JARDINE MOTORS GROUP UK PENSION SCHEME

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2024

Registrar of Occupational and Personal Pension Schemes Registration Number: 10114939

TABLE OF CONTENTS

TRUSTEE AND ADVISERS

Principal Employer

Jardine Motors Group UK Limited
Loxley House
2 Oakwood Court
Little Oak Drive
Annesley
Nottingham NG15 0DR

Participating Employers

Lancaster plc
Jardine Luxury Vehicles Limited
Jardine Automotive Limited
Jardine Specialist Cars Limited

Trustee

JMGUK Pension Trustees Limited (formerly Jardine Motors Pension Trustees Limited (until 18 May 2024)

Trustee Directors

PAN Trustees UK LLP
RA Nathan (appointed 18 May 2024)
SJ Cannon (Member nominated) (resigned 7 May 2024)
MC Finch (resigned 25 March 2024)
C Leitz (resigned 7 May 2024)
C Wright (resigned 14 March 2024)
AI Ward (Member nominated) (resigned 7 May 2024)

Secretary to the Trustee

MC Finch (resigned 17 March 2024)
Stuart Merry (appointed 18 March 2024)
PricewaterhouseCoopers LLP

Scheme Actuary

Fran Butler FIA
Mercer Limited

Scheme Administrators

Mercer Limited (until 31 December 2023)
Aptia UK Limited (from 1 January 2024)

Independent Auditors

BHP LLP

Investment Consultants

Willis Towers Watson

Fiduciary Investment Manager

Towers Watson Investment Management
Investment managers accessed via the fiduciary arrangement:
Insight
AXA AMX

Custodian
State Street

AVC Providers

Utmost Pensions and Life Limited
Scottish Widows Limited
Standard Life Assurance Limited

Annuity Providers

Phoenix Life Limited

Bankers

The Royal Bank of Scotland plc

Legal Advisers

Irwin Mitchell LLP

Address for enquiries

S Cannon
Jardine Motors Group UK Limited
Loxley House
2 Oakwood Court
Little Oak Drive
Annesley
Nottingham NG15 0DR

Sharron.Cannon@lithia.co.uk

TRUSTEE'S REPORT

The Trustee of the Jardine Motors Group UK Pension Scheme (the Scheme) "JMGUKPS" is pleased to present the Trustee's Report and audited financial statements for the year ended 5 April 2024. The financial statements have been prepared and audited in accordance with the Regulations made under sections 41(1) and (6) of the Pensions Act 1995.

The report sets out how the Scheme is run, how the assets are invested, and the financial activity of the Scheme in the year to 5 April 2024.

The Scheme was established on 26 April 1974 to provide a range of benefits for the permanent employees of Lancaster plc and any other associated employers admitted to the Scheme. The Scheme is operated in accordance with the Trust Deed and Rules dated 1 October 2008 and consolidated on 18 September 2013.

With effect from 1 January 2005, and for service after that date, the Scheme opened up a Defined Contribution Section which provides benefits on top of the Defined Benefit Section. The Define Contribution Section was closed on 15 August 2023 following the transfer of all Defined Contribution members to the Legal & General Master Trust.

The Scheme closed to future accrual with effect from 1 December 2009 and all active members of the Scheme became deferred members. Active members were offered alternative membership of the Jardine Motors Group UK Defined Contribution Pension Plan. This Plan has subsequently been wound up.

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

Changes to the Scheme

There were no changes to the benefit or contribution structure of the Scheme during the year.

Appointment and Removal of Trustee

The Corporate Trustee has been renamed from Jardine Motors Pension Trustees Limited to JMGUK Pension Trustees Limited effective 7 May 2024. The power of appointment and removal of the directors is exercised through the Trustee Company's Memorandum and Articles of Association by the board of directors.

A Guide for Pension Scheme Trustees issued by The Pensions Regulator has been made available to all Trustee Directors. Members may obtain a copy from the Trustee at the address shown for enquiries on page 1.

The Trustee Directors who served during the Scheme year are listed on page 1, along with the changes since the last report.

During the year the Trustee Directors met four times (including 1 Investment Sub Committee meeting).

The Scheme's financial statements have been prepared on the going concern basis. In making this assessment, the Trustee has reviewed the ability of the Principal Employer to continue to meet its obligations to the Scheme and for the Scheme to meet its future obligations to pay member benefits as they fall due. The Trustee remains satisfied about the continuing strength of the Employer and its ability to support the Scheme. On this basis, the Trustee has concluded that the Scheme remains a going concern for a period of 12 months from the date of approval of this Annual Report.

Financial development of the Scheme

The Fund Account on page 17 shows that the net withdrawals arising from dealings with members for the year were £3,867,569 (2023: additions £16,948,671). The net return on the Scheme's investments for the year was a loss of £ 3,137,910 (2023: £43,968,878). The total net movement in the Scheme's assets for the year was a decrease of £ 6,985,479 (2023: decrease of £27,020,207), giving net assets of the Scheme at the year end of £ 141,252,137 (2023: £148,237,616).

Further details of the financial developments of the Scheme may be found in the audited financial statements on pages 17 to 29.

TRUSTEE'S REPORT (CONTINUED)

Membership

Details of the membership of the Scheme as at 5 April 2024 are given below:

MEMBERS WITH DEFERRED BENEFITS	
Opening balance	929
Adjustments	(6)
Deaths	(4)
Retirements	(42)
Transfers out	(2)
MEMBERS WITH DEFERRED BENEFITS AT THE END OF THE YEAR	**875**
PENSIONERS	
Opening balance	886
Adjustments	2
New Dependant pensioner	16
Members retiring during the year	42
Deaths	(37)
Trivial commutations	(11)
PENSIONERS AT THE END OF THE YEAR	**898**
TOTAL MEMBERSHIP	**1,773**

Pensioners include 130 individuals receiving a spouse's or dependant's pension (2023: 127).

Pensioners include 2 individuals for which the Scheme receives annuity income (2023: 2).

Adjustments are members whose status has been changed where the change relates to a previous year.

TRUSTEE'S REPORT (CONTINUED)

Actuarial Review

The financial statements set out on pages 17 to 29 does not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Scheme, these liabilities are considered by the Scheme Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Scheme and the level of contributions payable.

The most recent triennial valuation was carried out at 5 April 2023, with the next due to be completed with an effective date of 5 April 2026.

The formal actuarial certificate required by statute to be included in this Annual Report from the Scheme Actuary appears on page 32. In addition, as required by FRS 102, the Trustee has included the Report on Actuarial Liabilities on pages 30 and 31, which forms part of the Trustee's Report.

Contributions

Following the completion of the 5 April 2023 actuarial valuation a Schedule of Contributions was certified by the Actuary on 28 November 2023, there are therefore no deficit funding contributions due under the Recovery Plan agreed between the Trustee and the Principal Employer.

Employer additional anti-dilution levy contributions (ADL)

- An Anti-dilution Levy was imposed by the investment manager in connection with the redemption of certain assets of the Scheme from the Towers Watson Partners Fund as notified and implemented on 3 January 2023
- It was agreed with the employer that on the date which is 10 (ten) business days following the date on which completion takes place, JMGUK would pay a sum equal to the value of any Anti-dilution Levy into the Scheme. These monies (£517,678.08) were received on 24 March 2023 and (£3,102,244) on 18 May 2023.

Additional Voluntary Contributions (AVCs) - Defined Benefit Section

The Scheme has AVC arrangements with Scottish Widows, Utmost and Standard Life.

No further AVCs are allowable following the cessation of accrual.

Pension Increases

New pensioners have the option to forgo non-statutory pension increases for a higher starting pension. This is in lieu of the standard increases described below.

Former members of Lancaster plc Retirement Benefits Scheme

Pensions accrued in respect of service after 5 April 2000 increase in payment at the rate of 5% per annum or the increase in the Consumer Price Index ('CPI'), whichever is the lower. The increase awarded in the scheme year was 5%

Pensions earned from service between 5 April 1997 and 5 April 2000 receive increases as in the paragraph above except that a minimum increase of 3% and maximum increase of 5% per annum will apply. The increase applied is based on CPI on the anniversary of the member's retirement, so the actual percent increase applied does vary member to member.

TRUSTEE'S REPORT (CONTINUED)

Pensions, including GMPs, accrued in respect of pensionable service completed prior to 6 April 1997 increase at the rate of 3% per annum.

There were no discretionary increases in the year.

Deferred pensions are subject to increases in line with statutory regulations governing preservation, however, for service after April 2009, the Consumer Price Index is to be retained to a maximum of 5% in case of deferred pensions as opposed to the statutory rate of 2.5%. The increase awarded in the scheme year was 5%.

Former members of The Appleyard Pension Fund

Pensions in payment are subject to increases in accordance with the Trust Deed and may be further increased at the discretion of the Trustee. No discretionary increases were awarded in the year.

Pensions in payment are increased by 5% or RPI if less for service after 5 April 1997 and 3% for service up to 5 April 1997 for all categories except for ex-Cloverleaf members whose pensions were increased by 5%. The increase in the scheme year for pensions linked to RPI was 5%.

Deferred pensions were subject to increases in line with statutory regulations governing preservation. With effect from April 2009, the Consumer Price Index is to be retained at a maximum of 5% in case of deferred pensions. The increase in the scheme year was 5%.

Transfer Values

All transfer values are calculated in accordance with the requirements of The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 using assumptions determined by the Trustee on advice provided by the Scheme Actuary.

No discretionary benefits or increases in benefits are included in the calculation of transfer values.

Investment Management

The day-to-day management of the investments has been delegated by the Trustee to the investment managers as shown on page 1.

In accordance with Section 35 of Pensions Act 1995, a Statement of Investment Principles has been prepared by the Trustee which incorporates the investment strategy, a copy is available from the member website at https://www.jardinemotors.co.uk/site/important-information/

The Trustee has the following investment objectives:

- The acquisition of suitable assets of appropriate liquidity which will generate an overall level of return that is sufficient to meet all liabilities as and when they fall due, and to ensure the security, quality and profitability of the portfolio as a whole;.
- To limit the risk of the assets failing to meet the liabilities, both over the long-term and on a shorter-term basis; and
- To minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the objective shown under the points above.

The investment strategy is set out in its Statement of Investment Principles ("SIP").

The current strategy is to target a return of Gilts + 1.3% p.a

TRUSTEE'S REPORT (CONTINUED)

Interest in a Property Backed Partnership

On 31 December 2013 Jardine Motors Group UK Limited made a contribution to the Scheme of £13.4 million. On the same day the Pension Scheme Trustee invested £13.4 million in JMG (Scotland) Limited ("SLP") as a limited partner.

