



# JMGUK PENSION SCHEME

ANNUAL REPORT

YEAR ENDED 5 April 2025

SCHEME REGISTRATION NUMBER: 10114939



## JMGUK PENSION SCHEME

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**JMGUK PENSION SCHEME**  
**TRUSTEE AND ITS ADVISERS**  
**FOR THE YEAR ENDED 5 APRIL 2025**

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**Trustee**

JMGUK Pension Trustees Limited

**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)

**Scheme Actuary**

Fran Butler F.I.A.

Mercer Limited

Belvedere,

12 Booth Street

Manchester,

M2 4AW

**Secretary to the Trustee**

Stuart Merry

PricewaterhouseCoopers LLP

**Scheme Administrators**

Aptia UK Limited (until 31 January 2025)

Isio Group Limited (from 1 February 2025)

PO Box 108

Blyth

NE24 9DY

**Independent Auditor**

BHP LLP

Albert Works

Sidney Steet

Sheffield

S1 4RG

**Banks**

The Royal Bank of Scotland plc (until 4 April 2025)

HSBC Bank plc (from 24 January 2025)

60 Queen Victoria Street

London

EC4N 4TR

**Additional Voluntary Contribution Providers**

Utmost Life and Pensions

Walton Street

Aylesbury

Bucks

HP21 7QW

Scottish Widows Limited

PO Box 902

15 Dalkeith Road

Edinburgh

EH16 5BU

**JMGUK PENSION SCHEME**  
**TRUSTEE AND ITS ADVISERS**  
**FOR THE YEAR ENDED 5 APRIL 2025**

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**Additional Voluntary Contribution Providers (continued)**

Standard Life Assurance Limited  
Standard Life House  
30 Lothian Road  
Edinburgh  
EH1 2DH

**Custodian**

State Street

**Fiduciary Investment Manager**

Towers Watson Investment Management  
Investment managers accessed via the fiduciary arrangement:  
Insight Investment Fund Management Limited  
AXA Investment Managers

**Annuity Provider**

Phoenix Life Limited  
PO Box 1243  
Peterborough  
PE2 2LD

**Investment Consultant**

Willis Towers Watson  
Watson House  
London Road  
Reigate  
Surrey  
RH2 9PQ

**Principal Employer**

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

**Participating Employers**

Lancaster UK Limited (previously Lancaster PLC)  
Stratstone Luxury Vehicles Limited (previously Jardine Luxury Vehicles Limited)  
Stratstone Automotive Limited (previously Jardine Automotive Limited)  
Stratstone Specialist Cars Limited (previously Jardine Specialist Cars Limited)

**Legal Advisor**

Irwin Mitchell LLP  
Riverside East  
2 Millsands  
Sheffield  
S3 8DT

## JMGUK PENSION SCHEME

### TRUSTEE'S REPORT

### FOR THE YEAR ENDED 5 APRIL 2025

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#### Introduction

The Trustee of the JMGUK Pension Scheme (the Scheme) "JMGUKPS" is pleased to present the Trustee's Report and audited financial statements for the year ended 5 April 2025. 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 2025.

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.

The Scheme closed to future accrual with effect from 1 December 2009 and all active members of the Scheme became deferred members.

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

#### Appointment and Removal of Trustee

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 three times.

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.

#### Actuarial Review

The financial statements set out on pages 18 and 30 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 31. In addition, as required by FRS 102, the Trustee has included the Report on Actuarial Liabilities on pages 7 and 8, which forms part of the Trustee's Report.

#### Scheme Name Change

With effect on and from 1 September 2024 the scheme changed its name from Jardine Motors Group UK Pension Scheme to JMGUK Pension Scheme.



## JMGUK PENSION SCHEME

### TRUSTEE'S REPORT

### FOR THE YEAR ENDED 5 APRIL 2025

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#### 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.

#### 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.

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.

**JMGUK PENSION SCHEME**  
**TRUSTEE'S REPORT**  
**FOR THE YEAR ENDED 5 APRIL 2025**

**MEMBERSHIP**

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

|  | <u>2025</u>         | <u>2024</u>         |
|--|---------------------|---------------------|
| <b>Pensioners</b>  |                     |                     |
| Pensioners at the start of the year                          | 898                 | 886                 |
| Adjustment   | 9                   | 2                   |
| Members with deferred benefits reaching retirement           | 59                  | 42                  |
| Pensioners who died  | (36)                | (37)                |
| Spouses and dependants                                       | 14                  | 16                  |
| Trivial commutations   | (3)                 | (11)                |
| <b>Pensioners at the end of the year</b>                     | <u>941</u>          | <u>898</u>          |
| <br><b>Members with deferred benefits</b>                    |                     |                     |
| Members with deferred benefits at the start of the year      | 875                 | 929                 |
| Adjustment   | (10)                | (6)                 |
| Deferred members becoming pensioners                         | (59)                | (42)                |
| Transfers out during the year                                | (2)                 | (2)                 |
| Trivial commutations   | (3)                 | -                   |
| Deaths   | (1)                 | (4)                 |
| <b>Members with deferred benefits at the end of the year</b> | <u>800</u>          | <u>875</u>          |
| <br><b>Total membership at the end of the year</b>           | <u><u>1,741</u></u> | <u><u>1,773</u></u> |

Pensioners include 134 individuals receiving a spouse's or dependant's pension (2024: 130).

Pensioners include 2 individuals for which the Scheme receives annuity income (2024: 2).

These membership figures do not include movements notified to the Administrator after the Scheme year end.

Adjustments relate to late notifications and adjustments identified on the transition of administration.

**Financial Development of the Scheme**

The financial statements on pages 19 to 30 have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the net withdrawals arising from dealings with members for the year were £7,853,607 (2024: withdrawals of £3,867,569). The net return on the Scheme's investments for the year was a loss of £4,677,735 (2024: £3,137,910). The total net movement in the Scheme's assets for the year was a decrease of £12,531,342 (2024: decrease of £6,985,479), giving net assets of the Scheme at the year-end of £128,720,795 (2024: £141,252,137).

