

**Registration number 10140650**

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

**TRUSTEES AND THEIR ADVISERS**

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<b>Trustees:</b>	P Engels (company appointed) D Habgood (company appointed) B Jennings (member nominated) B Gower (member nominated) (passed away 26 November 2024)
<b>Secretary to the Trustees:</b>	Anita Chandna Willis Towers Watson 51 Lime Street London, EC3M 7DQ
<b>Principal Employer:</b>	Charles Taylor Administration Services Limited 2 Minster Court Mincing Lane London, EC3R 7BB
<b>Scheme Actuary:</b>	Robert Sweet FIA Cartwright Group Ltd 250 Fowler Avenue Farnborough Business Park Farnborough Hampshire, GU14 7JP
<b>Administrator:</b>	Cartwright Benefit Consultants Limited Marlborough House Victoria Road South Chelmsford Essex, CM1 1LN
<b>Independent Auditor:</b>	RSM UK Audit LLP Portland 25 High Street Crawley, RH10 1BG

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

**TRUSTEES AND THEIR ADVISERS (continued)**

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<b>Banker:</b>	Royal Bank of Scotland 36 St Andrew Square Edinburgh, EH2 2YB
<b>Legal Advisers:</b>	Reed Smith LLP The Broadgate Tower 20 Primrose Street London, EC2A 2RS
<b>Investment Manager:</b>	London & Capital Asset Management Ltd (from 1 November 2023) Charles Taylor Investment Management Company Limited (until 1 November 2023)
<b>Investment Consultant:</b>	Cartwright Benefit Solutions Limited 250 Fowler Avenue Farnborough Business Park Farnborough Hampshire, GU14 7JP
<b>Custodian:</b>	The Northern Trust Company
<b>Annuity Provider:</b>	Canada Life (from 7 February 2024) Canada Life Place Potters Bar Hertfordshire, EN6 5BA

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **TRUSTEES' REPORT**

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The Trustees have pleasure in presenting their annual report and audited financial statements of Charles Taylor & Co Limited Retirement Benefit Scheme ("the Scheme") for the year ended 30 June 2024.

#### **The Scheme**

The Scheme was established as a defined benefit pension scheme with effect from 1 September 1970 and is governed by the trust deed and rules dated 23 February 2010 and subsequent amending deeds.

Following a consultation period, the Scheme closed to future accrual of benefits for active members with effect from 1 July 2011.

#### **Tax Status**

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. It is, therefore, exempt from UK income and capital gains tax.

#### **The Trustees**

The Trustees are listed on page 1.

The Trustees have been appointed in accordance with the Trust Deed and the Pensions Acts 1995 and 2004. Company appointed Trustees may be appointed to, or removed from, office by the Principal Employer, Charles Taylor Administration Services Limited. Two Trustees have been selected by the members (as Member Nominated Trustees) in accordance with the Pensions Act 2004.

The Trustees plan three meetings a year, with additional as required. During the year ended 30 June 2024 the Trustees met three times.

#### **Enquiries**

Enquiries about the Scheme generally, or about an individual's entitlement to benefit, should be addressed to:

Anita Chandna  
Secretary to the Trustees  
Willis Towers Watson  
51 Lime Street  
London  
EC3M 7DQ

Email: [anita.chandna@wtwco.com](mailto:anita.chandna@wtwco.com)

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

The Fund Account on page 17 shows that there was a net addition arising from dealings with members for the year of £1,053,741 (2023: £1,586,968) and the net decrease on investments during the year was £4,696,318 (2023: £11,521,047). The Scheme's assets for the same period therefore decreased by £3,642,577 to £68,670,061.

The Scheme's financial statements have been prepared and audited in accordance with Section 41 (1) and (6) of the Pensions Act 1995.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **TRUSTEES' REPORT (continued)**

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#### **Changes to the Scheme in the year**

Over the past year or so the funding position of the Scheme (the assets that it holds relative to the benefits that it expects to pay to members) has improved significantly. As a result, the Trustees have now invested most of the Scheme's assets in an insurance policy with Canada Life Limited which is in the form of a "bulk annuity". This bulk annuity insurance policy from Canada Life is effectively an asset of the Scheme and from January 2025 it will provide income to the Scheme by covering all current and future benefits to all members.

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

#### **Pension Increases**

Pensions in payment are increased annually as at 1 July as follows:

- Pre 88 Guaranteed Minimum Pension accrued between 6 April 1978 and 31 August 1980 increases in line with Retail Prices Index over the preceding year from May to May, subject to a maximum of 3% per annum
- Pre 88 Guaranteed Minimum Pension accrued between 1 September 1980 and 31 January 1985 increases in line with Retail Prices Index, over the preceding year from May to May, subject to a maximum of 5% per annum
- Pre 88 Guaranteed Minimum Pension accrued between 1 February 1985 and 5 April 1988 does not increase after GMP age.
- Post 88 Guaranteed Minimum Pension Increased in accordance with statutory requirements i.e., increases currently in line with the Consumer Prices Index over the 12 months to the 30 September previous, subject to a maximum increases of 3% pa and a minimum of 0% pa.
- Pre 30 April 1999 Pension increases by a fixed rate of 5% per annum
- 1 May 1999 to 5 April 2005 Pension increases in line with the Retail Prices Index, over the preceding year from May to May, subject to a maximum of 5% per annum
- Post 6 April 2005 Pension increases in line with the Retail Prices Index, over the preceding year from May to May, subject to a maximum of 2.5% per annum

No discretionary increases were awarded during the Scheme year.

#### **Calculation of Transfer Values**

Transfer values are calculated using an appropriate actuarial basis adopted for this purpose by the Trustees having received advice from the Scheme Actuary.

There were no discretionary benefits included in the transfer values.

