

National Society for the Prevention of Cruelty to Children Pension Scheme

Annual report for the year ended 31 March 2025

Scheme Registration Number 10000420

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The Trustee's Report

Introduction

This report relates to the operation of the National Society for the Prevention of Cruelty to Children Pension Scheme ("the Scheme") during the year ended 31 March 2025.

The Scheme was a contracted-out salary related pension arrangement and provides its members with retirement benefits. This type of arrangement is also known as a defined benefit arrangement.

With effect from 31 December 2009 the Scheme closed to further accrual.

The Childline section of the NSPCC Pension Scheme includes Series 3 benefits transferred from The Pensions Trust – The Growth Plan. These are personal funds from which a pension is secured at retirement, with a capital guarantee that a member's personal fund can never be less than contributions paid in. As a result of this guarantee, this section's benefits are classed as DB, and therefore the defined contribution (DC) governance requirements do not apply to the Scheme accounts. This is consistent with the treatment of the Series 3 benefits by The Pensions Trust in its Annual Reports.

Full details of the Scheme's benefits can be found in the member's explanatory booklet (see "Contact for further information" on page 7).

Management of the Scheme

The Scheme has a corporate Trustee, NSPCC Pension Scheme Limited. The names of the directors who served during the year and those serving at the date of approval of this report are as follows:

Name	Nominated/appointed by
PAN Trustees UK LLP (represented by Ms L Stewart-Brindle)	Employer
A Camm	Member
T Dawkins	Employer

The power of appointment of a new director and the power of removal of a directors is exercised through the Trustee Company's Memorandum and Articles of Association by the board of directors of NSPCC Pension Scheme Limited.

The Trustee Company's Memorandum and Articles of Association, Clause 17.1 sets out that the directors shall take all necessary steps to ensure that the total number of directors is not less than three and no more than six.

The Scheme is required to ensure that at least one-third of the Trustee is a member nominated director.

The Trustee held 3 full meetings and a valuation meeting during the year under review. Each Trustee Director is entitled to receive at least ten days' notice of meetings, although in practice dates are normally fixed well in advance.

The Trustee has delegated the day-to-day management and operation of the Scheme's affairs to professional organisations.

Changes to Scheme Rules

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

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The Sponsoring Employer

The name and address of the Principal Employer is as follows:

National Society for the Prevention of Cruelty to Children (Registered Charity)
Weston House
42 Curtain Road
London
EC2A 3NH

Scheme advisers

The Trustee retains a number of professional advisers in connection with the operation of the Scheme. The advisers currently appointed are as follows:

Scheme Actuary	M Powell FIA Mercer Limited (Resigned 17 May 2024) S Hitchiner FIA Barnett Waddingham LLP (appointed 18 May 2024)
Advising Actuaries	Mercer Limited (until 17 May 2024) Barnett Waddingham LLP (from 18 May 2024)
Administrator of the Scheme benefits	Aptia (Resigned 31 October 2024) Barnett Waddingham LLP (appointed 1 November 2024)
Investment Adviser	Mercer Limited (Resigned 15 April 2024) Barnett Waddingham LLP (Appointed 15 April 2024)
Independent Auditor	Shaw Gibbs (Audit) Limited
Investment Managers	Legal & General Investment Management Limited Mercer Limited Schroders (Invested 19 April 2024)
Annuity Provider	Pension Insurance Corporation Limited
Legal Advisers	Pinsent Masons LLP
Bankers	The Royal Bank of Scotland plc Lloyds Bank plc (from 31 October 2024)
Secretary to the Trustee	D Bennett (until 17 May 2024) Mercer Limited M Lipulet (From 1 May 2024) Barnett Waddingham LLP

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Changes in and other matters relating to Scheme advisers

M Powell resigned as Scheme Actuary on 17 May 2024. As required by Regulations made under the Pensions Act 1995 M Powell confirmed in their notice of resignation that they knew of no circumstances connected with their resignation that significantly affected the interests of the members, prospective members or beneficiaries of the Scheme. S Hitchiner was appointed as Scheme Actuary on 18 May 2024.

Financial development of the Scheme

During the year the value of the net assets decreased by £11,597,331 to £102,741,266 as at 31 March 2025. The decrease comprised net withdrawals from dealings with members of £5,071,531 together with a net decrease from the return on investments of £6,525,800.

Scheme Audit

The financial statements on pages 25 to 35 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

Tax status of Scheme

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustee's knowledge, there is no reason why the Scheme's registered status should be prejudiced or withdrawn.

Scheme membership

	Number as at start of year	Changes in year	Number as at end of year
Preserved pensioners	1,369		
adjustments		3	
transferred out		(4)	
small lump sum		(5)	
retired		(71)	
died		(3)	
		(80)	1,289
Pensioners and dependants	1,446		
adjustments		(1)	
new pensioners		71	
new dependant		8	
died		(33)	
		45	1,491
	2,815		2,780

The member numbers shown above reflect the number of member records held by the Scheme.

Included within pensioners are 767 (2024: 800) pensioners whose pensions are paid from annuities held in the name of the Trustee.

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Pension increases

Contributory and non-contributory members receive increases on 1 July. On 1 July 2024 post 1997 pensions were increased by 5% (1 July 2023: 5%).

There was no discretionary increase awarded in respect of pre 1997 pensions (1 July 2023: nil).

Childline members receive an increase 1 October each year. 1 October 2024 post 1997 pensions were increased by 5% (1 October 2023: 5%).

There was no discretionary increase awarded in respect of pre 1997 pensions (1 October 2023: nil).

Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993 and subsequent amendments. No discretionary benefits are included in the calculation of transfer values.

A cash equivalent is the amount which a Scheme member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

Data Protection Act 2018 and General Data Protection Regulation

Under the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 regulations, pension scheme trustee are classed as data controllers, with legal responsibility for compliance falling to them. Scheme Actuaries are also classed as data controllers (jointly with the trustee) in accordance with guidance issued by the Actuarial Profession. Barnett Waddingham LLP act as a data processor as the administrators of the Scheme.

