

PGI GROUP PENSION PLAN

Trustees’ annual report and financial statements

Registration number: 10082986

Year ended 31 December 2024

CONTENTS

Trustees and advisors	01
Trustees’ report	02
Investment report	05
Implementation statement	13
Actuarial statement	21
Auditors’ report	27
Fund account	30
Net assets statement	31
Notes to the accounts	32
Auditors’ statement about contributions	38
Trustees’ statement about contributions	39
Compliance statement	40
Members’ information	40

PGI GROUP PENSION PLAN

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 3 rd Floor 45 Ludgate Hill London EC4M 7JU (mag@pgi-uk.com)
Principal employer:	PGI Group Limited 3 rd 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 2024.

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. Due to the Plan being in surplus, in 2024 the employer was not required to make a recovery plan contribution (2023: £200,000 recovery plan contribution). Funding of the administrative expenses amounted to £41,434 (2023: £90,883).

Membership

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

	2024	2023
Deferred pensioners		
Deferred pensioners at the beginning of the year	92	104
Deferred pensioners reaching pensionable age	(5)	(6)
Deferred pensioners who reached pensionable age and whose pensions were commuted in full	(5)	(6)
Individual transfer to other scheme	(1)	-
Deferred pensioners who died during the year	(5)	-
	76	92
Pensioners		
Pensioners at the beginning of the year	265	271
Deferred pensioners reaching pensionable age	5	6
Spouses and dependants	2	5
Commutated in full	(1)	-
Pensioners who died during the year	(13)	(17)
	258	265
Total membership at the end of the year	334	357

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)

Virgin Media Case

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited and others) ruled that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. On 25 July 2024, the Court of Appeal upheld the original decision. Further details can be found at note 14.

Investment management

The trustees' long-term investment policy is to invest 15% in equity and 85% in bonds, including gilts, corporate bonds and cash. The strategy is designed to support the Plan's longer term funding objective and to generate increased cashflow to help meet expected pension payments. The assets 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: 22 May 2025

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/media/pgi-pension-plan-statement-of-investment-principals-february-2024.pdf/>

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 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 in conjunction with their 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)

Engagement and Voting Rights

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

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.

Transaction Costs

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Plan such as broker fees, commissions, taxes, and other fees. There were no direct transaction costs incurred during the year.

In addition to any direct transaction costs, indirect transaction costs may be incurred through the bid/offer spread on dual-priced investment funds, as well as any anti-dilution levies that may apply to single-priced investment funds, within the pooled investment vehicles held. The indirect costs incurred in respect of any trading activity relating to the pooled investment vehicles can be requested from the Investment Manager, as appropriate.

Investment report (Cont)**Investment Strategy**

During the year, the Trustees' long-term investment policy was to invest 15% of total assets in growth strategies, and 85% in protection strategies.

The growth allocation invests 15% of total assets in a single global equity fund. The protection allocation invests 43% of total assets in buy and maintain corporate bond funds, 26% in a gilt fund, and 16% in an index-linked gilt fund. The funds used within the protection asset allocation jointly target providing hedging exposure of 100% of changes in interest rates and inflation expectations associated with the Plan's funded liabilities calculated on a Technical Provisions funding basis.

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 and used to generate increased cashflow to help meet expected pension payments. 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 did not revise their investment strategy during the year.

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 Target Asset Allocation 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.

Pooled Investment Vehicles

A summary of the pooled investment vehicles as at 31 December 2024 is provided in the table below.

Pooled Investment Vehicles	
Equities	£2,786,677
Corporate bonds	£5,120,188
Government bonds	£5,966,638
Cash	£562,377
Total	£14,435,88

Fair Value Hierarchy

The fair value hierarchy of the assets as at 31 December 2024 is provided in the table below.

Fund	Level 1	Level 2	Level 3	Total
Direct Holdings				
Pooled investment vehicles	-	£14,435,880	-	£14,435,880

Investment report (Cont)**Risk Disclosures****Summary**

The Plan's invested assets and *direct* risks as at 31 December 2024 are summarised in the table below.

Fund	Credit Risk	Currency Risk	Interest Rate Risk	Other Price Risk	2024 Value £	2023 Value £
Direct Holdings						
Pooled investment vehicles	●	○	○	○	14,435,880	15,499,861

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

The Plan's invested assets and *indirect* risks as at 31 December 2024 are summarised in the table below.

