

# The BIC UK Pension Scheme

## ANNUAL REPORT AND FINANCIAL STATEMENTS

5 April 2024

**The BIC UK Pension Scheme**  
**INDEX TO ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**5 April 2024**

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	Page
Scheme Trustees and advisers	1
Trustee's report	2 - 4
Trustee's responsibilities	5
Investment report	6 - 8
Implementation statement	9 - 11
Summary of contributions paid	12
Independent auditor's statement about contributions	13
Independent auditor's report on the financial statements	14 - 16
Fund account	17
Statement of net assets (available for benefits)	18
Notes to the financial statements	19 - 27
Actuarial statements	28 - 31
Compliance statement	32 - 33

## **The BIC UK Pension Scheme**

### **SCHEME TRUSTEES AND ADVISERS**

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Trustees	Mr B Griffiths Mr D Everitt Mr M J Burgess (retired 30 June 2024) ndapt – Corporate Trustee (represented by Pin-nee Tang) (appointed 01 July 2024)
Scheme administrators	Atkin Pensions Cornwall House Blythe Valley Park Solihull B90 8AF
Actuary	Mr R Dales Atkin Pensions
Solicitors	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Auditors	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow, G2 6HG
Investment manager	Mobius Life Limited
Investment advisers	Barnett Waddingham LLP
AVC provider	The Prudential Assurance Company Limited
Bankers	NatWest 4 High Street Solihull West Midlands B91 3TF
Principal Employer	BIC UK Limited Chaplin House Widewater Place Moorhall Road Harefield Middlesex UB9 6NS

# **The BIC UK Pension Scheme**

## **TRUSTEE'S REPORT**

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### **Introduction**

The Trustees of the BIC UK Pension Scheme ("the Scheme") is pleased to present their report together with the financial statements of the Scheme for the year ended 5 April 2024.

The Scheme is constituted as a Trust and administered by the Trustees according to a Trust Deed and rules dated 16 January 2006. The Scheme is a Defined Benefit Scheme. It was established on 27 September 1951 to provide retirement benefits to all eligible employees of BIC UK Limited and their dependants.

### **Management of the Scheme**

The power of appointing and removing Trustees is vested in the Principal Employer, subject to the provisions of the Pensions Act 2004 in respect of Member Nominated Trustees (MNTs). A deed of variation was executed by the Trustees on 24 August 2006 bringing the rules of the Scheme into line with the provisions of the Pensions Act 2004.

The Trustees have been appointed in accordance with the Occupational Pension Schemes (Member nominated Trustees and Directors) Regulations 2006, which required that at least one third of the Trustees are nominated and elected by the members.

A corporate trustee (Ndapt) has now been appointed. The Trustees were split between member nominated (MNT) and company nominated (ENT) as summarised below:

Mr B Griffiths (ENT)

Mr D Everitt (MNT)

Mr M J Burgess (ENT) (retired 30 June 2024)

ndapt professional trustee ltd (represented by Pin-Nee Tang) (appointed 01 July 2024)

The Scheme advisers are on page 1.

### **Trustee meetings**

In the year under review the Trustees met three times.

### **Changes to the Scheme**

The Scheme was closed to future accrual by a Deed of Amendment dated 25 May 2011 between the Trustees and the Principal Employer with effect from 1 December 2010 with all active members becoming deferred members at this date.

There have been no changes to the Scheme rules during the year.

### **Financial Development of the Scheme**

The Pensions Act 1995 requires the Annual Report and Financial Statements to be prepared and audited in accordance with the accounting practice prescribed by the Statement of Recommended Practice (SORP) for Financial Reports of Pension Schemes and in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995. These show how the Scheme's finances have developed over the year and the notes to the financial statements give further information on the various figures shown.

The Pensions Act 1995 also requires the Trustees to prepare and maintain a Statement of Investment Principles (SIP) which sets out their policy with regards to the Scheme's investments. During the preparation of the SIP, the Trustees have sought appropriate professional advice. A copy of the Statement of Investment Principles is available on request and online. [BIC UK Pension Scheme Members Site \(pensionpal.co.uk\)](http://pensionpal.co.uk)

The financial statements on pages 17 to 27 show that the value of the Scheme's net assets as at 5 April 2024 was £29,452,591. The decrease comprised net withdrawals from dealings with members of £1,305,330 together with a net decrease in investments of £1,013,777.

# **The BIC UK Pension Scheme**

## **TRUSTEE'S REPORT**

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### **GMP Equalisation**

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 earned between May 1990 and April 1997. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

On 20 November 2020, the High Court handed down a second judgment involving Lloyds Banking Group's defined benefit 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. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes.

Under the first ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustees and Bic UK Limited agreed a methodology to allow for GMP equalisation. As such, an exercise was completed to assess whether adjustments were required to benefits currently in payment and whether any arrears payments should be made. Any members affected have been notified and adjustments to pensions in payment were made in July 2021. Arrears payments including an allowance for interest were made at the same time.

This exercise is now complete.

### **Actuarial Status of the Scheme**

An actuarial valuation took place as at 5 April 2021 with results set out in a report dated November 2021. The actuarial valuation of the Scheme at 5 April 2021 revealed a surplus (technical provisions minus value of assets) of £2,013,000. The statutory funding objective is defined in Section 222 of the Pensions Act 2004 and required every scheme to have sufficient and appropriate assets to cover its technical provisions.

The Company, BIC UK Limited, and Trustees have agreed that the Employer would pay £100,000 per month until 31 December 2022 to improve the funding level. As per the Schedule of Contributions, the Employer gave 3 months' notice prior to January 2023 that they wished to stop the contributions. Hence, no contributions have been paid over the period.