The Trustee has worked with its advisers to receive relevant training, and continues to do so to ensure continued compliance with data protection legislation.

Codes of Practice

The Trustee is aware of and adhere to the Codes of Practice issued by The Pensions Regulator (TPR). The objectives of these codes are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund (PPF) and to promote good administration.

Following the publication of the Pension Regulator's new General Code of Practice on 10 January 2024, the Trustee has considered the impact of this on the Scheme's governance arrangements to ensure there is an appropriate effective system of governance.

The Pensions Regulator: Record Keeping

TPR issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (the Trustee) and those who administer pension schemes. The guidance covers both common data and scheme-specific (conditional) data. The guidance sets out good practice in helping the trustee to assess risks associated with record keeping. Improved data means that the trustee and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded.

More information can be found at:

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping>

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Contact for further information

If, as a Scheme member, you wish to obtain further information about the Scheme, including copies of the Scheme documentation, your own pension position, or who to contact in the event of a problem or complaint, please write to or telephone:

Barnett Waddingham, 2 Wall Place, London, EC2Y 5AU

Telephone: 0333 11 11 222

Alternatively you may contact the Scheme administrators online at:

<https://account.claritybw.co.uk/shared/contact>

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Statement of Trustee's Responsibilities

Trustee's responsibilities in respect of the financial statements

The financial statements, which are 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, and the Trustee is responsible for ensuring, that those financial statements:

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

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

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

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

Trustee's responsibilities in respect of contributions

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

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Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, the 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 at the valuation date. This is assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2024. This showed that on that date:

The value of the Technical Provisions was: £125,981,000

The value of the assets was: £111,107,000

Therefore, the Scheme had a funding deficit of £14,874,000 corresponding to a funding level of 88%.

The next valuation will be carried out as at 31 March 2027.

The method and significant actuarial assumptions used to determine the Technical Provisions are as follows (all assumptions adopted are set out in the Statement of Funding Principles dated 5 June 2025):

Method

The actuarial method used in the calculation of the Technical Provisions as at 31 March 2024 is the Defined Accrued Benefit Method.

Actuarial assumptions – The key assumptions used as at 31 March 2024 are:

Pre-retirement and post-retirement discount rate	Gilt curve plus: 1.45% pa to 31 March 2038 0.5% pa thereafter
Retail Prices Index (RPI) inflation	Market implied RPI inflation supplemented with Merrill Lynch data at short terms
Consumer Prices Index (CPI) inflation	RPI less 1.0% pa to 2030 RPI less 0.2% pa thereafter
Pension increases in payment	Derived from the relevant inflation assumption allowing for the caps and floors on pension increases according to the provisions in the Scheme's rules, using a statistical distribution.
Mortality table	Males: 105% S4PMA Females: 95% S4PFA
Mortality projections	CMI 2023 projections using a long-term improvement rate of 1.5% p.a. The initial addition is 0.25% p.a. Core values are used for other parameters.
Exchange of pension for cash	Members assumed to exchange 20% of pension for a tax-free cash lump sum, based on terms that are 85% of cost-netural .
Proportion married at retirement of earlier death	80%
Age difference between member and dependant	Males are 3 years older then their female dependant, and vice versa
Allowance for expenses	None
Allowance for discretionary benefits	None

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Investment management

The Trustee delegates the task of day-to-day investment management to their investment managers.

Statement of Investment Principles

The Trustee has produced a Statement of Investment Principles (SIP) as required by Section 35 of the Pensions Act 1995 and a copy of the statement is available online at the link below:

[Statement of Investment Principles \(pensionpal.co.uk\)](https://pensionpal.co.uk)

The Trustee reviews the SIP at least once every three years, and after any significant change in investment strategy. The Society, the appointed Investment Consultant, and the appointed Scheme Actuary are consulted during any reviews of the SIP.

In April and May 2024, the Scheme implemented trades to move to a new investment strategy in line with advice received from the Scheme's Investment Consultant. The SIP was therefore reviewed following the end of the Scheme year and, having obtained expert advice on the matter, the Trustee has amended the SIP to reflect the new strategic asset allocation of the Scheme. These changes are discussed further below. There were no further updates to the SIP over the period.

Departures from Statement of Investment Principles

At the start of the year, the Scheme underwent a number of significant strategy changes. This involved fully disinvesting from the Mercer equities, Diversified Growth Fund and protection portfolio, and the LGIM Property Fund (i.e. all of the funds above except the Insight and Schroders Secured Finance Funds) and investing the proceeds across a range of funds under a new solution implemented by Schroders Investment Management. The new solution invested across a range of equity, credit and LDI assets, the latter of which target interest rate and inflation hedge ratios of 85% as a proportion of the Scheme's funded liabilities (i.e. assets). There was therefore some deviation from the SIP between the changes being implemented and the SIP being updated. The corresponding investment strategy can be found in the SIP (linked above) dated September 2024. There were no other deviations from the SIP over the period.

Investment Strategy

The Trustee's overall investment objective is to ensure that the Scheme can meet the members' entitlements under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy for the Scheme after taking advice from the Investment Adviser. Mercer Limited were the Investment Adviser in place at 31 March 2024. This advisory arrangement was terminated on 15 April 2024, after which the Investment Adviser role moved to Barnett Waddingham.

The Trustee sets the investment strategy taking into account considerations such as the strength of the Employer covenant, Environmental, Social and Governance ("ESG") factors, the long-term liabilities of the Scheme and the funding agreed with the Society.

Over the year to 31 March 2025, the Scheme increased its hedge target to 100% of its funded liabilities against movements in interest rates and inflation. This followed advice from the Scheme's Investment Adviser in November 2024.