SLP used the proceeds to purchase the freehold/long leasehold of a portfolio of properties on an arm's length basis from Lancaster plc and Jardine Automotive Limited and these are leased back to them in return for rental income payments. As limited partners in SLP the Trustee will receive distributions from SLP for 20 years (unless it terminates earlier or is extended), conditional on the Scheme being under 100% funded on its technical provisions following an actuarial valuation or actuarial report. The distributions start at £1.35 million per annum paid quarterly, increasing by 2.5% per annum applied every five years (equivalent to 13.1% every 5 years). As the scheme was fully funded on its technical provisions in the latest actuarial report, no distributions were payable to the Scheme with the financial year.

As part of the 5 April 2020 triennial valuation negotiations, the Trustee agreed to an amendment to the Asset Backed Contribution ('ABC') arrangement, reflecting the receipt of a significant Company guarantee commitment which the Trustee welcomed. The Trustee, having then received legal advice on this matter, and following confirmation from the Company that they would not terminate the ABC arrangement in the event of a future deficit arising, the terms of which has been documented in a formal amendment to the ABC arrangement, agreed that the ABC arrangement will continue to have an intrinsic value which needed to be reflected in the accounts. Mercer were requested to formally value the ABC arrangement.

The value of the ABC is now significantly less material to the Scheme accounts following the improved funding position. As explained in the accounting policies, the valuation as at 5 April 2024 is consistent with the valuation as at 5 April 2023 as it is the judgement of the Trustee that obtaining a full valuation as at 5 April 2024 would constitute undue cost and effort. Therefore no adjustment to the value has been included in the financial statements.

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. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

The Trustees are progressing work on this and are adopting what is known as method C2 having taken advice from Mercer on the various options available.

On 20 November 2020, the High Court handed down a further judgment on the Guaranteed Minimum Pension (GMP) equalisation case in relation to the Lloyds Banking Group's pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The impact of this court case will be considered by the Trustee and decisions will be made as to the next steps. It is not possible to estimate the cost of any rectification adjustments at this time.

Virgin Media

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met.

An appeal to the court of Appeal was dismissed on 25 July 2024 therefore the trustee is consulting with its legal advisors to understand if there is any potential impact on the Scheme. There is also potential for legislative intervention following

TRUSTEE'S REPORT (CONTINUED)

industry lobbying efforts that may retrospectively validate certain rule amendments. As such it is not possible to estimate the cost of any potential rectification adjustments at this time.

Internal Dispute Resolution (IDR) Procedure

The Trustee has adopted a dispute resolution procedure, a copy of which can be provided on request by the Scheme administrator.

Any member with a complaint against the Scheme or a query about their pension entitlement which they consider has not been satisfactorily addressed can use the "Internal Disputes Resolution Procedure" or, alternatively, they can refer the complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman can be contacted at 10 South Colonnade, Canary Wharf, London, E14 4PU.

Further Information

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Scheme Actuary's report.

Any query about the Scheme, including requests from individuals for information about their benefits, should be addressed to:

The Trustee of the Jardine Motors Group UK Pension Scheme care of:

Raymone Nathan
C/O PAN Trustees
Oathall House
Oathall Road
Haywards Heath
West Sussex
RH16 3EN

This report on pages 2 to 8, including the Statement of Trustee's Responsibilities on page 8, the Investment Report on pages 9 and the Report on Actuarial Liabilities on pages 30 to 31, was approved by the Trustee on …………………………. 2024

and signed on its behalf by:

[redacted]
Signer ID: JZAZGQQQLY...
Trustee Director

17/09/2024 GMT

[redacted]
Signer ID: LPKX4IOL2V...
Trustee Director

17/09/2024 GMT

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. 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 making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

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

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

The Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme 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 to members.

INVESTMENT REPORT

Investment report

Over the Scheme's accounting year to 05 April 2024, the Scheme's assets remained in the Fiduciary management portfolio, which was made up of investments in the Towers Watson Investment Management ("TWIM") Secure Income Fund, the TWIM Partners Fund, Insight LDI Pooled Funds, Insight Downside Risk Protection, Insight Liquidity Fund, AMX Feeder and a State Street cash account.

The Trustee has delegated investment selection, de-selection and exercising of rights to the WTW as Fiduciary Manager, who may in turn delegate some of this activity to third party investment managers. For each pooled investment vehicle, the manager has appointed a custodian for safekeeping of the underlying investments.

The discretion afforded to WTW is subject to investment guidelines agreed by the Trustee which include: a return objective; risk constraint; list of permitted investments; asset allocation constraints; liability hedging limits; and liquidity parameters. These guidelines ensure appropriate incentivisation and alignment of decision-making with the Trustee's overall objectives strategy and policies.

Market review of the Scheme Year to 05 April 2024

Summary

The Bank of England (BoE) made three base rate rises throughout the 12 months to March 2024.

- Increases of 0.25% in May and 0.50% in June took the base rate to 5.0%.
- An additional increase of 0.25% in August took the UK base rate to its highest level since March 2008.
- There were no further rate increases through the fourth quarter of 2023.
    - The Bank of England (BoE) made no change to the base rate through the first quarter of 2024. The last increase was in August 2023 but rates remain at the highest level since March 2008. BoE governor Andrew Bailey signalled markets are right to expect more than one interest rate cut in 2024, saying he is increasingly confident inflation is heading towards target.

UK inflation rate, as measured by the CPI, rose by 3.2% in the 12 months to March 2024, down from 3.9% in December and the lowest since September 2021. The largest downwards contributions to the monthly change came from food whilst the largest upward contribution came from motor fuels, with prices rising this year but falling a year ago.

In the US, a single rise of 0.25% in May brought the target range to 5.00 – 5.25%, its highest level since July 2007. A further increase of 0.25% in July brought the target range to an all-time high of 5.25 – 5.50%. There were no further increases through the fourth quarter of 2023 and first quarter of 2024. Federal Reserve chair Jay Powell has acknowledged it will likely take 'longer than expected' for inflation to return to the US central bank's 2 per cent goal and cut interest rates.

Over the 12 months to 31 March 2024 sterling has appreciated against the US dollar, the Euro and the Yen by 2.2%, 2.8% and 16.2% respectively.

Equity markets

Over the 12 months to 31 March 2024, equity markets returned positive performance across all regions other than China which returned negative performance. The FTSE All World Index returned 21.0% whilst the MSCI China Index returned -18.8% (both in sterling terms). FTSE All-Share Index returned 8.4% whilst North America was the best performing region with 26.8% (both in sterling terms).

INVESTMENT REPORT

Bond markets

UK government bond yields (which move inversely to bond price) broadly increased over 12 months to 31 March 2024. Long maturity UK gilts have returned -4.6% over the period (as measured by FTSE-A Gilts Over 15 Years Index) and UK gilts all stocks returned 0.0%.

Inflation-linked gilt yields also increased over the 12-month period. Long maturity UK index-linked gilts returned -11.9% (as measured by FTSE-A Index-Linked Gilts Over 15 Years Index) and UK index-linked gilts all stocks returned -5.0%.

Over the past year, local currency emerging market debt underperformed hard currency emerging market debt returning 2.7% and 10.4% respectively.

Alternative investment markets

Oil prices fluctuated throughout the second quarter of 2023, peaking at US$83.3 in mid-April and dropping to US$67.1 in mid-June. Saudi Arabia and Russia will look to extend or make additional cuts to oil production in Q3 as they scramble to boost the price of crude.

During the third quarter of 2023, crude oil peaked at US$93.7 in late September having dropped to US$69.8 in early July. The price of Brent crude has surged more the 25% since June following co-ordinated cuts in production by Saudi Arabia and Russia. This has pushed up petrol prices and complicated efforts by the US Federal Reserve to rein in inflation.

Oil prices steadily decreased throughout the fourth quarter, dropping to a low of $68.6 in mid-December. Oil prices fell to a five-month low as production cuts from the Organisation of Petroleum Exporting Countries (OPEC+) cartel failed to outweigh a growth in output from the US. This sparked fears of a decline in global demand. Prices fell again in late December following Angola's decision to quit OPEC+.

Oil prices steadily increased throughout the fourth quarter, reaching a high of US$83.5 in mid-March. Concerns surrounding the Iran-Israel conflict, with a fifth of the world's oil passing through the Strait of Hormuz, has contributed to this increase.

Commercial UK property (as measured by the IPD Monthly Index) has returned -0.3% over the 12 months to 31 March 2024.

Global Commodity Futures, as measured by S&P Goldman Sachs Commodity Index, returned 8.8% over the 12 months to 31 March 2024 in sterling terms.

INVESTMENT REPORT

Performance Information

Investment Returns to 31 March 2024

Manager	**1 Year Fund %**	**1 Year Benchmark %**
TWIM Partners Fund	8.0	8.3
AXA Long-Term Credit Fund	3.9	6.2
Insight LDI	-2.7	-2.7
State Street Cash	0.0	4.9

Notes

- Data provided by State Street, the Scheme's performance provider, as at 31 March 2024 since NAV of the fund is valued monthly.

Total Fund and Benchmark returns have been calculated by WTW using available information covering 1 year, 3 years and 5 years to 31 March 2024.

Investment Fund Time-weighted returns to 31 March 2024	**1 Year%**	**3 Year %**	**5 Year %**
Scheme Return	-0.4	-9.3	-3.1
Benchmark Return	-0.1	-7.4	-1.9

SUMMARY OF CONTRIBUTIONS

Trustee's Summary of Contributions required by the Schedules of Contributions in respect of the Scheme year ended 5 April 2024

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the contributions payable to the Scheme required by the Schedules of Contributions certified by the Scheme Actuary on 09 June 2021 and 28 November 2023.

Contributions required by the Schedules in respect of the Scheme year as reported on by the Scheme Auditors		**£**
Employer:	PPF Levy Reimbursement	60,527
Total contributions payable under the Schedules and reported in the financial statements		**60,527**

Reconciliation of contributions payable under the Schedules to total contributions as reported in the financial statements		**£**
Contributions payable under the Schedules		
Contributions payable in addition to those payable under the Schedules (and not reported on by the Scheme auditor)		
Employer :	Additional contributions - Anti-Dilution Levy	3,102,244
Contributions reported in the financial statements		**3,162,771**

Signed on behalf of the Trustee on 17/09/2024 GMT ....