## JMGUK PENSION SCHEME

### TRUSTEE'S REPORT

FOR THE YEAR ENDED 5 APRIL 2025

#### Report on Actuarial Liabilities

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

#### Actuarial Position of the Scheme

A summary of the funding position as at 5 April 2023, the date of the latest actuarial valuation of the Scheme, shows the following:

|   | £ millions |
|---|------------|
| The Statutory Funding Objective (SFO) in relation to the liabilities: | (137.8)    |
| Valuation of assets:  | 147.5      |
| Surplus to the SFO:   | 9.7        |
| Funding level:  | 107%       |

If the Employer goes out of business or decides to stop contributing to the Scheme, the Scheme may be "wound up" and the Employer would be required to pay additional money to buy all members' benefits from an insurance company. The comparison of the Scheme's assets to the cost of buying the benefits from an insurance company is known as the "buy-out position". A pension scheme's buy-out position will often show a larger shortfall than the standard actuarial valuation as insurers are obliged to take a very cautious view of the future, and they also seek to make a profit.

The actuarial valuation at 5 April 2023 showed that the Scheme's assets would not have been sufficient to buy all members' benefits from an insurance company, as the "buy-out position" at that date was:

|  | £ millions |
|--|------------|
| Estimated cost of buying benefits with an insurance company: | (166.2)    |
| Value of assets:   | 147.5      |
| Buy-out position shortfall:                                  | (18.7)     |
| Funding level:   | 89%        |

It is worth remembering that a valuation is just a "snap shot" of the Scheme's funding position, and it can change considerably if there are sudden changes in share prices, gilt yields, or members live longer than expected.



**JMGUK PENSION SCHEME**  
**TRUSTEE'S REPORT**  
**FOR THE YEAR ENDED 5 APRIL 2025**

**Report on Actuarial Liabilities (continued)**  
**Actuarial Position of the Scheme (continued)**

**Method**

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

**Significant actuarial assumptions**

The key assumptions used for calculating the technical provisions and future contribution requirement for the Scheme were:

|   | Principal actuarial assumptions for valuation as at<br>5 April 2023*  |
|---|---|
| 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.   |
| Pension increases:                              | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| Mortality:                                      | <p>Pre-retirement: No allowance.</p> <p>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.</p> <p>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.</p> <p>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.</p>   |

The Actuarial Certificate in relation to the Schedule of Contributions is shown on page 30 of the Annual Report.

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

## JMGUK PENSION SCHEME

### TRUSTEE'S REPORT

### FOR THE YEAR ENDED 5 APRIL 2025

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#### Investment Management

The day-to-day management of the investments has been delegated by the Trustee to the investment managers as shown on page 2.

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://members.pensionpal.co.uk/JMGUKPensionScheme>

#### Investment strategy

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 Trustee's ultimate objective is to buy-out the Scheme and therefore the investment strategy and associated return target were adjusted in line with that objective over the course of the year, including sales of the Scheme's remaining return-seeking investments (TWIM Partners Fund and Secure Income Fund). As at the date of these accounts, the Scheme's portfolio consisted of high-quality corporate bonds, liability driven investment (LDI) funds and cash holdings

#### 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 Trustee's interest in the ABC arrangement as at 5 April 2025 has been valued at £0.48 million by Mercer Limited. Given the planned buy-in, the de-risked position and the technical provisions surplus, a simplified valuation of the ABC arrangement has been carried out as at 5 April 2025. The main drivers of the valuation are the funding level, asset allocation and discount rates used to derive the present value. Notably the scheme is over 100% funded on a technical provision basis and the asset sensitivities largely match the liability sensitivities which reduces likelihood of future payments from the arrangement, while the passage of time reduces the potential number of payments.

## JMGUK PENSION SCHEME

### TRUSTEE'S REPORT

### FOR THE YEAR ENDED 5 APRIL 2025

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#### Investment report

Over the Scheme's accounting year to 5 April 2025, the Scheme's assets remained in the Fiduciary management portfolio, which was made up of investments in the AXA Long Term Credit Fund, Insight LDI Pooled Funds, Insight Liquidity Fund and a State Street cash account. The Scheme disinvested in full from the Towers Watson Investment Management ("TWIM") Partners Fund across several trades over the year and sold its holdings in the TWIM Secure Income Fund on 1 April 2025.

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 pooled fund investment 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 5 April 2025

##### Summary

The Bank of England (BoE) implemented multiple base rate adjustments throughout the 12 months to 31 March 2025. In August 2024, the BoE cut its base rate by 0.25% reducing it from a 16-year high of 5.25% to 5.00%. A further decrease of 0.25% in November brought the base rate down to 4.75%. An additional 0.25% reduction has been implemented in February 2025 due to concerns over weaker economic growth, setting the base rate at 4.50% and maintained steady for the rest of the first quarter of the year.

United Kingdom UK inflation rate, as measured by the Consumer Price Index (CPI), rose by 2.6% in the 12 months to March 2025. US inflation decreased to 2.4%, while in the eurozone, inflation dropped to 2.2% in the 12 months to March 2025.

Over the first quarter of 2025, the Federal Reserve maintained the federal fund rates steady at 4.25 - 4.50%, in line with market expectations, citing concerns on the increased uncertainty around the economic outlook.

Over the 12 months to 31 March 2025, Sterling has appreciated against the US dollar, the euro and the Yen by 2.2%, 2.2% and 1.0%, respectively.

##### Equity markets

Over the 12 months to 31 March 2025, equity markets returned negative performance across Developed Asia Pacific and Japan but was positive in other regions. The Financial Times Stock Exchange (FTSE) All World Index returned 5.5% whilst the FTSE Emerging Index returned 10.1% (both in Sterling terms). FTSE All-Share Index returned 10.5% whilst China was the best performing region with 37.5% (both in Sterling terms).

##### Bond markets

UK government bond yields (which move inversely to bond price) increased over 12 months to 31 March 2025. Long maturity UK gilts have returned -8.2% over the period (as measured by FTSE-A Gilts Over 15 Years Index) and UK gilts all stocks returned -1.2%.

Similarly, inflation-linked gilt yields increased over the 12-month period. Long maturity UK index-linked gilts returned -15.3% (as measured by FTSE-A Index-Linked Gilts Over 15 Years Index) and UK index-linked gilts all stocks returned -8.0%.

Over the past year, local currency emerging market debt underperformed hard currency emerging market debt returning 1.8% and 6.4% respectively.