#### **Contingent Asset**

The Scheme benefits from a Guarantee dated 30 June 2022 from stated Guarantors. Under the terms of this Guarantee, the Guarantors (as defined in the Guarantee) have given the Trustees an undertaking that if the Principal Employer fails to pay a contribution due in accordance with the Recovery Plan and the Schedule of Contributions, they will on demand pay such contributions themselves. This is subject to limits and conditions and on the terms set out in the Guarantee, which expires on 24 January 2027.

No asset is recognised in the financial statements in respect of the Guarantee or any other contingent asset.

## CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

### TRUSTEES' REPORT (continued)

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#### Actuarial Valuation

The Scheme is subject to an Actuarial Valuation every three years which is prepared by an independent Actuary. The last formal valuation was prepared as at 1 July 2022 in which the Actuary assessed the Scheme's ability to meet its funding obligations in respect of the Scheme benefits.

The actuarial valuation indicated that, at the valuation date, there was a funding shortfall of £1,859,000, i.e. at the valuation date, the market value of the assets was insufficient to cover the past services liabilities.

To eliminate this shortfall by 31 December 2024, a Recovery Plan has been agreed and the Employer will make deficit contributions as follows:

<b>Period</b>	<b>Contribution (£)</b>
1 September 2023 to 31 December 2023	1,671,145
1 January 2024 to 31 December 2024	5,204,108
1 January 2025 to 31 August 2028	Nil

The above contributions are payable monthly. Payment will be made by 19<sup>th</sup> of the month (or 22<sup>nd</sup> if paid electronically) following that to which the contributions relate.

A new schedule of contributions signed on 26 April 2024 confirmed that the Employer and the Trustees agreed that, subject to the following sentence, further contributions will not be paid directly to the Scheme and the Employer will instead make payments into the Escrow Account established for this purpose by the Employer and the Trustees. The Trustees may at their discretion and at any time give notice to the Employer such that any as yet unpaid contributions (including any already due but not yet paid into the Escrow Account) will instead become payable directly to the Scheme (and not into the Escrow Account). The payments will be of the following amounts:

<b>Period</b>	<b>Contribution (£)</b>
26 April 2024 to 31 December 2024	433,676 per month
1 January 2025 to 27 March 2029	Nil

As at 30 June 2024, £867,850 (30 June 2023: £nil) was held in the Escrow Account relating to contributions. No asset is recognised in the financial statements in respect of the Guarantee or any other contingent asset.

A Report on Actuarial Liabilities, based on the actuarial valuation as at 1 July 2022, is shown on pages 29 and 30.

The next actuarial valuation is due as at 1 July 2025.

## CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

### TRUSTEES' REPORT (continued)

#### Going concern assessment

The Trustees continue to monitor the situation and responds to emerging issues as necessary. The Trustees regularly monitor the position of both the Scheme's financial position and the covenant provided by the Employer in relation to future contributions. Furthermore, the Trustees agreed a contingent asset being a s75 Guarantee dated 30 June 2022 from stated Guarantors. The Guarantors have given the Trustees an undertaking that if the Principal Employer fails to pay a contribution due in accordance with the Recovery Plan, they will on demand pay such contributions themselves.

Over the past year or so the funding position of the Scheme (the assets that it holds relative to the benefits that it expects to pay to members) has improved significantly. As a result, the Trustees have now invested most of the Scheme's assets in an insurance policy with Canada Life Limited which is in the form of a "bulk annuity". This is something many pension schemes have done recently and is a type of business in which Canada Life are experienced. This bulk annuity insurance policy from Canada Life is effectively an asset of the Scheme and from January 2025 it will provide income to the Scheme by covering all current and future benefits to all members. This therefore significantly reduces the risk of member benefits not being paid in full in the future, due to matters such as Scheme assets underperforming or failure by the employer (the Company) to support any shortfall in the Scheme.

#### Membership

Details of membership of the Scheme for the year are given below:

	2024	2023
<b>Pensioners</b>		
At the start of the year	75	74
Prior year adjustment	1	-
New pensioners	5	3
Deaths	(3)	(2)
<b>At the end of the year</b>	<b>78</b>	<b>75</b>
<b>Dependants</b>		
At the start of the year	20	19
Prior year adjustment	-	1
New dependants	-	2
Deaths	(3)	(2)
<b>At the end of the year</b>	<b>17</b>	<b>20</b>
<b>Members with deferred benefits</b>		
At the start of the year	61	65
Prior year adjustment	(1)	-
Retirements	(5)	(3)
Transfer out	-	(1)
<b>At the end of the year</b>	<b>55</b>	<b>61</b>
<b>Total members at the end of the year</b>	<b>150</b>	<b>156</b>

All pensioners and dependants are insured under annuity agreements. The Scheme will continue to pay all pensioners and dependants until 6 January 2025 under the buy-in agreement.

These membership figures do not include movements notified to the administrator after the completion of the annual renewal.



## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **TRUSTEES' REPORT (continued)**

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#### **Equalisation of Guaranteed Minimum Pensions (GMPs)**

Benefits for members who joined the Scheme prior to April 1997 include a Guaranteed Minimum Pension (GMP) which broadly represents the pension which they would otherwise have accrued under the old State Earnings-Related Pension Scheme (SERPS). Following recent High Court Judgements in relation to the "Lloyds Bank" Case, the Trustees are aware that there may be a requirement to adjust some members' Scheme benefits to address the inequalities in the calculations of GMPs between men and women, including the review and top-up of historic cash equivalent transfer values (CETVs) that were calculated on an unequalised basis. This may result in modest increases in benefits for some members and potentially top-up payments for those who transferred benefits out of the Scheme in the past; however many may see no change to their benefits, but no member will see the value of their benefits reduced as a result of these Judgements. The Government has issued some guidance on the matter in relation to the taxation and impact on Annual Allowance and Lifetime Allowance in respect of additional payments. This is a complicated matter and the Trustees will consider with their advisers what actions should be taken.