[redacted]
Signer ID: JZAZGQQQLY...
Trustee Director

[redacted]
Signer ID: LPKX4IOL2V...
Trustee Director

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF JARDINE MOTORS GROUP UK PENSION SCHEME

We have examined the Summary of Contributions to the Jardine Motors Group UK Pension Scheme for the year ended 5 April 2024 which is set out on the previous page.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme Trustee is 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 Trustee is 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 Schedules of Contributions.

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

Scope of work on Statement about Contributions

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

Statement about contributions payable under the Schedules of Contributions

In our opinion, contributions for the Scheme year ended 5 April 2024 as reported in the Summary of Contributions and required by the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 09 June 2021 and 28 November 2023.

Use of our report

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

[redacted]

Signer ID: VYQCKJPQH7...

BHP LLP
Chartered Accountants and Statutory Auditors
Sheffield

Date: 17/09/2024 GMT

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF JARDINE MOTORS GROUP UK PENSION SCHEME

Opinion

We have audited the financial statements of the Jardine Motors Group UK Pension Scheme (the 'Scheme') for the year ended 5 April 2024 which comprise the fund account, statement of net assets (available for benefits) and the related notes. 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 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF JARDINE MOTORS GROUP UK PENSION SCHEME

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee

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

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme, or has 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the Scheme, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focused on laws and regulations relevant to the Scheme which could give rise to a material misstatement in the financial statements. Our testing included discussions with the Trustee of the Scheme and with individuals who had direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation and reviewing relevant costs and expenses within the financial statements.

There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

During our audit work, we did not find any major issues with the Scheme's internal controls and our audit work was performed in such a manner as to allow to appropriate evidence to be obtained.

As part of our audit, we addressed the risk of management override of internal controls, including testing of bank transactions. We evaluated whether there was evidence of bias by the Trustee that represented a risk of material misstatement due to fraud. Minutes of meetings were also reviewed. No issues were identified.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF JARDINE MOTORS GROUP UK PENSION SCHEME

Auditor's responsibilities (continued)

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 auditors' report.

Use of our report

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

[redacted]

Signer ID: VYQCKJPQH7...

BHP LLP
Chartered Accountants and Statutory Auditors
Sheffield

Date: 17/09/2024 GMT ……………………………………………..

FUND ACCOUNT FOR THE YEAR ENDED 5 APRIL 2024

	Note	DB Section 2024 £	DB Section 2023 £	DC Section 2023 £	Total 2023 £
CONTRIBUTIONS AND BENEFITS					
Employer contributions	4	3,162,771	25,699,028	-	25,699,028
Other Income		28	-	634	634
Total contribution		3,162,799	25,699,028	634	25,699,662
Benefits	5	(6,815,883)	(6,593,087)	-	(6,593,087)
Payments to and on account of leavers	6	(134,008)	(425,644)	(1,543,258)	(1,968,902)
Administrative expenses	7	(60,477)	(189,002)	-	(189,002)
		(7,010,368)	(7,207,733)	(1,543,258)	(8,750,991)
NET (WITHDRAWALS) /ADDITION FROM DEALINGS WITH MEMBERS		(3,867,569)	18,491,295	(1,542,624)	16,948,671
INVESTMENT RETURNS					
Investment income	8	10,262,200	3,705,602	136	3,705,738
Investment management expenses	9	(222,597)	(157,859)	-	(157,859)
Change in market value of investments	10.1	(13,177,513)	(47,489,627)	(27,130)	(47,516,757)
NET RETURNS ON INVESTMENTS		(3,137,910)	(43,941,884)	(26,994)	(43,968,878)
NET DECREASE IN THE FUND DURING THE YEAR		(6,985,479)	(25,450,589)	(1,569,618)	(27,020,207)
Transfers between sections		-	36,303	(36,303)	-
NET ASSETS OF THE SCHEME AT 6 APRIL		148,237,616	173,651,902	1,605,921	175,257,823
NET ASSETS OF THE SCHEME AT 5 APRIL		141,252,137	148,237,616	-	148,237,616

The notes on pages 19 to 29 form an integral part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 5 APRIL 2024

	Note	2024 £	2023 £
INVESTMENT ASSETS			
Pooled investment vehicles	10.3	135,599,753	149,183,087
Other investments	10.4	620,000	620,000
AVC investments	10.5	151,024	142,225
Investment cash	10.1	4,518,354	44
Other investment balances	10.1	-	33,897,756
TOTAL INVESTMENTS		140,889,131	183,843,112
CURRENT ASSETS	12	443,772	969,887
CURRENT LIABILITIES	13	(80,766)	(36,575,383)
TOTAL NET ASSETS AVAILABLE FOR BENEFITS		141,252,137	148,237,616

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 30 and 31 of the annual report and these financial statements should be read in conjunction with this report.

The notes on pages 19 to 29 form an integral part of these financial statements.

These financial statements on pages 17 to 29 were approved by the Trustee on ……………….………. 2024 and were signed on its behalf by:

[redacted]

Signer ID: JZAZGQQQLY...

Trustee Director

17/09/2024 GMT

[redacted]

……………………………………

Trustee Director

17/09/2024 GMT

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Jardine Motors Group UK Pension Scheme (the "Scheme") is an occupational pension scheme established as a trust under English law. The address of the Scheme's principal office is 770 The Crescent, Colchester Business Park, Colchester, CO4 9YQ. The address for enquiries to the scheme is included on page 7 of the Trustee's Report.

The Scheme is now a defined benefit scheme following the closure of the Defined Contribution ("DC") Section. The Scheme is closed to future accrual and there are no active members.

2. BASIS OF PREPARATION

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

3. ACCOUNTING POLICIES

The following principal accounting policies, which have been applied consistently, have been adopted in the preparation of the financial statements.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

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

3.3 Contributions

Employer Levy reimbursement contributions, special contributions and additional contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions or the agreement under which they are paid or on receipt if earlier with agreement of the Employer and Trustee.

3.4 Payments to members

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

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

Transfer values have been included in the financial statements when received and paid. They do not take account of members who have notified the Scheme of their intention to transfer.

3.5 Valuation of investments

Investments are valued at fair value.

Pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads as provided by the investment manager.

The Scheme's interest in the property backed partnership is valued as the net present value of the future expected distributions as calculated by the Mercer valuation expert engaged by the Trustee as at 5 April 2023. The impact of the funding trigger has been calculated by performing stochastic projections of both the estimated assets and liabilities of the Scheme from a base date of 5 April 2020. Multiple projections of Scheme asset and liability values have been completed over future years. The funding levels have been used to determine the impact of the funding

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

trigger and therefore the probability of the payments being made in each year. Distributions from the property backed partnership are recognised as sales proceeds. Fluctuations in the net present value of future distributions are recognised as a change in market value.

The Trustee holds insurance policies that secure pensions payable to specified beneficiaries. These policies remain assets of the Trustee but, as the value is immaterial, the Trustee has decided that these policies need not be included in the statement of net assets available for benefits.

AVC investments are stated at the value provided by the AVC provider including any terminal bonuses.

Cash in transit is accounted for on an accruals basis and has been included at the value of the transaction as stated by the investment manager.

3.6 Investment income

Income arising from annuity policies is included in investment income and accounted for on an accruals basis.

Income from pooled investment vehicles that distribute income is accounted for on an accrual basis when the dividend is declared.

Investment income arising from the underlying investments of the pooled investment vehicles that do not distribute income, is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within change in market value of investments.

Income from cash deposits is accrued daily and accounted for on an accruals basis.

3.7 Expenses

Administrative expenses and investment expenses are accounted for on an accruals basis.

3.8 Key accounting estimates and assumptions

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the 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 period are related to the valuation of the Scheme investments and, in particular, those classified in Level 3 of the fair-value hierarchy. Explanation of the key assumptions underpinning the valuation of investments are included within 3.5 above and within note 10.5.

The only judgements made in preparing the financial statements are

- The none inclusion of the insurance policies that secure pensions payable to specified beneficiaries which are not included in the financial statements as outlined in 3.5 above.
- That it is reasonable to include the value of the ABC at the valuation calculated by the Mercer valuation expert in 2023 on the basis that it would constitute undue cost and effort to obtain a full valuation this year for an immaterial asset as outlined in 3.5 above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. CONTRIBUTIONS

	2024 £	2023 £
Employer -– PPF Levy reimbursement	60,527	181,350
Employer - Additional contributions - ADL	3,102,244	517,678
Employer - Special	-	25,000,000
	3,162,771	25,699,028

Employer additional anti-dilution levy contributions (ADL)

The Anti-Dilution Levy was imposed by the investment manager in connection with the redemption of certain assets of the Scheme from the Towers Watson Partners Fund as notified to and implemented on 3 January 2023. It was agreed between the Trustee and JMGUK that JMGUK would pay a sum equal to the value of any Anti-Dilution Levy into the Scheme. These monies were received on 24 March 2023 and 18 May 2023.

Employer special contributions

Pursuant to a share purchase agreement dated 12 December 2022, in respect of the acquisition 23 of Jardine Motors Group UK (JMGUK), by Lithia Motors, Inc, the Trustee entered into a Heads of Terms agreement with JMGUK, Jardine Matheson Holdings Limited (JMH), Lithia Motors, Inc, whereby it was agreed that on or before 31 May 2023, JMGUK would pay the sum of £25m into the Scheme. These monies were received on 3 April 2023.

5. BENEFITS

	2024 £	2023 £
Pension payments	5,871,745	5,825,212
Commutations and lump sum retirement benefits	920,070	761,824
Lump sums on death	24,068	6,051
	6,815,883	6,593,087

6. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2024 £	2023 £
Bulk transfer out to L&G	-	1,519,092
Individual transfers out to other schemes	134,008	449,810
	134,008	1,968,902

7. ADMINISTRATIVE EXPENSES

	2024 £	2023 £
Administration and Processing charges	-	7,652
PPF and TPR Levy	60,477	181,350
	60.477	189,002

According to the Schedule of Contributions, administration fees relating to the GMP equalisation exercise are paid by the Scheme, there is a decrease in costs from the prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT INCOME

	2024 £	2023 £
Income from pooled investment vehicles	10,250,626	3,696,831
Annuity income	5,045	4,898
Bank interest	6,529	4,009
	10,262,200	3,705,738

9. INVESTMENT MANAGEMENT EXPENSES

	2024 £	2023 £
Administration, management and custody	222,598	157,859
	222,598	157,859

10. INVESTMENTS

10.1 RECONCILIATION OF INVESTMENTS

Defined Benefit Section

	Value at 5 April 2023 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 5 April 2024 £
Pooled investment vehicles	149,183,087	118,499,109	(118,904,409)	(13,178,034)	135,599,753
Other investments	620,000	-	-	-	620,000
AVC investments	142,225	-	-	8,799	151,024
	149,945,312	118,499,109	(118,904,409)	(13,169,235)	136,370,777
Cash in transit	33,897,756				-
Cash	44			(8,278)	4,518,354
	183,843,112			(13,177,513)	140,889,131

The change in market value of investments during the year of 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 .

