (where the manager has the opportunity to engage with companies). In determining significant votes, BlackRock's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of direct or collaborative engagement; and
- Vote linked to a BlackRock engagement campaign.

The significant votes provided by BlackRock for the funds used by the Plan are detailed below:

SIGNIFICANT VOTE 1	
Investment Manager	BlackRock
Company	Shell plc
Date of vote	23 May 2023
Resolution	Approve the Shell Energy Transition Progress
Why significant	The BIS team voted for the management proposal seeking shareholders' approval of the Shell Energy Transition Progress. The company's progress is consistent with what BlackRock look for and demonstrates management and board responsiveness to shareholder feedback. Accordingly, BIS determined that it is in the best interests of their clients as long-term shareholders to support the proposal to approve the Energy Transition Progress.
Voting decision	For
Manager comments	"Shell has and continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy. Given that the speed and shape of a low carbon transition are unclear, company disclosures that include scenario analysis and provide context on the transition plan and targets, help investors' understanding of company-specific risks and opportunities. In our view, Shell's reporting and approach are aligned with our clients' long-term financial interests; therefore we supported the management resolution."
Vote outcome	Passed

SIGNIFICANT VOTE 2	
Investment Manager	BlackRock
Company	Glencore Plc
Date of vote	26 May 2023
Resolution	Next Climate Action Transition Plan
Why significant	BlackRock has not provided reasons for why this vote is significant but provided rationale for the vote being that the proposal is not in shareholders' best interests.
Voting decision	Against
Manager comments	*BlackRock has not confirmed whether they informed the company of their intention to vote against the resolution ahead of the vote.*
Vote outcome	Failed

Engagement activities

The Trustees have also delegated engagement activities to the Investment Manager. A notable engagement activity from BlackRock is provided below:

- **BlackRock** engaged with Fidelity National Information Services, Inc. (FIS), a U.S. based payments and fintech solutions company, to discuss their executive compensation approach. The company has had a number of concerning pay practices in the past, such as incentives with short-term performance targets and a misalignment between pay outcomes and financial performance, leading to low support on votes in 2022.

  Following the engagement, FIS made several enhancements to their long-term incentive plan to address concerns. These changes included targeting outperformance of a benchmark on a relative total shareholder return bases, increasing transparency around long-term performance goals, and extending their performance measurement period in the long-term plan to three years.

  As a result, BIS supported the company's Say on Pay proposal at their May 2023 AGM, which passed with 92% support.

The Trustees also consider an investment manager's policies on stewardship and engagement when selecting and reviewing investment managers.

Monitoring of Investment Arrangements

In addition to any reviews of investment managers or approaches, and direct engagement with investment managers (as detailed above), the Trustees receive performance reports on a quarterly basis from BlackRock, together with performance reports from Broadstone on a quarterly basis to ensure the investment objectives set out in their SIP are being met.

Actuarial statement

Statement of funding principles

PGI Group Pension Plan

This statement was prepared by the trustees for the purposes of recording the principles underlying the funding of the scheme and to satisfy the requirements of section 223 of the Pensions Act 2004.

This document was prepared in the context of the scheme funding valuation of the scheme as at 31 December 2022 (the "valuation"). This Statement of Funding Principles supersedes all previous versions and will be reviewed in conjunction with the next scheme funding valuation.

Trustees' funding objective

The trustees' sole funding objective is the statutory funding objective. The statutory funding objective is defined in Section 222 of the Pensions Act 2004 and states that a scheme must have sufficient and appropriate assets to cover its technical provisions.

The technical provisions are an estimate, made using actuarial principles, of the assets needed at any particular time to make provision for benefits already accrued under the scheme. These include pensions in payment (including those payable to survivors of former members) and benefits accrued by members which will become payable in the future.

Trustees' policy for achieving their funding objective

The trustees' policy for achieving their funding objective is to commission the Scheme Actuary to review whether or not the trustees' funding objective is being met (a scheme funding valuation) and, if necessary, the trustees will agree a recovery plan with the employer.

Scheme funding valuations will, in normal circumstances, be carried out every three years. The trustees may call for a full actuarial valuation earlier than scheduled if, after considering the actuary's advice, they are of the opinion that events have made it inappropriate to continue to rely on the results of the previous scheme funding valuation as the basis for future contributions. However, the trustees will consult the employer before doing so.