Fund	Credit Risk	Currency Risk	Interest Rate Risk	Other Price Risk	2024 Value £	2023 Value £
Pooled Investment Vehicles						
BlackRock Aquila Life MSCI World Index Fund	○	●	○	●	2,786,677	2,299,031
BlackRock Buy & Maintain ESG Vintage Fund 2020-2024	●	○	●	○	141,999	1,273,447
BlackRock Buy & Maintain ESG Vintage Fund 2025-2029	●	○	●	○	3,617,355	3,637,445
BlackRock Buy & Maintain ESG Vintage Fund 2030-2034	●	○	●	○	1,360,824	1,406,215
BlackRock Aquila Life Over 25 Years UK Gilt Index Fund	◐	○	●	○	3,632,540	4,171,156
BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund	◐	○	●	○	2,334,098	2,613,993
Cash	◐	○	●	○	562,377	98,574

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.

Investment report (Cont)

Risk Disclosures (Cont)

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

All of the funds held except for the BlackRock Aquila Life MSCI World Index Fund 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 BlackRock Aquila Life MSCI World Index Fund and the BlackRock Aquila Life Over 5 Years Index-Linked Gilt 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 their 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.

Legal Structure

The legal structure of the Plan's investments as at 31 December 2024 is shown in the table below:

Fund	Structure
BlackRock Aquila Life MSCI World Index Fund	Unitised insurance policy
BlackRock Buy & Maintain ESG Vintage Fund 2020-2024	Unit Trust
BlackRock Buy & Maintain ESG Vintage Fund 2025-2029	Unit Trust
BlackRock Buy & Maintain ESG Vintage Fund 2030-2034	Unit Trust
BlackRock Aquila Life Over 25 Years UK Gilt Index Fund	Unitised insurance policy
BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund	Unitised insurance policy
BlackRock ICS Sterling Liquidity Fund	OEIC

Investment report (Cont)**Performance**

A summary of the overall performance of the assets for the Plan for periods to 31 December 2024 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	21.2	20.8	9.7	9.2	12.9	12.4
BlackRock Buy & Maintain ESG Vintage Fund 2020-2024	4.5	-	2.8	-	-	-
BlackRock Buy & Maintain ESG Vintage Fund 2025-2029	3.5	-	-0.5	-	-	-
BlackRock Buy & Maintain ESG Vintage Fund 2030-2034	1.3	-	-4.1	-	-	-
BlackRock Aquila Life Over 25 Years UK Gilt Index Fund	-12.9	-12.9	-22.4	-22.4	-13.0	-13.0
BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund	-10.7	-10.8	-17.8	-17.9	-8.2	-8.3
BlackRock ICS Sterling Liquidity Fund	5.2	5.2	3.6	3.8	2.2	2.2

Source: BlackRock, net of fees.

Overall Plan Performance	
1 year	-0.9%
3 years (p.a.)	0.1%
5 years (p.a.)	3.8%

Source: BlackRock. Performance provided gross of fees.

Investment Markets

Following a strong market rally in the final months of 2023, the first half of 2024 saw a divergence in performance. Positive economic data provided a tailwind for equities throughout the period, despite pulling back in April amid fears of potential overheating or re-inflation on the back of increased economic momentum. Annual short-term inflation reached the Bank of England's 2.0% p.a. target in the UK, but markets did not subsequently price in significant policy easing, which depressed returns from fixed income.

Following a generally positive market environment during Q3 2024, the final three months of the calendar year were dominated by the influence of President Trump's election win in the US. Threats of tariffs and US protectionism significantly impacted global equity and foreign exchange markets. While central banks across the US, UK and Eurozone continued with base rate cuts, long-dated government bond yields rose strongly at the end of the period, due to the expected slower pace of future rate cuts. For corporate bond investors, the additional return from holding credit sank to historic lows.

Investment report (Cont)

Investment Markets (Cont)

Equities

The first half of 2024 was positive for equity markets globally. Japan saw the strongest returns of any market. In the US, the S&P 500 returned 15.3%, with the 'Magnificent 7' stocks continuing to dominate the index. European equities also posted solid returns in the quarter, while UK, Emerging Markets and Asia (ex-Japan) produced positive, albeit muted, returns.

