

# **THE AALBERTS SURFACE TECHNOLOGIES HEAT LIMITED GROUP PENSION SCHEME**

**Report and Financial Statements for the year ended  
31 December 2024**

Scheme Registration No: 10247314

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**TRUSTEE AND ADVISERS**

**Trustee:** Atkin Trustees Limited

**Directors of Atkin Trustees Limited:** Christopher Atkin  
Nicholas Atkin  
Robert Dales

**Contact for Enquiries:** Richard Bryant  
Atkin Trustees Limited  
Cornwall House  
Blythe Valley Business Park  
Solihull B90 8AF

**Actuary:** Andrew Little  
Little & Company  
Suite 5.01 Clockwise  
River House 48-60 High Street  
Belfast BT1 2BE

**Auditor:** JW Hinks LLP  
19 Highfield Road  
Edgbaston  
Birmingham B15 3BH

**Legal Advisers:** TLT LLP  
One Redcliff Street  
Bristol BS1 6TP

**Bankers:** NatWest Bank plc 250  
Bishopsgate London EC2M 4AA

**Investment Managers:** Royal London Asset Management Limited  
1 Thistle Street  
Edinburgh EH2 1DG

LGT Wealth Management UK LLP  
14 Cornhill  
London  
EC3V 3NR

**TRUSTEE AND ADVISERS (continued)**

***AVC Provider:***

ReAssure Ltd  
Windsor House  
Telford Centre  
Telford TF3 4NB

***Consultants & Administrators:***

Little & Company  
Suite 5.01 Clockwise  
River House 48-60 High Street  
Belfast BT1 2BE

***Principal Employer:***

Aalberts Surface Technologies Heat ,Limited  
Blackhorse Road  
Letchworth Garden City  
Hertfordshire SG6 1HD

**TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

The Trustee presents to the members the annual report and financial statements for the year ended 31 December 2024.

***Trustee***

The Trustee ensures that the Scheme is governed in accordance with the Trust Documents & Rules. Members may inspect the Trust Documents & Rules at any reasonable time on application to the Trustee.

Under the Pensions Act 2004, from 6 April 2006 the Trustee is required to ensure that at least one third of Trustees, or Directors of a trustee company, are nominated by and selected by the members.

As the Trustee, Atkin Trustees Limited, is an independent trustee company within the meaning given by the Pensions Act 1995 the Scheme is exempt from this requirement.

The Trustee is appointed or removed by the board of directors of Aalberts Surface Technologies Heat Limited as the Principal Employer.

***Scheme information***

The Scheme has been set up under irrevocable Trusts. The principal objective is to achieve long-term growth in income and capital to enable, as far as possible, the protection of present and future pensions.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief and income and capital gains earned by the Scheme receive preferential tax treatment.

The Scheme had a multiple benefit structure consisting of a defined benefit (DB) section whereby benefits are payable to members in accordance with the Scheme rules based on length of service and their average salary prior to retirement and a defined contribution section whereby the contributions for each member were invested until retirement when the accumulated value of each member's investment account was available to purchase benefits.

Members of the defined benefit section were contracted-out of the earnings related part of the state scheme under the Pensions Act 1993.

The defined benefit section was closed to the future accrual of benefits with effect from 30 September 2007.

The Defined Contribution section was transferred out and benefits remaining represent DB only, plus AVCs.

**TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)*****Membership***

The number of members as at the year-end was:	2024	2023
Deferred pensioners	44	51
Pensioners	113	105

Included in the 'Deferred pensioners' above there are five (2023: five) members who have passed their Normal Retirement Date.

***Pension increases***

For executive members, the pension benefits earned prior to 6 April 1997 will escalate in course of payment at the lower rate of 5.0% or the increase in the Retail Price Index per annum for executive members and at the lower rate of 3.5% or the increase in the Retail Price Index for staff members. Benefits earned post 5 April 1997 until 30 September 2007 will escalate in course of payment at the lower rate of 5% per annum, or the increase in the Retail Price Index over the year up to date for both executive members and staff members.

The pensions escalation referred to above does not apply to the element of the pensions in payment representing the Guaranteed Minimum Pension (GMP). For executive members, the GMP earned prior to 6 April 1988 will escalate in the course of payment at the lower rate of 5% or in increase in the Retail Price Index. This GMP element will not increase in payment for staff members. The GMP earned from 5 April 1988 will increase in payment by the lower of 5% and the increase in the Retail Price Index for executive members, and by the lower of 3.5% and the increase in the Retail Price Index for staff member.

During the year deferred pensions increased in line with legislative requirements.

The increase to pension benefits in late retirement is determined by the Trustee, in consultation with the Scheme Actuary, to be reasonable having regard to the length of period between the normal retirement date and the date the pension commences.

Details of these benefits are contained in the member's copy of the Scheme booklet.

The Scheme provides both Life Assurance benefits and Widow's/Widower's Pension benefits on death in service. The first of these is provided by Zurich Insurance and the latter provided by Unum Limited.

The Scheme rules allow the Trustee, at its discretion, to further increase pensions after they have become payable. There was one discretionary increase made during the year in respect of the spouse of a deceased member. This increase applied from the date the pension commenced.