The recovery plan will be based on the technical provisions calculated in accordance with the method and assumptions set out in the statement of funding principles.

The employer contributions under the recovery plan will be such as to eliminate the shortfall over an appropriate period, taking into account the following factors:

- The size of the funding shortfall;
- The business plans of the employer;
- The trustees' assessment of the financial covenant of the employer;
- Any contingent security offered by the employer or an associated company.

The scheme is in surplus relative to technical provisions as at the valuation date hence no recovery plan is required.

Principles for the setting of assumptions

The statement of funding principles and, in particular, the derivation of the actuarial assumptions will be reviewed at each actuarial valuation and possibly at other times. Such reviews will consider legal, demographic and economic circumstances at the time, the strength of the employer's covenant and the scheme's investment strategy. Changes in any of the above factors could lead to a change in the assumptions and/or their derivation.

Actuarial statement (Cont)

Principles for the setting of assumptions (Cont)

In particular, the derivation of the discount rate(s) will be reviewed each time to make sure this remains consistent with the trustees' investment strategy and the latest view of the employer's covenant. The mortality assumptions will also be specifically reviewed at each actuarial valuation so that they continue to take into account up to date information published by the actuarial profession's Continuous Mortality Investigation and make prudent allowance for future improvements in longevity.

In the absence of any such review by the trustees, or specific instruction to the contrary, the actuary should use the derivations set out in this statement to generate consistent market related assumptions for calculating funding updates. In particular, this will apply for the actuarial report on developments affecting the scheme's funding level, which will be obtained at each intermediate anniversary of the valuation date when a full valuation is not commissioned.

Financial assumptions

Pre retirement discount rate	The pre retirement discount rate will be calculated using the Mercer Gilt Curve plus 0.5% p.a. at each term (see chart under this table for the Mercer Gilt Curve spot rates at the valuation date).
Post retirement discount rate	The post retirement discount rate will be calculated using the Mercer Gilt Curve at each term (see chart under this table for the Mercer Gilt Curve spot rates at the valuation date).
Rate of inflation – Retail Prices Index (RPI)	The rate of inflation as measured by RPI growth will be calculated using the Gilt Inflation Curve at each term to reflect the “inflation risk premium” for fixed interest gilts and the high demand/low supply of index linked gilts relative to fixed interest gilts (see chart under this table for the Gilt Inflation Curve spot rates at the valuation date).
Rate of inflation – Consumer Prices Index (CPI)	The assumption for CPI growth will be calculated as the assumption for RPI Inflation less 0.8% p.a. at each term pre 2030, RPI thereafter.
Revaluation of pensions in deferment	Elements of pension in deferment which have future revaluation in line with RPI subject to a maximum of 5% per annum will be calculated as revaluing at the assumed rate of RPI inflation, subject to a minimum assumption of 0% per annum and a maximum assumption of 5% per annum. Elements of pension in deferment which have future revaluation in line with CPI subject to a maximum of 2.5% per annum will be calculated as revaluing at the assumed rate of CPI inflation, subject to a minimum assumption of 0% per annum and a maximum assumption of 2.5% per annum. The maxima and minima are calculated cumulatively over the period between date of leaving and retirement for each member and compared with actual RPI/CPI increases over that period.
Increases to pensions in payment	Pension Increases will be calculated using the Jarrow-Yildirim model applying any applicable maximum and/or minimum rates, the RPI/CPI inflation assumption .The model is applied to RPI/CPI inflation for each term in the curve.

Actuarial statement (Cont)

Statement of funding principles (Cont)

Demographic assumptions

The size of the scheme is not sufficiently large as to allow any meaningful analysis of scheme statistics to determine future demographic assumptions. Consequently, standard assumptions will be adopted, with the exception of the loadings applied to the base mortality tables.