In the second half of 2024, UK equities gained around 2% but with fluctuations throughout the six-month period. In particular, the Autumn Budget at the end of October and troubling UK economic growth data published in November weighed on the FTSE All Share.

US equities experienced a post-election bounce in November, with the S&P 500 posting its best monthly returns of 2024. The Federal Reserve continued its rate cutting activities, reducing the target rate by 0.25% p.a. at their November meeting. This, coupled with strong US economic data, provided the foundation for strong performance in US equities; with the 'magnificent 7' again helping to drive most US stock indices' gains. The ECB rate cut in December provided support for European equities, but these still ended the year lower than at the start of July.

Yields

Despite positive inflation data in May, sticky services inflation and strong wage growth shut the door on hopes of a rate cut at the June Monetary Policy Committee ('MPC') meeting. Whilst markets were increasingly optimistic that there may be a rate cut in August, investors reappraised UK interest rate expectations with gilt yields rising around 0.5% p.a. at most durations beyond five years, which reduced defined benefit pension scheme liabilities. The 20-year UK Gilt yield rose from 4.2% on 31 December 2023 to 4.7% p.a. on 30 June 2024.

Over the remainder of the year, government bonds in the UK followed a similar pattern to the US, rising due to fears of persistent inflation and the increase in borrowing announced in the Autumn Budget. While the US Federal Reserve meeting in December led to the third consecutive rate cut, the Republican victory in November's election led to the market pricing in fewer rate cuts in future as a result of the anticipated economic policies.

The Bank of England's Monetary Policy Committee voted to cut the base rate by a total of 0.50% p.a. to 4.75% p.a. during this period. However, while GDP growth is expected to be lower than previously forecast, annual short-term CPI inflation to the end of November was higher than expected, at 2.6%, consequently the word 'stagflation' is rearing its head again.

Longer term gilt yields continued their 2024 trend of rising despite interest rate cuts; 15-year gilt yields rose to 4.9% p.a. by the end of the year. All else being equal, rising gilt yields result in falling pension liabilities and insurance pricing.

Corporate Bonds

It was a more challenging year for fixed income as strong economic momentum forestalled rate cuts, with investment grade bonds (rated BBB/Baa or higher) overall posting broadly flat or negative returns for the six months to June. High yield bonds, which are less sensitive to interest rates, outperformed over the first half of 2024 on the back of solid earnings and relative economic stability.

Credit spreads (the additional return over gilts obtained from holding corporate bonds) fell to historic lows over the year across all credit ratings. For investment grade sterling corporate bonds, the spread at the end of 2024 was just over 1% p.a. having halved from around 2% p.a. at the end of 2022. Longer-dated corporate bonds suffered in the wake of rising gilt yields, especially towards the end of 2024, delivering negative returns over the period.

Investment report (Cont)**Investment Markets (Cont)****Inflation**

UK short-term Consumer Price Inflation ('CPI') reached the Bank of England's 2.0% p.a. target in May for the first time since July 2021. However, the MPC voted to keep the base rate at 5.25% p.a. in their June meeting as services inflation remained high and domestic demand continued to be stronger than forecasted. The MPC predicted that CPI would rise again over the second half of the year, as past energy price reductions fall out of the year-on-year comparison. Despite this, long-term inflation expectations have remained broadly steady.

UK CPI crept back up to 2.2% in July, although this rise was less than the market had expected. At the end of the year, CPI had risen to 2.5%, in part due to the rising cost of fuel. However, long-term inflation expectations actually fell, which, all else being equal, will have reduced the value of defined benefit pension scheme liabilities.

Exchange rates

During the first half of the year, Sterling remained broadly stable against the US Dollar, falling by less than 1%. Sterling appreciated over Q3 2024, strengthening by 5.8% against the US Dollar. This rise was due to the UK having one of the highest interest rates in the developed world, after the US Federal Reserve cut its rates by 0.5% in September. However, the gains were more than reversed in Q4 2024, as the expectation of delayed rate cuts in the US and the threat of US tariffs saw the US Dollar rally strongly in the final months of the calendar year.