***Transfer values***

Any transfer values paid to other pension schemes or credits given in respect of transfer values received from other pension schemes are calculated and verified by the Scheme's Actuary or calculated in accordance with instructions prepared by the Scheme Actuary, in accordance with statutory regulations.

The Trustees policy throughout the accounting year was to apply no reduction to cash equivalent transfer values.

***Benefit/Scheme changes***

A cash fund with Royal London was in place at the start of the Scheme year but these assets were transferred to LGT on 2 March 2024. There were no other Scheme changes in the year.

**TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****Contributions****Recovery Plan Contributions**

The valuation at 31 December 2021 revealed a funding shortfall of £7,830,000. In deciding the Recovery Plan contributions, allowance has been made for changes in asset and liability values over the period from 31 December 2021 to a current date (31 December 2022). At this date, the estimated shortfall was £2,540,000.

To address the funding shortfall, the Trustee and the employer have agreed that the following contributions will be paid to the Scheme by the employer:

<b>Calendar year</b>		<b>£ per month</b>
<b>1 January</b>	<b>31 December</b>	
2022		£51,000
2023		£55,000
2024		£59,000
2025		£63,000
2026		£63,000
2027	(until 28 February 2027)	£63,000

Included in the April and May 2023 monthly contributions of £55,000 to be paid, are amounts of £27,851.50 per month that will be used to clear the amount due from the employer for Scheme expenses at 31 December 2021 of £55,703.

The funding shortfall is expected to be addressed by 28 February 2027. This expectation is based on the following assumptions:

- The value of liabilities will be calculated according to the method and assumptions set out in the Scheme Funding Report as at 31 December 2021, but allowing for financial conditions at 31 December 2022.
- The value of the assets allows for actual returns to 31 December 2022. From 31 December 2022, the investment return on new contributions and existing assets during the period will equal the discount rate used to calculate the value of liabilities at 31 December 2022.

**Scheme Expenses**

It was agreed on the new Schedule of Contributions certified by the Scheme Actuary on 31 January 2023 that the employer will pay Pension Protection Fund levies and standard ongoing administration expenses going forward. It was also agreed that expenses to be reimbursed as at 31 December 2021 would be paid in April and May 2023 as part of the monthly contributions.

**Going Concern**

The Trustee of the Scheme have made an assessment on going concern and given the funding position and the support from the Principal Employer, the Trustee concludes that the Scheme retains sufficient liquidity that the going concern basis remains appropriate for the foreseeable future and at the very least for the next twelve months.

**TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****Financial Development of the Scheme**

Changes in the Scheme's net assets during the year were as follows:

	£
Net assets at 31 December 2023	12,633,339
Net withdrawals from dealings with members	(35,010)
Net returns on investments	(250,450)
	<hr/>
Net assets at 31 December 2024	12,347,879
	<hr/>

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

**Actuarial review**

The financial statements set out on pages 17 to 25 do not take into account the liabilities to provide pension benefits which fall due after the year end. These liabilities are considered by the Scheme Actuary who carries out an actuarial valuation of these liabilities every three years and issues a report showing the results. This valuation considers the funding position of the Scheme and the level of contributions payable. The most recent full actuarial valuation was carried out with an effective date of 31 December 2021 and the next is due to be carried out with an effective date of 31 December 2024.

In light of the deficit arising from the 2021 actuarial valuation, a five year Recovery Plan has been introduced. A Schedule of Contributions, to this effect, was agreed between the Trustee and the employer and has been certified by the Scheme Actuary on 31 January 2023 as adequate to meet the funding objective of the Scheme over the period from 31 January 2023 to 31 January 2028.

The formal actuarial certificate required by statute to be included in this annual report from the Scheme Actuary appears on page 12. In addition, as required by FRS 102, the Trustee has included the Report on Actuarial Liabilities on page 11, which forms part of the Trustee's report.

**Enquiries**

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustee:

c/o Richard Bryant  
Atkin Trustees Limited  
Cornwall House  
Blythe Valley Business Park  
Solihull B90 8AF

Email: [Richard.Bryant@atkin.uk.com](mailto:Richard.Bryant@atkin.uk.com)

**MoneyHelper**

MoneyHelper provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service. MoneyHelper can be contacted at:

MoneyHelper  
Holborn Centre  
120 Holborn  
London EC1N 2TD

Tel: 0800 011 3797

Email: [pension.enquiries@moneyhelper.org.uk](mailto:pension.enquiries@moneyhelper.org.uk)

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)



**TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)*****Pensions Ombudsman***

If a member has a complaint against the Scheme that has not been resolved to his or her satisfaction through the Scheme's Dispute Procedure, the government appointed Pensions Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustee or Scheme administrators, or disputes of fact or law. The Pensions Ombudsman can be contacted at:

10 South Colonnade  
Canary Wharf  
London E14 4PU

Tel: 0800 917 4487

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

***The Pensions Regulator (tPR)***

The Pensions Regulator can intervene if they consider that a scheme's trustees, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Telecom House  
125 - 135 Preston Road  
Brighton BN1 6AF

Tel: 0345 600 0707

Email: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

***The Pension Scheme Registry***

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 10247314. The data held by the Registry is used by the Pension Tracing Service to assist members of Scheme to trace their Scheme benefits. The Pension Tracing Service can be contacted at:

Pension Tracing Service  
The Pension Service  
Post Handling Site A  
Wolverhampton WV98 1AF

Tel: 0800 731 0193

Website: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

**INVESTMENT REPORT*****Investment Strategy***

The Trustee is responsible for determining the Scheme's investment strategy. They have delegated the management of the investments to the investment managers listed on page 2 who also appoint Custodians to hold the assets.