No provision has been included in the financial statements at this stage as any increases in benefits in respect of past service are expected to be immaterial. Any additional liabilities identified on completion of the review will be included in future financial statements.

#### **Virgin Media Judgement**

The Trustees are aware of the High Court ruling in June 2023, which states that any amendments to section 9(2B) rights are void without a written section 37 confirmation from the Scheme actuary and acknowledge the recent Court of Appeal decision in the Virgin Media v NTL case, which upheld the High Court's ruling.

At present, the Trustees have no reason to believe that from 6 April 1997 until the abolition of contracting out in 2016, the Scheme was not operating in compliance with the requirements to provide benefits meeting the statutory standard of section 9(2B) rights as per the Pension Schemes Act 1993. In addition, the Trustees had no reason to believe that the relevant requirements of section 37 were not complied with in respect of any historic deeds of amendment. The Trustees are in consultations with its legal advisor, Reed Smith, who are conducting a review of the Scheme's documentation from 1997 onwards to ascertain whether there are any instances of non-compliance. The recent Court of Appeal decision left open various questions and uncertainties around the interpretation of the ruling, making any impact difficult to assess. As a result, there has been no provision or contingent liability estimated in the annual report and financial statements.

## CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

### TRUSTEES' REPORT (continued)

#### Investments

The investment manager of the Scheme is London and Capital Asset Management Limited (L&C), who was appointed in December 2012 and previously known as Charles Taylor Investment Management Company Limited. The majority of the assets are now held in a bulk annuity policy with Canada Life.

The Scheme's investment manager, Charles Taylor Investment Management Limited is a company within the same group as the Principal Employer, both of which are commonly controlled by Charles Taylor Limited. Charles Taylor Investment Management Limited transferred to London & Capital Asset Management Ltd from 1 November 2023, which merged with Waverton Investment Management Group on 2 July 2024.

#### Scheme Performance

The Scheme's performance against benchmark for the periods ended 31 December 2023 is shown below:

	One year %	Three years % p.a.	Five years % p.a.
Scheme	4.82	-8.35	-0.25
Benchmark	6.15	-6.43	0.22

Performance only shown up-to 31 December 2023 as the Scheme purchased a bulk annuity in January 2024.

The objective of the Scheme is to meet its liabilities when they fall due, it is not managed against a benchmark. The benchmark in the above table is a blend of equity and bond indices which is used as an indication of general market performance and is not reflective of the strategic asset allocation of the Scheme.

#### Investment Commentary

In the last financial year we saw a peak in interest rates in the largest economies including the UK, where the last rate hike from the Bank of England was in August 2023 to 5.25%.

Q3-2023 was generally a negative quarter in financial markets for both equities and bonds, due to concerns that interest rates could remain higher for longer, while macro data was mixed and pointed to a slowing economy.

The last two months of 2023 saw supportive growth and inflation numbers. Additionally, markets began to price in the prospect of looser monetary policy in 2024, which triggered a strong rally across both equities and bonds.

In Q4, we started preparing the portfolio for the purchase of a deferred cover bulk annuity policy with Canada Life, which was completed successfully in January 2024.

The residual assets left in the portfolio managed by London & Capital consist of a small number of illiquid investments - representing approximately 2% of the original investment portfolio - which are not tradable on a market and are expected to amortise, i.e. generate cashflows, over time. The objective of this residual portfolio is to maximise the expected cashflows and minimise the residual life of the assets. In one case, we could find a private buyer and the security was sold; an additional security made its final payment in June 2024. We are monitoring expected cashflows on the residual assets.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **TRUSTEES' REPORT (continued)**

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#### **Socially Responsible Investment**

The Trustees believe their main duty, reflected in their investment objectives, is to protect the financial interests of the Scheme's members. The Trustees believe that SRI issues are secondary to this.

Where pooled funds are managed on a passive basis, decisions regarding the selection, retention and realisation of investments are only made in order to ensure efficient tracking of indices, and social, environmental and ethical considerations are not taken into account.

Where the funds recommended by L&C are actively managed the Trustees are not requiring regular reporting from those managers on their policy toward social, environmental and ethical issues.

#### **Investment in the Employer**

The Trustees do not hold on behalf of the Scheme any direct investment in Charles Taylor Administration Services Limited or any other employer-related investments.

#### **Corporate Governance**

The Trustees wish to encourage best practice in terms of activism. The Trustees accept that by giving discretion to L&C in terms of the managers to use and the fact these are likely to be pooled investment vehicles, the day-to-day application of voting rights will be carried out by the investment managers. Consequently, the Trustees expect but do not require the investment managers to adopt a voting policy that is in accordance with the UK Corporate Governance Code 2010 as stated by the Financial Reporting Council.

#### **Statement of Investment Principles**

The Trustees must set out and maintain a written Statement of Investment Principles covering their policy for meeting new investment rules and other matters contained in the Pensions Act. The Trustees confirm that they have produced a Statement of Investment Principles dated February 2024 in accordance with Section 35 of the Pensions Act 1995, a copy of which is available at <https://members.pensionpal.co.uk/charlestaylorPensions>

Further disclosures in relation to the Trustees environmental, social, governance policies are set out in the Statement of Investment Principles available as noted above.

#### **Custodian**

Following the buy-in, the Scheme's residual assets are held in pooled funds. The investment manager is responsible for appointing the custodian. The appointed custodian is Northern Trust for all pooled investment vehicles held by London & Capital except Brookwood Gas & Convenience Stores, Pimco Bravo 3 Offshore and DRC European Real Estate Debt Fund III LP, which are structured as private-equity investments and do not have custodians.

The funds are held free from lien subject to the following clauses: All amounts thus due to the Custodian shall be paid by the Custodian from the account unless otherwise paid on a timely basis and the Custodian has a continuing lien on all assets of the account to secure such payments.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **TRUSTEES' REPORT (continued)**

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#### **Statement of Trustees' 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 Trustees. Pension scheme regulations require, and the Trustees 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 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 Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustees are responsible for the maintenance and integrity of the pension and financial information included on the Charles Taylor & Co Limited Retirement Benefits Scheme website.

# CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

## TRUSTEES' REPORT (continued)

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### Further Information

#### Internal Dispute Resolution Procedure

An internal dispute resolution procedure to resolve any queries raised by beneficiaries or potential beneficiaries of the Scheme has been established by the Trustees and more details are available from the contact address on page 3.

#### MoneyHelper

MoneyHelper is sponsored by the Department for Work and Pensions, this government-backed organisation brings together the functions of three financial guidance bodies: the Money Advice Service, The Pensions Advisory Service (which includes the Pensions Ombudsman service) and Pension Wise. Its main function is to help and ensure that people throughout the UK have guidance and access to the information they need to make effective and informed financial decisions over their lifetime.

Their address is:

MoneyHelper  
Bedford Borough Hall  
138 Cauldwell Street  
Bedford  
MK42 9AB

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

Phone: 0800 011 3797

#### The Pensions Regulator

The Pensions Regulator regulates company pension schemes. The Scheme Auditor and Actuary have a statutory duty to make an immediate written report to the Regulator in certain circumstances:

Telecom House  
125-135 Preston Road  
Brighton  
BN1 6AF

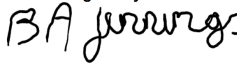
Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

27/1/2025

Signed on behalf of the Trustees on ..... by

Signed by:  
  
DE693A24CED442C...

.....Trustee

DocuSigned by:  
  
8B5A843C0114493...

.....Trustee

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **INDEPENDENT AUDITOR'S REPORT**

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#### **Independent Auditor's report to the Trustees of Charles Taylor & Co Limited Retirement Benefits Scheme**

##### **Opinion**

We have audited the financial statements of the Charles Taylor & Co Limited Retirement Benefits Scheme for the year ended 30 June 2024 which comprise the Fund account and 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 30 June 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 statements, 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.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **INDEPENDENT AUDITOR'S REPORT (continued)**

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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.

#### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 10, 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.

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.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **INDEPENDENT AUDITOR'S REPORT (continued)**

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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 the 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 and 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.

#### **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  
Statutory Auditor  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
RH10 1BG

Date: 28/01/25



## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS**

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#### **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 Charles Taylor & Co Limited Retirement Benefits Scheme**

##### **Statement about contributions payable under schedule of contributions**

We have examined the summary of contributions payable to the Charles Taylor & Co Limited Retirement Benefits Scheme on page 16, in respect of the Scheme year ended 30 June 2024.

In our opinion the contributions for the Scheme year ended 30 June 2024 as reported in the attached summary of contributions on page 16 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 actuary on 24 September 2020, 18 August 2023 and 26 April 2024.

##### **Scope of work on statement about contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 16 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 Auditor**

As explained more fully on page 10 in the Statement of Trustees' Responsibilities, 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 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 Trustees 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  
Statutory Auditor  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
RH10 1BG

Date: 28/01/25

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

**SUMMARY OF CONTRIBUTIONS PAYABLE IN THE YEAR**

**Summary of Contributions**

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

Employer deficit contribution	<sup>£</sup> <u>3,807,745</u>
-------------------------------	----------------------------------

Signed on behalf of the Trustees on 27/1/2025 by:

DocuSigned by:  
*BA Jennings*  
8B5A843C0114493...

..... Trustee

Signed by:  
*David Habgood*  
DE693A24CED442C...

..... Trustee

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME****FUND ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 £	2023 £
<b>Contributions and Benefits</b>			
Employer contributions	3	3,807,745	4,922,640
Other income	4	-	4,477
		<u>3,807,745</u>	<u>4,927,117</u>
Benefits paid or payable	5	2,753,610	2,883,081
Payments to and on account of leavers	6	-	456,773
Administrative expenses	7	394	295
		<u>2,754,004</u>	<u>3,340,149</u>
<b>Net additions from dealings with members</b>		<b><u>1,053,741</u></b>	<b><u>1,586,968</u></b>
<b>Returns on investments</b>			
Investment income	8	2,364,508	4,172,899
Change in market value of investments	9	(6,939,041)	(15,439,293)
Gain/(loss) on foreign currency		(65,893)	(236,025)
Investment management expenses		(55,892)	(18,628)
<b>Net return on investments</b>		<b><u>(4,696,318)</u></b>	<b><u>(11,521,047)</u></b>
<b>Net (decrease) in the fund during the year</b>		<b>(3,642,577)</b>	<b>(9,934,079)</b>
<b>Net assets at 1 July</b>		72,312,638	82,246,717
<b>Net assets at 30 June</b>		<b><u>68,670,061</u></b>	<b><u>72,312,638</u></b>

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME**

**STATEMENT OF NET ASSETS (available for benefits)  
AS AT 30 JUNE 2024**

	Note	2024 £	2023 £
<b>Investment assets:</b>	9		
Equities		-	1,661,349
Bonds		-	10,092,848
Pooled investment vehicles		1,083,049	55,662,384
Derivatives		-	82,088
Cash		1,026,974	3,667,352
Income due		4,312	156,574
Insurance policies		66,341,000	-
		<u>68,455,335</u>	<u>71,322,595</u>
Current assets	12	272,534	1,180,425
Current liabilities	13	(57,808)	(190,382)
<b>Net assets at 30 June</b>		<u><b>68,670,061</b></u>	<u><b>72,312,638</b></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 does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on pages 29 to 30 and these financial statements should be read in conjunction with it.

27/1/2025

The financial statements on pages 17 to 28 were approved by the Trustees on ..... and signed on their behalf by:

DocuSigned by:  
*BA Jennings*  
8B5A843C0114493...

Signed by:  
*David Halgood*  
DE693A24CED442C...