The returns from major global asset classes during the twelve months, three years and five years to 31 December 2024 are set out in the table below.

Asset Class Returns	1 year (%)	3 yrs (% p.a.)	5 yrs (% p.a.)
<i>Equities</i>			
UK Equities	9.5	5.8	4.8
Global Equities (Hedged)	21.0	7.1	10.9
North American Equities (Hedged)	24.6	7.3	12.9
European Equities (ex UK) (Hedged)	10.2	5.0	8.3
Japanese Equities (Hedged)	26.3	18.4	15.2
Pacific Equities (ex Japan) (Hedged)	4.7	2.7	5.3
Emerging Market Equities (Hedged)	14.4	3.0	4.2
<i>Bonds</i>			
UK Gilts (All Stocks)	-3.3	-8.6	-4.7
UK Gilts (Over 15 Years)	-10.6	-18.3	-10.5
UK Index-Linked Gilts (All Stocks)	-8.3	-15.0	-6.6
UK Bonds (All Stocks)	1.7	-3.1	-1.0
UK Bonds (Over 15 Years)	-4.9	-11.2	-5.4
Overseas Government Bonds	1.2	-2.6	-1.0
<i>Other Asset Classes</i>			
Commercial Property	0.5	-3.3	-1.3
Cash	5.1	3.7	2.2
Oil	10.7	10.3	-3.4
Gold	28.9	15.3	11.7

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 and Personal 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' Statements of Investment Principles (SIPs) dated October 2022 and February 2024, which reflects the Plan's investment strategy in place during the Plan year, have been implemented.

It also includes the Trustees' voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made and the reasons for the changes (if any). A description of the voting behaviour during the year, 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 2024 to 31 December 2024.

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 Trustees' primary objectives as at the Plan year end are set out on page 2 of the February 2024 SIP and are as follows:

- 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 investment 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.
- The Trustees appreciate that these objectives are not necessarily mutually exclusive.
- The Trustees also recognise that it is currently necessary to accept some risk in the investment strategy to achieve the long-term funding objective.

Review of the Statement of Investment Principles

The SIP was last reviewed in February 2024. The Trustees updated the SIP to reflect changes in the Plan's de-risked investment strategy that were made during the previous Plan year.

Prior to this, the SIP had last been updated in October 2022 to take account of previous changes made to the Plan's investment strategy.

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 later in this Statement and are detailed in the Trustees' latest SIP. The Trustees' policy on financially and non-financially material considerations, as well as engagement and voting activities, were not updated in the revised SIP that came into force during the year and are shown later in this Statement.

There were no departures from the policies set out in the February 2024 SIP, including the Trustees' policies on financially and non-financially material considerations, during the year.

PGI GROUP PENSION PLAN

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%

There have been no changes to either the Investment Manager used or the Target Asset Allocation for the Plan's invested assets over the year.

Scheme Governance

The Trustees are responsible for making investment decisions, and seek advice as appropriate 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 their 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, which were last reviewed by the Trustees in August 2022. These objectives cover demonstration of adding value, delivery of specialist investment consultancy services, proactivity of investment consultancy advice, support with scheme management, compliance, and service standards.

Monitoring of investment arrangements

In addition to any reviews of Investment Managers or approaches, and direct engagement with the Investment Manager (as detailed below), 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.

Trustees' Policies

The table below sets out how, and the extent to which, the relevant policies in the Plan's February 2024 SIP, reflecting the Plan's investment strategy during the year, has been followed:

Requirement	Policy	Implementation of Policy
Selection of Investments	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	No deviation from this policy over the period to 31 December 2024.
Balance of Investments	<p>The Trustees will set a Target Asset Allocation from time to time, determined with the intention of meeting their investment objectives.</p> <p>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.</p>	No deviation from this policy over the period to 31 December 2024.
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 2024.
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 2024.
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.	<p>No deviation from this policy over the year to 31 December 2024.</p> <p>The asset allocation at the year end was broadly in line with the targets reflected in the February 2024 SIP.</p>