The main priority of the Trustee when considering the investment strategy is to ensure that promises made about members' pensions may be fulfilled. The Trustee determines its investment strategy after taking advice from its investment adviser and taking into account considerations such as the strength of the Employer covenant, the long term liabilities and the funding agreed with the Employer.

The investments are spread across the available range, both by type of investment (equities, bonds, property etc.) and geographically. Spreading the investments in this way reduces the risk of a sharp fall in one particular market having a substantial impact on the whole Scheme.

The majority of the Scheme's assets are held in pooled investments, the Trustee accepts that it is the manager of the pooled investments who exercises the voting rights attached to the underlying investments on behalf of all participants in the pooled funds. The Trustee also accepts that the policy on social, environmental and ethical factors is set by the investment manager in respect of the pooled investments held.

***Statement of Investment Principles •***

A Statement of Investment Principles has been produced as required under Section 35 of the Pensions Act 1995 and a copy is available on request. All investments made during the year were in accordance with this Statement.

***Selection of Investments***

The investments of the remaining section of the Scheme, the defined benefit section is invested in accordance with the Occupational Pension Schemes (Investment) Regulations 2005. The nature and disposition of the investments of the Scheme are set out below, together with the actual value of investments at the year-end:

	2024 £	2023 £
<b>Royal London Asset Management</b>		
Cash funds	-	89,261
<b>LGT Wealth Management</b>		
Multi asset funds	6,926,522	9,070,150
Cash and Alternatives	2,172,131	2,475,057
Bonds/Hedging portfolio	2,842,688	418,083
	<hr/>	<hr/>
	11,941,341	12,052,551
	<hr/>	<hr/>

***Employer Related Investments***

There were no employer related investments during the year.

## REPORT ON ACTUARIAL LIABILITIES

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

The most recent full actuarial valuation of the Scheme was carried out with an effective date of 31 December 2021. This showed the following results on that date:

The value of the technical provisions was:	£20,875,000
The value of the assets was:	£13,045,000
as a percentage of technical provisions	62%

The next full actuarial valuation of the Scheme is due to be carried out with an effective date of 31 December 2024.

### Method

The actuarial method that was used in the calculation of the technical provisions was the Current Unit Method.

### Significant actuarial assumptions

<b>Discount rate</b>	Initial rate of 3.8% p.a. (gilts +2.7% reducing uniformly over 10 years to 1.1% p.a. (gilts)
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<b>Future Retail Price Inflation (RPI)</b>	3.7% p.a.
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#### Pension increase in deferment

Guaranteed Minimum Pension (GMP)	Fixed Rates
Pension in excess of GMP	3.7% p.a.

<b>Price inflation volatility for Black-Scholes pricing model to determine pension increase assumptions</b>	1.5% p.a.
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#### Increases in pension payment

##### Staff members

- GMP earned on or after 06/04/1988	3.0% p.a.
- Pension earned before 05/04/1997	3.0% p.a.
- Pension earned on or after 06/04/1997	3.5% p.a.

<i>Executive members</i>	3.5% p.a.
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#### Mortality

Base tables:	S3PMA & S3PFA for males and females as appropriate with ages rates up one year
Future improvements:	CMI 2020 mortality projection model for males and females subject to a 1.5% annual long term rate of improvement

## ACTUARY'S CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS



The Aalberts Surface Technologies Heat Limited Group Pension Scheme

## Actuary's certification of the schedule of contributions

### Adequacy of rates of contributions

I hereby certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 27 January 2023.

### Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 27 January 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 schemes liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature		Date	31 January 2023
Name	David .1Dickson	Qualification	FFA
Name of Employer	XPS Pensions C1U Linder!		
Address	40 Torphichen Street, Edinburgh EH3		

31 December 2021  
Schedule of contributions

Actuary's certification

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102), are the responsibility of the Trustee. Pension Scheme regulations require, and the Trustee are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to Occupational Pension Schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

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

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable to the Scheme by or on behalf of the employer and the contributing members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any contributing member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

### Approval of the Trustee's Report

The Trustee's Report, which includes the Investment Report, the Report on Actuarial Liabilities and the Statement of Trustee's Responsibilities has been approved by Atkin Trustees Limited on:

**Signed:**

**Date:** 28/07/2025

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE AALBERTS SURFACE TECHNOLOGIES HEAT LIMITED GROUP PENSION SCHEME****Opinion**

We have audited the financial statements of The Aalberts Surface Technologies Heat Limited Group Pension Scheme ('the Scheme') for the year ended 31 December 2024 which comprise the fund account, the statement of net assets and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 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 year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE AALBERTS SURFACE TECHNOLOGIES HEAT LIMITED GROUP PENSION SCHEME (continued)**