Members taking transfer values	No allowance will be made for members taking transfer values from the scheme.
Retirements	All members will be assumed to retire at their normal retirement date. To allow for special terms available on early retirement arising from equal treatment provisions, late retirement factors will be applied to each tranche of benefit that can be taken from an earlier age without reduction.
Cash commutation	Members assumed to exchange 80% of maximum cash permitted (ignoring the effect of protection of cash) based on factors in force at the valuation date.
Mortality - pre retirement	No allowance will be made.
Mortality - post retirement	The basis adopted for the valuation was: Base mortality table: 113% of the mortality rates in S3PMA_H for males and 105% of the mortality rates in S3PFA_H for females, projected to the valuation date in line with the approach below. Allowance for future improvements: CMI core projection model with a 1.5% per annum long term projected rate of improvement and a smoothing parameter (Sk) of 7.5 ,adjusted* for expected impact of CMI_2022 (CMI_2021 [1.50%,S=7.5]), using a year of birth approach.
Contingent dependants' pensions	90% of males and 75% of females will be assumed to be married at retirement (or on earlier death). This proportion reduces each year after retirement based on the mortality assumptions relating to the spouse. This allowance is designed to cover all contingent dependants' pensions (including non married partners and children's pensions where applicable) rather than separate assumptions being made for such benefits.
Spouses' ages	Males will be assumed to be three years older than females.
Discretionary benefits	There has not been any practice of granting discretionary benefits or increases in benefits under the scheme and consequently no allowance will be made for this.

* The approximation for the impact of CMI_2022 is achieved by loading the base mortality tables by 104%, i.e. using 118%/109% of the S3PMA_H/S3PFA_H tables.

Actuarial statement (Cont)

Statement of funding principles (Cont)

Further calculation principles

The actuarial method used in the calculation of the technical provisions will be the defined accrued benefits method.

Treatment of scheme expenses

The scheme funding valuation at 31 December 2022 includes an expense reserve of £600,000, which is an estimate of ten years of scheme expenses, and allows for scheme expenses to be met from the Scheme's assets going forward.

Policy on reduction of transfer values

At each valuation, the trustees will consider whether to ask the actuary to advise if the provision of full transfer values is likely to affect adversely the security of the benefits of other members and beneficiaries. If the actuary then advises that the scheme is not fully funded on this basis then the trustees will consider whether transfer values should be reduced and if an "insufficiency report" should therefore be commissioned from the actuary.

If at any other time the trustees are of the opinion that the payment of transfer values at a previously agreed level may adversely affect the security of the benefits of other members and beneficiaries, they will consider commissioning advice from the actuary to decide whether and to what extent transfer values should be reduced.

Other matters

Directions by the Pensions Regulator as to the funding of the scheme

No directions under section 231(2) of the Pensions Act 2004 have been made by the Pensions Regulator as to the funding of the scheme.

Arrangements by a person other than a participating employer or a scheme member to contribute to the scheme

There are no such arrangements.

Payments to the employer

If the scheme is not being wound up and the assets of the scheme exceed the estimate by the actuary of the cost of buying out the benefits of all beneficiaries from an insurance company, including the expenses of doing so, the employer may request a payment of the excess, under the trust deed. If the actuary certifies that the requirements of the Pensions Act 2004 have been met and certifies the maximum amount that may be paid, the trustees will give notice to the members of the proposal.

It is felt however that such a scenario is extremely unlikely for the foreseeable future.

Actuarial statement (Cont)

Membership details and scheme funding valuation

A summary of the membership data as at 31 December 2022 is given below. The data has been obtained from the administrator. Checks on data for consistency have been made as far as practicable. The results are dependent on the accuracy of the data.

Deferred pensioners

	Number	Deferred pensions [1]	Average age
Total	104	124,667	62

[1] Deferred pension at date of leaving service (£ per annum)

Pensioners (non insured)

	Number	Pensions [2]	Average age
Total	262	805,222	78

[2] £ per annum

Pensioners (insured)

	Number	Pensions [3]	Average age
Total	13	10,354	86

[3] £ per annum

There is a discrepancy between the membership numbers in the data used for the valuation and those shown in the trustee report and accounts. This discrepancy relates to members with two periods of service and a small number of members who have significantly passed their retirement dates and have not been contactable, and therefore have been excluded from the valuation.

Scheme funding valuation

Present valuation of the past service liabilities for:	**£000s**
Deferred pensioners	5,476
Pensioners	8,672
GMP equalisation reserve *	245
Expenses	600
Total Liabilities	14,993
Total assets	15,394
Surplus	401
Funding Level	103%

* An allowance of 1.73% of the liabilities has been made for GMP equalisation.