PGI GROUP PENSION PLAN

Requirement	Policy	Implementation of Policy
Performance Benchmarks and Objectives	<p>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.</p> <p>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.</p> <p>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).</p>	<p>The funds' performance benchmarks and objectives were reviewed on a quarterly basis over the year to 31 December 2024.</p> <p>There were no changes to the funds' performance benchmarks and objectives over the year.</p>
Investment Management Charges	<p>The annual investment management charges of the funds used during the Plan year are set out on page 4 of the February 2024 SIP and are as follows:</p> <ul style="list-style-type: none"> BlackRock Aquila Life MSCI World Equity Index: 0.130% BlackRock Buy & Maintain ESG Vintage Funds: 0.090% BlackRock Aquila Life Over 25 Years UK Gilt Index Fund: 0.080% BlackRock Aquila Life Over 5 Years Index-Linked Gilt Fund: 0.080% BlackRock Sterling Liquidity Fund: 0.130% <p>These charges are subject to a minimum fee across all investments with BlackRock of £15,000 per annum.</p> <p>During the year, the annual management charge for the BlackRock Sterling Liquidity Fund was amended to 0.125%. The investment management charges of the funds used are set out on page 4 of the SIP.</p>	<p>With the exception of the cash fund, there were no changes to the funds' investment management charges over the year to 31 December 2024.</p>
Financially and Non-Financially Material Considerations	<p>The Trustees' policy on financially and non-financially material considerations is set out on page 8 of the February 2024 SIP and in full below.</p>	<p>No deviation from this policy over the period to 31 December 2024 (see below).</p>
Engagement and Voting Rights	<p>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.</p> <p>The Trustees' 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.</p> <p>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.</p>	<p>No deviation from this policy over the period to 31 December 2024 (see below).</p>

Requirement	Policy	Implementation of Policy
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 2024.

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 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 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.

PGI GROUP PENSION PLAN

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.

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	<p>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.</p> <p>In particular, the Trustees note that the BlackRock Buy & Maintain ESG Vintage Funds are ESG-focused funds, where 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.</p>
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.

PGI GROUP PENSION PLAN

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.

Out of the funds held by the Trustees over the year, only the BlackRock Aquila Life MSCI World Index Fund contain publicly listed equity holdings. This fund has voting rights attached to the underlying equities held within the funds, and the Trustees have delegated these voting rights to BlackRock, where BlackRock sets its own voting policy..

A summary of the votes made by the manager from 1 January 2024 to 31 December 2024 on behalf of the Trustees for each fund used by the Plan during the year that includes voting rights was requested from BlackRock. It was requested that BlackRock provide voting data broken down into Environmental, Social, and Governance categories. However, BlackRock advised that the data is not yet available in this format. The breakdown of this data will continue to be requested in future periods. The data in the table below is therefore provided at total fund level.

Fund	Resolutions Voted On	Resolutions Voted:		
		For	Against	Abstained
BlackRock Aquila Life MSCI World Index Fund	21,337	96%	4%	-

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) 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
- Votes linked to a BlackRock engagement campaign.

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

PGI GROUP PENSION PLAN

SIGNIFICANT VOTE 1	
Investment Manager	BlackRock
Company	Shell plc
Date of vote	21 May 2024
Resolution	Approve the Shell Energy Transition Strategy
Why significant	The BIS team voted for the management proposal seeking shareholders' approval of the Shell Energy Transition Progress. The company has provided and continues to provide a clear assessment of its plans to manage material climate-related risks and opportunities and continues to demonstrate progress against its Energy Transition Strategy. 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	<p>"In our view, Shell has provided and continues to provide a clear assessment of its plans to manage material climate-related risks and opportunities, while also demonstrating progress against its stated Energy Transition Strategy.</p> <p>As presented during its Capital Markets Day in 2023, Shell aims to deliver "more value with less emissions." In line with the shift to prioritizing value over volume, it is concentrating on select markets and segments where it has competitive advantage, such as the decarbonization of transportation. In our assessment, Shell has demonstrated that it remains on track to meet its goal of reducing by 50% the scope 1 and 2 emissions under its operational control by 2030 compared to 2016. By the end of 2023, the company had achieved more than 60% of this target. Shell is also making progress towards its plan to eliminate routine flaring from upstream operations and achieve near-zero methane emissions by 2030. We note that Shell has made several adjustments to its climate-related targets due to developments in energy markets and the strategic shift in its power business. For example, Shell retired its 2035 net carbon intensity (NCI) target of 45% because of uncertainty regarding the pace of the global low-carbon transition. Shell also adjusted its 2030 NCI reduction target from 20% to 15-20%, based on lower expected growth in total power sales for the period as it prioritizes value over volume in its power business, focusing on commercial customers more than retail customers. BIS views these adjustments as reasonable and in the interest of shareholders given that they reflect, and provide transparency into, Shell's efforts to manage climate-related risks and opportunities in its business model."</p>
Vote outcome	Passed