**Market review of the Scheme Year to 5 April 2025(Continued)****Alternative investment markets**

Oil prices decreased throughout the second quarter of 2024, reaching a low of US\$73.25 at the start of June largely influenced by the strengthening of US Dollar and concerns over Chinese demand. This downward trend continued into the third quarter of 2024, with oil prices reaching a low of US\$65.75 at the start of September driven by weakening global demand and anticipated increases in oil supply from major producers, including Organization of the Petroleum Exporting Countries (OPEC+). In contrast, oil prices increased throughout the fourth quarter, reaching a high of US\$77.14 at the start of October. However, this upward trend was brief as prices decreased again throughout the first quarter of 2025 reaching a high of US\$80.00 at the middle of January.

Commercial UK property (as measured by the IPD Monthly Index) has returned 8.1% over the 12 months to 31 March 2025.

Global Commodity Futures, as measured by S&P Goldman Sachs Commodity Index, returned 1.6% over the 12 months to 31 March 2025 in sterling terms.

**Performance Information****Investment Returns to 31 March 2025**

| Manager                   | 1 Year<br>Fund<br>% | 1 Year<br>Benchmark<br>% | 3 Year <sub>(1)</sub><br>Fund<br>% | 3 Year <sub>(1)</sub><br>Benchmark<br>% | 5 Year<br>Fund<br>% | 5 Year<br>Benchmark<br>% |
|---------------------------|---------------------|--------------------------|------------------------------------|---|---------------------|--------------------------|
| TWIM Secure Income Fund   | 1.9                 | -15.4                    | 1.7                                | -14.3                                   | -                   | -                        |
| AXA Long-Term Credit Fund | -2.5                | 2.4                      | -2.5                               | 1.6                                     | -                   | -                        |
| Insight LDI               | -8.9                | -8.9                     | -17.0                              | -17.0                                   | -                   | -                        |
| State Street Cash         | -2.0                | -2.0                     | -0.9                               | -0.9                                    | -                   | -                        |
| Total Fund <sup>(2)</sup> | -6.1                | -6.1                     | -10.9                              | -9.1                                    | -3.5                | -2.6                     |

**Notes:**

- Data provided by State Street, the Scheme's performance provider, as at 31 March 2025.
- <sup>(1)</sup> Performance information is unavailable for the defined time period, so all underlying fund returns, and benchmark returns are measured since inception of the fiduciary mandate on 1 July 2022.
- <sup>(2)</sup> Total Fund and Benchmark returns have been calculated by WTW using available information covering 1 year, 3 years and 5 years to 31 March 2025

**COMPLIANCE****Data Protection**

The Trustees are registered as a Data Controller within the meaning of GDPR guidelines (formerly under the Data Protection Act 1998) to hold such information as is necessary for the management of the Scheme. Isio Group limited (Scheme Administrator) is registered as a Data Processor under GDPR guidelines (formerly under the Act).

**The Pensions Regulator**

The statutory body that regulates occupational pension schemes is The Pensions Regulator ("TPR") and can be contacted at:

The Pensions Regulator

Telecom House

125-135 Preston Road

Brighton

BN1 6AF

Telephone: 0345 6000707

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

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

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#### **Pension Tracing**

A pension tracing service is carried out by the Department for Work and Pensions. This service can be contacted as follows:

Pension Tracing Service  
Post Handling Site A  
Wolverhampton  
WV98 1AF  
Telephone: 0800 731 0193  
Website: [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

#### **The Money and Pensions Service**

For any general enquiries on their pensions, members can contact The Money and Pensions Service. A local advisor can usually be contacted through a Citizen's Advice Bureau. Alternatively, the Service can be contacted at:

The Money and Pensions Service  
Borough Hall  
138 Cauldwell Street  
Bedford  
MK42 9AP  
Telephone: 0115 965 9570  
Email: [contact@maps.org.uk](mailto:contact@maps.org.uk)  
Website: [www.maps.org.uk](http://www.maps.org.uk)

#### **Pensions Ombudsman**

Any concerns connected with the Scheme should be referred to Isio Group Limited PO Box 108 Blyth NE24 9DY as quickly as possible. Members and beneficiaries of pension schemes who have problems concerning their scheme which are not satisfied by the information or explanation given by the administrators, or the trustees can consult with The Pensions Ombudsman. The address is:

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

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#### Further Information

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.

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, Isio Group Limited at the address detailed in this report.

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 JMGUK Pension Scheme care of:

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

Members can request statutory information on the scheme from the PensionPal account  
<https://members.pensionpal.co.uk/JMGUKPensionScheme>



**JMGUK PENSION SCHEME**  
**TRUSTEE'S REPORT**  
**FOR THE YEAR ENDED 5 APRIL 2025**

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**Statement of Trustee's Responsibilities**

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- 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 the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice *Financial Reports of Pension Schemes*.

The Trustee has supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. The Trustee is also responsible for:

- assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern.
- using the going concern basis of accounting unless they either intend to wind up the Scheme, or has no realistic alternative but to do so, and
- making available each year, commonly in the form of a Trustee's annual report, information about the Scheme prescribed by pensions legislation, which they should ensure is fair and impartial.

The Trustee also has certain responsibilities in respect of contributions which are set out in the Statement of Trustee's Responsibilities accompanying the Trustee's Summary of Contributions.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has a general responsibility for ensuring that adequate 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.

The Trustee is also responsible for the maintenance and integrity of the Scheme and financial information included on the Scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Further information**

Requests for additional information about the Scheme generally, or queries relating to members' own benefits, should be made to the contact listed on page 13.

**Approval**

The Trustee's Report was approved by the Trustee and signed on their behalf by:



\_\_\_\_\_  
Signer ID: JZAZG00QLY...  
Trustee Director

10/10/2025 GMT

Date:

#### **Independent Auditor's Report to the Trustee of the JMGUK Pension Scheme**

##### **Opinion**

We have audited the financial statements of the JMGUK 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.

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.

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.

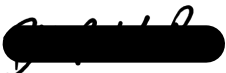
## JMGUK PENSION SCHEME

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2025

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#### 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.



Signer ID: VYQCKJPQH7...