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The table below sets out the current benchmark allocation, as well as the actual asset allocation at the start and end of the year:

	31 March 2025		31 March 2024		Benchmark Allocation
	£m	%	£m	%	%
Growth	45.3	64.2	50.0	64.7	38.0
Insight Secured Finance	7.1	10.0	8.2	10.7	23.0
Schroders Secured Finance	6.5	9.1	8.8	11.4	
Schroders AAA Flexible ABS	7.5	10.5	-	-	15.0
Schroders Securitised Credit (GBP hedged)	5.8	8.1	-	-	
LGIM Cash*	0.9	1.2	0.9	1.1	-
Historic Mercer Growth Funds (i.e. those not covered above)	-	-	32.1	41.5	-
Protection	43.6	61.1	27.3	35.3	62.0
Schroders Buy & Maintain Credit 2018-2032	7.9	11.0	-	-	26.0
Schroders Buy & Maintain Credit 2032-2040	2.0	2.7	-	-	
Schroders Buy & Maintain Credit Over 2037	8.6	12.0	-	-	
Schroders Synthetic IL Gilt 2018-2027	0.3	0.5	-	-	35.0
Schroders Synthetic IL Gilt 2028-2037	4.9	6.9	-	-	
Schroders Synthetic IL Gilt 2038-2047	5.8	8.2	-	-	
Schroders Synthetic IL Gilt 2048-2057	3.8	5.3	-	-	
Schroders Synthetic IL Gilt 2058-2077	1.6	2.2	-	-	
Schroders Synthetic Nom Gilt 2038-2057	1.3	1.9	-	-	
Schroders Synthetic Nom Gilt 2058-2077	1.2	1.7	-	-	
Schroders Sterling Liquidity Plus	3.7	5.2	-	-	
Schroders Cash	2.5	3.5	-	-	
Historic Mercer Protection Funds	-	-	27.3	35.3	-
Total**	71.3	100.0	77.2	100.0	100.0

Source: Schroders, Mercer and LGIM.

Figures may not sum due to rounding. In addition, the Scheme holds a synthetic equity portfolio with Schroders consisting of equity futures. These assets are not physical and so have not been included in the table above. As at 31 March 2025 the value of the synthetic equity exposure was £18.1m (there was no exposure at 31 March 2024).

*LGIM Cash included on this line relates to the Childline section of the Scheme's Series 3 benefits.

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Trustee policies

Financially material considerations

The Trustee considers that factors such as environmental, social and governance (ESG) issues (including but not limited to climate change) will be financially material for the Scheme over the length of time during which the benefits provided by the Scheme for members require to be funded to a level which would allow the benefits to be bought out with an insurer. This is likely to be not less than five years from the date of the latest SIP.

The Trustee has elected to invest the Scheme's assets through pooled funds. The choice of underlying funds is made by the Trustee after taking advice from their investment consultant. The Trustee, and the managers of the underlying funds, takes into account ESG factors (including climate change risks) in their decisions in relation to the selection, retention and realisation of investments.

The Trustee takes those factors into account in the selection, retention and realisation of investments as follows:

Selection of investments: assess the investment managers' ESG integration credentials and capabilities, including stewardship, as a routine part of requests for information/proposals as well as through other regular reporting channels.

Retention of investments: Developing a robust monitoring process in order to monitor ESG considerations on an ongoing basis by regularly seeking information on the responsible investing policies and practices of the investment managers.

Realisation of investments: The Trustee will request information from investment managers about how ESG considerations are taken into account in decisions to realise investments.

The Trustee will also take those factors into account as part of its investment process to determine a strategic asset allocation, and consider them as part of ongoing reviews of the Scheme's investments.

The Trustee will continue to monitor and assess ESG factors, and risks and opportunities arising from them, as follows:

- The Trustee will obtain regular training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments;
- As part of ongoing monitoring of the Scheme's investment managers, the Trustee will use any ESG ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and

Through their investment consultant the Trustee will request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes on an annual basis.

Non-financial matters

The Trustee does not take into account the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Scheme (referred to as "non-financial matters" in the relevant Regulations) in the selection, retention and realisation of investments.

Stewardship and voting rights

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustee's behalf. In doing so, the Trustee expects that the investment managers will use their influence as major institutional investors to exercise the Trustee's rights and

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duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The Trustee will monitor and engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Scheme's investment consultant.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis. The Trustee will, with input from their investment consultant, monitor and review the information provided by the investment managers. Where possible and appropriate, the Trustee will engage with their investment managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

The Trustee also considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme. Should an investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring. Through their consultation with the Society when setting these policies, the Trustee has made the Society aware of their policy on ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

The Scheme's investment consultant is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustee confident that the investment manager recommendations they make are free from conflict of interest. The Trustee expects all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustee believes they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustee/investment manager and the investee companies.

In selecting and reviewing their investment managers, where appropriate, the Trustee will consider investment managers' policies on engagement and how these policies have been implemented.

Incentivising fund managers to align with the Trustee's policies

Prior to appointing an investment manager, the Trustee discusses the investment manager's approach to the management of ESG and climate related risks with the Scheme's investment consultant, and how their policies are aligned with the Trustee's own investment beliefs.

When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustee also considers how ESG and climate risk are integrated into these. If the Trustee deems any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

The Trustee carries out a strategy review at least every three years where they assess the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and

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constraints. The Trustee monitors the investment managers' approach to ESG and climate related risks on an annual basis.

In the event that an investment manager ceases to meet the Trustee's desired aims, including the management of ESG and climate related risks, using the approach expected of them, the Trustee will consider the ongoing appropriateness of their appointment. Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the investment manager.

Incentivising decisions based on assessments of medium to long-term financial and non-financial considerations

When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustee assesses these over a rolling timeframe. The Trustee believes the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustee expects this longer term performance target to be sufficient to ensure an appropriate alignment of interests.

Method and time horizon for assessing performance

The Trustee monitors the performance of their investment managers over medium to long term periods that are consistent with the Trustee's investment aims, beliefs and constraints.

The investment managers are remunerated by the Trustee based on the assets they manage on behalf of the Trustee. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall they receive less. The Trustee believes that this fee structure, including the balance between any fixed and performance related element, enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

The Trustee asks the Scheme's investment consultant to assess if the asset management fees are in line with the market when managers are selected, and the appropriateness of the annual management charges are considered regularly as part of the review of the SIP.