The Employer will meet the cost of the PPF levy and the cost of any expenses (excluding bank charges) as and when they fall due.

The BIC UK Pension Scheme currently has a parent company guarantee in place. Therefore, if BIC UK Limited is unable to meet its obligations to the Scheme, Société Bic would be obliged to cover any amounts due.

The actuarial position of the Scheme, which takes account of such obligations, is summarised on pages 28 to 31 of this report.

# The BIC UK Pension Scheme

## TRUSTEE REPORT

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### Scheme Membership

The Membership of the Scheme is as set out below: -

	<b>Deferred Members</b>	<b>Pensioners</b>	<b>Total</b>
As at 6 April 2023	114	216	330
Adjustments	-	1	1
Retirements	(7)	6	(1)
Dependants	-	3	3
Deaths	-	(14)	(14)
As at 5 April 2024	107	212	319

As at 5 April 2024, there were no insured pension annuity members, that are being paid direct by Prudential (2023: nil). These members are now included in the total number of pensioners as they are being paid directly from the Scheme. There remain 15 insured deferred annuity members (2023: 11).

### Investment management

The Scheme's investments are managed by investment managers appointed by the Trustees. The investment strategy is agreed by the Trustees after taking appropriate advice. Subject to the investment strategy laid down by the Trustees, the day-to-day management of the Scheme's portfolio is the responsibility of the investment managers.

The investment managers during the year were Mobius Life Limited. A detailed investment report that relates to the Scheme's investments with Mobius Life is included at pages 6 to 8.

### Environmental, Social, and Governance ("ESG") Considerations

The Trustees recognise that social, environmental and ethical considerations are among the factors which investment managers will take into account, where relevant, when selecting investments. Where relevant the managers have produced statements setting out their policy in this regard. The Trustees have delegated responsibility to act accordingly to the managers and does not currently impose any specific restrictions on which investments may be considered to be socially responsible.

### Contact for further information

For any information about the Scheme generally, further information about resolving disputes, or an individual's entitlement to benefit, please contact the Scheme's administrators: Atkin Pensions, Cornwall House, Blythe Valley Park, Solihull, B90 8AF, email@atkin.uk.com.

# The BIC UK Pension Scheme

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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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 Trustees. Pension Scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the 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 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 Trustees are 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 Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

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 scheme and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

The Trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary, revising a Schedule of Contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active 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.

The Trustee is responsible for the maintenance and integrity of the pension and financial information included on the [BIC UK Pension Scheme Members Site \(pensionpal.co.uk\)](http://pensionpal.co.uk).

Signed on behalf of the Trustees by:

  
.....

For and on behalf of the Trustees

  
Brett Griffiths (Oct 21, 2024 12:10 GMT+1)

18/10/2024

Date:.....

# The BIC UK Pension Scheme

## INVESTMENT REPORT

### The BIC UK Pension Scheme

#### Fund Performance to 5 April 2024

% Fund Growth	1 Year to 31 Mar 24	3 Years to 31 Mar 24	1 Year to 31 Mar 23	1 Year to 31 Mar 22	1 Year to 31 Mar 21	1 Year to 31 Mar 20
L&G Life TD Core Plus Weekly	7.9 %	-2.6 %	-9.9 %	-5.1 %	13.1 %	-0.4 %
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	-6.8 %	-12.1 %	-30.4 %	4.9 %	2.6 %	2.4 %
L&G Life AF Over 15 Year Gilts Index Fund	-4.6 %	-14.6 %	-29.7 %	-7.2 %	-10.4 %	17.6 %
L&G Life TA Sterling Liquidity Fund	5.2 %	2.5 %	2.3 %	0.1 %	0.2 %	0.8 %

Market Returns	1 Year to 31 Mar 24	3 Years to 31 Mar 24	1 Year to 31 Mar 23	1 Year to 31 Mar 22	1 Year to 31 Mar 21	1 Year to 31 Mar 20
FTSE ALL Share Index FTSE 100	8.4 %	8.0 %	2.9 %	13.0 %	26.7 %	-18.5 %
FTSE 250	8.4 %	9.9 %	5.4 %	16.1 %	21.9 %	-18.4 %
FTSE Small Cap	8.7 %	0.2 %	-7.9 %	0.5 %	45.1 %	-18.6 %
FTSE AW World Index FTSE North America	8.3 %	1.2 %	-9.0 %	5.3 %	63.0 %	-19.4 %
FTSE Developed Europe ex UK	22.5 %	11.8 %	-0.7 %	14.9 %	39.9 %	-6.1 %
FTSE Developed Asia Pacific ex Japan FTSE Japan	26.8 %	13.9 %	-2.5 %	19.7 %	42.8 %	-2.8 %
FTSE Over 15 year fixed interest	13.3 %	9.1 %	8.1 %	6.1 %	34.5 %	-8.2 %
FTA All Stock Fixed Interest Gilt Index FTA Over 5 Year Index-Linked Gilt Index	4.8 %	1.1 %	-3.6 %	2.3 %	50.6 %	-17.6 %
	22.3 %	6.8 %	2.0 %	-2.3 %	26.3 %	-2.1 %
	-4.6 %	-14.6 %	-29.7 %	-7.2 %	-10.4 %	17.6 %
	0.0 %	-7.4 %	-16.3 %	-5.1 %	-5.5 %	9.9 %
	-6.8 %	-12.1 %	-30.4 %	4.8 %	2.6 %	2.4 %

Past performance should not be seen as a guide to future performance and may not be repeated.