**Responsibilities of Trustee**

As explained more fully in the Trustee's responsibilities statement set out on page 13, the Scheme's Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Confirming investment valuations and bank balances directly with investment managers and bankers.
- Testing to ensure that contributions have been received in accordance with the Schedule of Contributions.
- Testing benefits payable to members.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE AALBERTS SURFACE TECHNOLOGIES HEAT LIMITED GROUP PENSION SCHEME (continued)****Use of our report**

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

**JW Hinks LLP***Statutory Auditor*

19 Highfield Road

Edg baston

Birmingham B15 3BH

Date:



**FUND ACCOUNT**

For the year ended 31 December 2024

	Note	2024	2023
<b>CONTRIBUTIONS AND BENEFITS</b>			
Employer contributions	4	708,000	604,297
<b>Total contributions</b>		708,000	604,297
Other income	5	-	156,147
		708,000	760,444
Benefits paid or payable	6	742,996	772,556
Administrative expenses	7	14	3
		743,010	772,559
<b>NET WITHDRAWALS FROM DEALINGS WITH MEMBERS</b>			
		(35,010)	(12,115)
<b>RETURNS ON INVESTMENTS</b>			
Investment income	8	328,577	268,835
Change in market value of investments	10	(507,530)	255,290
Investment management expenses	9	(71,497)	(36,471)
<b>NET RETURN ON INVESTMENTS</b>		(250,450)	487,654
<b>NET INCREASE/(DECREASE) IN THE FUND FOR THE YEAR</b>		(285,460)	475,539
<b>OPENING NET ASSETS</b>		12,633,339	12,157,800
<b>CLOSING NET ASSETS</b>		12,347,879	12,633,339

The notes on pages 19 to 25 form part of these financial statements.

## STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 31 December 2024

	Note	2024	2023
<b>INVESTMENT ASSETS</b>	10		
Pooled investment vehicles	11	11,941,341	12,052,551
AVC investments	12	17,061	15,722
Cash deposits		184,732	182,774
Other investment balances		-	20,537
		<u>12,143,134</u>	<u>12,271,584</u>
<b>CURRENT ASSETS</b>	17	204,745	361,755
<b>CURRENT LIABILITIES</b>	18	-	-
<b>CLOSING NET ASSETS</b>		<u>12,347,879</u>	<u>12,633,339</u>

The notes on pages 19 to 25 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities shown on page 11 of the Annual report and these financial statements should be read in conjunction with this report.

These financial statements were approved by Atkin Trustees Limited and signed on their behalf by:

**Signed**

**Date:** 28/07/2025

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1. BASIS OF PREPARATION

The individual financial statements of The Aalberts Surface Technologies Heat Limited Group Pension Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

The financial statements have been prepared on the going concern basis. At the date of signing these financial statements the Trustee believes that; due to its investments structure the Scheme is able to comfortably cover its related outgoings for the foreseeable future and until at least 12 months from signing. As a result, and together with the relatively strong position of the Principal, the Trustee considers the preparation of the financial statements on a going concern basis to be appropriate.

### 2. FURTHER ENQUIRIES

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is:

Richard Bryant  
Atkin Trustees Limited  
Cornwall House  
Blythe Valley Business Park  
Solihull B90 8AF

Email: [Richard.Bryant@atkin.uk.com](mailto:Richard.Bryant@atkin.uk.com)

### 3. ACCOUNTING POLICIES

#### (a) **Accounting Convention**

The financial statements are prepared on an accruals basis.

#### (b) **Currency**

The Scheme's presentational and functional currency is pound sterling (GBP).

#### (c) **Contributions**

Employer deficit funding contributions are recognised on the due dates in accordance with the Schedule of Contributions or on receipt if earlier with the agreement of the employer and Trustee.

#### (d) **Payments to Members**

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

Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type and amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Individual transfers in or out are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.

#### (e) **Expenses**

Expenses are accounted for on an accruals basis.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

## 3. ACCOUNTING POLICIES (continued)

### (f) *Investment income*

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

Income arising on the underlying investments of accumulation funds is reflected within the change in market value.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

### (g) *Investments*

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

## 4. CONTRIBUTIONS

	2024	2023
	£	£
Employer contributions		
Deficit funding	708,000	604,297
	<hr/>	<hr/>
	708,000	604,297

The deficit funding contributions were made by the employer in order to improve the funding position of the Scheme. These were agreed on the Schedules of Contributions certified by the Actuary on 31 January 2023.