Monitoring portfolio turnover and costs

The Trustee acknowledges that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the quarterly investment monitoring process. During the investment manager appointment process, the Trustee may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices. The Trustee acknowledges that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

Duration of fund manager agreements

For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers. The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustee's investment beliefs is assessed every three years, or when changes

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deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed. For any closed-ended funds, the Scheme reviews the appointment with the investment manager as the manager releases new iterations of the funds (which the Trustee may consider further investment into) and at, or just prior to, maturity of the closed-ended fund.

Employer-related investment

There were no employer-related investments during the year to 31 March 2025 within the meaning of section 40(2) of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

Custodial arrangements

The Scheme does not have an appointed custodian. Custodial services are provided by the custodians of the pooled funds in which it invests. At 31 March 2025, the Scheme's custodians were:

- State Street Custodial Services (Ireland) Limited in respect of the Insight and Schroders Secured Finance Funds accessed through the Mercer Qualifying Investment Fund
- Citibank NA in respect of the LGIM funds.
- JP Morgan in respect of the Schroders funds.

The custodians are responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed holdings. Investments are held in the name of the custodians' nominee companies, in line with common practice for pension scheme investments.

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Review of investment performance to 31 March 2025

Fund	1 Year (%)*	
	Fund	Benchmark
Growth		
Insight Secured Finance	9.5%	5.1%
Schroders Secured Finance	8.1%	5.1%
Schroders AAA Flexible ABS	5.1%	6.0%
Schroders Securitised Credit	5.3%	7.2%
Schroders Synthetic Equity Exposure**	5.3%	6.4%
Protection		
Schroders Buy & Maintain Credit 2018-2032	4.8%	3.9%
Schroders Buy & Maintain Credit 2032-2040	2.1%	1.0%
Schroders Buy & Maintain Credit Over 2037	-1.9%	-1.7%
Schroders Synthetic IL Gilt 2018-2027	129.5%	113.1%
Schroders Synthetic IL Gilt 2028-2037	-9.3%	-9.2%
Schroders Synthetic IL Gilt 2038-2047	-25.0%	-24.8%
Schroders Synthetic IL Gilt 2048-2057	-31.1%	-30.8%
Schroders Synthetic IL Gilt 2058-2077	-32.5%	-32.2%
Schroders Synthetic Nom Gilt 2038-2057	-18.8%	-18.8%
Schroders Synthetic Nom Gilt 2058-2077	-23.5%	-23.3%
Schroders Sterling Liquidity Plus and Cash	4.4%	4.3%

Source: Schroders & Mercer.

* Performance shown from the fund inception date; 31 March 2024 for the secured finance funds, 15 April 2024 for all other funds. Performance shown net of fees. Performance of the synthetic LDI portfolio reflects the leveraged fund performance based on the total exposure, calculated by Barnett Waddingham using underlying exposure and return data provided by Schroders.

**Actual synthetic equity performance will not be available until the future contracts mature, figures shown reflect the return based on change in market value of Sterling exposure.

Performance has not been provided for the holdings with Mercer that were fully disinvested by 15 April 2024 due to the short investment period this accounting year.

Three and five year performance figures are not available as the Scheme has not been invested in the above funds over these periods.

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Economic and market conditions over the year to 31 March 2025

Economic Environment

In the 12-month period to 31 March 2025, market focus shifted from inflation, which moved closer to the 2% target over much of the period, to the pace of global interest rate cuts. However, towards the end of 2024 inflation rose back to 3% in the UK and US, and the election of Donald Trump as US President significantly raised global geopolitical uncertainty.

By April 2024, UK inflation had fallen to 2.3%, down from highs of over 11% in 2022. To bring inflation back under control the Bank of England (BoE), Federal Reserve (Fed) and European Central Bank (ECB) had raised rates to their highest levels since the Global Financial Crisis and rates remained at these levels until the second half of 2024 when central banks began to cut interest rates.

Over the year to 31 March 2025, all major central banks loosened monetary policy in response to falling inflation.

- The Bank of England reduced the base rate from 5.25% to 4.50%. In September 2024, the Bank announced that it would continue to reduce its stock of gilts by £100 billion per year.
- The European Central Bank reduced its deposit rate from 4.00% to 2.50%.
- The Federal Reserve reduced the Federal Funds Rate range from 5.25%-5.50% to 4.25%-4.50%. However, faced with rising inflation and political uncertainty, the Fed paused rate cuts after December 2024 and in March 2025 announced that it would decrease the pace at which it reduced the stock of treasuries held on its balance sheet from a cap of \$25bn to \$5bn per month.

Close to target inflation, coupled with strong economic growth in the US and falling interest rates helped global equities to rise by 8.0% over the period. The US market, which makes up approximately 65% of the global index, drove most of these gains, with financials and utilities performing particularly well.

Over the first quarter of 2025, global markets began to focus on rising geopolitical uncertainty as President Trump announced significant import tariffs on key US trading partners China, Canada and Mexico. The potential for higher prices because of these tariffs led to rising inflation expectations and a reduction in the market pricing of the number of Fed interest rate cuts over 2025. As a result, global yields rose and global equities fell 1.9% over the quarter, led by the US. In contrast, European equities rose 6.4% after the announcement of a significant fiscal package, focused on defence spending, was announced in Germany.

The Trustee's Report (Cont)

Market Performance

The 12 months to 31 March 2025 saw positive returns for equities and negative returns for most bonds as government bond yields rose in the second half of the year. Property produced a positive return over the period.

- **Equities:** Global equities produced positive returns across nearly all major regions. The FTSE All World rose by 8.0% over the year to 31 March 2025. The best performing region, in local currency terms, was Emerging Markets (+15.0%), and the worst performing region was Japan (-2.4%).
- **Bonds:** Over the year to 31 March 2025, UK gilt yields rose at all but the shortest terms. UK fixed interest gilts (all stocks) produced negative returns (-1.2%). UK Index-Linked gilts (all stocks) also produced negative returns (-8.0%). UK corporate bond spreads (all stocks) tightened (-0.1%) over the year.
- **Property:** The MSCI UK All Property Index rose by 8.1% over the year to 31 March 2025.