No distribution was due for the interest in property backed partnership during the current year (2023: nil)

Consistent with the prior year indirect 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.

Transaction costs include an Anti-Dilution Levy cost of £Nil which were deducted from sales proceeds from WTW Investments during the year (2023 : £3,619,922).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.2 CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Scheme's net assets at 5 April:

	2024 £	2024 % of net assets	2023 £	2023 % of net assets
Towers Watson Partners Fund Sterling B Shares	26,217,497	18.6	15,525,602	10.5
Insight LDI SOL+ Funded Gilts Fundd 2041-50, Class 1 GBP	18,918,606	13.4	7,737,030	5.2
Insight Liquidity Fund, Class 2 GBP	15,001,480	10.6	41,639,759	28.1
LDI SOL+ FUNDED IL GILTS 2021-30/CLASS 1	13,986,866	9.9	-	-
WTW Fiduciary Funded Short Real Fund, Class 1	13,460,373	9.5	-	-
Secure Income Fund, Z Shares GBP	13,240,000	9.4	-	-
WTW Fiduciary Funded Short Real Fund, Class 1 GBP	-	-	42,967,944	29.0
Towers Watson Partners Fund Sterling Z Shares	-	-	8,745,062	5.9
Insight LDI GBP Liquidity Holding Fund, Class 2 GBP	-	-	7,396,887	5.0

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10.3 POOLED INVESTMENT VEHICLES

	2024 £	2023 £
Multi-Asset Growth	39,457,498	24,270,664
Liability Driven Investment Funds	80,628,970	82,772,814
Bond Funds	511,805	499,849
Cash Funds	15,001,480	41,639,760
	135,599,753	149,183,087

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.4 OTHER INVESTMENTS - INTEREST IN PROPERTY BACKED PARTNERSHIP

The Trustee invested £13.4 million in JMG (Scotland) Limited ("SLP") as a limited partner following a contribution into the Scheme of the same value on 31 December 2013 from Jardine Motors Group UK Limited.

SLP used the proceeds to purchase the freehold/long lease of a portfolio of properties on an arm's length basis from Lancaster plc and Lancaster Motor Company Limited and these are leased back to them in return for rental income payments. As limited partners in SLP the Trustee will receive distributions from SLP for 20 years (unless it terminates earlier or is extended), conditional on the Scheme being under 100% funded on its technical provisions following an actuarial valuation or actuarial report. The distributions start at £1.35 million per annum paid quarterly, increasing by 2.5% per annum applied every five years (equivalent to 13.1% every 5 years). As the scheme was fully funded on its technical provisions in the latest actuarial report, no distributions were payable to the Scheme with the financial year.

As part of the 5 April 2020 triennial valuation negotiations, the Trustee agreed to an amendment to the Asset Backed Contribution ('ABC') arrangement, reflecting the receipt of a significant Company guarantee commitment which the Trustee welcomed. The Trustee, having then received legal advice on this matter, and following confirmation from the Company that they would not terminate the ABC arrangement in the event of a future deficit arising, the terms of which is being documented in a formal amendment to the ABC arrangement, agreed that the ABC arrangement will continue to have an intrinsic value which needed to be reflected in the accounts. Mercer were requested to formally value the ABC arrangement.

The Scheme's interest in the property backed partnership is valued at the yearend date as the net present value of the future expected distributions. The impact of the funding trigger has been calculated by performing stochastic projections of both the estimated assets and liabilities of the Scheme from a base date of 5 April 2020. Multiple projections of Scheme asset and liability values have been completed over each of the next 13 years. The funding levels have been used to determine the impact of the funding trigger and therefore the probability of the payments being made in each year.

The value of the ABC is now significantly less material to the Scheme accounts following the improved funding position. As explained in the accounting policies, the valuation as at 5 April 2024 is consistent with the valuation as at 5 April 2023 as it the judgement of the Trustee that obtaining a full valuation as at 5 April 2024 would constitute undue cost and effort. Therefore no adjustment to the value has been included in the financial statements.

10.5 AVC INVESTMENTS

The Trustee holds assets which are separately invested from the main fund to secure additional benefits on a money purchase basis for those members who have elected to pay Additional Voluntary Contributions.

Members participating in this arrangement receive an annual statement made up to 5 April each year, confirming the amounts held to their account and movements during the year.

The amount of AVC investments held at the year end is as follows:

	2024 £	2023 £
Scottish Widows - Unit trust	60,743	58,491
Utmost - Unit trust	19,368	18,139
Standard Life – Unit trust	70,913	65,595
	151,024	142,225

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.6 FAIR VALUE HIERARCHY

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

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.

Level 2 Inputs other than the quoted prices included within Level 1 that are observable (i.e. developed for the asset or liability either directly or indirectly).

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the purposes of this analysis the pooled investment vehicles have all been included in level 2 as the pooled funds themselves are not exchange traded.

The Property Backed Partnership relies on unobservable (in the market) inputs in its valuation and is therefore categorised as level 3.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

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

	Level 1 £	Level 2 £	Level 3 £	2024 £
Pooled investment vehicles	-	135,599,753	-	135,599,753
Other investments	-	-	620,000	620,000
AVC investments	-	151,024	-	151,024
Cash	4,518,354	-	-	4,518,354
	4,518,354	135,750,777	620,000	140,889,131

	Level 1 £	Level 2 £	Level 3 £	2023 £
Pooled investment vehicles	-	149,183,087	-	149,183,087
Other investments	-	-	620,000	620,000
AVC investments	-	142,225	-	142,225
Other investment balances	33,897,756	-	-	33,897,756
Cash	44	-	-	44
	33,897,800	149,325,312	620,000	183,843,112

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.7 INVESTMENT RISKS

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

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

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

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

The Fiduciary manager manages investment risks on the Trustee's behalf. The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy. The Fiduciary Manager manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the Scheme's Fiduciary Manager and monitored by the Trustee by regular reviews of the investment portfolios. This does not include AVC as these are not considered significant in relation to the overall investments of the Scheme.

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

		Market risk			2024
	Credit	**Currency**	**Interest rate**	**Other price**	**£000**
Pooled investment vehicles	◐	◐	◐	◐	135,599
Cash	●	◐	○	○	4,518

The risk noted above affects the asset class ● significantly, ◐ partially or ○ *hardly/not at all.*

(i) Credit risk

The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the pooled investment fund manager, and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2024 £	2023 £
Open-ended investment company (OEIC)	15,001,480	41,639,760
Irish Collective Asset-management Vehicle (ICAV)	80,628,970	82,772,814
Qualifying Investor Alternative Investment Fund (QIAIF)	39,457,498	24,770,513
	135,087,948	149,183,087

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.7 INVESTMENT RISKS (CONTINUED)

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

Indirect credit risk arises from some of the Scheme's pooled investment managers having the ability to invest in credit assets; this risk is managed through diversification.

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

At the year end, the of the Scheme was exposed to direct and indirect credit risk on £140,118,107 (indirect risk on 2023: £183,080,087 of bond and DGF investments).

(ii) Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles (indirect exposure). The fair value of assets held in funds which are denominated in foreign currencies at 5 April 2024 is approximately £1,024,520 (2023: £nil).

(iii) Interest rate risk

The Scheme is subject to interest rate risk predominantly through its liability driven investments (LDI) comprising bonds, repurchase agreements, interest rate swaps and inflation swaps held through pooled vehicles and cash. The purpose of the Scheme's LDI investments is to match the interest rate and inflation sensitivities of the Scheme's liabilities. Therefore, when considering the Scheme's liabilities these investments are risk reducing. At the year-end LDI and cash elements of the portfolio represented 72.5% (2023 : 86.5%) of the total investment portfolio.

(iv) Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which invests in a range of asset classes. The Scheme manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets. At the year-end the return seeking portfolio represented 27.5% (2023 : 13.3%) of the total investment portfolio.

At the year end the Scheme's exposure to investments subject to other price risk was:

	2024 £	2023 £
Direct		
Property backed partnership	620,000	620,000
Indirect		
DGF	39,457,498	24,270,664
	40,077,498	24,890,664

11. TAX

The Jardine Motors Group UK Pension Scheme is a registered pension scheme for tax purposes under the Finance Act 2004. The Scheme is therefore exempt from income tax and capital gains tax except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. CURRENT ASSETS

	2024 £	2023 £
Bank balance	282,648	818,924
Prepayments	161,124	150,963
	443,772	969,887

13. CURRENT LIABILITIES

	2024 £	2023 £
Unpaid benefits	80,766	75,333
Accrued expenses	-	50
HSBC Loan	-	36,500,000
	80,766	36,575,383

14. RELATED PARTY TRANSACTIONS

Key Management Personnel

Two of the Trustee directors were pensioner members of the Scheme during the year (2023: two). Any related transactions have been in line with the Scheme rules.

Employer and other

In the prior year, the Trustee entered into a tripartite agreement with the sponsoring employer and HSBC, to access a loan to the Scheme, for the purposes of meeting collateral cash calls identified in the Investment Report. The value of the loan was £36.5m, and was repaid in full, as planned, on 16 May 2023.

Trustee Directors fees of £93,744 were met by the Employer during the year in respect of the Scheme (2023: £65,885).

Except for the expenses detailed in note 7, all other administration costs are borne by the Principal Employer.

The Trustee's investment in the property backed partnership during the year is detailed in note 10.4.

15. CAPITALCOMMITMENTS

As at 5 April 2023 the commitment with Tower Watson Investment Management (Secure Income Fund, Z Shares GBP was £13,240,000. The capital commitments was fully called on 26 March 2024.

16. EMPLOYER RELATED INVESTMENTS

There were no direct or indirect employer related investments held as at 5 April 2024 (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. CONTINGENT LIABILITES

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. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

The Trustees are progressing work on this and are adopting what is known as method C2 having taken advice from Mercer on the various options available.