Actuarial statement (Cont)

Actuary's Certification of Schedule of Contributions

PGI Group Pension Plan

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2022 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated (i.e. signed on behalf of the trustees on) 9 August 2023

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

Signature:		Date:	16 August 2023
Name:	Jonathan Black	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	1 New Park Square, Airborne Place Edinburgh, EH12 9GR	Name of employer:	Mercer Limited

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE PGI GROUP PENSION PLAN

Opinion

We have audited the financial statements of the PGI Group Pension Plan ("the scheme") for the year ended 31 December 2023, which comprise of the Fund Account, the Net Assets Statement and the related notes.
In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS102. The financial reporting standard applicable in the UK and Republic of Ireland, and applicable law): and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to Going Concern

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

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

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

Other information

The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon and our auditors' statement about contributions. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be material 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 or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE PGI GROUP PENSION PLAN (CONT)

Responsibilities of the Trustees

As explained more fully in the Trustee's responsibilities set out on page 2, the scheme's trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determines 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 trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to wind up the scheme or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

In preparation for our audit we determined materiality, assessed the risk of material misstatement in the financial statements and identified areas of laws and regulation which we considered could have a material effect on the financial statements. This information was obtained via discussions with management and our understanding of the Scheme and knowledge of the sector.

Non-compliance with laws and regulations related to the administration of the Scheme in accordance with the Pensions Act 1995 and 2004 and codes of practice issued by the pension regulator were assessed to be most relevant. We also evaluated managements incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls. Our audit procedures to identify non-compliance with laws and regulations in these areas consisted of:

- Testing of journals.
- Obtaining independent confirmations of material investment valuations.
- Review of meeting minutes and professional costs.
- Enquiries of management
- Substantive testing of pensions payable in the year.

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE PGI GROUP PENSION PLAN (CONT)

Use of our report

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

DJH Audit Limited
Accountants and Statutory Auditor
St George’s House
56 Peter Street
Manchester M2 3NQ

Date:

FUND ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Contributions and other income			
Employer's contributions receivable	3	290,883	1,136,523
Benefits and other payments			
Benefits payable	4	889,500	954,572
Administrative expenses	5	82,868	90,883
		972,368	1,045,455
Net withdrawals from dealings with members		(681,485)	91,068
Investment returns			
Investment income	6	211,006	98,497
Change in market value of investments	8	763,723	(974,711)
Investment management expenses	7	(30,091)	(31,520)
Net return on investments		944,638	(907,734)
Net increase/(decrease) in the fund		263,153	(816,666)
Net assets at 1 January		15,486,899	16,303,565
Net assets at 31 December		15,750,052	15,486,899

The notes on pages 32 to 37 form part of these financial statements.

NET ASSETS STATEMENT

AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Investments			
Managed and unitised funds	8	15,401,286	15,201,727
Insurance policies – annuities	8	77,000	89,000
AVC investments	8	3,222	4,112
		15,481,508	15,294,839
Current assets	10	357,610	267,059
Current liabilities	11	(89,066)	(74,999)
Net current assets		268,544	192,060
Net assets at 31 December		15,750,052	15,486,899

The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the statement by the actuary on pages 21 to 26 of the annual report and these financial statements should be read in conjunction with it. The actuary's statement dated 16 August 2023, is based on a valuation with an effective date of 31 December 2022.

These financial statements were approved by the trustees on 19 July 2024

Signed on behalf of the trustees:

J Vohryzek-Samuel

S S Hobhouse

The notes on pages 32 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

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

The Scheme's functional and presentational currency is pounds sterling (GBP) and the financial statements are rounded to the nearest one pound.

2. Accounting policies

The following principal accounting policies have been adopted in the preparation of the financial statements. These policies have been consistently applied to both years presented, unless otherwise stated:

(a) Investments
Investments are stated at fair value at the year end. The market value of quoted securities is based on the middle market quotation on the relevant Stock Exchange and investments which are held in units are stated at the average of the unit bid and offer prices.

(b) Investment returns
Income from investments and bank deposits is accounted for when received. Income receivable is provided in the accounts if an obligation to receive the income exists at the balance sheet date. Fair value movements on investments, including realised and unrealised gains and losses are recognised in the fund account as changes in the market value of investments in the year in which they arise.

(c) Contributions
Employer's recovery plan and expense contributions are accounted for on an accruals basis at rates agreed by the trustees as recommended by the actuary.

(d) Benefits payable
Benefits to members are accounted for in the period in which they fall due when the members' wishes are known.