.....  
Trustee

.....  
Trustee

## CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

### NOTES TO THE FINANCIAL STATEMENTS

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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 "Financial Reports of Pension Schemes" (revised 2018).

The Scheme is established as a trust under English Law. The address for enquires to the Scheme is

Anita Chandna  
Secretary to the Trustees  
Willis Towers Watson  
51 Lime Street  
London  
EC3M 7DQ

Email: [anita.chandna@wtwco.com](mailto:anita.chandna@wtwco.com)

The financial statements have been prepared on the going concern basis. As noted within the Trustees' report on page 10, the Trustees have used the majority of the Scheme's assets to purchase an insurance policy with Canada Life Limited which is in the form of a "bulk annuity", which covers all current and future benefits to members. The Scheme is also protected by a s75 guarantee in the event the sponsoring employer is unable to pay contributions due in accordance with the recovery plan.

At the date of signing these financial statements the Trustees believe that the Scheme is able to cover its related outgoings until at least 12 months from signing. As a result, and together with the position of the Principal Employer, the Trustees consider the preparation of the financial statements on a going concern basis to be appropriate.

#### 2. Accounting policies

A summary of the main accounting policies, which have been applied consistently, is set out below:

##### a) Investments

Pooled investment vehicles and equities are valued at the bid or single price at the year-end date as determined by the investment managers.

Bonds were valued using valuation techniques which use observable market data.

Derivative contracts were valued at fair value. The fair value of forward foreign currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract was matched at the year-end with an equal and opposite contract.

Annuities have been valued by the Scheme Actuary, Mr R Sweet FIA, at the amount of the related obligation, determined using the method and assumptions adopted by the Trustees for calculating the Scheme's Technical Provisions.

##### b) Benefits

Benefits payable represents all valid benefit claims in respect of the Scheme year. They are accounted for on the date of retiring or leaving, or if later, the date on which the member notifies the Trustees of the decision on the type and amount of benefit to be taken where the member has a choice. Death benefits are accounted for on an accruals basis based on the date of death.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

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

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#### **c) Contributions**

Contributions are accounted for on an accruals basis, in accordance with the Schedule of Contributions and other relevant agreements.

#### **d) Transfer values**

Transfer values are accounted for when the related member liability transfers between schemes, which usually equates to when the transfer is received or paid.

#### **e) Investment income**

Income distributed from pooled investment vehicles, bonds and on cash deposits is accounted for on an accruals basis.

#### **f) Administrative and investment management expenses**

Administrative and investment management expenses are met by the Employer, with the exception of those shown in Note 7 and on the face of the Fund Account, which are accounted for on an accruals basis.

#### **g) Currency**

Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year-end date. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

The Scheme functional and presentation currency is pounds sterling.

#### **h) Key accounting estimates and assumptions**

In preparing the financial statements, the Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the pension Scheme, the Trustees believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the pension investments.

The Pooled investment vehicle portfolio includes investments that are classified in Level 3 of the fair value hierarchy totalling £1,083k (2023: £1,629k) that use either the nearest valuation or have estimated profit elements within the estimate of value.

Estimates and assumptions were made in the process of establishing the valuation of the Insurance Policies of £66,341k (2023: £nil) held by the Scheme.

Explanation of the key assumptions underpinning the valuation of investments are included above. Estimates are continually evaluated and are based on historical experience, expectations of future events and any other factors that are deemed relevant to the estimate.

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**3. Contributions**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Employer contributions</b>		
Deficit funding	<u><b>3,807,745</b></u>	<u><b>4,922,640</b></u>

Contributions payable in the year were under the Schedules of Contributions signed on 24 September 2020 and 18 August 2023, whereby the Employer agreed to make deficit contributions as disclosed in the table on page 4.

Contributions payable in the year into the Escrow Account under the Schedule of Contributions signed 26 April 2024 is disclosed in the table on page 4.

As at 30 June 2024, £867,850 (30 June 2023: £nil) was held in the Escrow Account relating to contributions. No asset is recognised in the financial statements in respect of the Guarantee or any other contingent asset.

**4. Other income**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Sundry income	<u><b>-</b></u>	<u><b>4,477</b></u>

**5. Benefits paid or payable**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Pensions	2,625,173	2,745,203
Commutation of pensions and lump sum retirement benefits	128,437	137,878
	<u><b>2,753,610</b></u>	<u><b>2,883,081</b></u>

**6. Payments to and on account of leavers**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Individual transfers to other schemes	<u><b>-</b></u>	<u><b>456,773</b></u>

**7. Administrative expenses**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Bank charges	<u><b>394</b></u>	<u><b>295</b></u>

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**8. Investment income**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Dividends from equities	18,323	67,275
Income from bonds	876,850	344,557
Income from pooled investment vehicles	1,264,795	3,725,992
Interest on cash deposits	204,540	35,075
	<u><b>2,364,508</b></u>	<u><b>4,172,899</b></u>

**9. Investments**

	<b>Value as at 2023</b>	<b>Purchases and derivative payments</b>	<b>Sales and derivative receipts</b>	<b>Change in Market Value</b>	<b>Value as at 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equity	1,661,349	-	(1,715,130)	53,781	-
Bonds	10,092,848	103,159,446	(112,754,921)	(497,373)	-
Pooled investment vehicles	55,662,384	4,462,232	(59,852,171)	810,604	1,083,049
Insurance policies	-	73,564,965	-	(7,223,965)	66,341,000
Forward Contracts	82,088	25,275,747	(25,275,747)	(82,088)	-
	<u>67,498,669</u>	<u>206,462,390</u>	<u>(199,597,969)</u>	(6,939,041)	<u>67,424,049</u>
Cash	3,667,352			-	1,026,974
Income due	156,574			-	4,312
	<u><b>71,322,595</b></u>			<u><b>(6,939,041)</b></u>	<u><b>68,455,335</b></u>

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

Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. No direct transaction costs were incurred during the period. Any indirect costs are incurred through the bid-offer spread and as such, the Trustees have not been able to access costs.