#### Notes:

- Returns shown are gross of charges based on Mobius Life unit prices
- Returns for periods in excess of a year are annualised.
- Past performance should not be seen as a guide to future performance and may not be repeated. The value of investments may go down as well as up and investors may not get back the amount originally invested, are not certain to make a profit and may lose money.
- Exchange rate changes may cause the value of overseas investments to rise or fall.
- Investors should be aware that investment in emerging markets involves a high degree of risk and should be seen as long term in nature.
- Investment in property may not be readily realisable. The value of property is generally a matter of valuers opinion rather than fact.
- Where a fund is invested with another life company by means of a reinsurance arrangement, we monitor the way the reinsurer manages the business, but we do not guarantee the solvency of the reinsurer, so the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund.
- Mobius Life Limited provides information on our products and services to enable you to make your own investment decisions, and this document should not be regarded as a personalised recommendation.



# The BIC UK Pension Scheme

## INVESTMENT REPORT

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### Fund Profiles

#### **L&G Life AF Over 15 Year Gilts Index Fund**

This Fund aims to match returns of its benchmark on a consistent three-year rolling basis. The Fund will invest, as far as possible, in each index constituent to match its weight in the benchmark. The Fund aims to be invested wholly in instruments issued in the UK.

#### **L&G Life AP Over 5 Year Index-Linked Gilts Index Fund**

This Fund aims to match returns of its benchmark on a consistent three-year rolling basis. The Fund will invest, as far as possible, in each index constituent to match its weight in the benchmark. The Fund aims to be invested wholly in instruments issued in the UK.

#### **L&G Life TA Sterling Liquidity Fund**

The fund seeks to provide capital stability, liquidity and income through investment in a diversified portfolio of high credit quality short term fixed income and variable rate securities including but not limited to certificates of deposit, fixed and floating rate notes, fixed rate commercial paper and bonds listed or traded on one or more Recognised Exchanges.

#### **L&G Life TD Core Plus Weekly**

The Fund aims to exceed the return of the benchmark by 1.15% p.a. over a rolling three-year period. The Fund invests in sterling, euro and US dollar denominated fixed and floating rate securities and related derivatives. Derivatives are used for efficient portfolio management in accordance with FSA rules. Currency and interest rate exposures which are derived from non-GBP securities are predominantly hedged back to sterling.

### Economic Commentary for the year ended 5 April 2024

In defiance of expectations, 2023 unfolded with the absence of a recession, subdued inflation, and a robust stock market rally. Following a challenging 2022, the outlook for the past year hinged on unprecedented interest rate manoeuvres by central banks globally. The culmination was marked by an "everything rally," fuelled by robust economic growth, easing inflation, enthusiasm for artificial intelligence (AI), and optimism about concluding the earlier series of rate hikes.

The narrative of 2023 revolved largely around macroeconomics and the actions of policymakers worldwide. In the first quarter, the Federal Reserve raised rates twice by 25 basis points, displaying confidence in the resilience of the US banking system despite market turbulence triggered by the Silicon Valley Bank collapse. Several US regional banks, including Silvergate Bank, Signature Bank, and First Republic Bank, also faced collapse. Following a sequence of 11 rate hikes, with four in 2023, officials maintained policy stability in June, September, and November. The year witnessed GDP expansion in each of the first three quarters: 2.2% in Q1, 2.1% in Q2, and 4.9% in Q3. Notably, the US Consumer Price Index (CPI) slowed from 3.7% in September to 3.2% in October and further to 3.1% in November, reinforcing market expectations of the Fed concluding its rate-hiking cycle and moving towards cuts in 2024. Fed Chair Jerome Powell acknowledged the risk of maintaining rates at restrictive levels for an extended period.

Investment style took centre stage in 2023, with the rise of Artificial Intelligence (AI) and anticipations of expansive monetary policies in 2024. This shift resulted in technology stocks dominating growth, causing Value stocks to trail behind the "magnificent seven" mega-cap tech companies.

The final quarter saw strength in Eurozone shares, propelled by the technology and real estate sectors, and supported by more moderate inflation figures. Annual inflation for November declined to 2.4% from October's 2.9%, a significant departure from the 10.1% rate recorded in the previous year. The Purchasing Managers' Index (PMI) experienced a 0.6-point decrease to 47, persisting below the 50 threshold for the seventh consecutive month at the year's end. Germany, the largest economy in Europe, contracted by 0.3% in the final quarter of 2023, driven by geopolitical tensions involving Russia and China. By December 2023, the inflation rate stood at 4.5%, influenced by a series of ten consecutive hikes initiated in July 2022. This marks the highest rate since the onset of the global financial crisis.

## **The BIC UK Pension Scheme**

### **INVESTMENT REPORT**

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As the year concluded, China lagged in regional indices due to a moderate economic reopening, a property crisis, and ongoing US tensions, prompting an exit of foreign capital and investment. Japan, in contrast, demonstrated resilience, supported by negative interest rates fostering economic growth and consumer spending.

Despite a late surge in the final quarter of 2023, the UK stock market lagged behind its global peers in the year. Chancellor of the Exchequer, Jeremy Hunt, outlined in the Autumn Statement the government's fiscal priorities, including tax cuts for economic growth. UK headline inflation, measured by the Consumer Price Index (CPI), rose by 4.0% in the 12 months to December, slightly exceeding the 3.9% pace in the 12 months to November. Mirroring the Fed's actions, the Bank of England (BoE) implemented a 1.75 percentage point rate hike throughout 2023, concluding the year with a 15-year high interest rate of 5.25%. UK government bonds rallied in the final quarter, driven by a more dovish outlook on interest rates, leading to a decrease in bond yields from 4.44% to 3.54%. The BOE has raised the base rate 14 consecutive times since December 2021, reaching a 15-year peak of 5.25% in August 2023.