(e) Transfers to and from other schemes
Transfer values are included in the accounts when received and paid. They do not take account of members who have notified the plan of their intention to transfer.

(f) Administrative expenses
Expenditure is accounted for on an accruals basis and as such, allowance has been made for certain expenses due but not paid before the year end date.

NOTES TO THE FINANCIAL STATEMENTS (Cont)

3. Members' and employer's contributions receivable

The members do not contribute to the Plan. The employer pays the total amount to fund the benefits and meet fund administration and management costs.

In 2023, the Employer made recovery plan contributions to amortise the deficit of £200,000 (2022: £400,000). No additional employer contributions were made in 2023 (2022: £700,000). The Employer contributed £90,883 (2022: £36,523) towards administrative expenses.

	2023 £	2022 £
Employer - administrative expenses	90,883	36,523
- recovery plan	200,000	400,000
- additional employer contributions	-	700,000
	290,883	1,136,523

4. Benefits payable

	2023 £	2022 £
On or during retirement:		
Pensions	806,727	805,515
Commutation and lump sum benefits	72,063	149,057
Additional voluntary contribution (AVC) to member	1,155	-
Death in retirement benefit	9,555	-
	889,500	954,572

5. Administrative expenses

	2023 £	2022 £
Trustees' fees	9,000	4,000
Actuarial fees	27,728	35,549
Employer covenant assessment	-	7,750
Legal and professional fees	-	18,235
Consultancy services	24,446	7,688
Audit fees	10,525	5,250
Bank charges	336	318
Pension Regulator levies	2,539	3,806
Computer bureau costs	6,794	6,752
Sundry expenses	1,500	1,535
	82,868	90,883

No administration fee was charged by PGI Group Ltd in the year (2022: £nil).

Trustees' fees comprise:

	2023 £	2022 £
J Vohryzek-Samuel	5,000	4,000
E Wratten	4,000	-
	9,000	4,000

No trustee fees were paid to S Hobhouse in 2023 (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS (Cont)

6. Investment income

	2023	2022
	£	£
Return on:		
Bank interest received	4,120	-
Investment income received and receivable	206,886	98,497
	211,006	98,497

7. Investment management expenses

	2023	2022
	£	£
Management expenses	30,091	31,520

8. Investments

	Value at 01/01/2023	Purchases at cost	Sales proceeds	Change in market value	Value at 31/12/2023
	£	£	£	£	£
Managed and unitised funds	15,201,727	10,783,502	(11,359,401)	775,458	15,401,286
Insurance policies – annuities	89,000	-	-	(12,000)	77,000
	15,290,727	10,783,502	(11,359,401)	763,458	15,478,286
AVC investments	4,112	-	(1,155)	265	3,222
	15,294,839	10,783,502	(11,360,556)	763,723	15,481,508

The change in market value of investments comprise all movements in the market value of investments held during the year, including profits and losses realised on the sale of investments during the year.

Managed and unitised funds	2023	2022
	£	£
UK		
Aquila Life Over 5 Year UK Index Linked Gilt Fund	2,613,993	3,859,941
Aquila Life Over 15 Year UK Gilt Index Fund	-	1,607,954
Aquila Life Over 25 Year UK Gilt Index Fund	4,171,156	-
Buy and maintain ESG Vintage Fund 2020-2024	1,273,446	-
Buy and maintain ESG Vintage Fund 2025-2029	3,637,445	-
Buy and maintain ESG Vintage Fund 2030-2034	1,406,215	3,057,890
Buy and maintain ESG Vintage Fund 2035-2039	-	2,650,943
Aquila Life 5-15 Year Corporate Bond Index Fund	-	3,759
Aquila Life UK Equity Index Fund	-	2,232,496
	13,102,255	13,412,983
Overseas		
Aquila Life Worldwide Index Fund	2,299,031	-
Aquila Life Overseas Fixed Benchmark Equity Index Fund	-	894,755
Aquila Life European Equity Index Fund	-	464,604
Aquila Life US Equity Index Fund	-	429,385
	2,299,031	1,788,744
	15,401,286	15,201,727

The Trustees use a range of passively managed gilt index (both nominal and index-linked gilts), high quality corporate bond funds managed on a 'buy and maintain' basis, together with passively managed equity index funds and as such it is not possible to identify transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (Cont)

8. Investments (cont)

	2023	2022
	£	£
AVC investments		
Santander	-	1,115
Utmost (formerly Equitable Life Assurance Society)	3,222	2,997
	3,222	4,112

The Plan does not hold any employer related investments. There were no outstanding contributions due to the Plan at 31 December 2023 (2022: £nil).