#### BHP LLP

Chartered Accountants and Statutory Auditors

Sheffield

Date 10/10/2025 GMT

**JMGUK PENSION SCHEME**  
**FUND ACCOUNT**  
**FOR THE YEAR ENDED 5 APRIL 2025**

|   | Note | 2025<br>£           | 2024<br>£          |
|---|------|---------------------|--------------------|
| <b>Contributions and benefits</b>                   |      |                     |                    |
| Employer contributions                              | 4    | -                   | 3,162,771          |
| Total Contributions                                 |      | -                   | 3,162,771          |
| Other income  | 5    | 7,664               | 28                 |
| Transfer in   | 6    | 191,306             | -                  |
|   |      | <u>198,970</u>      | <u>3,162,799</u>   |
| <b>Benefits</b>                                     |      |                     |                    |
| Benefits paid and payable                           | 7    | (7,977,376)         | (6,815,883)        |
| Payments to and on account of leavers               | 8    | (58,818)            | (134,008)          |
| Administrative expenses                             | 9    | (16,383)            | (60,477)           |
|   |      | <u>(8,052,577)</u>  | <u>(7,010,368)</u> |
| <b>Net (withdrawals) from dealings with members</b> |      | <u>(7,853,607)</u>  | <u>(3,867,569)</u> |
| <b>Returns on investments</b>                       |      |                     |                    |
| Investment income                                   | 10   | 4,497,146           | 10,262,200         |
| Investment management expenses                      | 11   | (232,915)           | (222,597)          |
| Change in market value of investments               | 12   | (8,941,966)         | (13,177,513)       |
| <b>Net returns on investments</b>                   |      | <u>(4,677,735)</u>  | <u>(3,137,910)</u> |
| <b>Net decrease in the fund during the year</b>     |      | <u>(12,531,342)</u> | <u>(6,985,479)</u> |
| <b>Net assets at 6 April</b>                        |      | <u>141,252,137</u>  | <u>148,237,616</u> |
| <b>Net assets at 5 April</b>                        |      | <u>128,720,795</u>  | <u>141,252,137</u> |

The notes on pages 20 to 30 form part of these financial statements.

## JMGUK PENSION SCHEME


### STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 5 APRIL 2025

|   | Note  | 2025<br>£          | 2024<br>£          |
|---|-------|--------------------|--------------------|
| <b>Investment assets</b>                      |       |                    |                    |
| Pooled investment vehicles                    | 12-13 | 114,371,591        | 135,599,753        |
| Other investments                             | 12-13 | 480,000            | 620,000            |
| Additional Voluntary Contribution investments | 12-15 | 147,117            | 151,024            |
| Cash in transit                               | 12-14 | 715,024            | -                  |
| Investment Cash                               | 12-14 | 85                 | 4,518,354          |
| <b>Total net investments</b>                  |       | <b>115,713,817</b> | <b>140,889,131</b> |
| <b>Current assets</b>                         | 19    | <b>13,287,733</b>  | <b>443,772</b>     |
| <b>Current liabilities</b>                    | 20    | <b>(280,755)</b>   | <b>(80,766)</b>    |
| <b>Net assets at 5 April</b>                  |       | <b>128,720,795</b> | <b>141,252,137</b> |

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on page 7 and 8 and these financial statements should be read in conjunction with them.

The notes on pages 20 to 30 form an integral part of these financial statements.

The financial statements were approved by the Trustee on:

  
\_\_\_\_\_  
Signer ID: JZAZGQQQLY...  
Trustee Director

Date: 10/10/2025 GMT



**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) – the Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council, and with the guidelines set out in the Statement of Recommended Practice Financial Reports of Pension Schemes (revised 2018) (the “SORP”).

**2. IDENTIFICATION OF THE FINANCIAL STATEMENTS**

JMGUK 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 13 of the Trustee’s Report.

**3. ACCOUNTING POLICIES**

The following principal accounting policies have been adopted in the preparation of the financial statements and have been applied consistently, unless otherwise stated.:

**3.1 Accruals concept**

The financial statements have been prepared on an accruals basis in line with recognition of the associated benefits payable.

**3.2 Contributions and benefits**

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.

**3.3 Payments to members**

- a) Pensions in payment are accounted for in the period to which they relate.
- b) 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.
- c) 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.

**3.4 Valuation of Investments**

- a) Investments are valued at fair value.
- b) 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.
- c) The Scheme’s interest in the property backed partnership was valued at 5 April 2024 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 was 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 were completed over future years. The funding levels were used to determine the impact of the funding trigger and therefore the probability of the payments being made in each year.

As at 5 April 2025 the Scheme’s interest in the property backed partnership is valued, using a simplified ALM analysis, as the net present value of the future expected distributions as calculated by the Mercer valuation expert engaged by the Trustee. 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 2025. 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 trigger and therefore the probability of the payments being made in each year.

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**3. ACCOUNTING POLICIES (CONTINUED)****3.4 Valuation of Investments (continued)**

- c) 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
- d) 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.
- e) AVC investments are stated at the value provided by the AVC provider including any terminal bonuses.
- f) 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.

**3.5 Investment income**

- a) Income arising from annuity policies is included in investment income and accounted for on an accruals basis.
- b) Income from pooled investment vehicles that distribute income is accounted for on an accrual basis when the dividend is declared.
- c) 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.
- d) Income from cash deposits is accrued daily and accounted for on an accruals basis.

**3.6 Administrative expenses and investment management expenses**

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

**3.7 Functional currency**

The Scheme's functional and presentational currency is Pounds Sterling (GBP).

**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 Trustee believes 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 13.

The only judgements made in preparing the financial statements are

- The exclusion of the insurance policies that secure pensions payable to specified beneficiaries which are not included in the financial statements as outlined in 3.4 above.
- That it is reasonable to include the value of the ABC as at 5 April 2024 at the valuation calculated by the Mercer valuation expert in 2023 on the basis that it would have constituted undue cost and effort to obtain a full valuation for an immaterial asset as outlined in 3.4 above.
- That it is reasonable to value the ABC as at 5 April 2025 using a simplified ALM analysis given the Trustee's interest in the ABC remains an immaterial asset.

## JMGUK PENSION SCHEME

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2025

#### 4. EMPLOYER CONTRIBUTIONS

|   | 2025     | 2024             |
|---|----------|------------------|
|   | £        | £                |
| Employer - PPF Levy reimbursement         | -        | 60,527           |
| Employer - Additional contributions - ADL | -        | 3,102,244        |
|   | <u>-</u> | <u>3,162,771</u> |

#### 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 - PPF Levy reimbursement

The DWP have suspended charging the PPF Administration levy for the 2024, so there is no reimbursement from the Employer in the current year.