# **The BIC UK Pension Scheme**

## **IMPLEMENTATION STATEMENT**

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### **Purpose of this Statement**

This implementation statement has been produced by the Trustees of the BIC UK Pension Scheme (“the Scheme”) to set out the following information over the year to 05 April 2024:

- How the Trustee’s policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- The voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

The Implementation Statement covers details of all voting activity (and significant votes) as well as engagement activity for all funds held by the Scheme during the year to 05 April 2024.

### **Stewardship policy**

The Trustee’s Statement of Investment Principles (SIP) in force at 05 April 2024 describes the Trustees’ stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in January 2023 and has been made available online here: [BIC UK Pension Scheme Members Site \(pensionpal.co.uk\)](https://pensionpal.co.uk).

The Trustees have decided not to set stewardship priorities for the Scheme at this time because:

- The Scheme solely invests through pooled investment vehicles where the Scheme’s asset only represents a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers.
- None of the Scheme’s invested assets have voting rights attached.

The Trustees will keep this policy under review in line with the nature of the funds they are now investing in.

### **How voting and engagement/stewardship policies have been followed**

Based on the information provided by the Scheme’s investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.
- The Scheme is currently only invested in liability matching assets (gilts and corporate bonds) and cash and therefore there is limited engagement and stewardship that the Trustees can do.

**Prepared by the Trustees of the BIC UK Pension Scheme**  
**June 2024**

### **Voting Data**

There were no voting rights attached to any of the investments the Scheme held over the period covered by this statement, and so no voting data (including data on significant votes) is available for the period.

### **Fund level engagement**

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by LGIM during the year for the relevant funds. Engagement activities are limited for the Scheme’s gilt funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

## The BIC UK Pension Scheme

### IMPLEMENTATION STATEMENT

Manager	LGIM
Fund name	LGIM Core Plus Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	97
Number of entities engaged on behalf of the holdings in this fund in the year	40
Number of engagements undertaken at a firm level in the year	2,144

#### Example of engagement activity undertaken over the year to 05 April 2024

##### Legal & General Investment Management

##### **Heidelberg Cement: Carbon Emissions**

The cement industry is responsible for around 8% of global emissions and so is a key target for decarbonisation for the world to achieve net zero and features on LGIM's list of 'climate critical' sectors. LGIM engaged with Heidelberg's management team to discuss the progress and economic viability of the company's planned CCS (Carbon Capture and Storage) projects.

Questions focused on:

- The economics of CCS (cost of capture, transport, and storage versus carbon pricing),
- The external factors affecting viability of CCS projects (regulation, government subsidies etc.),
- Demand expectations for 'carbon-free' cement.

LGIM will continue to engage with Heidelberg as well as other competitors in the cement industry on their decarbonisation targets and trajectory. For Heidelberg, the commercial aspects of CCS projects will only become economical with either an increase in the cost of high carbon materials or if customers are willing to pay a premium for carbon-free cement. LGIM will continue to monitor these dynamics and discuss with management to encourage progress towards decarbonisation where possible.

##### **Volkswagen ('VW'): Human Rights**

VW is one of the largest automotive manufacturers in the world with a particularly large presence in China. Over the past few years corporations have faced allegations of using forced labour in their operations in the Urumqi, Xinjiang region of China where VW opened a plant via a joint venture in 2013. As part of LGIM's engagement they were looking to:

- Understand the nature of Volkswagen's presence in Xinjiang and how it enforces its governance practices via the joint venture.
- Work with the company as they identify a solution to obtain the removal of a red flag applied by MSCI in response to allegations of forced labour at their operations in Xinjiang.
- Determine long-term solutions to prevent future governance controversies relating to human rights- or labour-related practices.

LGIM have maintained a regular and continuous dialogue with the company for many years regarding strategic direction and other governance questions, e.g. following the 'Diesel-gate' scandal in 2015. Since MSCI assigned a red flag controversy in late 2022, LGIM increased dialogue with the company further, and have engaged on the question of human rights and the company's presence in Xinjiang with senior management and investor relations specialists. Communication has taken place via multiple channels, including in person, conference calls and written correspondence.

LGIM's engagement with Volkswagen has been well received and they are happy that the company has taken the issue very seriously and acted to attempt to resolve the situation in a proactive and pragmatic manner. Following multiple discussions with investors, Volkswagen commissioned an independent audit of its new joint venture plant in Xinjiang, which was conducted in December 2023. This audit was conducted by a high profile and well-respected body and addressed the main concerns around operations at the plant. The completion of the audit resulted in MSCI subsequently removing its red controversy flag.

## **The BIC UK Pension Scheme**

### **IMPLEMENTATION STATEMENT**

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#### **APA: Climate Change**

LGIM have been engaging directly with APA (Australia's largest energy infrastructure business) since 2022. This has fallen under LGIM's Climate Impact Pledge campaign as the company was identified as lagging LGIM's expectations on climate-related lobbying activities.

The APA Group brought its climate transition plan to a vote, which LGIM voted against as it did not contain Scope 3 emission targets. The company have noted that these would be finalised by no later than 2025. LGIM met with APA in early 2023 and set out their expectations as per their net zero guide and have worked with the company to understand the hurdles it faces to meet these expectations. In early 2024 APA confirmed they will include a Scope 3 goal in the 2025 refresh of the Climate Transition Plan, and they outline their proposed Scope 3 reduction pathway.

**The BIC UK Pension Scheme**  
**SUMMARY OF CONTRIBUTIONS**

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During the year ended 05 April 2024, there were no contributions payable to the Scheme by the Employer.