## 5. OTHER INCOME

	2024	2023
	£	£
Claims on term insurance policies	-	156,147
	<hr/>	<hr/>
	-	156,147

## 6. BENEFITS PAID OR PAYABLE

	2024	2023
	£	£
Pension payments	632,824	557,637
Commutation of pensions and lump sum retirement benefits	110,172	52,594
Lump sum death benefits	-	156,147
Payments to and on account of leavers	-	6,178
	<hr/>	<hr/>
	742,996	772,556

## 7. ADMINISTRATIVE EXPENSES

	2024	2023
	£	£
Administration & Bank Charges	14	3
Trustee fees	-	-
	<hr/>	<hr/>
	14	3

The employer will pay the Pension Protection Fund levies.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2024

<b>8.</b>	<b>INVESTMENT INCOME</b>	2024	2023
	Income from pooled investment vehicles	328,577	266,901
	Bank interest	-	1,934
		<u>328,577</u>	<u>268,835</u>

<b>9.</b>	<b>INVESTMENT MANAGEMENT EXPENSES.</b>	2024	2023
		£	£
	Investment fees - management & custody	<u>71,497</u>	<u>36,471</u>

<b>10.</b>	<b>RECONCILIATION OF INVESTMENTS</b>					
		Value at 31.12.2023 £	Purchases at cost £	Sales proceeds	Change in market value £	Value at 31.12.2024 £
	Pooled investment vehicles	12,052,551	3,238,883	(2,840,615)	(509,478)	11,941,341
	Bonds	-	-	-	-	-
	AVC investments	<u>15,722</u>	<u>-</u>	<u>-</u>	<u>1,339</u>	<u>17,061</u>
		<u>12,068,273</u>	<u>3,238,883</u>	<u>(2,840,615)</u>	<u>(508,139)</u>	<u>11,958,402</u>
	Cash	182,774			609	184,732
	Other investment balances	<u>20,537</u>				<u>-</u>
		<u>12,271,584</u>			<u>(507,530)</u>	<u>12,143,134</u>

There were no direct transaction costs charged to the Scheme such as fees, commission and stamp duty. Indirect transaction costs are borne by the Scheme in relation to transactions in pooled investment vehicles and Bonds. Such costs are taken into account in calculating the unit price of these investments. It has not been possible for the Trustee to quantify such indirect transaction costs.

**11. POOLED INVESTMENT VEHICLES**

The majority of the Scheme's investments are held in pooled investment vehicles managed by LGT Wealth Management UK LLP, registered in the UK. The investments held at the year-end comprised:

	2024	2023
	£	£
Multi asset funds	6,926,522	9,070,150
Bonds/Hedging portfolio	2,842,688	418,083
Equities	-	-
Cash funds	<u>2,172,131</u>	<u>2,564,318</u>
	<u>11,941,341</u>	<u>12,052,551</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2024

**12. AVC INVESTMENTS**

The Trustee holds assets invested separately from the main fund to investments to secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. In previous years, members elected to pay them. During the year no members paid additional voluntary contributions to the Scheme. There is one member (2023: two) with retained benefits in respect of additional voluntary contributions. The aggregate amount of AVC investments at the year-end is as follows:

	2024	2023
	£	£
ReAssure Ltd (Unit Linked)	17,061	15,722

**13. OTHER INVESTMENT BALANCES**

	2024	2024
	£	£
Dividends and interest receivable	-	20,537

**14. FAIR VALUE DETERMINATION**

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

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

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

At 31 December 2024				
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	11,941,341	-	11,941,341
AVC investments	-	17,061	-	17,061
Cash	184,732	-	-	184,732
Other investment balances	-	-	-	-
	184,732	11,958,402		12,143,134

At 31 December 2023				
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	12,052,551	-	12,052,551
AVC investments	-	15,722	-	15,722
Cash	182,774	-	-	182,774
Other investment balances	20,537	-	-	20,537
	203,311	12,068,273		12,271,584

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2024

**15. INVESTMENT RISK DISCLOSURES****Investment risks**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

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

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

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

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

**(i) Credit risk**

The Scheme is subject to credit risk because it invests in pooled investment vehicles and, has cash balances. It is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitored any changes to the operating environment of the pooled manager. Pooled investment arrangements used by the Scheme comprise unit linked insurance contracts and authorised unit trusts.

Indirect credit risk arises in relation to underlying assets of the pooled investment vehicles and is managed by requiring pooled managers to diversify the portfolio to minimise the impact of default of any one issuer.

**(ii) Currency risk**

All of the Scheme's assets are priced in sterling. The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via funds managed by LGT. In certain circumstances, the pooled managers may seek to manage exposure to currency movements by using currency forward contracts.

**NOTES TO THE FINANCIAL STATEMENTS (continued)** For  
the year ended 31 December 2024

**15. INVESTMENT RISK DISCLOSURES (continued)**

**(iii) Interest rate risk**

The Scheme is subject to interest rate risk because some of the investments are held cash (containing short-term money market instruments) or bond investments. Under these strategies, if interest rates fall, the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

**(iv) Other price risk**

The Scheme is subject to other price risk also. This risk is monitored by the Trustee by having regular reviews of the Scheme's assets.

The SORP recommends these risk disclosures are made for all investments.

The following table summarises the extent to which the various classes of investments are affected by financial risks.