#### 5. OTHER INCOME

|                                      | 2025         | 2024      |
|--------------------------------------|--------------|-----------|
|                                      | £            | £         |
| Interest on the Trustee bank account | 7,628        | -         |
| Other income                         | 36           | 28        |
|                                      | <u>7,664</u> | <u>28</u> |

#### 6. TRANSFERS IN

|  | 2025           | 2024     |
|--|----------------|----------|
|  | £              | £        |
| Individual transfers in from other plans | <u>191,306</u> | <u>-</u> |

#### 7. BENEFITS PAID AND PAYABLE

|   | 2025             | 2024             |
|---|------------------|------------------|
|   | £                | £                |
| Pensions                                      | 6,166,728        | 5,871,745        |
| Commutations and lump sum retirement benefits | 1,796,094        | 920,070          |
| Lump sums on death                            | 14,554           | 24,068           |
|   | <u>7,977,376</u> | <u>6,815,883</u> |

#### 8. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

|                                       | 2025          | 2024           |
|---------------------------------------|---------------|----------------|
|                                       | £             | £              |
| Individual transfers to other schemes | <u>58,818</u> | <u>134,008</u> |

#### 9. ADMINISTRATIVE EXPENSES

|                           | 2025          | 2024          |
|---------------------------|---------------|---------------|
|                           | £             | £             |
| PPF and TPR Levy          | -             | 60,477        |
| Other Administration fees | 16,170        | -             |
| Bank charges              | 213           | -             |
|                           | <u>16,383</u> | <u>60,477</u> |

## JMGUK PENSION SCHEME

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2025

#### 10. INVESTMENT INCOME

|  | 2025             | 2024              |
|--|------------------|-------------------|
|  | £                | £                 |
| Income from pooled investment vehicles | 4,488,884        | 10,250,626        |
| Interest on cash deposits              | 3,065            | 6,529             |
| Annuity income                         | 5,197            | 5,045             |
|  | <u>4,497,146</u> | <u>10,262,200</u> |

#### 11. INVESTMENT MANAGEMENT EXPENSES

|  | 2025           | 2024           |
|--|----------------|----------------|
|  | £              | £              |
| Investment management expenses and Custody fee | <u>232,915</u> | <u>222,598</u> |

#### 12. INVESTMENT RECONCILIATION

|                            | Value at<br>6 April<br>2024<br>£ | Cost of<br>investments<br>purchased<br>£ | Proceeds of<br>sales of<br>investments<br>£ | Change in<br>market value<br>£ | Value at<br>5 April<br>2025<br>£ |
|----------------------------|----------------------------------|--|---|--------------------------------|----------------------------------|
| Pooled investment vehicles | 135,599,753                      | 108,393,393                              | (120,814,047)                               | (8,807,508)                    | 114,371,591                      |
| SLP                        | 620,000                          | -  | -   | (140,000)                      | 480,000                          |
| AVC investments            | 151,024                          | -  | (9,449)                                     | 5,542                          | 147,117                          |
|                            | <u>136,370,777</u>               | <u>108,393,393</u>                       | <u>(120,823,496)</u>                        | <u>(8,941,966)</u>             | 114,998,708                      |
| Cash deposit               | 4,518,354                        |  |   |                                | 85                               |
| Cash in transit            | -                                |  |   |                                | 715,024                          |
|                            | <u>140,889,131</u>               |  |   |                                | <u>115,713,817</u>               |

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 (2024: nil)

The Trustee agreed the sale of its holdings in the Secure Income Fund (SIF) via a direct 'secondary market' transaction with another defined benefit pension scheme within the Principal Employer's wider group. The sale and transfer had an effective date of 1 April 2025. The Scheme received a combined cash payment of £12,817,054 which was equivalent to the total value of its SIF holdings as at 1 April 2025 and the payment was split in three parts:

£10,000,000 payment from the sister scheme on 26 March 2025

£2,534,116 payment from the Principal Employer on 1 April 2025

£282,9378 payment from the Principal Employer on 14 May 2025, which reflected a true-up payment once the 1 April 2025 SIF valuation was finalised

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 £620,884 which were deducted from sales proceeds from WTW Investments during the year (2024: Nil).

**JMGUK PENSION SCHEME**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2025**

**13. POOLED INVESTMENT VEHICLES**

A Breakdown of the underlying assets at the year end are analysed below:

|                                   | 2025               | 2024               |
|-----------------------------------|--------------------|--------------------|
|                                   | £                  | £                  |
| Multi-Asset Growth                | -                  | 39,457,498         |
| Liability Driven Investment Funds | 71,731,010         | 80,628,970         |
| Bond Funds                        | 27,656,060         | 511,805            |
| Cash Funds                        | 14,984,521         | 15,001,480         |
|                                   | <b>114,371,591</b> | <b>135,599,753</b> |

**14. INTEREST IN PROPERTY BACKED PARTNERSHIP**

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 year end date as the net present value of the future expected distributions. The impact of the funding trigger was 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 were completed over future years. The funding levels were 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 was 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.

For the year to 5 April 2025, Mercer have performed a simplified ALM analysis using the core features of the assets and liabilities of the ABC arrangement to derive the valuation of the Trustee's interest in the SLP.

**14. INTEREST IN PROPERTY BACKED PARTNERSHIP(CONTINUED)**

The main drivers of the valuation are the funding level (considered to be the principal driver of the valuation), asset allocation and discount rates used to derive the present value. Notably the Scheme is over 100% funded on a technical provision basis and the asset sensitivities largely match the liability sensitivities which reduces likelihood of future payments from the arrangement and reduces the value of the Trustee's interest in the arrangement.

The Scheme has significantly de-risked since the last valuation. The combination of derisking and marginally over hedged assets would also decrease the likelihood of future payments from the SLP.

The future value of potential contributions from the SLP are discounted based on the adjusted gilt yields. Higher average gilt yields decrease the present value of the potential future payments, reducing the valuation of the Trustee's interest.

As such there has been a reduction in the overall Trustee interest in the SLP at the 5 April 2025 year end.