Approved on behalf of the Trustees and signed on its behalf by:

Signed on behalf of the Trustees



.....  
For and on behalf of the Trustees

  
Brett Griffiths (Oct 21, 2024 12:10 GMT+1)

18/10/2024

Date.....

**Independent Auditor's Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of The BIC UK Pension Scheme**

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

We have examined the summary of contributions payable to The BIC UK Pension Scheme on page 12 in respect of the Scheme year ended 5 April 2024 to which this statement is attached.

In our opinion the contributions for the Scheme year ended 5 April 2024 as reported in the attached summary of contributions on page 12 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 5 April 2022.

**Scope of work on statement about contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 12 in the attached 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 Trustees and auditors**

As explained more fully on page 5 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 and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active members of the Scheme 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 statement**

This statement is made solely to the Scheme's Trustees as a body, in accordance with 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 statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustees as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP  
RSM UK Audit LLP (Oct 22, 2024 16:36 GMT+1)

**RSM UK AUDIT LLP**

Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date: 22/10/24.....

## **INDEPENDENT AUDITOR'S REPORT to the Trustees of The BIC UK Pension Scheme**

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### **Opinion**

We have audited the financial statements of the BIC UK Pension Scheme for the year ended 5 April 2024 which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2024, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 documents, we have concluded that the Scheme's Trustees 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 Scheme's Trustees 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 Scheme's Trustees are 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 statement themselves. If, based on the works 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.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustee's Responsibilities set out on page 5, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## **INDEPENDENT AUDITOR'S REPORT to the Trustee of The BIC UK Pension Scheme**

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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 the Trustees either intend to liquidate 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.

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT to the Trustees of The BIC UK Pension Scheme**

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### **Use of our report**

This report is made solely to the Scheme's Trustees as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees 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 and the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP (Oct 22, 2024 16:36 GMT+1)

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date 22/10/24 .....

**The BIC UK Pension Scheme**  
**FUND ACCOUNT**  
**For the year ended 5 April 2024**

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	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
<b>Contributions and Benefits</b>			
Employer contributions	3	-	900,000
		-	900,000
Benefits paid or payable	4	1,296,384	1,420,366
Payments to and on account of leavers		8,932	-
Administrative expenses	5	14	2,159
		1,305,330	1,422,525
<b>Net withdrawals from dealings with members</b>		(1,305,330)	(522,525)
<b>Returns on investments</b>			
Investment income	6	34,754	35,442
Investment manager expenses		(764)	(1,916)
Change in market value of investments	7	(1,047,767)	(4,795,809)
<b>Net returns on investments</b>		(1,013,777)	(4,762,283)
<b>Net (decrease) / increase in the fund during the year</b>		(2,319,107)	(5,284,808)
<b>Net assets of the Scheme at 6 April</b>		31,771,698	37,056,506
<b>Net assets of the Scheme at 5 April</b>		29,452,591	31,771,698

The notes on pages 19 to 27 form an integral part of these financial statements.

**The BIC UK Pension Scheme**  
**STATEMENT OF NET ASSETS (available for benefits)**  
**As at 5 April 2024**


	<i>Note</i>	2024 £	2023 £
<b>Investment assets:</b>	7		
Pooled investment vehicles		29,157,951	31,297,618
Insurance policies		140,981	249,853
AVC investments		183	175
Total net investments		29,299,115	31,547,646
<b>Current assets</b>	10	192,100	369,888
<b>Current liabilities</b>	11	(38,624)	(145,836)
 <b>Net assets of the Scheme at 5 April</b>		<u>29,452,591</u>	<u>31,771,698</u>

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 Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities included in the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 19 to 27 form an integral part of these financial statements.

These financial statements were approved by the Trustees and authorised for issue on 18/10/2024.....

Signed on behalf of the Trustees:



.....  
 For and on behalf of the Trustees

  
 Brett Griffiths (Oct 21, 2024 12:10 GMT+1)

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

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**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 the guidance set out in the Statement of Recommended Practice (Revised June 2018).

The financial statements have been prepared on a going concern basis. The Trustees do not consider the uncertainties relating to the geopolitical climate to have a significant effect on the Scheme's ability to continue as a going concern for at least a year from the date of approval of the financial statements.

**2 ACCOUNTING POLICIES**

The following principle accounting policies have been adopted in the preparation of the financial statements.

**2.1 Accruals concept**

These financial statements have been prepared on an accrual basis under the historical cost convention except where indicated below.

The Scheme's functional and presentation currency is pounds sterling, rounded to the nearest £.

**2.2 Contribution income**

Deficit contributions are recognised in line with the Schedule of Contributions in place.

**2.3 Benefits**

Benefits payable represent all valid benefit claims in respect of the Scheme year. Benefits to members are accounted for in the period in which they fall due for payment.

**2.4 Transfers**

Transfers out of the Scheme are accounted for when the related member liability transfers between schemes.

**2.5 Investment income**

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value, otherwise it is accounted for when declared by the fund manager.

Receipts from annuity policies are accounted for as investment income.

**2.6 Investment management expenses**

Investment management expenses are accounted for on an accruals basis.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

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**2 ACCOUNTING POLICIES (cont.)**

**2.7 Valuation of Investments**

Investments are stated at market value:

- a) AVC funds are included at the market value advised by the fund managers as at the year end date.
- b) The market value of units in Pooled Investment Vehicles is based on bid price as quoted by the fund's manager at the year end.
- c) Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions.

**2.8 Critical Accounting Judgements and Estimation Uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustees do not consider there to be any other critical judgement or estimation uncertainty that could materially impact the assets or liabilities included within these financial statements.