As mentioned above, gilt yields rose at most maturities over the year to 31 March 2025. This resulted in a fall in the value of the protection portfolio in place at the end of the Scheme year. This was partially offset by positive performance from the growth portfolio, with global equities and credit performing strongly over the year.

Approval of Trustee's Report

This report was approved by the Trustee on

Date: _____

Signed on behalf of the Trustee:

Trustee [Director]

Trustee [Director]

Independent Auditor's Report to the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme (Cont)

Independent Auditor's Report to the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme

Opinion

We have audited the financial statements of The NSPCC Pension Scheme (the "Scheme") for the year ended 31 March 2025 which comprise: the Fund Account, the Net Assets Statement and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report.

Independent Auditor's Report to the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme (Cont)

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 Trustee

As explained more fully in the Trustee's Responsibilities Statement, the Trustees are 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We considered the nature of the Scheme's industry and its control environment, and reviewed the Scheme's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also identified the laws and regulations applicable to the Scheme through discussions with the Trustees and other management, and from our cumulative audit, knowledge and experience of the Scheme.

Independent Auditor's Report to the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme (Cont)

We obtained an understanding of the legal and regulatory framework that the Scheme operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Pensions Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Scheme's ability to operate or to avoid a material penalty. These included the Scheme's regulatory requirements.

We assessed the susceptibility of the Scheme's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls and policies in place to mitigate risks of fraud and non-compliance with laws and regulations.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of the Trustee concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Trustee meetings, reviewing internal audit reports and reviewing correspondence with the Pensions Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent Auditor's Report to the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme (Cont)

Use of our audit report

This report is made solely to the Scheme's Trustees, as a body, in accordance with regulations made under section 41 of the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Shaw Gibbs (Audit) Limited
Statutory Auditor

Salatin House
19 Cedar Road
Sutton, Surrey
SM2 5DA

Date:

Summary of Contributions Payable in the Year

During the year, the contributions payable to the Scheme by the Employer under the Schedule of Contributions were as follows:

	£
Employer deficit funding contributions	1,800,000
Contributions payable under the Schedule of Contributions	1,800,000
Employer additional contributions in respect of expenses	425,000
Total contributions payable	2,225,000

Date: _____

Signed on behalf of the Trustee:

Trustee Director

Trustee Director

Independent Auditor's Statement about Contributions to the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme

We have examined the summary of contributions to the National Society for the Prevention of Cruelty to Children Pension Scheme for the year ended 31 March 2025, which is set out on page 23.

In our opinion contributions for the Scheme year ended 31 March 2025 as reported in the summary of contributions on page 23 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Actuary on 1 November 2021.

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.

Respective responsibilities of the trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions, maintained and from time to time revised and for monitoring whether contributions are made to the Plan by the Employer in accordance with the Schedule of Contributions.

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

Use of our report

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

Shaw Gibbs (Audit) Limited
Statutory Auditor

19 Cedar Road
Sutton, Surrey
SM2 5DA

Date:

The Financial Statements

Fund Account

for the year ended 31 March 2025

	Note	31 March 2025 £	31 March 2024 £
Contributions and benefits			
Employer contributions		2,225,000	2,225,000
Total contributions	4	2,225,000	2,225,000
Other income	5	2,000	-
		2,227,000	2,225,000
Benefits paid or payable			
Benefits paid or payable	6	(6,467,997)	(6,230,074)
Payments to and on account of leavers	7	(75,794)	(88,483)
Administrative expenses	8	(754,740)	(309,291)
		(7,298,531)	(6,627,848)
Net withdrawals from dealings with members			
		(5,071,531)	(4,402,848)
Returns on investments			
Investment income	9	10,002,698	7,350,356
Change in market value of investments	10	(16,251,728)	(8,600,527)
Investment management expenses	11	(276,770)	(20,105)
Net return on investments		(6,525,800)	(1,270,276)
Net decrease in the fund during the year			
		(11,597,331)	(5,673,124)
Net assets of the Scheme			
At 1 April		114,338,597	120,011,721
At 31 March		102,741,266	114,338,597

The notes on pages 27 to 33 form part of these financial statements.

Statement of Net Assets

available for benefits as at 31 March 2025

	Note	31 March 2025 £	31 March 2024 £
Investment assets:			
Pooled investment vehicles	13	68,798,610	77,196,390
Insurance policies	14	29,825,000	35,851,000
Cash	10	969,548	-
Futures	15	18,142,318	-
Margin cash	10	1,453,777	-
Other investment balances	10	451,466	-
		119,640,719	113,047,390
Investment liabilities:			
Futures	15	(18,142,318)	-
Margin cash	10	(346,709)	-
		(18,489,027)	-
Total net investments		101,151,692	113,047,390
Current assets	19	2,164,656	1,713,554
Current liabilities	20	(575,082)	(422,347)
Net assets of the Scheme at 31 March available for benefits		102,741,266	114,338,597

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 is dealt with in the Report on Actuarial Liabilities on pages 9 and 10 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 27 to 33 form part of these financial statements.

These financial statements were approved by the Trustee on

Date: _____

Signed on behalf of the Trustee:

Trustee Director

Trustee Director

Notes to the Financial Statements

Details of general information for the Scheme are available in the Trustee's Report.

1. Basis of preparation

The individual financial statements have been prepared, on a going concern basis, in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (Revised 2018).

2. Identification of the financial statements

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the Trustee's Report.

3. Accounting policies

The principal accounting policies of the Scheme which are applied consistently are as follows:

Currency

- The Scheme's functional and presentational currency is pounds sterling.

Contributions

- Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and Trustee.
- Other contributions made by the Employer to reimburse costs and levies payable by the Trustee are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and Recovery Plan under which they are payable or on the same basis as the corresponding expense.

Payments to members

- Pensions in payment are accounted for in the period to which they relate.
- Benefits are accounted for on an accruals basis on the date of retiring or leaving.
- Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.