Insurance policies – annuities

The Trustees no longer purchase annuities to meet the Plan's liabilities. Annuities are issued by Prudential, Scottish Widows and Legal and General Assurance Society and are valued by the Scheme Actuary. No collateral is held in relation to these assets.

Fair value determination

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

Category Level 1: the unadjusted quoted price in an active market for identical assets which the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1, which are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

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

	Level 1	Level 2	Total
	£	£	£
Investments	15,401,286	-	15,401,286
Insurance policies	-	77,000	77,000
AVC investments	3,222	-	3,222
	15,404,508	77,000	15,481,508

NOTES TO THE FINANCIAL STATEMENTS (Cont)

9. Investment risks

At the start of the year, the Plan's long-term investment policy was to invest 25% in equity and 75% in bonds, including gilts and corporate bonds. During the year under review, the Trustees further de-risked the Plan by reducing the equity allocation to 15% and increasing the bond allocation to 85%.

Notwithstanding this revised strategy, the Plan's investments are exposed to various degrees of financial risk.

The investments are exposed to price risk, which can be affected by interest rate and credit risk, and to a lesser extent foreign currency risk.

Price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the investment – such as changes to interest rates, or other factors affecting similar investments traded in the market.

By implementing its investment strategy, The Plan is necessarily exposed to various risks. The Trustees manage investment risks within agreed risk limits which are set by considering the Plan's strategic investment objectives. The Plan's strategic investment objectives are set out in its Statement of Investment Principles. The Statement of Investment Principles is updated and agreed with the Employer on a regular basis, the latest update being February 2024. The investment objectives and risk limits are implemented through BlackRock's investment management agreements and monitored by the Trustees on a quarterly basis, with the assistance of the Plan's investments advisers, Broadstone.

This does not include insurance policies or AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Price rate risk

The following demonstrates the sensitivity of the Pension Plan's net change in funds to a possible change in market price as at 31 December 2023, with all other variables held constant.

	2023 £	2022 £
+- 10%	1,540,129	1,520,173

10. Current assets

	2023 £	2022 £
Accrued income from investments	97,570	98,497
Cash balances	260,040	168,562
	357,610	267,059

11. Current liabilities

	2023 £	2022 £
Accrued expenses	66,186	59,782
Other creditors	22,880	15,217
	89,066	74,999

NOTES TO THE FINANCIAL STATEMENTS (Cont)

12. Related party transactions

In 2023, the Employer made recovery plan contributions to amortise the deficit of £200,000 (2022: £400,000). No additional employer contributions were made in the year (2022: £700,000). The Employer contributed £90,883 towards administrative expenses in 2023 (2022: £36,523).

No administration fee was charged by PGI Group Ltd in the year (2022: £nil).

13. GMP Equalisation

In October 2018, the High Court determined that Guaranteed Minimum Pensions (GMPs), provided to members of occupational pension schemes who had previously contracted-out of the State Earnings-Related Pension Scheme (SERPS), must be equalised. This is to reflect the equalisation of state pension ages between May 1990 and April 1997 and to take account of other historic differences in GMPs for men and women. A subsequent ruling stated that pension scheme trustees must revise and equalise the values of historic transfers out of GMPs to ensure there are no gender-based differences.

In the 2022 Actuarial valuation report signed 16 August 2023, an allowance equal to 1.73% of the pre-equalisation liabilities of the Fund amounting to £245,000 was included in the continuing valuation basis surplus of £401,000 (page 25). This provision of £245,000 is not reflected in these financial statements.

14. Prior year reclassifications

Within the Fund account on page 30, the movement on the AVC funds in the year ended 31 December 2022 of a loss of £390 has been reclassified from Investment income to Change in market value of investments.

Within the Net Assets Statement on page 31, accrued income from investments at 31 December 2022 of £98,497 has been reclassified from Investments (Note 8) to Current assets (Note10).

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE PGI GROUP PENSION PLAN

Statement about contributions

Opinion

We have examined the Summary of contributions to the PGI Group Pension Plan (the "Scheme"), for the year ended 31 December 2023 which is set out on page 33.