**3 CONTRIBUTIONS**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Employers		
Additional Deficit funding	-	900,000

The Company and Trustees have agreed that the Employer would pay £100,000 per month until 31 December 2022 to improve the funding level. As per the Schedule of Contributions, the Employer gave 3 months' notice prior to January 2023 that they wished to stop the contributions. Hence, no contributions have been paid over the period.

The Employer will meet the cost of the PPF levy and the cost of any expenses (excluding bank charges) as and when they fall due.

The BIC UK Pension Scheme currently has a parent company guarantee in place. Therefore, if BIC UK Limited is unable to meet its obligations to the Scheme, Société Bic would be obliged to cover any amounts due.

The actuarial position of the Scheme, which takes account of such obligations, is summarised on pages 28 to 31 of this report.

**4 BENEFITS PAID OR PAYABLE**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Pensions	1,242,611	1,214,149
Commutation of pensions and lump sum retirement benefits	53,773	206,217
	<u>1,296,384</u>	<u>1,420,366</u>

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

**5 ADMINISTRATIVE EXPENSES**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Bank charges	14	2,159

All other costs of administration are borne by the principal employer.

**6 INVESTMENT INCOME**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Annuity income	34,754	35,442

**7 INVESTMENTS**

	<b>Value at</b>	<b>Purchases</b>	<b>Sales</b>	<b>Change</b>	<b>Value at</b>
	<b>06/04/2023</b>	<b>at cost</b>	<b>proceeds</b>	<b>in market</b>	<b>05/04/2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>value</b>	<b>£</b>
				<b>£</b>	
Pooled investment vehicles	31,297,618	-	(1,200,764)	(938,903)	29,157,951
Insurance policies – annuities	249,853	-	-	(108,872)	140,981
AVC investments	175	-	-	8	183
	<b>31,547,646</b>	<b>-</b>	<b>(1,200,764)</b>	<b>(1,047,767)</b>	<b>29,299,115</b>

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

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.

The company managing the managed fund investments is registered in the United Kingdom.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

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**7 INVESTMENTS (continued)**

**Pooled investment vehicles**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Diversified growth	9,464,522	11,185,280
Corporate bonds	9,694,087	9,019,835
Over 5 year index linked gilts	9,999,342	11,092,503
	<u>29,157,951</u>	<u>31,297,618</u>

**Insurance Policies**

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
The Prudential Assurance Company Limited	<u>140,981</u>	<u>249,853</u>

**AVC Investments**

The Trustees hold assets invested separately from the main fund in the form of insurance policies securing additional benefits on a money purchase basis for those members who elected to pay additional voluntary contributions. Designated money purchase assets do not form a common pool of assets available for members generally. Members participating in this arrangement each receive an annual statement confirming the amounts held to their account and the movements in the year. AVC investments are currently included on a cash basis.

The total amount of AVC Investments at the year-end is shown below.

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
The Prudential Assurance Company Limited	<u>183</u>	<u>175</u>

**Concentration of Investments**

The following investments had a market value in excess of 5% of the total net assets of the Scheme:

	2024		2023	
	Market Value	%	Market Value	%
P1915 BNYM Real Return	-	-	-	-
P1918 L&G AP-Over 5y Index-Linked Gilts	9,999,342	34	11,092,503	35
P1917 L&G TD (W) – Core Plus	9,694,087	33	9,019,835	29
P11114 L&G Life AP over 5 Yr index linked	7,092,624	24	7,760,221	25
P11862 L&G Life TA Sterling Liquidity	2,371,898	8	3,425,059	11



**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

**8 FAIR VALUE DETERMINATION**

The fair value of financial instruments has been analysed 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 (ie developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

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

	<b>At 5 April 2024</b>			<b>Total £</b>
	<b>Level 1 £</b>	<b>Level 2 £</b>	<b>Level 3 £</b>	
Pooled investment vehicles	-	29,157,951	-	29,157,951
Insurance policies	-	-	140,981	140,981
AVC investments	-	-	183	183
		<u>29,157,951</u>	<u>141,164</u>	<u>29,299,115</u>

	<b>At 5 April 2023</b>			<b>Total £</b>
	<b>Level 1 £</b>	<b>Level 2 £</b>	<b>Level 3 £</b>	
Pooled investment vehicles	-	31,297,618	-	31,297,618
Insurance policies	-	-	249,853	249,853
AVC investments	-	-	175	175
		<u>31,297,618</u>	<u>250,028</u>	<u>31,547,646</u>

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

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**9 INVESTMENT RISK DISCLOSURES**

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.

- a. **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.
- b. **Interest rate risk:** this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- c. **Other price risk:** this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from 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 Trustees determine their 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. The Trustees manage 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 Trustees by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management and the Scheme's exposures to credit and market risks are set out below.

Credit and market risk is set out below. This does not include the legacy insurance policies.

**Credit risk**

All Mobius Life funds are Unit linked insurance contracts and are categorised as unrated pooled investment vehicles. A summary of the Schemes holdings is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Unit linked insurance contracts	29,157,951	31,297,618
Total	<u>29,157,951</u>	<u>31,297,618</u>

**Market risk**

FRS 102 defines market risk as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

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**9 INVESTMENT RISK DISCLOSURES (Continued)**

**i) Currency risk**

The Scheme is not exposed to currency risk.