On 20 November 2020, the High Court handed down a further judgment on the Guaranteed Minimum Pension (GMP) equalisation case in relation to the Lloyds Banking Group's pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The impact of this court case will be considered by the Trustee and decisions will be made as to the next steps. It is not possible to estimate the cost of any rectification adjustments at this time.

VIRGIN MEDIA

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met.

An appeal to the court of Appeal was dismissed on 25 July 2024 therefore the trustee is consulting with its legal advisors to understand if there is any potential impact on the Scheme. There is also potential for legislative intervention following industry lobbying efforts that may retrospectively validate certain rule amendments. As such it is not possible to estimate the cost of any potential rectification adjustments at this time.

REPORT ON ACTUARIAL LIABILITIES

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

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, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustees and the employer and set out in the Statement of Funding Principles, a copy of which is available to Scheme members on request.

The most recent triennial actuarial valuation of the Scheme effective as at 5 April 2023 showed that the accumulated assets of the Scheme represented 107% of the Scheme's technical provisions in respect of past service benefits; this corresponds to a surplus of £9.7m at the valuation date.

	£'m
The value of the technical provisions was:	137.8
The value of the assets at that date was:	147.5

If the Scheme had been discontinued and wound up at 5 April 2023 there would have been insufficient assets to buy out the accrued benefits through the purchase of annuity policies with an insurer. The estimated discontinuance (or wind up) funding level was 89%, corresponding to a shortfall of £18.7m.

The value of technical provisions is based on Pensionable Service to the valuation date and assumptions about various factors that will influence the Scheme in the future, such as the levels of investment returns, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

METHOD

The actuarial method used in the calculation of the technical provisions is the Defined accrued benefit method

SIGNIFICANT ACTUARIAL ASSUMPTIONS

Discount rate: calculated based on the Mercer Gilt Yield curve plus 1% p.a. at each term.

Rate of inflation - Retail Prices Index (RPI): calculated based on the Mercer Gilt Inflation curve at each term.

Rate of inflation - Consumer Prices Index (CPI): calculated as the assumption for RPI inflation less 0.7% p.a. at each term until 2030 and no adjustment thereafter.

Revaluation of pensions in deferment: Elements which have future revaluation in line with CPI subject to a maximum of 5% per annum calculated as CPI inflation at each term subject to a maximum of 5% p.a.

REPORT ON ACTUARIAL LIABILITIES (CONTINUED)

SIGNIFICANT ACTUARIAL ASSUMPTIONS (CONTINUED)

Pension increases:

Elements of members' pensions which increase in line with RPI subject to a maximum of 5% per annum will be derived at each term using the Jarrow-Yildirim Methodology, subject to a minimum assumption of 0% per annum and a maximum assumption of 5% per annum.

Elements of members' pensions which increase in line with CPI subject to a maximum of 5% per annum will be derived at each term using the Jarrow-Yildirim Methodology, subject to a minimum assumption of 0% per annum and a maximum assumption of 5% per annum.

Elements of members' pensions which increase in line with CPI subject to a maximum of 3% per annum will be derived at each term using the Jarrow-Yildirim Methodology, subject to a minimum assumption of 0% per annum and a maximum assumption of 3% per annum.

Elements of members' pensions which increase in line with CPI subject to a minimum of 3% per annum and a maximum of 5% per annum will be derived at each term using the Jarrow-Yildirim Methodology, subject to a minimum assumption of 3% per annum and a maximum assumption of 5% per annum.

Mortality:

- Pre-retirement: No allowance.
- Post retirement: 101% of the mortality rates in the standard tables S3PMA for males and 96% of the mortality rates in the standard tables S3PFA_M for females, projected to the valuation date in line with the approach below.
- Allowance for the future improvements: CMI core projection model with a 1.5% per annum long term projected rate of improvement (CMI_2022 [1.50%,S=7]), using a year of birth approach.

The standard rates were adjusted to take account of material geographical occupational and/or socio-economic factors expected to influence the life expectancy of the scheme membership.

Next actuarial valuation

The next triennial valuation is due to be carried out as at 5 April 2026.

SCHEDULE OF CONTRIBUTIONS

Schedule of Contributions

Jardine Motors Group UK Pension Scheme

This schedule of contributions has been prepared by the trustees, after obtaining the advice of Fran Butler, the Scheme Actuary. It replaces the previous schedule of contributions which was actuarially certified on 9 June 2021.

In preparing this schedule of contributions, account has been taken of contributions due in the period between 5 April 2023 and the commencement of this schedule under the previous schedule of contributions, together with any further contributions paid during the same period.

Period covered by this schedule of contributions

This schedule of contributions takes effect from the date it is certified by the Scheme Actuary. It ends on five years after the date it is certified by the Scheme Actuary.

Contributions by employer in respect of expenses

The employer will pay amounts into the scheme equal to the levy payments made by the scheme to the Pension Protection Fund. Such amounts will be paid by the employer within a year of them being paid by the scheme.

Management and administration expenses are payable in addition as and when they are due.

The expenses of carrying out the GMP equalisation exercise will be paid from the scheme assets.

Additional employer contributions

The employer may pay additional contributions of any amount and at any time from those set out above.

Signatures

Signed on behalf of the trustees: DocuSigned by: [redacted] DC388F9EBFD34CC...

Name: Raymonde Nathan

Position: Chair of Trustees

Date: 22 November 2023

Signed on behalf of the employer: DocuSigned by: [redacted] E59EA8880C7A423...

Name: Phil Wilbraham

Position: Director

Date: 22 November 2023

SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Actuary's Certification of Schedule of Contributions

Jardine Motors Group UK Pension Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 5 April 2023 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated (i.e. signed on behalf of the trustees on) 22 November 2023

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

Signature:	[redacted]	Date:	28 November 2023
Name:	Fran Butler	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Belvedere, 12 Booth Street, Manchester, M2 4AW	Name of employer:	Mercer Limited

MEMBERS' INFORMATION

INTRODUCTION

The Scheme is administered by Mercer Limited (until 31 December 2023), Aptia UK Limited (from 1 January 2024) in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Schemes is 10114939.

Other information

(i) The Pensions Ombudsman (TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Members have the right to refer a complaint to TPO free of charge.

Contact with TPO about a complaint needs to be made within three years of when the event(s) being complained about happened - or, if later, within three years of when a member first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

TPO now operates an Early Resolution Service (ERS) in addition to its normal Adjudication Service that aims to provide a quick, informal and streamlined process. Any member that elects to use the ERS does not need to follow the Trustees' Internal Dispute Resolution Procedure (IDRP). However should any complaint that has gone through the ERS remain unresolved, TPO expects the IDRP to be followed prior to complaint being passed to its Adjudication Service. Enquiries should be addressed to:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

☎ 0800 917 4487
✉ enquiries@pensions-ombudsman.org.uk
💻 www.pensions-ombudsman.org.uk

(ii) The Money & Pensions Service ("MaPS") brings together three respected providers of financial guidance; Pensions Wise, the Money Advice Service and the Pensions Advisory Service. MaPS is committed to ensuring that people throughout the UK have guidance and access to the information that they need to make effective financial decisions over their lifetime. The contact details are:

Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford MK42 9AP

☎ 01159 659570
💻 www.moneyandpensionsservice.org.uk

(iii) The Pensions Regulator (TPR) can intervene if it considers that a scheme's Trustees, advisers or the employer are not carrying out their duties correctly. The address for TPR is:

Telecom House
125-135 Preston Road,
Brighton
BN1 6AF

💻 www.thepensionsregulator.gov.uk

MEMBERS' INFORMATION (CONTINUED)

Other information (Continued)

(iv) The Pension Protection Fund (PPF) was established under the Pensions Act 2004 to pay compensation to members of eligible defined benefit pension schemes, when the sponsoring employer has suffered a qualifying insolvency event, and where the scheme is assessed as having insufficient assets to cover PPF levels of compensation.

The PPF is funded by a retrospective levy on occupational pension schemes.

(v) The Trust Deed and `Rules, the Scheme details, the Schedule of Contributions and Statement of Investment Principles are available for inspection by contacting the Trustee at the address shown for enquiries in this report. Any information relating to the members' own pension position, including estimates of transfer values, should also be requested from the administrators of the Scheme, Mercer Limited (until 31 December 2023) Aptia UK Limited (from 1 January 2024) at the address detailed in this report.

JMGUK Pension Scheme
Implementation Statement – 05 April 2024

Why have we produced this Statement?

The Trustee of the JMGUK Pension Scheme have prepared this statement to comply with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Scheme's Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

The SIP sets out key investment policies including the Trustee's investment objectives and investment strategy. It also explains how and why the Trustee delegates certain responsibilities to third parties and the risks the Scheme faces and the mitigated responses.

A copy of this implementation statement has been made available on the following website: https://www.jardinemotors.co.uk/site/important-information/

The Trustee last reviewed the SIP in June 2023.

What is the purpose of this Statement?

1. To explain how the Trustee's engagement policy has been applied over the year.

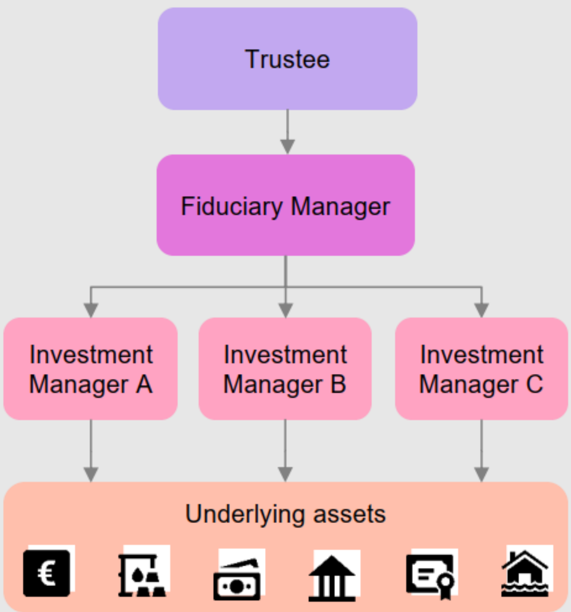
2. To describe the voting rights attached to the Scheme's assets that have been exercised over the year.

What changes have we made to the SIP?

The Trustee have made the following changes to the SIP over the year ending 5 April 2024:

- Reduced the target return to Gilts+1.3% pa (net of fees)
- Following the de-risking activity, target asset allocation has been updated
- Update concerning appointment and termination of investment managers

How are the Scheme's investments managed?