**15. 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:

|                               | 2025           | 2024           |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Scottish Widows - Unit Linked | 64,010         | 60,743         |
| Utmost - Unit Linked          | 15,618         | 19,368         |
| Standard Life – Unit Linked   | 67,489         | 70,913         |
|                               | <u>147,117</u> | <u>151,024</u> |



**16. INVESTMENT 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 that the entity can access at the measurement date.                                   |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. |
| Level 3 | Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.   |

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 SLP 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 have been fair valued using the above hierarchy categories as follows:

|                            | 5 APRIL 2025 |              |              |             |
|----------------------------|--------------|--------------|--------------|-------------|
|                            | Level 1<br>£ | Level 2<br>£ | Level 3<br>£ | Total<br>£  |
| Pooled investment vehicles | -            | 114,371,591  | -            | 114,371,591 |
| SLP                        | -            | -            | 480,000      | 480,000     |
| AVC investments            | -            | 147,117      | -            | 147,117     |
| Cash deposit               | 85           | -            | -            | 85          |
| Cash in transit            | 715,024      | -            | -            | 715,024     |
|                            | 715,109      | 114,518,708  | 480,000      | 115,713,817 |

|                                   | 5 APRIL 2024 |              |              |             |
|-----------------------------------|--------------|--------------|--------------|-------------|
|                                   | Level 1<br>£ | Level 2<br>£ | Level 3<br>£ | Total<br>£  |
| <i>Pooled investment vehicles</i> | -            | 135,599,753  | -            | 135,599,753 |
| <i>SLP</i>                        | -            | -            | 620,000      | 620,000     |
| <i>AVC investments</i>            | -            | 151,024      | -            | 151,024     |
| <i>Cash Deposit</i>               | 4,518,354    | -            | -            | 4,518,354   |
| <i>Cash in Transit</i>            | -            | -            | -            | -           |
|                                   | 4,518,354    | 135,750,777  | 620,000      | 140,889,131 |

**JMGUK PENSION SCHEME**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2025**

**17. INVESTMENT RISKS**

FRS 102 requires the disclosure of information in relation to certain investment risks. FRS 102 sets out these risks as follows:

**Credit risk** 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** comprises currency risk, interest rate risk and other price risk, defined as follows:

- **Currency risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- **Other price risk** is the risk that the fair value or future cash flows of a financial instrument 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 in following the investment strategy set out below. 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 management agreements in place with the Scheme's Fiduciary Manager and monitored by the Trustee by regular reviews of the investment portfolio. This does not include the accrued income 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 |          |               |             | 2025           | 2024           |
|----------------------------|-------------|----------|---------------|-------------|----------------|----------------|
|                            | Credit Risk | Currency | Interest rate | Other price | £000           | £000           |
| Pooled investment vehicles | ●           | ●        | ●             | ●           | 114,372        | 135,600        |
| AVC investments            | ●           | ○        | ○             | ●           | 147            | 151            |
| Cash                       | ●           | ●        | ○             | ○           | -              | 4,518          |
| SLP                        | ●           | ●        | ○             | ○           | 480            | 620            |
| Cash in transit            | ○           | ○        | ○             | ○           | 715            | -              |
|                            |             |          |               |             | <b>115,714</b> | <b>140,889</b> |

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

**JMGUK PENSION SCHEME**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2025**

**17. INVESTMENT RISKS (CONTINUED)**

**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.

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.

**Investments exposed to credit risk**

|                                       | 2025               | 2024               |
|---------------------------------------|--------------------|--------------------|
|                                       | £                  | £                  |
| Pooled investment Vehicles            |                    |                    |
| Bond funds (direct and indirect risk) | 27,656,060         | 511,805            |
| Other funds (direct risk only)        | 86,715,531         | 132,547,947        |
| Cash, other net investment assets     | 85                 | 7,041,894          |
| Cash in transit                       | 715,024            | -                  |
|                                       | <u>115,086,700</u> | <u>140,101,646</u> |

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

|   | 2025               | 2024               |
|---|--------------------|--------------------|
|   | £                  | £                  |
| Open-ended investment company (OEIC)                    | 14,984,521         | 15,001,480         |
| Irish Collective Asset-management Vehicle (ICAV)        | 99,387,070         | 81,140,775         |
| Qualifying Investor Alternative Investment Fund (QIAIF) | -                  | 39,457,498         |
|   | <u>114,371,591</u> | <u>135,599,753</u> |

**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 2025 is nil (2024: £1,024,520).

**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, high quality corporate bonds and cash elements of the portfolio represented 100% of the total investment portfolio. (2024: 100%)

**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 0% of the total investment portfolio. (2024: 0%)

## JMGUK PENSION SCHEME

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2025

#### 18. CONCENTRATION OF INVESTMENTS

The following investments, excluding UK Government securities, account for more than 5% of the Scheme's net assets as at 5 April:

|   | 2025       |       | 2024       |      |
|---|------------|-------|------------|------|
|   | £          | %     | £          | %    |
| AMX Feeder – AXA – Long Term Credit, Class Z GBP                    | 27,656,060 | 21.5  | -          | -    |
| LDI GBP Liquidity Holding Fund, Class 2 GBP                         | 24,828,246 | 19.30 | -          | -    |
| Insight Liquidity Fund, Class 2 GBP                                 | 14,984,521 | 11.6  | 15,001,480 | 10.6 |
| WTW Fiduciary Leveraged Short Real Fund. Class 1 GBP                | 10,853,121 | 8.4   | 13,460,373 | 9.5  |
| Insight LDI Solutions Plus Funded Gilts Fund 2041-2050, Class 1 GBP | 8,523,418  | 6.6   | 18,918,606 | 13.4 |
| WTW Fiduciary Leveraged Long Fixed Fund, Class 1 GBP                | 7,794,864  | 6.1   | -          | -    |
| Towers Watson Partners Fund Sterling B Shares                       | -          | -     | 26,217,497 | 18.6 |
| LDI SOL+ FUNDED IL GILTS 2021-30/Class 1                            | -          | -     | 13,986,866 | 9.9  |
| Secure Income Fund, Z Shares GBP                                    | -          | -     | 13,240,000 | 9.4  |

#### 19. CURRENT ASSETS

|                                    | 2025              | 2024           |
|------------------------------------|-------------------|----------------|
|                                    | £                 | £              |
| Cash balances                      | 13,004,795        | 282,648        |
| Monies due from Investment manager | 282,938           | -              |
| Prepayments                        | -                 | 161,124        |
|                                    | <u>13,287,733</u> | <u>443,772</u> |

The high cash balance reflects the receipt at the year-end of cash from the sale of the investment in the secure income fund which has subsequently been invested.