**ii) Interest rate risk**

The Scheme is exposed to interest rate risk as some assets, held through pooled investment vehicles, are subject to interest rate risk, for the purposes of this report we have included Index Linked Bonds in this categorisation. The following holdings are subject to changes in interest rates:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
P1917 L&G TD (W) – Core Plus	9,694,087	9,019,835
P1918 L&G AP-Over 5y Index-Linked Gilts	9,999,342	11,092,503
P11114 L&G Life AP over 5 year index linked	7,092,624	7,760,221
P11862 L&TA Sterling Liquidity	2,371,898	3,425,059
Total	29,157,951	31,297,618

**iii) Other price risk**

The Scheme is not exposed to other price risk.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

**10 CURRENT ASSETS**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Pensions paid in advance	81,272	82,582
Cash balances	110,828	287,306
	<u>192,100</u>	<u>369,888</u>

**11 CURRENT LIABILITIES**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Benefits payable	18,667	15,412
Tax due on pensions	18,940	17,039
Trivial commutations	-	10,645
Annuity payments received in advance	1,017	2,740
Contributions repayable to the employer	-	100,000
	<u>38,624</u>	<u>145,836</u>

**12 RELATED PARTY TRANSACTIONS**

All transactions between the Scheme and the participating employer are disclosed in the financial statements. The employer pays all administration fees, including Trustee fees. The Trustees are considered key management personnel. Trustee fees paid in the year were £27,462 (2023: £38,394).

The Member Nominated Trustee D Everitt is a member of the Pension Scheme. Benefits are paid in respect of the Trustee in accordance with the Scheme rules.

**13 EMPLOYER RELATED INVESTMENT**

There were no employer related investments at any time during the year within the meaning of section 40(2) of the Pensions Act 1995.

**14 GUARANTEED MINIMUM PENSIONS**

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 earned between May 1990 and April 1997. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

On 20 November 2020, the High Court handed down a second judgment involving Lloyds Banking Group's defined benefit 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. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2024**

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**14 GUARANTEED MINIMUM PENSIONS (cont.)**

Under the first ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustees and Bic UK Limited agreed a methodology to allow for GMP equalisation. As such, an exercise was completed to assess whether adjustments were required to benefits currently in payment and whether any arrears payments should be made. Any members affected have been notified and adjustments to pensions in payment were made in July 2021. Arrears payments including an allowance for interest were made at the same time.

This exercise is now complete.

**15 CONTINGENT ASSETS AND LIABILITIES**

The Virgin Media Limited vs NTL Pension Trustees II decision, handed down by the High Court in June 2023, considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out scheme cannot be altered unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out rights automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. The Court of Appeal dismissed Virgin Media's appeal against this ruling on 25 July 2024.

The Trustees are considering their next steps. It is not possible, at present, to estimate the potential impact, if any, on the Scheme.

**The BIC UK Pension Scheme**  
**ACTUARIAL STATEMENTS**  
**5 April 2024**

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**SCHEDULE OF CONTRIBUTIONS**

**STATUS**

This Schedule of Contributions has been prepared by the Trustees, after obtaining the advice of Rob Dales, the Scheme Actuary to the Scheme.

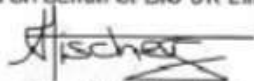
**EMPLOYER CONTRIBUTIONS**

BIC UK Limited will pay £100,000 per month until 31 December 2022. Beyond this date BIC UK Limited will continue payments of £100,000 per month on a discretionary basis subject to providing 3 months' notice should they wish to stop contributions.

BIC UK Limited will also pay the PPF levy and all other expenses (excluding implicit investment expenses and bank charges).

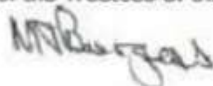
BIC UK Limited may also make additional contributions from time to time as agreed with the Trustees.

Signed on behalf of BIC UK Limited



Name: **Albertus Fischer**  
Position: *[Director/Company Secretary]*  
Date: **05/04/2022**

Signed on behalf of the Trustees of the BIC UK Pension Scheme



Name: **MICHAEL BURGESS**  
Position: **Trustee**  
Date: **5 APRIL 2022**

This schedule of contributions has been agreed by the Trustees of the BIC UK Pension Scheme after obtaining actuarial advice from me.

Signed:



Name: **Rob Dales**  
Position: **Scheme Actuary**  
Date: **5 April 2022**

**The BIC UK Pension Scheme**  
**ACTUARIAL STATEMENTS**  
**5 April 2024**

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**ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS**

**ADEQUACY OF RATES OF CONTRIBUTIONS**

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions, which are based on a valuation as at 5 April 2015, are such that the statutory funding objective could continue to be met for the period for which the schedule is to be in force.

**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 5 April 2022.

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.

Signed:



Name: Rob Dales  
Position: Scheme Actuary  
Qualification: Fellow of the Institute & Faculty of Actuaries  
Company: Atkin Pensions  
Date: 5 April 2022

## The BIC UK Pension Scheme

### ACTUARIAL STATEMENTS

#### 5 April 2024

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 using the assumptions agreed between the Trustees 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 as at 5 April 2021.