Trustee - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains overall responsibility for the Scheme's investment strategy, but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge and resources.

Fiduciary Manager (WTW) – The Trustee employs a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Scheme's assets between asset class and investment managers.

Investment managers – The Fiduciary Manager appoints underlying investment managers either using a pooled vehicle or a segregated mandate where the assets are held directly in the Scheme's name. The Fiduciary Manager will look for best in class specialist managers for each asset class.

Underlying assets – The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

Why does the Trustee believe voting and engagement is important?

The Trustee's view is that Environmental, Social and Governance (ESG) factors can have a significant impact on investment returns, particularly over the long-term and therefore contribute to the security of members' benefits. The Trustee further believes that voting and engagement are important tools to influence these issues.

The Trustee has appointed a Fiduciary Manager who shares this view and has embedded the consideration of ESG factors, voting and engagement in its processes.

The Trustee incorporates an assessment of the Fiduciary Manager's performance in this area as part of its overall assessment of the Fiduciary Manager's performance.

What is the Trustee's voting and engagement policy?

When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations, but has identified climate and human and labour rights as key areas of focus for the Trustee. As such, examples overleaf of engagement and voting over the year have been selected with a focus on these areas.

The day-to-day integration of ESG considerations, voting and engagement are delegated to the investment managers. The Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital.

Where ESG factors are considered to be particularly influential to outcomes, the Trustee expects the Fiduciary Manager to engage with investment managers to improve their processes.

What training have the Trustee received over the year?

To ensure the Trustee is kept up to date with best practice in ESG considerations, voting and engagement the Trustee received an ESG update on biodiversity in March 2024.

What are the Fiduciary Manager's policies?

Climate change and net zero pledge

The Trustee believes Climate Change is a current priority when engaging with public policy, investment managers and corporates.

The Fiduciary Manager has committed to targeting net zero greenhouse gas emissions by 2050 at the latest, with a 50% reduction by 2030, in the portfolios that it manages including the Scheme's.

Public policy and corporate engagement

The Fiduciary Manager partners with EOS at Federated Hermes, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2023 include:

- Engagements with 1,041 companies on a total of 4,272 issues and objectives.
- 31 responses to consultations or proactive equivalents and 90 discussions with relevant regulators and stakeholders.
- Voting recommendations on 128,101 resolutions, with 22,716 against management.
- Active participation in a range of global stewardship initiatives.

Industry collaboration initiatives

The Fiduciary Manager engages in several industry initiatives including:

- Signatory of the UK Stewardship Code
- Co-founder of the Net Zero Investment Consultants Initiative
- Member of Net Zero Asset Managers Initiative
- Signatory of the Principles for Responsible Investment (PRI)
- Member of the Institutional Investors Group on Climate Change (IIGCC), Asian Investors Group on Climate Change (AIGCC), and Australasian Investors Group on Climate Change (IGCC)
- Co-founder of the Investment Consultants Sustainability Working Group
- Founding member of The Diversity Project
- Supporter of the Transition Pathway Initiative

How does the Fiduciary Manager assess the investment managers?

Investment manager appointment - The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG factors and stewardship (which includes voting and engagement) at the appointment of a new manager. In 2023 the Fiduciary manager conducted engagements with over 150 managers on sustainability and stewardship. In 2022 it also introduced engagement priorities on climate, modern slavery and engagement reporting for all our asset managers.

Investment manager monitoring - The Fiduciary Manager produces detailed reports on the investment managers' ESG integration and stewardship capabilities on an annual basis..

Investment manager termination - The Fiduciary Manager engages with investment managers to improve their practices and increases the bar by which they are assessed as best practice evolves. The Fiduciary Manager may terminate an investment manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no investment managers were terminated on these grounds during the year.

Example of engagement carried out over the year

Multi-asset – Emerging Market Debt manager

Environment - Climate issue

Issue: Given their strategy, the manager's portfolio is heavily weighted towards high emitters. The Fiduciary Manager wanted to explore ways the manager could bring down the emissions of the portfolio over time, whilst still recognising the challenges from their opportunity set.

The Fiduciary Manager engaged with the portfolio managers and ESG team within the strategy, including outlining their view that as distressed names are a part of this opportunity set, the manager was in a privileged position to negotiate better ESG policies and approaches with their borrowers moving forward as part of workout situations.

Outcome: The manager took feedback on board positively and as one example, has negotiated with a company to develop a plan to shut down a part of its coal fired plants in the coming years, managing risk for investors in the company given regulations in the country.

The manager is looking for opportunities to enhance the ESG policies and approaches with borrowers. We continue to engage with the manager on its reporting and ESG integration.

Multi Asset – Global manager

General ESG - issue

Issue: As has been typical historically for private equity exposures, this manager wasn't measuring or providing ESG metrics to investors including carbon emissions at a Fund level. We have worked directly with private markets managers more broadly to increase data collection across the portfolio, to improve data coverage of metrics such as carbon emissions, reducing the need to use public market proxies in estimating the climate exposures of these strategies.

Outcome: The manager took our engagement on board positively and their annual sustainable investment report for 2023 now includes carbon emissions reporting, while they also now have impact KPIs for the underlying portfolio companies. We have reflected this positive development in a higher sustainable investment rating of the manager (now High).

Infrastructure manager

Environment - Climate issue

Issue: Global Real Estate Sustainability Benchmark (GRESB) score for fund not provided due to concerns over peer group size and lack of consistency as infra-assessment not tailored towards renewable generating assets.

No carbon reduction policy in place at firm and fund level setting carbon targets at group level, where Task Force on Climate-Related Financial Disclosures (TCFD) consider both firm and portfolio emissions together.

Outcome: Currently exploring biodiversity related actions for the Fund.

Currently also pushing the underlying operations and maintenance providers to see how they can reduce carbon (e.g. converting the vehicles to electric vehicles).

What are the voting statistics we provide?

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example bonds do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity investment managers.

Responses received are provided in the following pages. The Trustee used the following criteria to determine the most significant votes:

- Trustee stewardship priorities (climate and human and labour rights)
- Financial outcome for members, including size of holding
- High profile vote

The Scheme is invested in both active (trying to outperform the market) and passive (aiming to perform in line with the market) equity funds. The Trustee has decided not to publicly disclose active investment manager names as the Trustee believes this could impact the investment manager's ability to generate the best investment outcome.

In conclusion…

…The Trustee is satisfied that over the year, all SIP policies and principles were adhered to and in particular, those relating to voting and engagement.

Towers Watson Investment Management – Towers Watson Partners Fund

Voting activity over the year

Voting activity over the year

Number of votes eligible to cast: 25,823
Percentage of eligible to cast: 94.9%

■ For: (86.8%) ■ Against: (12.8%) ■ Abstain: (0.4%)

Significant vote

Company: Berkshire Hathaway

% Fund: 0.3%

Vote topic: Climate risk disclosure

Issue: The manager voted in support of audit committee responsible for climate risk disclosure, believing the significance of leadership on this issue overridden the minor cost and inconvenience of compliance

Voting instruction: For ISS resolution, against management recommendation

Outcome: Failed the resolution

Why a significant vote? The reluctance of Warren Buffett to be more assertive on this topic is a significant challenge to climate risk transparency and more broadly to Environmental stewardship

Next steps: The manager wrote to the CEO expressing their view on climate risk transparency and encouraged the company to take a lead than wait for policy guidance. The manager will vote for similar proposals in the future

Significant vote

Company: TotalEnergies SE

% Fund: 0.2%

Vote topic: Approve the company's sustainable development and energy transition plan

Issue: The manager assessed the current targets as reasonable in the context of a global energy transition

Voting instruction: For shareholder resolution, against management recommendation

Outcome: Passed the resolution

Why a significant vote? Climate Change, which includes engaging with companies on the quality of their disclosures, the credibility of their emission reduction plans, and the progress thereof, is one of the manager's keys identified engagement priorities

Next steps: They will continue to engage with company behind-the-scenes. However, if the manager is not able to achieve the desired results on important issues, they will use other public means available, else reassess their investment case and take the appropriate investment action in their portfolio

Significant vote

Company: Alphabet

% Fund: 1.6%

Vote topic: Report on risks of doing business in countries with significant human rights concerns

Issue: The proposal was regarding greater transparency related to business conducted in places with significant human rights concerns. The siting of cloud datacenters and strategy for mitigating related country risk seems like appropriate and material topics for disclosure.

Voting instruction For management resolution

Outcome: Failed the resolution

Why a significant vote? The manager believes that transparency on country risk is a non-controversial proposal and serves both social and governance interests

Next steps: The manager will vote for similar measures in the future

Significant vote

Company: Amazon

% Fund: 0.9%

Vote topic: Commission a third party audit on working conditions

Issue: Promotes transparency on warehouse working conditions

Voting instruction For management resolution

Outcome: Failed the resolution

Why a significant vote? The manager considers worker safety to be an important element of company performance as well as reputation

Next steps: Continue to consider proposals on worker safety

Significant vote

Company: Glencore Xstrata Plc

% Fund: 0.2%

Vote topic: Approve the company's sustainable development and energy transition plan

Issue: Shareholder resolution in respect of the next climate action transition plan

Voting instruction Against shareholder resolution, for management recommendation

Outcome: Failed the resolution

Why a significant vote? The manager is happy with Glencore's managed transition plan and disclosure. Climate Change, which includes engaging with companies on the quality of their disclosures; the credibility of their emission reduction plans; and the progress thereof, is one of the manager's key identified engagement priorities.

Next steps: They will continue to engage with company behind-the-scenes. However, if the manager is not able to achieve the desired results on important issues, they will use other public means available, else reassess their investment case and take the appropriate investment action in their portfolio

Voting policy: As TWIM manages Fund of Funds, the voting rights for the holdings are the responsibility of the underlying managers. The manager expects all of their underlying managers who hold equities over a reasonable timeframe to vote all shares they hold. The manager has appointed EOS at Federated Hermes (EOS) to provide voting recommendations to enhance engagement and achieve responsible ownership. EOS also carries out public policy engagement and advocacy on behalf of all of their clients. In addition, EOS is expanding the remit of engagement activity they perform on the manager's behalf beyond public equity markets, which will enhance stewardship practices over time.