The companies managing the pooled investment vehicles are registered in the United Kingdom.

The following investments exceed 5% of the total net assets of the Scheme:

	<b>2024</b>		<b>2023</b>	
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Ishares GBP Corp Bond 0-5Yr	-	-	7,998,480	11.1
Muzinich Long Short	-	-	3,612,497	5.0
LDI Enhanced Selection Longer Nominal Fund - Class B	-	-	3,797,101	5.3
Canada Life Insurance Policies	66,341,000	96.6	-	-



**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**9. Investments (continued)**

**Pooled investment vehicles**

The Scheme's investments in pooled investment vehicles at the year-end comprised:

	<b>2024</b>	<b>2023</b>
	£	£
Equity	-	6,048,211
Bonds	-	43,927,600
Alternatives	1,083,049	5,686,573
	<u><b>1,083,049</b></u>	<u><b>55,662,384</b></u>

**Insurance Policies**

The Trustees hold a bulk annuity policy with Canada Life. The value of these policies are determined by the Actuary using the 'Attained Age' funding method'. The Scheme's insurance policies at the year-end comprised:

	<b>2024</b>	<b>2023</b>
	£	£
Canada Life	66,341,000	-
	<u><b>66,341,000</b></u>	<u><b>-</b></u>

The policies are due to start on 6 January 2025. The principal financial assumptions used are set out below. Details of how the assumptions are derived from market yields at the effective date of calculation are set out in the Actuarial Report on Liabilities on pages 29-30.

	<b>30 June 2024</b>	<b>30 June 2023</b>
	% p.a.	% p.a.
Pre-Retirement Investment Return	5.35	N/A
Post-Retirement Investment Return	5.10	N/A
RPI	3.50	N/A

**Derivatives**

*Objectives and policies*

The Trustees have authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme as follows:

*Forward FX:* in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio was invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in GBP, a currency hedging programme, using forward FX contracts, was put in place to reduce the currency exposure of these overseas investments to the targeted level.

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**Derivatives (ctomimued)**

At the year end the Scheme had the following derivatives:

		2024		2023	
		Asset	Liabilities	Asset	Liabilities
		£	£	£	£
Forward FX contracts		-	-	82,088	-
Contract	Settlement date	Currency bought	Currency sold	Asset value	Liability value
				£	£
Forward FX	N/A	N/A	N/A	-	-
<b>Total 2024</b>				-	-
Total 2023				82,088	-

**10. 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 (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:

	At 30 June 2024			Total
	Level 1	Level 2	Level 3	
	£	£	£	£
Pooled investment vehicles	-	-	1,083,049	1,083,049
Insurance policies	-	-	66,341,000	66,341,000
Cash	1,026,974	-	-	1,026,974
	<b>1,026,974</b>	<b>-</b>	<b>67,424,049</b>	<b>68,451,023</b>

	At 30 June 2023			Total
	Level 1	Level 2	Level 3	
	£	£	£	£
Equities	1,661,349	-	-	1,661,349
Bonds	10,092,848	-	-	10,092,848
Pooled investment vehicles	12,503,772	41,529,536	1,629,076	55,662,384
Derivatives	-	82,088	-	82,088
Cash	3,667,352	-	-	3,667,352
	<b>27,925,321</b>	<b>41,611,624</b>	<b>1,629,076</b>	<b>71,166,021</b>

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

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

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#### **11. 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.

- 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 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.

During the Scheme year ending 30 June 2024, the Trustees agreed to purchase a bulk annuity policy with Canada Life covering the majority of members' Scheme benefits. This was funded by selling the majority of the Scheme's invested assets. The only assets of the Scheme are now the bulk annuity policy, illiquid investments held with L&C and cash in the Trustees' bank account.

There is no direct or indirect currency risk or direct or indirect other price risk associated with the annuity policy since it provides cash flow that exactly matches certain liabilities of the Scheme. The insurance policy is directly exposed to interest rate risk due to the value being subject to a discount factor which reflects market interest rates. Changes in their value resulting from these factors are exactly matched by changes in the value of the corresponding liabilities. The Scheme has direct credit risk with the provider arising from these contracts although this is considered minimal. Direct credit risk is mitigated by the regulatory environment in which the insurer Canada Life operate in and the Financial Services Compensation Scheme. There is no indirect credit risk associated with the annuity policies as they provide cash flow that exactly matches certain liabilities of the Scheme. Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include the legacy insurance policies nor AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

#### **(i) Investment strategy**

The investment objective of the Trustees is to ensure that the Scheme will be able to pay all beneficiaries in full as and when their benefits fall due.

In-line with this investment objective, the Trustees purchased a deferred cover bulk annuity policy with Canada Life to secure the majority of the benefits for all Scheme beneficiaries. The uninsured benefits will be paid from the remaining assets held with L&C and the agreed future Employer contributions.

L&C hold some illiquid assets which are being liquidated as soon as practically possible.

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**11. Investment risks disclosures (continued)**

**(ii) Credit risk**

The Scheme is indirectly exposed to credit risks arising on the underlying holdings of the private investments.

Cash is held within financial institutions which are at least investment grade credit rated.

The legal nature of the Scheme's pooled arrangements is:

	<b>2024</b>	<b>2023</b>
	<b>£1,083,049</b>	<b>£55,662,384</b>
Closed End Fund	£1,050	£1,485,536
ETF	-	£10,539,115
Investment Trust	-	£479,132
OEIC	-	£8,899,831
Open-End Fund	-	£24,285,073
Private equity	£1,081,999	£1,457,840
Unit Trust	-	£8,344,632
Delisted Closed Fund	-	£171,225

**(iii) Currency risk**

The small proportion of the Scheme that is still managed by L&C is subject to currency risk because some of the Scheme's investments are in foreign currency (USD). The extent of the Trustees' exposure to currency risk is limited to the market value of the investments held.