Expenses and other payments

- Expenses are accounted for on an accruals basis.

Investment income

- Income from pooled investment vehicles is accounted for when declared by the fund manager.
- Income arising from annuity policies is included as investment income and pensions paid are included in pension payments.

Investments

- The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.
- Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager
- Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.
- Exchange traded futures are valued as the sum of the daily mark-to-market, which is a calculated difference between the settlement prices at the reporting date and the inception date.

4. Contributions

	2025	2024
	£	£
Employer contributions		
Deficit funding	1,800,000	1,800,000
Additional in respect of expenses	425,000	425,000
	2,225,000	2,225,000

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 1 November 2021 deficit funding contributions of £1,800,000 per annum are being paid by the Employer in monthly instalments to 30 September 2026.

The Employer will also pay annual contributions of £425,000 payable monthly in respect of levies to the Pension Protection Fund and administration expenses.

5. Other income

	2025	2024
	£	£
Compensation	2,000	-

6. Benefits paid or payable

	2025	2024
	£	£
Pensions	5,293,112	5,119,933
Commutation of pensions and lump sum retirement benefits	1,174,885	1,099,124
Lump sum death benefits	-	11,017
	6,467,997	6,230,074

7. Payments to and on account of leavers

	2025	2024
	£	£
Individual transfers to other schemes	75,794	88,483

8. Administrative expenses

	2025	2024
	£	£
Administration and processing	183,883	102,443
Actuarial fees	250,087	58,751
Audit fee - 2025	12,000	10,920
Audit fee – over accrual in previous periods	(12,820)	-
Legal and other professional fees	202,295	22,718
Trustee fees and expenses	57,856	55,690
PPF Levy	35,925	58,105
Employer covenant fees	10,815	-
Other expenses	14,699	664
	754,740	309,291

Administrative expenses are met by the Scheme and covered by the Employer additional contributions.

9. Investment income

	2025 £	2024 £
Income from pooled investment vehicles	7,051,677	4,140,184
Annuity income	2,940,170	3,208,657
Interest on cash deposits	10,851	1,515
	10,002,698	7,350,356

10. Reconciliation of investments

	Value at 31 March 2024 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 March 2025 £
Pooled investment vehicles	77,196,390	89,758,415	(87,358,640)	(10,797,555)	68,798,610
Insurance policies	35,851,000	-	-	(6,026,000)	29,825,000
Futures	-	13,499,198	(14,071,025)	571,827	-
	113,047,390	103,257,613	(101,429,665)	(16,251,728)	98,623,610
Cash	-				969,548
Margin cash	-				1,107,068
Other investment balances	-				451,466
	113,047,390				101,151,692

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect costs is not separately provided to the Scheme.

11. Investment management expenses

	2025 £	2024 £
Administration, management and custody	94,935	35,182
Rebates	(16,027)	(153,019)
Investment consulting fees	197,862	137,942
	276,770	20,105

12. Taxation

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

13. Pooled investment vehicles

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

	2025 £	2024 £
Equities	-	10,873,452
Diversified Growth Funds	-	14,992,668
Liability Driven Investment Funds	-	27,260,709
Secure Finance Funds	13,614,735	17,001,874
Cash Funds	4,589,367	7,067,687
Bonds	50,594,508	-
	68,798,610	77,196,390

The Diversified Growth Fund holds a variety of investments including equities, bonds, derivatives, commodities and Property.

14. Insurance policies

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

	2025	2024
	£	£
Annuities with PIC Insurance	29,825,000	35,851,000

In 2013, the Trustee purchased an insurance policy with Pension Insurance Corporation. The transaction was on a "buy-in" basis and the policy is held by the Trustee within the Scheme.

15. Derivatives

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

Futures contracts are used by some Investment Managers to increase exposure to particular asset classes in line with the target allocations set by the Trustee's investment strategy but without requiring these underlying asset classes to be held. To do this the Investment Managers take out futures contracts with an economic value broadly equivalent to the exposure required.

At the year end the Scheme had the following derivatives:

	2025		2024	
	Asset	Liability	Asset	Liability
	£	£	£	£
Futures	18,142,318	(18,142,318)	-	-
	18,142,318	(18,142,318)	-	-

A summary of the Scheme's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

Nature	Number of Contracts	Expires	Asset value	Liability value
			£	£
Fixed income bond futures	121	0-3 months	-	(18,142,318)
Fixed income bond futures - offsets	121	0-3 months	18,142,318	-
Total 2025			18,142,318	(18,142,318)
Total 2024			-	-

16. Fair value hierarchy

The fair value of financial instruments has been disclosed 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.

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 and liabilities fall within the above hierarchy levels as follows:

	As at 31 March 2025			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	3,724,763	51,459,112	13,614,735	68,798,610
Insurance policies	-	-	29,825,000	29,825,000
Cash	969,548	-	-	969,548
Margin cash	1,107,068	-	-	1,107,068
Other investment balances	451,466	-	-	451,466
	6,252,845	51,459,112	43,439,735	101,151,692

	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	7,067,687	70,128,703	-	77,196,390
Insurance policies	-	-	35,851,000	35,851,000
	7,067,687	70,128,703	35,851,000	113,047,390

17. Investment risk disclosures

Investment risks

FRS102 requires the disclosure of information in relation to certain investment risks to which the Scheme is exposed. The risks set out by FRS102 for disclosure are as follows:

- Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
 1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
 2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
 3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. The investment objectives of the Scheme are further detailed in the SIP.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include legacy insurance policies nor AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

Market risk: summary

A summary of the risk exposures of the Scheme's investments are included in the table below:

Asset Type	Exposure (£)		Credit Risk	Currency Risk	Interest rate Risk	Other price Risk
	2025	2024				
LDI, Bonds and Cash	£57.7m	£33.5m	●	○	●	○
Secured Finance	£13.6m	£17.0m	●	○	○	●
Diversified Growth Fund	-	£15.0m	●	●	●	●
Equities*	-	£10.9m	○	●	○	●
Synthetic Equity	£18.1m	-	○	○	○	●

Key: The risk noted affects the fund significantly (●), partially (◐) or hardly/not at all (○).