	Credit risk	Currency risk	Interest rate risk	Other price risk	2024	2023
Multi asset funds	Y	Y	Y	Y	6,926,522	9,070,150
Cash funds	Y	N	Y	N	2,172,131	2,564,318
Bonds/Hedging	N	N	Y	Y	2,842,688	418,083
					<u>11,941,341</u>	<u>12,052,551</u>

**16. CONCENTRATION OF INVESTMENTS**

The following investments represented over 5% of the net assets of the Scheme at either the current or previous year end:

	2024 £	2024 %	2023 £	2023 %
ISHARES II PLC CORE UK GILTS UCITS ETF GBP DIS	608,313	5.02	-	-
ISHARES III PLC WORLD UCITS ETF USD ACC GBP	787,819	6.50	-	-
SSGA SPDR ETFs EUROPE I PLC	630,234	5.20	-	-
LGT LDI Enhanced Selection Longer Real B Acc	1,825,848	15.06	1,815,111	14.3
LGT LDI Enhanced Selection Shorter Real B Acc			707,186	5.6
Blackrock Sterling Liquidity	2,172,131	17.91	1,922,320	15.1

**17. CURRENT ASSETS**

	2024	2023
Cash at bank	152,117	313,616
Pensions paid in advance	52,628	48,139
	<u>204,745</u>	<u>361,755</u>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2024

<b>18.</b>	<b>CURRENT LIABILITIES</b>	<b>2024</b>	<b>2023</b>
	Unpaid benefits on death	-	-
	Accrued expenses	-	-

**19. EMPLOYER RELATED INVESTMENTS**

There were no employer related investments during the year (2024: nil). - -

**20. CONTINGENT LIABILITIES**

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

Under the rulings, schemes are required to backdate benefit and transfer out adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The Trustee will consider next steps as the Scheme has experienced historical transfers out which will be subject to adjustment as a result of this second ruling. The estimated value of any such adjustments is not known at this time.

**21. CONTINGENT ASSETS**

Aalberts Industries NV, the Dutch holding company of the principal employer, has entered into a guarantee with the Trustee in favour of the Scheme whereby the Guarantor undertakes to guarantee the entire aggregate liability of the employer to the Scheme from time to time, subject to a maximum commitment of £15.5 million.

**22. RELATED PARTY TRANSACTIONS**

Except as disclosed in note 7, all the other costs of managing and administering the Scheme are borne by the Principal Employer.

**23. TAXATION STATUS**

The Scheme is a registered pension scheme within the meaning of Section 153 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

**INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE AALBERTS SURFACE TECHNOLOGIES HEAT LIMITED GROUP PENSION SCHEME**

We have examined the Summary of Contributions to The Aalberts Surface Technologies Heat Limited Group Pension Scheme for the year ended 31 December 2024 which is set out on page 27.

**Statement about Contributions payable under the Schedule of Contributions**

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 Schedules of Contributions certified by the Scheme Actuary on 31 January 2023.

**Scope of work on Summary of Contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached Summary of Contributions on page 27 have in all material respects been paid at least in accordance with the Schedules 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 Schedules 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 13, the Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

**Use of our Report**

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them 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 Trustee, as a body, for our work, for this report or for the opinions we have formed.

**JW Hinks LLP**

*Statutory Auditor*  
19 Highfield Road  
Edgbaston  
Birmingham B15 3BH

Date:

SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

During the year, the contributions paid to the Scheme by the employer under the Schedules of Contributions were as follows:

Employer	£
Deficit funding contributions	708,000
Contributions paid under the Schedules of Contributions	708,000

This summary was approved by Atkin Trustees Limited and signed on their behalf by

Signed Date: 28/07/2025

# Aalberts Surface Technologies Heat Limited Group Pension Scheme

## Implementation Statement

Year ending 31 December 2024

### 1. Introduction

The Trustees are required to make publicly available online a statement ("the Implementation Statement") covering the Aalberts Surface Technologies Heat Limited Group Pension Scheme (the "Scheme") in relation to the Scheme's Statement of Investment Principles (the "SIP").

The Trustees have incorporated their expectations on stewardship and Environmental, Social, and Corporate Governance (ESG) into the SIP to ensure that it outlines the extent to which these factors are incorporated into the Scheme's investment philosophy and processes.

There is no specific ethical steer and the Trustees do not wish to adopt an exclusionary policy. However, the Trustees do require their Investment Managers to have integrated ESG factors as part of their investment analysis and decision-making process.

The current SIP came into force from September 2023. A signed and dated copy can be found here: <https://members.pensionpal.co.uk/AalbertsSTPensions>

The Trustees retained the services of Dean Wetton Advisory Ltd ("DWA") to act as Investment Advisers and LGT Wealth Management UK LLP ("LGT") as Delegated Investment Manager throughout the scheme year, following their appointment in July 2023.

This Statement covers the Scheme year from 1 January 2024 to 31 December 2024 (the "Scheme Year"). It sets out:

- How the Trustees' policies on exercising voting rights and engagement have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustees during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

### 2. How the Trustees' policies on exercising voting rights and engagements have been followed over the Scheme Year

The Scheme's SIP sets out the Trustees' policies in relation to stewardship, corporate governance and Environmental, Social and Governance (ESG) factors.

The Trustees are ultimately responsible for the investment of the Scheme assets.

The Trustees set the investment strategy and general investment policy with advice from DWA but have delegated the day-to-day investment of the Scheme's assets, within pre-defined constraints to the delegated investment manager, LGT.

LGT can appoint other investment managers in respect of underlying investments (referred to as "Underlying Investment Managers").