#### 20. CURRENT LIABILITIES

|                         | 2025           | 2024          |
|-------------------------|----------------|---------------|
|                         | £              | £             |
| Pensions – PAYE         | 117,893        | -             |
| Unpaid Benefits         | 147,740        | 80,766        |
| Accrued Investment fees | 15,122         | -             |
|                         | <u>280,755</u> | <u>80,766</u> |

#### 21. RELATED PARTY TRANSACTIONS

##### Key Management Personnel

Two of the Trustee directors were pensioner members of the Scheme during the year until their resignation (2024: two). Any related transactions have been in line with the Scheme rules.

##### Employer and other

Trustee Directors fees of £180,028 were met by the Employer during the year in respect of the Scheme (2024: £93,744).

Except for the expenses detailed in note 8, 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 11.

#### 22. EMPLOYER RELATED INVESTMENTS

There were no direct or indirect employer related investments held as at 5 April 2025 (2024: £nil).

**23. 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.

**24. 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.

**25. SUBSEQUENT EVENTS**

With effect from 7th August 2025, the Trustee agreed to effect a Buy In with Rothesay and this is being progressed as an investment of the Scheme. This has been competed with the full support of the Principal Employer.

## JMGUK PENSION SCHEME

### ACTUARIAL CERTIFICATE

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#### Certificate of Schedule of Contributions

##### Adequacy of Rates of Contributions


- 1 I certify that, in my opinion, the rates of contributions shown in this Schedule of Contribution are such that the Statutory Funding Objective can be 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 Contribution is consistent with the Statement of Funding Principles dated 22 November 2023.

The certification of the adequacy of the rates of contributions for the purposes 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 wound up.

Signature



Name

Fran Butler

Date of signing

22 November 2023

Address

Mercer Limited  
Belvedere,  
12 Booth Street  
Manchester,  
M2 4AW

Qualification

Fellow of the Institute and Faculty of Actuaries



## JMGUK PENSION SCHEME

### INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS FOR THE YEAR ENDED 5 APRIL 2025

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#### **Independent Auditor's Statement about Contributions to the Trustee of the JMGUK Pension Scheme.**

We have examined the Summary of Contributions to the JMGUK Pension Scheme for the year ended 5 April 2025.

#### **Respective responsibilities of Trustee 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 Schedule of Contributions.

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

#### **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 Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

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

In our opinion, contributions for the Scheme year ended 5 April 2025 as reported in the Summary of Contributions and required by the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary 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.



Signer ID: VYQCKJPQH7...

#### **BHP LLP**

Chartered Accountants and Statutory Auditors  
Sheffield

Date: 10/10/2025 GMT

## JMGUK PENSION SCHEME

### SUMMARY OF CONTRIBUTIONS PAYABLE FOR THE YEAR ENDED 5 APRIL 2025

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#### Statement of Trustee's Responsibilities in respect of Contributions

The Scheme's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Scheme and for monitoring that contributions are made to the Scheme in accordance with the Schedule.

#### Trustee's Summary of Contributions Payable under the Schedule of Contributions in respect of the Scheme year ended 5 April 2025

This Summary of Contributions Payable has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the Employer and member contributions payable to the Scheme under the Schedule of Contribution certified by the Actuary 28 November 2023 in respect of the Scheme year ended 5 April 2025. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

Contributions payable to the Scheme by the Employer under the Schedule of Contributions in respect of the year ended 5 April 2025 were £nil.

Signed on behalf of the Trustee:

A black rectangular box redacting the signature of the Trustee.

Signer ID: JZAZGQQQLY...

Date 10/10/2025 GMT

# Appendix Divider referenced in contents

JMGUK PENSION SCHEME

APPENDIX: IMPLEMENTATION STATEMENT (FORMING PART OF THE TRUSTEES' REPORT)  
FOR THE YEAR ENDED 5 APRIL 2025

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# JMGUK Pension Scheme

## Implementation Statement – 5 April 2025

### Why have we produced this Statement?

The Trustee of the JMGUK Pension Scheme has 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://members.pensionpal.co.uk/JMGUKPensionScheme>

The Trustee last reviewed the SIP in November 2024.

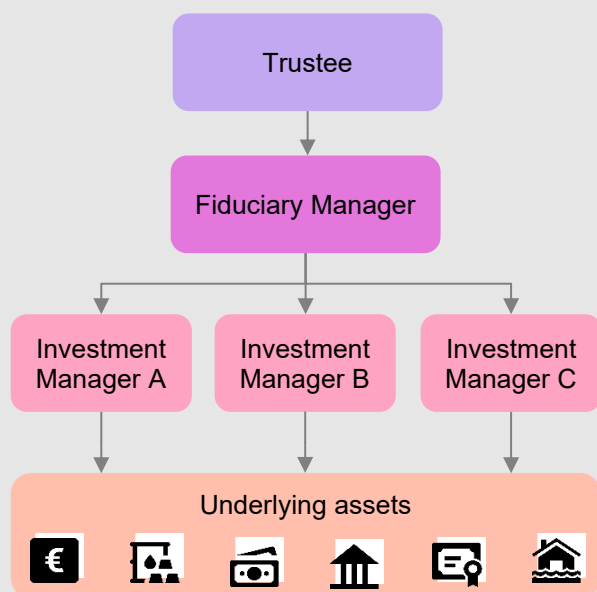
### What is the purpose of this Statement?

1. To explain how the Trustee's engagement policy has been applied over the year.
2. To describe the voting rights attached the Scheme's assets have been exercised over the year.

### What changes have we made to the SIP?

The SIP was amended in November 2024 to better reflect the Scheme's preparations for buyout.

### 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 these 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 considers and integrates 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 change and human and labour rights as key areas of focus for the Trustee.

The day-to-day integration of ESG considerations, voting and engagement is 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 expect the Fiduciary Manager to engage with investment managers to improve their processes.

## What are the Fiduciary Manager's policies?

### Climate change and net zero goal

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

The Fiduciary Manager has a goal to achieve net zero greenhouse gas emissions across 'In Scope Solutions' by 2050. They believe the trajectory is important, so are also aiming to approximately halve emissions per amount invested by 2030.

### Public policy and corporate engagement

The Fiduciary Manager employs an external stewardship service provider, whose services include public policy engagement, and corporate voting and engagement on behalf of its clients (including the Trustee).

Some highlights from 2024 include:

- 994 companies engaged across regions on 4,267 issues and objectives
- 62 companies in their core programme featured engagements with the CEO or chair
- Making voting recommendations on 143,075 resolutions at 14,701 meetings, including recommended votes against 25,070 resolutions
- Participation in a range of global stewardship initiatives.