*c.50% of the Scheme's physical equity allocation at 31 March 2024 was held within a pooled fund employing currency hedging.

**The Scheme holds a synthetic equity portfolio with Schroders consisting of equity futures. These assets are not physical and so were not included in other valuation tables in this report. However, these futures do expose the Scheme to risks. Therefore, the table above includes an allowance for the Scheme's synthetic equity exposure and corresponding risks.

17. Investment risk disclosures (cont)

Market risk: Interest rates

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds, LDI and cash. As at 31 March 2025, this represented c.65% of the Scheme's assets (compared to c.36% at 31 March 2024). The increase in interest rate exposure reflects the increase in the Scheme's hedging target over the year. Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

The Scheme may also be exposed to interest rate risk through bonds and other assets sensitive to changes in interest rates held within the Secured Finance Funds, this is expected to be very low given the nature of the holdings. Management of interest rate risk within this Fund is delegated to the investment manager who is responsible for delivering the objectives of the funds.

Market risk: Currency

All of the Scheme's assets invested overseas (including the synthetic equity portfolio) are hedged back to Sterling to mitigate currency risk. The Scheme's liabilities are denominated in Sterling.

Market risk: Other price

Other price risk arises principally in relation to the Scheme's return seeking portfolio.

The Scheme manages this exposure by investing in pooled funds that invest in a diverse portfolio of instruments across various markets. The synthetic equity portfolio also includes holdings across multiple geographical regions. According to the Scheme's SIP, each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. In addition, the asset allocation is detailed in the SIP and is monitored on a regular basis by the Trustee.

Credit risk

The Scheme's investments are directly exposed to credit risk in respect of the holdings in the Insight and Schroders Secured Finance Funds. The Scheme is indirectly exposed to credit risks from the underlying assets held within the pooled funds.

Direct credit risk is mitigated by the underlying assets of the pooled investments being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and the ongoing due diligence of the pooled managers.

The LDI portfolio gives rise to credit risk with the UK Government, although the level of this risk is expected to be low relative to other credit-related investments. The Secured Finance Funds may invest in sub-investment grade credit-rated instruments. The credit risk associated with these securities is mitigated through active management and avoiding excessive concentrations in bonds from any given issuer. Cash is held within financial institutions which are at least investment grade rated.

Indirect credit risk arises in relation to the underlying investments of pooled investment vehicles.

17. Investment risk disclosures (cont)

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

	2025	2024
	£	£
Unit-linked insurance contracts	864,604	7,067,687
Open-ended investment company	67,934,006	59,255,251
Common Contractual Funds	-	10,873,452
Total	68,798,610	77,196,390

This table excludes the Schroders Cash holding which sits as a separate bank account supporting the collateral management of the LDI and synthetic equity portfolios.

The Trustee monitors the performance of each of the Scheme's investment managers on a regular basis in addition to having meetings with each manager from time to time as necessary, usually on an annual basis. The Trustee has a written agreement with each investment manager, which contains a number of restrictions on how each investment manager may operate.

18. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year-end:

	2025		2024	
	£	%	£	%
Annuity insurance policy	29,825,000	29.0	35,851,000	31.4
B&M Credit Sterling Cash Over 2037	8,551,418	8.3	-	-
B&M Credit Sterling Cash 2018-2032	7,872,531	7.7	-	-
Schroders AAA Flexible ABS Fund	7,486,486	7.3	-	-
Insight Secured Finance Fund	7,139,429	7.0	8,214,278	7.2
Schroder Secured Finance Fund	6,475,306	6.3	8,787,595	7.7
Schroder Matching Plus 2038-2047	5,849,051	5.7	-	-
Schroders Europe Securitised Credit	5,770,565	5.6	-	-
Mercer diversified Growth Fund	-	-	14,992,668	13.1
Mercer Flex LDI £ Fixed Enhanced Matching Fund 3	-	-	8,622,699	7.5
L&G Cash Fund	-	-	7,067,688	6.2
Mercer Flexible LDI £ Real Enhanced Match Fund 2	-	-	6,896,568	6.0

19. Current assets

	2025	2024
	£	£
Prepayments	1,161	428,154
Cash balances	2,163,495	1,282,302
Other debtors	-	3,098
	2,164,656	1,713,554

20. Current liabilities

	2025	2024
	£	£
Accrued benefits	143,398	52,508
Accrued expenses	179,992	113,709
Prepaid annuity income	251,692	256,130
	575,082	422,347

21. Related party transactions

Transactions with related parties of the Scheme have been disclosed in the annual report as follows:

- A Camm is a pensioner of the Scheme and receives benefits in accordance with the Trust Deed and Rules.
- Trustee fees for the year ended 31 March 2025 of £57,856 (2024: £55,690) were met by the Scheme.

22. Employer-related investments

There were no direct employer-related investments at the year end. Any potential indirect employer-related investment through pooled investment vehicles is unintentional and would represent less than 0.1% of the Scheme's net assets.

Certificate of Adequacy of Contributions

NSPCC Pension Scheme

Certification of the Schedule of Contributions

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective can be expected to be met by the end of the period specified in the Recovery Plan dated 5 June 2025.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 5 June 2025.

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

Signature:



Date:

27 June 2025

Name:

Steve Hitchiner

Qualification:

Fellow of the Institute and Faculty of Actuaries

Address:

2 London Wall Place
London
EC2Y 5AU

Employer:

Barnett Waddingham LLP

Schedule of Contributions

NSPCC Pension Scheme Schedule of Contributions

This Schedule of Contributions has been prepared by the Trustees of the NSPCC Pension Scheme (the Scheme), after obtaining the advice of the Scheme Actuary appointed by the Trustees, and has been agreed with the National Society for the Prevention of Cruelty to Children (the Society).

Contributions payable by the Society from 1 July 2025 to 31 March 2033

In respect of expenses

The Society will pay contributions of £35,400 per month to meet the expected administration expenses and levies payable to the Pension Protection Fund and other statutory bodies.