The Scheme invests in assets with voting rights attached. However, these investments are generally made via pooled investment funds with the Underlying Investment Managers where the Scheme's investments are pooled with other investors.

Therefore, direct control of the process of engaging with the companies that issue the underlying securities, whether for corporate governance purposes or other financially material considerations, is delegated to those Underlying Investment Managers. The Delegated Investment Manager appoints those Underlying Investment Managers. A copy of the SIP has been provided to the Delegated Investment Manager and the Delegated Investment Manager is expected to adopt that approach to corporate governance and to other financially material

considerations when providing Delegated Investment Management services and/or in selecting Underlying Investment Managers.

The Trustees require that the Delegated Investment Manager considers stewardship activity including voting and engagement, and Environmental, Social and Governance (ESG) factors including climate change when choosing new or monitoring existing Underlying Managers.

The Trustees believe it is appropriate to delegate such decisions to achieve an integrated and joined up approach to ESG factors, voting and engagement. The Trustees have therefore not sought to influence voting behaviours and do not intend to change their position currently.

On behalf of the Trustees, monitoring of voting and engagement policy by Underlying Investment Managers in relation to the Scheme's investments was carried out by the Delegated Investment Manager through regular investment and operational due diligence meetings with the Underlying Investment Managers.

The Delegated Investment Manager provides the Trustees with an annual report of its overall Stewardship activities and the Trustees are satisfied with the Delegated Investment Manager's activity in this area.

Following activity during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the Statement of Investment Principles over the Scheme Year.

### **3. Voting and Engagement Policy**

Under the Trustees' Delegated Investment mandate managed by LGT, LGT appoint underlying asset managers to achieve an overall target return. The Trustees delegate the monitoring of ESG integration and stewardship quality to LGT and LGT have confirmed that all the appointed asset managers are at least aware of potential ESG risks in the investment strategy and have taken some steps to identify, evaluate and potentially mitigate these risks.

#### **Direct holdings**

LGT systematically votes on equity holdings held in client portfolios and have partnered with one of the world's leading proxy advisor companies Institutional Shareholder Services (ISS) to deliver on this.

Its relationship with ISS enables it to conduct voting on all approved companies held in its discretionary investment portfolios across LGT Wealth Management.

LGT subscribes to the ISS Sustainable Policy, ensuring that each vote highlights the importance of the sustainable agenda with the respective company.

Whilst ISS provides LGT with voting recommendations, it does not always cast its vote in line with this – it may hold a different view on behalf of clients or see a potentially negative outcome. All voting decisions are reviewed and approved by the relevant LGT investment committee responsible for the underlying security. Any decision that deviates from the approved ISS sustainability policy is referred to LGT's Sustainable Governance Committee for approval.

At present, the Scheme does not hold any direct equity investments.

#### **Underlying Investment Managers**

As part of its fund selection process, LGT monitors the Underlying Investment Managers on a routine basis.

The process requires annual reporting through its due diligence questionnaire. This covers general environmental, social and governance (ESG) activities, climate pledges, approaches to biodiversity, human rights, diversity and inclusion, as well as distinct impact metrics.

The results and progress seen by companies in these areas helps LGT to formulate its expectations and where it can work with third party managers to improve their approach.

#### 4. Voting and Engagement Summary

**Overall, the Trustees are of the opinion that the stewardship carried out on behalf of the Scheme is in line with the Scheme's expectations and policies.**

##### **Hedging portfolio**

In relation to the liability hedging mandate, the Trustees noted that the choice of counterparty (both in terms of the counterparties chosen to be part of the available roster and the choice of which counterparty of these to use when entering into derivative transactions) is driven by a number of factors including credit ratings which take into account ESG factors, and ESG scores for counterparties are regularly monitored.

##### **Growth portfolio**

Overall, there are c. 20 Underlying Investment Managers used by the Delegated Investment Manager. Set out below is the voting statistics for the most material equity holdings during the period that held voting rights, namely the 3 largest equity-exposed holdings:

Fund	ISIN number	£Value as at 31/12/2024 (including Accrued Interest)
ISHARES III PLC CORE MSCI WORLD UCITS ETF USD ACC GBP	IE00B4L5Y983	£787,818.85
SSGA SPDR ETFS EUROPE I PLC SSGA MSCI ACWI UCITS ETF USD ACC	IE00B44Z5B48	£630,234.36
VANGUARD FUNDS PLC S&P 500 UCITS ETF USD DIS	IE00B3XXRP09	£527,515.31

The tables below confirm the voting activity of the three Underlying Investment Managers during the period 01/01/2024 to 31/12/2024.

The final table provides further detail on the most important votes carried out by the Underlying Investment Managers. In determining relative importance, the Delegated Investment Manager, LGT, has focused on those votes relating to key issues such as executive remuneration, diversity and inclusion, climate change and internal governance. Within other asset classes there are no voting rights.