**(iv) Interest rate risk**

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in cash (2024: £1,026,974, 2023: £3,667,352).

**(v) Other price risk**

Other price risk arises principally in relation to the Scheme's private equity assets. The Scheme manages this exposure to overall price movements by liquidating these investments when it is possible to do so.

**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**12. Current assets**

	<b>2024</b>	<b>2023</b>
	£	£
Contributions due in respect of the Employer	-	417,786
Cash balances	272,534	762,639
	<u><b>272,534</b></u>	<u><b>1,180,425</b></u>

Contributions due, as disclosed above, have subsequently been received by the Scheme in accordance with the Schedule of Contributions.

**13. Current liabilities**

	<b>2024</b>	<b>2023</b>
	£	£
Benefits payable	-	126,321
Fees payable	29	5,034
Due to HMRC	57,779	59,027
	<u><b>57,808</b></u>	<u><b>190,382</b></u>

**14. Related party transactions**

At the year end, three of the Trustees are pensioner members of the Scheme. Subsequently after the year end, two of the Trustees were pension members of the Scheme. These benefits arise solely in the Trustees' capacity as beneficiaries of the Scheme and are on terms normally granted to members.

The Scheme's investment manager, Charles Taylor Investment Management Limited is a company within the same group as the Principal Employer, both of which are commonly controlled by Charles Taylor Limited. Charles Taylor Investment Management Limited transferred to London & Capital Asset Management Ltd from 1 November 2023, which merged with Waverton Investment Management Group on 2 July 2024. None of the Trustees are directors of London & Capital Asset Management Ltd.

The Employer pays all expenses associated with the Scheme, the insurance premiums payable on the policies insuring the death in service benefits and the levies payable to the Pension Protection Fund and the Pensions Regulator (2024: £904,072, 2023: £484,509). These are paid directly to the relevant third party as and when requested.

**15. Employer related investment**

Employer related investments have been considered by the Trustees and given the nature of the Scheme's assets any exposure to the employer related securities will be negligible and considerably less than the 5% maximum permitted by legislation.

## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

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

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#### **16. Guaranteed Minimum Pension**

Benefits for members who joined the Scheme prior to April 1997 include a Guaranteed Minimum Pension (GMP) which broadly represents the pension which they would otherwise have accrued under the old State Earnings-Related Pension Scheme (SERPS). Following recent High Court Judgements in relation to the "Lloyds Bank" Case, the Trustees are aware that there may be a requirement to adjust some members' Scheme benefits to address the inequalities in the calculations of GMPs between men and women, including the review and top-up of historic cash equivalent transfer values (CETVs) that were calculated on an unequalised basis. This may result in modest increases in benefits for some members and potentially top-up payments for those who transferred benefits out of the Scheme in the past; however many may see no change to their benefits, but no member will see the value of their benefits reduced as a result of these Judgements. The Government has issued some guidance on the matter in relation to the taxation and impact on Annual Allowance and Life-time Allowance in respect of additional payments. This is a complicated matter and the Trustees will consider with their advisers what actions should be taken.

No provision has been included in the financial statements at this stage as any increases in benefits in respect of past service are expected to be immaterial. Any additional liabilities identified on completion of the review will be included in future financial statements.

#### **17. Contingent Asset**

The Scheme benefits from a Guarantee dated 30 June 2022 from stated Guarantors. Under the terms of this Guarantee, the Guarantors (as defined in the Guarantee) have given the Trustees an undertaking that if the Principal Employer fails to pay a contribution due in accordance with the Recovery Plan and the Schedule of Contributions, they will on demand pay such contributions themselves. This is subject to limits and conditions and on the terms set out in the Guarantee, which expires on 24 January 2027.

No asset is recognised in the financial statements in respect of the Guarantee or any other contingent asset.

As at 30 June 2024, £867,850 (30 June 2023: £nil) was held in the Escrow Account relating to contributions. No asset is recognised in the financial statements in respect of the Guarantee or any other contingent asset.

#### **18. Contingent Liability**

The Trustees are aware of the High Court ruling in June 2023, which states that any amendments to section 9(2B) rights are void without a written section 37 confirmation from the Scheme actuary and acknowledge the recent Court of Appeal decision in the Virgin Media v NTL case, which upheld the High Court's ruling.

At present, the Trustees have no reason to believe that from 6 April 1997 until the abolition of contracting out in 2016, the Scheme was not operating in compliance with the requirements to provide benefits meeting the statutory standard of section 9(2B) rights as per the Pension Schemes Act 1993. In addition, the Trustees had no reason to believe that the relevant requirements of section 37 were not complied with in respect of any historic deeds of amendment. The Trustees are in consultations with its legal advisor, Reed Smith, who are conducting a review of the Scheme's documentation from 1997 onwards to ascertain whether there are any instances of non-compliance. The recent Court of Appeal decision left open various questions and uncertainties around the interpretation of the ruling, making any impact difficult to assess. As a result, there has been no provision or contingent liability estimated in the annual report and financial statements.

## CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

### REPORT ON ACTUARIAL LIABILITIES

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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 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 1 July 2022. This showed that on that date:

	<b>£000</b>
Value of the Technical Provisions	84,106
Value of the assets at that date	82,247

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Statement of Funding Principles):

#### **Method**

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

#### **Significant actuarial assumptions**

##### **Fixed Interest Gilt Yield**

Yield on the Bank of England gilt yield spot curve at the point appropriate to the duration of the Scheme's liabilities, rounded to the nearest 0.05%.

##### **Implied inflation**

Yield on the Bank of England implied inflation spot curve at the point appropriate to the duration of the Scheme's liabilities, rounded to the nearest 0.05%.