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 The Walt Disney Company (Disney) to discuss how its governance and long-term strategy align with long-term financial performance. The company's performance in recent years attracted shareholder activist campaigns, including two dissident investors who sought strategic changes by proposing alternative candidates to the company's nominees at the April 2024 AGM. In advance of the AGM, BIS engaged with Disney's board and leadership, as well as with both dissident investors, to better understand how the proposed strategies of each might add long-term financial value at Disney. Ultimately, BIS voted in support of management's slate of directors, recognising that many of the issues discussed with the company will take time to address and translate into financial results. In BlackRock's view, the Disney board and management have taken steps to restore confidence, have been responsive to shareholders, and have demonstrated progress in implementing the company's revised strategy. As a result, BIS determined that the directors proposed by management were best placed to oversee the implementation of the revised strategy and make any necessary governance changes. Disney's recommended slate of directors received majority shareholder support at the April 2024 AGM.

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

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	<p>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.</p> <p>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.</p> <p>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.</p>
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.

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 2024, 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 2024 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the 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: 22 May 2025

PGI GROUP PENSION PLAN

FUND ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> £	<u>2023</u> £
Contributions and other income			
Employer's contributions receivable	3	41,434	290,883
		-----	-----
Benefits and other payments			
Benefits payable	4	1,017,254	889,500
Administrative expenses	5	97,999	82,868
		-----	-----
		1,115,253	972,368
		-----	-----
Net withdrawals from dealings with members		(1,073,819)	(681,485)
		-----	-----
Investment returns			
Investment income	6	255,892	211,006
Change in market value of investments	8	(416,428)	763,723
Investment management expenses	7	(13,961)	(30,091)
		-----	-----
Net return on investments		(174,497)	944,638
		-----	-----
Net (decrease)/increase in the fund		(1,248,316)	263,153
		-----	-----
Net assets at 1 January		15,750,052	15,486,899
		-----	-----
Net assets at 31 December		14,501,736	15,750,052
		=====	=====

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

PGI GROUP PENSION PLAN

NET ASSETS STATEMENT

AT 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> £	<u>2023</u> £
Investments			
Managed and unitised funds	8	13,873,503	15,401,286
Insurance policies – annuities	8	66,000	77,000
AVC investments	8	3,508	3,222
		-----	-----
		13,943,011	15,481,508
		-----	-----
Current assets	10	634,907	357,610
Current liabilities	11	(76,182)	(89,066)
		-----	-----
Net current assets		558,725	268,544
		-----	-----
Net assets at 31 December		14,501,736	15,750,052
		=====	=====

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 22 May 2025

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 2024, the Employer made recovery plan contributions to amortise the deficit of £nil (2023: £200,000). The Employer contributed £41,434 (2023: £90,883) towards administrative expenses.

	2024 £	2023 £
Employer - administrative expenses	41,434	90,883
- recovery plan	-	200,000
	41,434	290,883

4. Benefits payable

	2024 £	2023 £
On or during retirement:		
Pensions	809,316	806,727
Commutation and lump sum benefits	105,726	72,063
Individual transfer to other scheme	102,212	-
Additional voluntary contribution (AVC) to member	-	1,155
Death in retirement benefit	-	9,555
	1,017,254	889,500

5. Administrative expenses

	2024 £	2023 £
Trustees' fees	9,000	9,000
Actuarial fees	43,889	27,728
Consultancy services	24,305	24,446
Audit fees	8,375	10,525
Bank charges	358	336
Pension Regulator levies	2,505	2,539
Computer bureau costs	8,067	6,794
Sundry expenses	1,500	1,500
	97,999	82,868

No administration fee was charged by PGI Group Ltd in the year (2023: £nil).