##### **iShares Core MSCI World Aggregate**

<b>Voting statistics (applicable to the scheme's reporting period)</b>	
<b>How many meetings were you eligible to vote at?</b>	1,473
<b>How many resolutions were you eligible to vote on?</b>	21,314
<b>What % of resolutions did you vote on for which you were eligible?</b>	98%   21,068 proposals
<b>Of the resolutions on which you voted, what % did you vote with management?</b>	96%   20,230 proposals*
<b>Of the resolutions on which you voted, what % did you vote against management?</b>	3%   838 proposals*

<b>Of the resolutions on which you voted, what % did you abstain from voting?</b>	0%   80 proposals*
<b>In what % of meetings, for which you did vote, did you vote at least once against management?</b>	24%   354 meetings
<b>Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?</b>	"We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision."
<b>What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)</b>	0%

*\* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.*

#### **SPDR® MSCI All Country World UCITS ETF (Acc)**

<b>Voting statistics (applicable to the scheme's reporting period)</b>	
<b>How many meetings were you eligible to vote at?</b>	3320
<b>How many resolutions were you eligible to vote on?</b>	37298
<b>What % of resolutions did you vote on for which you were eligible?</b>	98.22%
<b>Of the resolutions on which you voted, what % did you vote with management?</b>	89.75%
<b>Of the resolutions on which you voted, what % did you vote against management?</b>	9.98%
<b>Of the resolutions on which you voted, what % did you abstain from voting?</b>	1.47%
<b>In what % of meetings, for which you did vote, did you vote at least once against management?</b>	47.57%
<b>Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?</b>	ISS

<b>What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)</b>	5.82%
---	-------

*\* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management*



## Vanguard S&P 500 UCITS ETF

<b>Voting statistics (applicable to the scheme's reporting period)</b>	
<b>How many meetings were you eligible to vote at?</b>	512
<b>How many resolutions were you eligible to vote on?</b>	6,997
<b>What % of resolutions did you vote on for which you were eligible?</b>	98%   6,893 proposals
<b>Of the resolutions on which you voted, what % did you vote with management?</b>	99%   6,846 proposals*
<b>Of the resolutions on which you voted, what % did you vote against management?</b>	0%   47 proposals*
<b>Of the resolutions on which you voted, what % did you abstain from voting?</b>	0%   0 proposals*
<b>In what % of meetings, for which you did vote, did you vote at least once against management?</b>	6%   34 meetings
<b>Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?</b>	"Vanguard Investment Stewardship utilizes the Institutional Shareholder Services (ISS) ProxyExchange platform for the execution of our votes. We have developed a robust custom policy that ISS has implemented on our behalf along with rigorous controls and oversight mechanisms to ensure the accurate application of the Vanguard policy."
<b>What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)</b>	0%   0 proposals

*\* Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management*

## Most significant votes carried out by the Underlying Managers

Company name	Date of Vote (MM/DD/YYYY)	Summary of the resolution	How fund voted	Rationale for the voting decision	Outcome of the vote
<b>Berkshire Hathaway</b>	04/05/2024	Disclose emissions and progress towards goal in consolidated report.	Against	This proposal did not merit support as the company's climate-related disclosures are reasonable.	Fail
<b>The Walt Disney Company</b>	03/04/2024	Elect dissident Nominee Director Nelson Peltz	Withhold	Outside nominee not considered a suitable candidate to the board.	Fail
<b>Tesla, Inc</b>	13/06/2024	Change State of Incorporation from Delaware to Texas	For	No clear indication that shareholder rights would be materially harmed. However, greater enhancements to shareholder rights alongside the reincorporation would have been preferable.	Pass
<b>Tesla, Inc</b>	13/06/2024	Report on Harassment and Discrimination Prevention Efforts	For	Greater disclosure on this issue, which we deem material to the long-term economic interests of shareholders, would help investors better assess risks at the company.	Fail
<b>Amazon.com, Inc.</b>	22/05/2024	Establish a Board Committee on Artificial Intelligence	Against	Due to concerns with the terms of the proposal.	Fail
<b>Exxon Mobil Corporation</b>	29/05/2024	Revisit Executive Pay Incentives for GHG Emission Reductions	Against	Did not merit support as the company's disclosures pertaining to this item were deemed reasonable.	Fail
<b>Exxon Mobil Corporation</b>	29/05/2024	Report on Reduced Plastics Demand Impact on Financial Assumptions	Against	Did not merit support as the company's disclosures pertaining to this item were deemed reasonable.	Fail
<b>PACCAR Inc</b>	30/04/2024	Report on Climate Lobbying	Against	The company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies.	Fail
<b>PepsiCo, Inc.</b>	01/05/2024	Report on Risks Related to Biodiversity and Nature Loss	Against	Did not merit support as the company's disclosures pertaining to this item were deemed reasonable	Fail
<b>Shell Plc</b>	21 May 2024	Approve the Shell Energy Transition Strategy	For	Support for this proposal was warranted as the company's climate plan covered Scope 1, 2, and 3 emissions across all business areas and introduced an absolute Scope 3 target for 2030, despite concerns over revised targets, increased reliance on LNG, and challenges in assessing Paris Agreement alignment.	Pass

The Trustees are satisfied that the voting and engagement activity undertaken by the Delegated Investment Manager and Underlying Investment Managers are in line with the Trustees' policies contained in the SIP and that no changes are required to these policies at this time. The Trustees will keep the position under review.