In our opinion contributions for the Scheme year ended 31 December 2023 as reported in the Summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on pages 21-26.

Scope of work on statement about contributions

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

Respective responsibilities of the Trustee and the auditor

As explained more fully in the Statement of Trustee's responsibilities set out on page 39, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer (there are no active members). The Trustee is also responsible for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

Use of our report

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

DJH Audit Limited
Accountants and Statutory Auditor
St George's House
56 Peter Street
Manchester, M2 3NQ

Date:

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF CONTRIBUTIONS

The Scheme's Trustees are responsible under pensions legislation for ensuring that a Schedule of Contributions is maintained that shows the contributions payable to the Plan by the Plan's Employer and the dates by which such contributions are to be paid. The Scheme's Trustees are also responsible for keeping records of contributions received and that contributions are received in accordance with the Schedule of Contributions.

Trustees' Summary of Contributions payable under the Schedule in respect of the Scheme year ended 31 December 2023

This Summary of Contributions has been prepared by and is the responsibility of the Trustees. It sets out the Employer contributions payable to the Plan for the year ended 31 December 2023 under the Schedule of Contributions certified by the actuary on 30 March 2021 and the Schedule of Contributions certified by the actuary on 16 August 2023.

In preparing the 16 August 2023 Schedule of Contributions, account was taken of contributions due in the period from 1 January 2023 under the 30 March 2021 Schedule, and the commencement of the 16 August 2023 Schedule of Contributions. The Plan's Auditor reports on contributions payable under the Schedule in the Auditors' Statement about Contributions.

Contributions payable by the Employer under the Schedule in respect of the Scheme year:

	£
Contributions to expenses	90,883
Recovery plan contributions	200,000
Total contributions reported in the financial statements	290,883

Signed on behalf of the Trustees of PGI Group Pension Plan Scheme on 19 July 2024

J Vohryzek-SamueL
Chairman of the Trustees

S S Hobhouse
Trustee

COMPLIANCE STATEMENT

The purpose of this compliance statement is to disclose some additional information required by law, but which is not considered to be of such significance to Plan members that it requires the more prominent disclosure afforded by inclusion in the trustees' report.

Matters relating to trustees

The trustees have each received a copy of the statement from the Occupational Pensions board entitled 'Pension Trust Principles'.

Tax and contracting-out status of the Plan

The Plan has been approved as an "exempt approved scheme" under the terms of the Income and Corporation Taxes Act 2010. The Plan was closed to future accrual for active members from 1 October 2011. As a result, the Plan ceased to contract out of the State Earnings Related Pension Plan from this date.

Plan investments

The investment managers appointed on behalf of the trustees to manage funds under section 34(4) of the Pensions Act 2004 are appropriately authorised under the Financial Services Act 1986 to manage investments or are specifically exempted from the requirements of the Act. The investment managers appointed have the appropriate knowledge and experience necessary to manage the investments delegated to them.

A statement of investment principles has been produced as required by Section 35 of the Pensions Act 1995 and is available on request from the Secretary to the Trustees, or is available to view on the website of the Principal Employer at the following web address: https://www.pgi-uk.com/pgi-group-pension-plan/

MEMBERS' INFORMATION

Members can obtain information about their own pension benefits or further information about the Plan from Margaret Gage, whose address appears on page 1 of this report. Copies of the Plan's documentation is available for reference at the same address (or for retention at a small charge).

Pension Scheme Registry

A Pension Scheme Registry Number is allocated to the pension scheme by the Pensions Regulator and can be obtained from Margaret Gage, Secretary to the trustees, whose address appears on page 1 of this report.

The Money and Pensions Service (MaPS)

Any concern connected with the Plan should be referred to Margaret Gage, Secretary to the trustees, who will try to resolve the problem as quickly as possible. Members and beneficiaries of occupational pension plans who have problems concerning their plan which are not satisfied by the information or explanations given by the administrator, or the trustees, can consult MaPS, who can be contacted at:

Borough Hall
Cauldwell Street
Bedford MK42 9AP
Telephone: 01159 659570

Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved after involving MaPS, an application can be made to the Pensions Ombudsman, an independent organisation set up by law to deal with pension complaints. The address is:

10 South Colannade
Canary Wharf
London
E14 4PU
Telephone: 0800 917 4487