### Industry initiatives

The Fiduciary Manager participated in a range of industry initiatives over the year to seek to exercise good stewardship practices. Please refer to their latest UK Stewardship Code for more information: <https://www.wtwco.com/en-gb/solutions/services/sustainable-investment>.

## 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 2024 the Fiduciary manager conducted engagements with over 70 managers across asset classes. They also engaged over 100 products on sustainability and stewardship. In addition, over 150 sustainability-theme strategies were researched.

**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

### Infrastructure manager General ESG issue

**Issue:** The Fiduciary Manager provided feedback on the Sustainable Investment (SI) report, highlighting key areas for improvement. These include the need to set a firm-level net zero target, incorporate ESG considerations at the exit stage of investments, deliver ESG training to employees, and enhance the measurement of physical and other climate-related risks.

**Outcome:** A discussion was held to review peer best practices and clarify the timeline for setting a net zero target and improving ESG reporting. The manager has not yet set interim net zero targets, as they are currently assessing their baseline. Physical climate risks are now integrated into the investment process with exclusion thresholds, and scenario analysis is used, though not across varying degrees.

The manager is committed to enhancing ESG disclosures to better communicate performance and initiatives to investors. However, we will continue to monitor any developments.

### Secure Income manager General ESG issue

**Issue:** As part of the annual ESG review, the manager focused on addressing key deficiencies identified during the previous engagement. These deficiencies included the lack of a dedicated Inclusion and Diversity (I&D) resource, the absence of climate scenario and Climate Value-at-Risk (CTVaR) analysis for underlying assets, and the lack of disclosure for carbon emissions at both the firm and fund levels.

**Outcome:** The manager has made significant strides in addressing key areas of improvement. The lack of a dedicated I&D resource has been mitigated by establishing a management committee specifically responsible for Diversity, Equity, and Inclusion (DEI). Additionally, a separate workstream has been initiated to develop a comprehensive DEI strategy, which includes a thorough review of current policies.

While there has been no disclosure of firm or fund-level carbon emissions previously, the manager has now reported firm-level emissions. Although Scope 3 emissions are still pending, efforts are actively underway to address this gap.

### Emerging Market Debt manager Environment – Climate Issue

**Issue:** Anecdotally the manager is engaging robustly with certain issuers, but the Fiduciary Manager has asked for regular and consistent engagement reporting to evidence this and ensure the engagement is not selective/ad-hoc. The manager has been asked to start producing alignment data for the fund in line with the Net Zero Investment Framework (NZIF). This is expected to be completed by the second half of 2025.

**Outcome:** The manager is agreeing on a template that they believe provides sufficient evidence of ongoing actions and follow-ups. This template will be included in the quarterly reporting packs for the Fiduciary Manager. The manager has pushed for the production of alignment data, knowing that the necessary processes are already in place to gather this information.



## What are the voting statistics we provide?

The Scheme has been 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 held over the year.

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

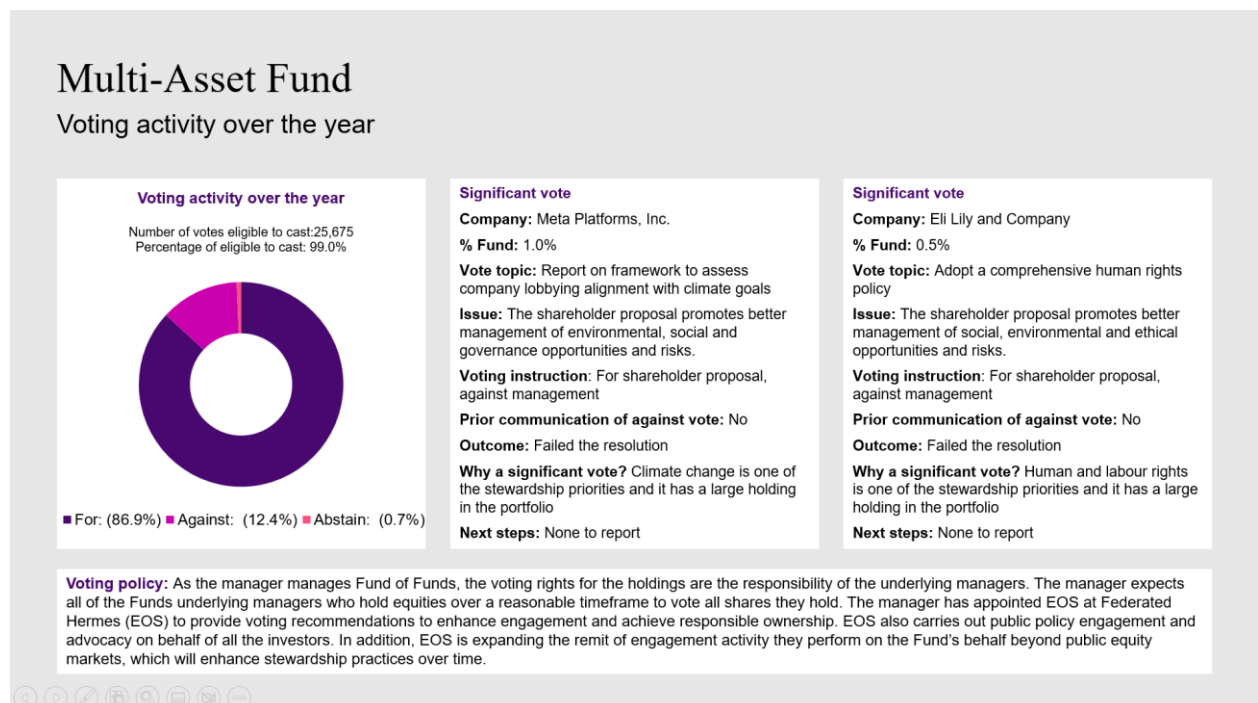
- Trustee stewardship priorities (climate change, human and labour rights)
- Financial outcome for members, including size of holding
- High profile vote, including votes not supporting company management

Over the year, the Scheme was 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 and in particular, those relating to voting and engagement.

## Voting data – Q4 2024



The Scheme's equity exposures were liquidated on 2 January 2025 as part of the transition to a buyout ready portfolio. Thus, Q4 2024 is the latest voting data applicable for the Scheme.