APPENDIX 1

STATEMENT OF INVESTMENT PRINCIPLES

Statement of Investment Principles – Jardine Motors Group UK Pension Scheme
(April 2023)

Introduction

1 This document is the Statement of Investment Principles (the "SIP") made by the Trustee of the Jardine Motors Group UK Pension Scheme (the "Scheme") in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it). This SIP refers to the Defined Benefit (DB) section of the Scheme only.

2 The Trustee will review this SIP at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the statutory funding requirements. Furthermore, the Trustee will review this SIP without delay after any significant change in investment policy. Before finalising this SIP, the Trustee took advice from a suitably qualified firm and consulted Jardine Motors Group (the "Sponsoring Employer"). The ultimate power and responsibility for deciding investment policy, however, lies solely with the Trustee.

3 The Trustee has established an Investment Sub-Committee (ISC), which includes representatives from both the Sponsoring Employer and Trustee. It has limited decision making powers and acts by making recommendations to the Trustee.

Investment objectives

4 The Trustee has the following investment objectives:

- The acquisition of suitable assets of appropriate liquidity which will generate an overall level of return that is sufficient to meet all liabilities as and when they fall due, and to ensure the security, quality and profitability of the portfolio as a whole;
- To limit the risk of the assets failing to meet the liabilities, both over the long-term and on a shorter-term basis; and
- To minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the objective shown under the points above.

Investment strategy

5 The Trustee has agreed an investment strategy that targets full funding on a Gilts+0.25% pa liability measure by 2031 with an initial expected return target of Gilts+3.2% pa. Following an improvement in the funding position, the Trustee agreed to adopt a target of Gilts +2.9% pa, consistent with the policy set out in 13 below.

6 The Trustee has determined its investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective, its own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant as well as reflecting the Trustee's desire to diversify risk exposures and to manage its investments effectively. The Trustee received advice to determine the investment strategy for the Scheme.

7 The Trustee has also received confirmation from the Scheme Actuary during the process of revising the investment strategy that its investment objectives and the resultant investment strategy support the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

8 The investment strategy makes use of three key types of investments:

- a range of low-risk instruments that provide a broad match to changes in liability values (including high quality corporate bonds);
- a portfolio of secure income assets; and
- a diversified portfolio of return-seeking assets (including equities, listed real assets, diversifying strategies, hedge funds, private markets, alternative credit and downside protection).

9 The Trustee has appointed an investment manager to manage the Scheme's assets on a discretionary basis and to provide investment advisory services to the Trustee (the "Fiduciary Manager"). The balance within and between these investments will be determined from time-to-time at the discretion of the Fiduciary Manager, with the objective of maximising the probability of achieving the Scheme's investment strategy set by the Trustee, subject to maintaining risk within a limit agreed by the Trustee. The Fiduciary Manager's discretion is subject to guidelines set by the Trustee in the Fiduciary Management Agreement between the parties as amended from time to time (the "FMA"). In exercising investment discretion, the Fiduciary Manager is required to act in accordance with its obligations in the FMA, including the guidelines and any investment restrictions set out therein, and in so doing is expected to give effect so far as reasonably practicable to the principles contained in this SIP. This ensures appropriate incentivisation and alignment of decision-making with the Trustee's overall objectives, strategy and policies.

10 The initial target portfolio adopted by the Fiduciary Manager is set out below:

Asset class	**Initial target**
Liability matching	38%*
Secure income	8%
Diversified return seeking	54%

*The liability matching allocation uses leverage to achieve a high degree of protection from interest rate and inflation risk. The Fiduciary Manager is required under its guidelines to maintain the liability hedge ratio (as a % of assets) between 80% and 100%.

11 The Scheme will hold assets in cash and other money market instruments from time to time as may be deemed appropriate.

12 The Trustee will monitor the liability profile of the Scheme and will regularly review, in conjunction with the Fiduciary Manager and the Scheme Actuary, the appropriateness of its investment strategy.

13 The expected return of all the Scheme's investments will be monitored regularly and will be directly related to the Scheme's investment objective. The Trustee has agreed a dynamic risk management framework under which it will consider (in consultation with the Sponsoring Employer) whether the expected return should be adjusted in light of significant changes in the Scheme's position.

14 The Trustee's policy is that there will be sufficient investments in liquid or readily realisable assets to meet cash flow requirements in foreseeable circumstances so that the realisation of assets will not disrupt the allocation of the Scheme's overall investments, where possible. The Trustee has set explicit liquidity provisions in the Fiduciary Manager's guidelines as follows:

Time frame	**% of total Scheme assets**
% realisable within 1 month	Minimum 35
% realisable within 1 year	Minimum 80

15 The Trustee has entered into a Revolving Credit Facility (RCF) with HSBC and the Sponsoring Employer to provide additional temporary liquidity to manage settlement periods from time to time.

16 The Trustee has also entered into an asset backed contribution arrangement with the Sponsoring Employer under which the Scheme receives a specified income stream from properties which the Sponsoring Employer has transferred into the arrangement. The arrangement provides the Scheme with additional security over any contributions payable by the Sponsoring Employer. The details of this arrangement are not set out in this SIP. However, the Trustee has taken advice that confirms that this investment is within legislative requirements, is within the requirements of the Scheme's Trust Deed and Rules and is appropriate from an investment perspective.

Investment managers

17 The Trustee has delegated investment selection, de-selection and the ongoing management of relationships with investment managers to the Fiduciary Manager within guidelines set by the Trustee in the FMA. Investments are made by the Fiduciary Manager on behalf of and in the name of the Trustee.

18 The Trustee considers the Fiduciary Manager's performance in carrying out these responsibilities as part of its ongoing oversight of the Fiduciary Manager. The Trustee expects the Fiduciary Manager to ensure that the Scheme's investment portfolio, in aggregate, is consistent with the policies set out in this SIP, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005). The Trustee expects the Fiduciary Manager to check that the investment objectives and guidelines of any pooled vehicle are consistent with the Trustee's policies contained in the SIP.

19 In accordance with the Financial Services and Markets Act 2000, the selection of specific investments will be delegated to the Fiduciary Manager who may sub-delegate this responsibility to third party investment managers. The Fiduciary Manager and such investment managers will provide the skill and expertise necessary to manage the investments of the Scheme competently.

20 The Trustee and Fiduciary Manager are not involved in the investment manager's day-to-day method of operation and do not directly seek to influence attainment of their performance targets. However, the Fiduciary Manager may provide investment recommendations to the investment managers of certain pooled funds appointed where it considers it appropriate. The Fiduciary Manager will maintain processes to ensure that performance and risk are assessed on a regular basis against measurable objectives for each investment manager, consistent with the achievement of the Scheme's long term objectives.

21 The Trustee expects the Fiduciary Manager to select investment managers with an expectation of a long-term partnership with the Trustee, which encourages active ownership of the Scheme's assets. When assessing an investment manager's performance, the Trustee expects the Fiduciary Manager to focus on longer-term outcomes, commensurate with the Trustee's position as a long term investor. Consistent with this view, the Trustee does not expect that the Fiduciary Manager would terminate an investment based purely on short-term performance but recognises that an investment may be terminated within a short timeframe due to other factors such as a significant change in the relevant manager's business structure or investment team. The Trustee adopts the same long term focus as part of its ongoing oversight of the Fiduciary Manager.

22 For most of the Scheme's investments, the Trustee expects the Fiduciary Manager to select investment managers with a medium to long time horizon, consistent with that of the Scheme. In particular areas such as equity and credit, the Trustee expects the Fiduciary Manager to work with investment managers who will use their engagement activity to drive improved performance over medium to long term periods within the wider context of long-term sustainable investment. The Trustee notes that the Fiduciary Manager may invest in certain strategies where such engagement is not deemed appropriate or possible, due to the nature of the strategy and/or the investment time horizon underlying decision making. The Trustee expects that the appropriateness of the Scheme's allocation to such mandates is determined in the context of the Scheme's overall objectives.

23 The Trustee recognises that an investment's long-term financial success is influenced by a range of financially material factors including environmental, social and governance ("ESG") issues.

24 Consequently, the Trustee (through the selection of the Fiduciary Manager with its approach to ESG issues as set out in the relevant paragraphs below) seeks to be an active long-term investor. The Trustee's focus is explicitly on financially material factors. The Trustee's policy at this time is not to take into account non-financial matters.

25 When considering its policy in relation to stewardship including engagement and voting, the Trustee expects investment managers to address broad ESG considerations but has identified climate and human and labour rights as two of the biggest ESG risks facing the Scheme, and consequently, these are key areas of focus for the Trustee. The Trustee assesses that ESG risks, and in particular climate change, pose a financial risk to the Scheme and that focussing on these issues is ultimately consistent with the Trustee's fiduciary duties and the financial security of its members. Whilst the Trustee's policy is to delegate several stewardship activities to the Fiduciary Manager and its investment managers, the Trustee recognises that the responsibility for these activities remains with the Trustee. The Trustee incorporates an assessment of how well the Fiduciary Manager and investment managers exercise these responsibilities as part of its overall assessment of their performance.

26 The Fiduciary Manager has a dedicated sustainable investment resource and a network of subject matter experts. The consideration of ESG issues is fully embedded in the investment manager selection and portfolio management process, with oversight undertaken on a periodic basis. The Trustee expects the Fiduciary Manager to assess the alignment of each investment manager's approach to sustainable investment (including engagement) with its own before making an investment on the Scheme's behalf. The Trustee expects the Fiduciary Manager to engage with the Scheme's investment managers where the Fiduciary Manager considers this appropriate regarding their approach to stewardship with respect to relevant matters including capital structure of investee companies, actual and potential conflicts, other stakeholders and ESG impact of underlying holdings. In addition, the Trustee expects the Fiduciary Manager to review the investment managers' approach to sustainable investment (including engagement) on a periodic basis and engage with the investment managers to encourage further alignment as appropriate.

27 The Fiduciary Manager considers a range of sustainable investment factors, such as, but not limited to, those arising from ESG considerations, including climate change, in the context of a broader risk management framework. The degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and particular exposures which the Fiduciary Manager takes into account in the assessment.

28 The Fiduciary Manager encourages and expects the Scheme's investment managers to sign up to local or other applicable stewardship codes, in keeping with good practice, subject to the extent of materiality for certain asset classes. The Fiduciary Manager itself is a signatory to the Principles for Responsible Investment and the UK Stewardship Code and is actively involved in external collaborations and initiatives.

29 The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Scheme's investments to its investment managers. The Fiduciary Manager assesses the voting policies of the investment managers that it appoints on the Trustee's behalf, for consistency with the Trustee's policies and objectives, as appropriate. The Fiduciary Manager has also appointed EOS at Federated Hermes to undertake public policy engagement and company-level engagement on its behalf. EOS at Federated Hermes also assists the Trustee's equity managers with voting recommendations.