The value of the Technical Provisions was:	5 April 2021	5 April 2018
The value of the assets at that date was:	35,495,000	39,608,000
Surplus / (Deficit)	37,508,000	34,445,000
Funding level	2,013,000	(5,163,000)
	106%	87%

#### Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

#### Significant actuarial assumptions

	5 April 2021	5 April 2020	5 April 2019	5 April 2018	Derivation
Pre Retirement Discount Rate	3.55% p.a.	3.00% p.a.	3.85% p.a.	4.05% p.a.	The nominal rate has fallen by 0.50% reflecting the fall in the expected returns available on equity and other return seeking assets.
Post Retirement Discount rate	1.55% p.a.	1.00% p.a.	1.85% p.a.	2.05% p.a.	The nominal rate has fallen by 0.50% reflecting the fall in yields available on gilts and corporate bonds,
RPI Inflation Pre 2030 Post 2030	Inflation Curve - 0.2% Inflation Curve – 0.3%	2.90% p.a.	3.40% p.a.	3.20% p.a.	Expected future inflation, based on the difference between the yield on fixed interest and index linked gilt-edged stocks, has risen since the last valuation. As in the previous valuation, an inflation risk premium of 0.2% pre 2030 is used, however an additional 0.1% risk premium is added post 2030 for uncertainties in underlying inflation
Pension increases Pre 6 April 1997 (in excess of GMP)	Nil (for the majority of members)	Nil (for the majority of members)	Nil (for the majority of members)	Nil (for the majority of members)	Increases to pensions in payment for benefits accrued before 6 April 1997 are assumed to no longer be payable.
Pension increases RPI <sub>max</sub> 5%/3%	Based on relevant inflation curve allowing for caps and collars using Black Scholes	2.90% p.a./ 2.90% p.a.	3.40% p.a./ 3.00% p.a.	3.20% p.a./ 3.00% p.a.	Black Scholes has been used at the 2021 valuation to more accurately allow for the caps and collars applying to pension increases in payment.
Mortality	95% S3PA CMI 2020 (1.25% (m) 1% (f) long term trend	95% S2PA CMI 2019 (1.5% males, 1.25% females)	95% S2PA CMI 2018 (1.5% males, 1.25% females)	95% S2PA CMI 2017 (1.5% males, 1.25% females)	The base table and mortality improvements have been updated to reflect more up to date studies of mortality.



**The BIC UK Pension Scheme**  
**ACTUARIAL STATEMENTS**  
**5 April 2024**

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**Results**

The funding level has improved since the date of the last valuation. The Trustees and the Principal Employer had agreed that the Principal Employer would pay deficit funding contributions of £1,200,000 per annum from 1 April 2018 until 31 December 2021, in equal monthly instalments. The Employer would continue to pay £100,000 per month until 31 December 2022. No contributions were paid in the year to 5 April 2024.

# **The BIC UK Pension Scheme**

## **COMPLIANCE STATEMENT**

### **For the year ended 5 April 2024**

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#### **Tax status of The Scheme**

The Scheme is a Registered Pension Scheme under Chapter 2 of Part IV of the Finance Act 2004.

The employments of members were contracted-out of the State Second Pension (S2P) formerly the State Earnings Related Pension Scheme (SERPS) whilst there were active members of the Scheme.

#### **Increases in pensions in payment**

Increases to pension in excess of GMP earned up to 6 April 1997 no longer apply.

GMPs in respect of service between 6 April 1988 and 5 April 1997 continue to increase each year in line with RPI to a maximum of 3%, and pensions earned after 5 April 1997 continue to increase each year in line with RPI to a maximum of 5%. Pension increase dates were aligned for all members in April 2014 so that increases are now paid in April each year instead of on the anniversary of a member's retirement.

In April 2021, pensions earned after 6 April 1997 were increased by 1.1% and GMPs in respect of service between 6 April 1988 and 5 April 1997 were also increased by 1.1%.

#### **Cash equivalents**

Cash Equivalent Transfer Values paid during the year in respect of transfers to other pension schemes have been calculated and verified by the Scheme Actuary in accordance with legislation.

#### **Advisers**

There were no changes to the advisers in the year.

#### **Other information**

- i. The Pension Tracing Service provides a tracing service for members (and their dependants) of previous employers' Schemes, who have lost touch with earlier employers and Trustees. To trace a benefit entitlement under a former employer's Scheme, enquiries should be addressed to:

The Pension Service  
Post Handling Site A  
Wolverhampton  
WV98 1LW  
United Kingdom  
Telephone: 0800 731 0469  
Website: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

- ii. Members and beneficiaries of pension schemes, who have problems concerning their scheme and are not satisfied by the information or explanation given by the Trustees, can consult The Pensions Ombudsman. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with the Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limited to be extended. The address is:

The Pensions Ombudsman  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU  
Telephone: 0800 917 4487  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)  
E-mail: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

**The BIC UK Pension Scheme**  
**COMPLIANCE STATEMENT**  
**For the year ended 5 April 2024**

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You can also submit a complaint form online: [www.pension-ombudsman.org.uk/making-complaint/](http://www.pension-ombudsman.org.uk/making-complaint/)

- iii Moneyhelper is a new service which was introduced in 2019 combining pension guidance, money guidance and debt advice (previously known as the Money & Pensions Service). 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:

MPS Tel: 0800 011 3797

Email: [contact.pensionwise@moneyhelper.org.uk](mailto:contact.pensionwise@moneyhelper.org.uk)

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

- iv The Trustees are required to provide certain information about the Scheme to the Registrar of Pension Schemes. This has been forwarded to:

The Registrar of Pension Schemes

PO Box 1NN

Newcastle Upon Tyne

(Tel: 0191 225 6316)

NE99 1NN

E-mail: [communications@thepensionsregulator.gov.uk](mailto:communications@thepensionsregulator.gov.uk)

- v. The Pension Protection Fund was established to provide compensation to members of eligible defined benefit pension Scheme, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension Scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection fund is a statutory fund run by the Board of the Pension Protection Fund, a statutory corporation established under the provisions of the Pensions Act 2004. The Pension Protection Fund became operational on 6 April 2005.

- vi The Trust Deed and rules, the Scheme details, and a copy of the Schedule of Contributions and Statement of Investment Principles are available for inspection free of charge by contacting Atkin Pensions at the address shown for enquiries in this report.

Atkin Pensions

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