As at 1 July 2022 the above yields were 2.65% and 3.65% respectively

##### **Discount Interest Rate**

Different rates are used pre and post retirement to reflect a mixture of equity and bond investment in the period before retirement and solely bond investment after retirement.

- Post retirement = Fixed Interest Gilt Yield plus 0.75%
- Pre-retirement = Fixed Interest Gilt Yield plus 1.00%

As at 1 July 2022 this resulted in discount interest rates of 3.40% post retirement and 3.65% pre-retirement.

##### **Price Inflation**

An allowance for future RPI increases is included at an assumed rate equal to the implied inflation. As at 1 July 2022 this resulted in an assumption for the future RPI increases of 3.65% per annum.

An allowance for future CPI increases is included at an assumed rate equal to the assumption for future RPI increases less 1.00% p.a. in respect of the period up to 31 December 2030 and 0% p.a. thereafter. As at 1 July 2022 this resulted in an assumption for future CPI increases of 2.65% p.a. up to 31 December 2030 and 3.65% p.a. thereafter.

##### **Pension increases in payment**

Where pensions in payment are increased in line with prices, subject to either a maximum or minimum level of increase, allowance is made in the valuation for the derived rate of increase that would apply using a Black-Scholes approach based upon the inflation assumption adopted for the valuation.

## CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024

### REPORT ON ACTUARIAL LIABILITIES (continued)

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As at 1 July 2022 this resulted in the following assumption for the future pension increases:

Pension Increase	Assumption
CPI (min 0%: max 3%)	2.40% p.a.
RPI (min 0%: max 2.5%)	2.30% p.a.
RPI (min 0%: max 5%)	3.50% p.a.

#### Pension Increases in Deferment

Where pensions in deferment are increased in line with the CPI, subject to a maximum, allowance is made in the valuation for the rate of increase that would apply based upon the CPI assumption adopted for the valuation and allowing for the known 2023 Revaluation Order.

As at 1 July 2022, this resulted in an assumption for future revaluations of deferred pensions of 10.1% p.a. in 2023, 2.65% p.a. up to 31 December 2030 and 3.65% p.a. thereafter, subject to caps over the whole period of deferment of 5% p.a. (deferred pension in excess of GMP accrued prior to 23 February 2010) and 2½% p.a. (deferred pension accrued after 23 February 2010).

#### Mortality

Mortality has been assumed in accordance with the table known as S3PA Light, on a year of birth basis, with CMI\_2021 improvement factors, a long-term annual rate of improvement of 1.5% p.a., the standard smoothing factor, no additional improvement factor, and w2020 = 0%.



**CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME  
FOR THE YEAR ENDED 30 JUNE 2024**

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

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

CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME

**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 could have been expected on 1 July 2022 to be met by the end of the period specified in the Recovery Plan dated 18 August 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 18 August 2023.

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

Signed:		Date:	26 April 2024
Name:	R J SWEET	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	250 Fowler Avenue Farnborough Business Park Farnborough Hampshire GU14 7JP	Employer:	Cartwright Group Limited



## **CHARLES TAYLOR & CO LIMITED RETIREMENT BENEFITS SCHEME FOR THE YEAR ENDED 30 JUNE 2024**

### **Charles Taylor implementation statement**

The primary focus of this implementation statement is to describe how the investment manager has actioned the various policies as outlined in the Statement of Investment Principles (SIP).

On 31 October 2023, Charles Taylor Investment Management Company Limited (CTIM), the investment manager of the Scheme, was acquired by London and Capital Asset Management Limited (L&C) and a new Discretionary Investment Management Agreement was signed between the Trustees and L&C.

As Trustees of the Scheme's assets, we are responsible for the selection and retention of L&C. Reviewing the voting and engagement activities, is an important exercise to help us ensure they remain appropriate and are consistent with the policies in our SIP.

We are satisfied with the voting and engagement activities of L&C and the 3<sup>rd</sup> party fund managers, and in particular, that they are using their position as stakeholder to engage constructively with investee companies; however, we will engage with them should we have any concerns about the voting and/or engagement activities carried out on our behalf. The Trustees had no cause to challenge the voting and/or engagement activities during the year to 30 June 2024.

As Trustees of the Scheme's assets, we are responsible for the selection of Canada Life (the "insurance provider"), however the Trustees has no other discretion or influence as to how monies are invested by the insurance provider. The day-to-day management of the investments (including the responsibility for voting and engaging with companies) is delegated to the insurance provider. Canada Life invests in a portfolio of bonds and not equities, therefore they do not hold assets with voting rights.

### **Changes to the SIP in the last 12 months**

The SIP was amended in February 2024 to reflect the purchase of a deferred cover bulk annuity policy with Canada Life, that was completed in January 2024.

The Trustees' investment strategy for the Scheme is to invest in the bulk annuity policy with Canada Life, with the residual assets held by L&C. These residual assets include illiquid investments and cash.

### **Implementation of the investment strategy principles**

After the purchase of the bulk annuity policy with Canada Life, the residual assets left in the portfolio managed by L&C consisted of a small number of illiquid investments - representing approximately 2% of the original investment portfolio - which are not tradable on a market and are expected to amortise, i.e. generate cashflows, over time.

The Scheme's investments are deliberately and consciously chosen to align with the Trustees' strategic investment policies and objectives and in particular to meet the benefit payments and minimise risk. Since the purchase of the bulk annuity policy, the objective of the portfolio managed by L&C is to maximise the expected cashflows and minimise the residual life of the assets. In one case, the managers could find a private buyer and the security was sold; an additional security made its final payment shortly after the reporting period. The managers are monitoring expected cashflows on the residual assets. The Trustees and L&C will use the Scheme's position as a stakeholder, either unilaterally or in concert with other stakeholders, to engage with investee companies to improve their financial and non-financial performance.

Given that the Scheme's investments do not confer voting rights, there was no voting carried out in relation to those investments.