Trustees' fees comprise:

	2024 £	2023 £
J Vohryzek-Samuel	5,000	5,000
E Wratten	4,000	4,000
	9,000	9,000

No trustee fees were paid to S Hobhouse in 2024 (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS (Cont)

6. Investment income

	2024 £	2023 £
Return on:		
Bank interest received	5,899	4,120
Investment income received and receivable	249,993	206,886
	255,892	211,006

7. Investment management expenses

	2024 £	2023 £
Management expenses	13,961	30,091

8. Investments

	Value at 01/01/2024 £	Purchases at cost £	Redemption/sale proceeds £	Change in market value £	Value at 31/12/2024 £
Managed and unitised funds	15,401,286	-	(1,122,069)	(405,714)	13,873,503
Insurance policies – annuities	77,000	-	-	(11,000)	66,000
	15,478,286	-	(1,122,069)	(416,714)	13,939,503
AVC investments	3,222	-	-	286	3,508
	15,481,508	-	(1,122,069)	(416,428)	13,943,011

There were maturing redemptions of £1,122,069 during the year from the Buy and Maintain ESG Vintage Fund 2020-2024. 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 redemption or sale of investments during the year.

Managed and unitised funds	2024 £	2023 £
UK		
Aquila Life Over 5 Year UK Index Linked Gilt Fund	2,334,098	2,613,993
Aquila Life Over 25 Year UK Gilt Index Fund	3,632,541	4,171,156
Buy and maintain ESG Vintage Fund 2020-2024	141,998	1,273,446
Buy and maintain ESG Vintage Fund 2025-2029	3,617,355	3,637,445
Buy and maintain ESG Vintage Fund 2030-2034	1,360,834	1,406,215
	11,086,826	13,102,255
Overseas		
Aquila Life Worldwide Index Fund	2,786,677	2,299,031
Total	13,873,503	15,401,286

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)

	2024 £	2023 £
AVC investments		
Utmost (formerly Equitable Life Assurance Society)	3,508	3,222

The Plan does not hold any employer related investments. There were no outstanding contributions due to the Plan at 31 December 2024 (2023: £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	13,873,503	-	13,873,503
Insurance policies	-	66,000	66,000
AVC investments	3,508	-	3,508
	13,877,011	66,000	13,943,011

NOTES TO THE FINANCIAL STATEMENTS (Cont)**9. Investment risks**

The Plan's long-term investment policy is to invest 15% in equity and 85% in bonds, including gilts and corporate bonds.

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 2024, with all other variables held constant.

	2024 £	2023 £
+/- 10%	1,387,350	1,540,129

10. Current assets

	2024 £	2023 £
Accrued corporate bond redemption	309,236	-
Accrued income from investments	28,097	97,570
Cash balances	297,574	260,040
	634,907	357,610

11. Current liabilities

	2024 £	2023 £
Accrued expenses	56,865	66,186
Other creditors	19,317	22,880
	76,182	89,066

NOTES TO THE FINANCIAL STATEMENTS (Cont)

12. Related party transactions

Due to the Plan being in surplus, in 2024, the Employer was not required to make a recovery plan contribution (2023: £200,000). The Employer contributed £41,434 towards administrative expenses in 2024 (2023: £90,883).

No administration fee was charged by PGI Group Ltd in the year (2023: £nil).

13. Contingent Liabilities

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). The provision of £245,000 is not reflected in these financial statements.

Virgin Media Case

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited and others) ruled that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. On 25 July 2024, the Court of Appeal upheld the original decision. The trustees are reviewing scheme amendments for potential liability impacts. Due to current uncertainties regarding the extent and measurability of any resulting liabilities, no provision has been made. Developments will continue to be monitored by the trustees.

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 2024 which is set out on page 33.

In our opinion contributions for the Scheme year ended 31 December 2024 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: 22 May 2025

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 2024

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 2024 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	41,434

Signed on behalf of the Trustees of PGI Group Pension Plan Scheme on 22 May 2025

J Vohryzek-Samuel
Chairman of the Trustees

S S Hobhouse
Trustee

PGI GROUP PENSION PLAN

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 Colonnade
Canary Wharf
London
E14 4PU
Telephone: 0800 917 4487