30 The Trustee expects the Fiduciary Manager to consider the fee structures of investment managers and the alignment of interests created by these fee structures as part of its investment decision making process, both at the initial selection of an investment manager and on an ongoing basis. Investment managers are generally paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The Trustee expects the Fiduciary Manager to review and report on the costs incurred in managing the Scheme's assets regularly, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustee expects the Fiduciary Manager to have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

Other matters

31 The Scheme is a Registered Pension Scheme for the purposes of the Finance Act 2004.

32 The Scheme provided a facility for members to pay for Additional Voluntary Contributions (AVCs) to enhance their benefits at retirement. Although members can now longer pay AVCs, accrued funds remain with the Scheme. Members of the DB section were offered a range of retail funds operated by various insurance companies in which to invest their AVCs.

33 The Trustee recognises a number of risks involved in the investment of the Scheme's assets, and, where applicable, monitors these risks in conjunction with the Fiduciary Manager.

Deficit risk

- is measured through a qualitative and quantitative assessment of the expected development of the liabilities relative to the current and alternative investment policies

- is managed through assessing the progress of the actual growth of the liabilities relative to the selected investment policy.

Solvency risk and mismatch risk:

- are measured through a qualitative and quantitative assessment of the expected development of the Scheme's funding level.

- are managed through the development of a portfolio consistent with delivering the Scheme's investment objective.

Investment Manager risk:

- is measured by the expected deviation of the return relative to the benchmark set.

- is managed by considering when to employ active versus passive management given prospective net of fees returns, consideration of the appropriate amount of the Scheme's assets to allocate to any active portfolios and by monitoring the actual deviation of returns relative to the benchmark and factors supporting the investment managers' investment process.

Liquidity risk:

- is measured by the level of cash flow required by the Scheme over a specified period and an assessment of the potential collateral requirements for the liability matching arrangements.

- is managed by the Scheme's administrator assessing the level of cash held in order to limit the impact of the cash flow requirements on the investment policy, through holding assets of appropriate liquidity and the Fiduciary Manager maintaining sufficient collateral headroom to support an increase in interest rates (UK government bond yields) significantly above the minimum level stipulated by the relevant regulatory bodies.

Credit risk:

- this is the risk associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.

- the Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

- direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fences from the investment manager, the regulatory environments in which the investment managers operate and the diversification of investments amongst a number of pooled arrangements.

- indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in diversified portfolios.

Currency risk:

- is measured by the level of exposure to non-Sterling denominated assets.
- is managed by the implementation of a currency hedging programme (carried out within some of the pooled investment vehicles) which reduces the impact of exchange rate movements on the Scheme's asset value.

Interest rate and inflation risk:

- are measured by comparing the likely movement in the Scheme's liabilities and assets due to movements in inflation and interest rates.
- are managed by holding a portfolio of matching assets (physical bonds and/or derivatives via pooled vehicles) that enable the Scheme's assets to broadly match movements in the value of the liabilities due to inflation and interest rates. The construction, ongoing monitoring and consideration of risks (such as derivatives and liquidity risks) of this portfolio is undertaken by the Fiduciary Manager.

Political risk:

- is measured by the level of concentration of any one market leading to the risk of an adverse influence on investment values arising from political intervention.
- is managed by regular reviews of the actual investments and through the level of country diversification within the portfolio.

Sponsor risk:

- is measured by the level of ability and degree of willingness of the Sponsoring Employer to support the continuation of the Scheme and to make good any current or future deficit.
- is managed by assessing the interaction between the Scheme and the Sponsoring Employer's business, as measured by a number of factors, including the creditworthiness of the Sponsoring Employer and the size of the pension liability relative to the Sponsoring Employer. Regular updates on the covenant are provided to the Trustee by senior staff of the Sponsoring Employer.

Legislative risk:

- this is the risk that legislative changes will require action from the Trustee so as to comply with any such changes in legislation.
- the Trustee acknowledges that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Signed: DocuSigned by: [redacted] DC388F9EBFD34CC...

Name: Raymonde Nathan

Date: 06 April 2023

Authorised for and on behalf of the Trustee of the Scheme

PAN
TRUSTEES

BHP LLP
2 Rutland Park

Broomhall

Sheffield

S102PD

Dear Sirs

This representation letter is provided in connection with your audit of Jardine Motors Group UK Pension (scheme registration number 10114939) (the "Scheme") financial statements and examination of the Scheme's summary of contributions for the year ended 5 April 2024 for the purpose of expressing an opinion as to whether the financial statements show a true and fair view of the financial transactions of the Scheme during the period from 6 April 2023 to 5 April 2024 and of the amount and disposition at the end of the Scheme period of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and contain information specified in the Audited Accounts Regulations and making a statement about contributions.

The following representations are made on the basis of enquiries of management,trustee directors and relevant advisors with relevant knowledge and experience such as we consider necessary in connection with your audit of the Scheme's financial statements and examination of the Scheme's summary of contributions for the year ended 5 April 2024. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. The trustee directors have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

General

1. We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter for ensuring that financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view, for keeping records in respect of contributions received in respect of active members of the Scheme and for making accurate representations to you.

2. All the transactions undertaken by the Scheme have been properly reflected and recorded in the accounting records.

3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all persons responsible for the operation of, and

other advisers to, the Scheme from whom you determine it necessary to obtain audit evidence, and provided you with all other records and related information requested, including minutes of all trustee meetings.

4. The financial statements are free of material misstatements, including omissions.

5. There are no uncorrected misstatenments.

Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

7. We have disclosed to you all instances of known or suspected fraud affecting the Scheme involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the Scheme's financial statements communicated by trustee directors, current or former employees, analysts, regulators, relevant advisors or others.

Assets and liabilities

9. We confirm the Scheme has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.

10. Where required, the value at which assets and liabilities are recorded in the statement of net assets is, in the opinion of the trustee, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Scheme. Any significant changes in those values since the balance sheet date have been disclosed to you.

11. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

12. All events since the date of the Statement of Net Assets which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or included in the financial statements.

13. The pension Scheme has no unrecorded liabilities, actual or contingent, other than those disclosed in the accounts and liabilities to pay pensions and benefits after the end of the Scheme year, which are not included under pensions legislation.

14. The pension Scheme has, at no time during the year, entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) with any trustee director, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.

15. We confirm that with the exception of the exclusion of the value of the annuity policies held in the name of the Scheme, there have been no departures from the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018). We confirm that it is the opinion of the trustee directors that the value of these policies is immaterial and therefore the trustee directors have decided that these policies need not be included in the statement of net assets available for benefits.

16. We confirm that the value included in the accounts for the interest in the Scottish Limited Partnership, as valued by G Muller of Mercer, is materially correct at its stated value of £620,000 (2023: £620,000).

Accounting estimates

17. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Legal claims

18. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

19. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

20. We have not made any reports to The Pensions Regulator nor are we aware of any such reports having been made by any of our advisors. There have been no communications with The Pensions Regulator or other regulatory bodies during the Scheme year or subsequently concerning matters of non-compliance with any legal duty. We have drawn to your attention all correspondence and notes of meetings with regulators.

21. We confirm that we are not aware of any late contributions or breaches of the schedule of contributions that have arisen which we considered did not require reporting. We also confirm that we are not aware of any other matters which have arisen that would require a report to The Pensions Regulator.

22. We confirm that, under section 27 of the Pensions Act 1995, no trustee director of the Scheme is connected with, or is an associate of, BHP LLP, which would render BHP LLP ineligible to act as auditor to the Scheme.

23. We confirm that the Scheme is a Registered Pension Scheme. We are not aware of any reason why the tax status of the Scheme should change.

24. We have informed you of all changes to the Scheme rules and confirm that all Scheme documentation is fully up to date.

25. We confirm that no transactions have been made which are not in the interests of the Scheme members or the Scheme during the Scheme year or subsequently.

26. We confirm that there has been no ‘self-investment’ in a Scheme employer or any stock-lending during the Scheme year or subsequently.

27. We confirm that the Implementation Statement included within the Annual Report is an accurate statement of the work undertaken by the trustee to ensure compliance with the relevant Code of Practice and Regulations. We also acknowledge that the audit of the financial statements has not included any specific procedures to verify the content of the Implementation Statement and accordingly we understand that no audit opinion is expressed thereon.

Related parties

28. We confirm that the related party relationships and transactions set out in Appendix B to this document are a complete list of such relationships and transactions. We confirm that related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of accounting standards and with the recommendations of the Statement of Recommended Practice, 'Financial Reports of Pension Schemes' or any other requirement.

Subsequent events

29. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

30. We confirm the trustee has not begun formal wind up proceedings for the Scheme, and that we believe that the Scheme's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Scheme's needs. We also confirm our plans for future action(s) required to enable the Scheme to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Scheme's ability to continue as a going concern need to be made in the financial statements.

This statement has been approved by the Trustee which will be formally minuted at the next meeting of the Trustee.

Trustee director ...[redacted]...... 17/09/2024 GMT
Signer ID: JZAZGQQQLY...

Appendix A – Unadjusted Misstatements

The following adjustments are above the threshold of “clearly trivial” but have not been adjusted in the annual report and financial statements.

Disclosure misstatements

No unadjusted disclosure misstatements remain.

Other misstatements

No unadjusted misstatements remain.

Appendix B – Related Parties and Related Party Transactions

Name	Nature of relationship	Type and purpose of transactions with the related party
Employer related: Jardine Motors Group UK Limited	Sponsoring employer	Pays contributions and expenses
Employer related: Lancaster plc Jardine Luxury Vehicles Limited Jardine Automotive Limited Jardine Specialist Cars Limited	Participating employers	Pays contributions
Trustee related: JMGUK Pension Trustees Limited (Jardine Motors Pension Trustees Limited until 18 May 2024) SJ Cannon (Member nominated)- resigned 7 May 2024 MC Finch- resigned 25 March 2024 C Wright – resigned 14 March 2024 AI Ward (Member nominated) - resigned 7 May 2024 C Leitz (appointed 1 June 2023) resigned 7 May 2024 PAN Trustees UK LLP R Nathan (appointed 18 May 2024)	Trustee directors with PAN Trustees UK LLP being the independent professional trustee	Expenses incurred for travel. Fees paid for independent trustee services are borne by the employer.