Each monthly contribution is to be paid to the Scheme on or before the end of the calendar month following that to which the payment relates.

In respect of the shortfall in funding as set out in the Recovery Plan dated 5 June 2025

From 1 July 2025 to 30 June 2028: £150,000 per month

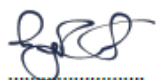
From 1 July 2028 to 31 March 2033: £204,600 per month

Each monthly contribution is to be paid to the Scheme on or before the end of the calendar month following that to which the payment relates.

Additional contributions

The Society may pay contributions in addition to the amounts shown above at any time.

This schedule has been agreed by the Trustees and the Society



Signed on behalf of the Trustees of the NSPCC Pension Scheme

20/06/2025

Date



Signed on behalf of the National Society for the Prevention of Cruelty to Children

24/06/2025

Date

Implementation Statement (Cont)

Implementation Statement

Purpose of this statement

This implementation statement has been produced by the Trustee of the National Society for the Prevention of Cruelty to Children Pension Scheme ("the Scheme") to set out the following information over the year to 31 March 2025:

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



Conclusions

Based on the information received, the Trustee believes that the investment managers have acted in accordance with the Scheme's policies on exercising engagement activities. Overall, the Trustee does not have any material concerns with the ESG and Stewardship activities of the Scheme's holdings.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustee's stewardship policies on the exercise of rights (including voting rights) and engagement activities. It was last reviewed following the end of the year in August 2024 and has been made available online here: [Statement of Investment Principles \(pensionpal.co.uk\)](https://pensionpal.co.uk)

At the start of the year in review, the Scheme underwent a number of significant strategy changes, including moving from a discretionary fiduciary management arrangement with Mercer Limited ("Mercer") to an advisory arrangement with Barnett Waddingham. Given the ongoing significant strategy changes, the Trustee decided not set stewardship priorities / themes for the Scheme over the year whilst they focused on ensuring they were comfortable with the new strategy and governance model. However, the Trustee will be further evaluating stewardship priorities as part of an ongoing strategy review following the completion of the 2024 Actuarial Valuation, in line with other Scheme risks.

Additionally, the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the manager. Due to implementing a strategy that now invests across LDI, cash, fixed income and synthetic equity instruments, the Scheme has now disinvested from all the funds with voting rights attached. However, the Trustee takes the stewardship priorities, climate risk and ESG factors into account at manager selection alongside other factors.

Implementation Statement (Cont)

How voting and engagement/stewardship policies have been followed

The Trustee's Statement of Investment Principles ("SIP") in force at September 2024 describes the Trustee's policy on the exercise of rights (including voting rights) and engagement activities as follows:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- As part of ongoing monitoring of the Scheme's investment managers, the Trustee uses sustainability ratings information available within the pensions industry or provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues. All the funds the Scheme invests in are considered to be adequately taking into account material ESG issues that could affect the performance of the fund and may be able to capture any benefit into performance or mitigation to risk that ESG awareness brings.
- The Trustee receives information on Environmental, Social and Governance ("ESG") considerations, engagement and voting annually from their investment managers, via their investment consultant, and review this annually to ensure alignment with their own policies. The findings of the Trustee's review are reported in this Implementation Statement which will also be included in the Scheme's Annual Report & Accounts for the year to 31 March 2025.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in line with the Scheme's stewardship policies.

Voting Data

The Scheme currently invests across bond and cash pooled funds. The Scheme also has a synthetic equity portfolio, implemented through equity futures. The bond portfolio includes secured finance, securitised credit, ABS, buy and maintain credit, fixed interest gilt funds and index-linked gilt funds.

Voting is not applicable to the Scheme's bond holdings as these funds invest only in fixed income assets, which have no voting rights. Likewise, the futures held by the Scheme have no voting rights attached as the Scheme does not own the underlying physical shares. The Trustee has therefore not communicated voting preferences to their investment manager over the period.

As a result, the Scheme's investment manager does not utilise their proxy voting services on behalf of the Scheme.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds. The Scheme updated its strategy on 15 April 2024 and invested in several new funds, for which the number of engagements over the year to 31 March 2025 have been shown below.

Engagement activities are limited for the Scheme's synthetic equity portfolio, LDI funds, cash funds and holdings in the Schroder AAA Flexible ABS Fund and Schroder Securitised Credit Fund due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Implementation Statement (Cont)

The engagement statistics for Schroder and Insight were provided as at 31 December 2024 (latest available), with all but Schroder Secured Finance fund are provided at Fund Level, and engagement statistics for Schroder Secured Finance Fund provided at firm level (Schroder).

Manager	Insight	Schroder				
Fund name	Insight Secured Finance Fund	Schroder Secured Finance Fund	Schroder SSF Sterling Liquidity Plus	Schroder Matching Plus Buy & Maintain Credit Cashflow 2018-2032 Fund	Schroder Matching Plus Buy & Maintain Credit Cashflow 2032-2040 Fund	Schroder Matching Plus Buy & Maintain Credit Cashflow Over 2037 Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	c. 60	Data not provided	76	109	86	75
Number of entities engaged on behalf of the holdings in this fund in the year	c. 55	Data not provided	13	47	32	23
Number of engagements undertaken at a firm level in the year	939	4,713	4,713	4,713	4,713	4,713

Examples of engagement activity undertaken over the year to 31 March 2025

Insight, Secured Finance Fund

Pepper

Insight worked with Pepper, who are a significant issuer in the Australian residential property market, over 2024 and 2025 to integrate ESG into the loan origination process. There had been no previous consideration of ESG metrics as part of this process. Insight met with the Deputy Head of Treasury at Pepper to encourage the disclosure of ESG metrics and Pepper are now showing potential EPC improvements that can be made to their properties. Following previous engagements, Insight investigates the possibility of providing EPC details to investors across their back book.

Pepper now includes a number of ESG metrics in their annual reports alongside some loan level disclosures and agreed that issue of loan origination practices is something they are reviewing. Insight will continue to engage with Pepper to ensure the disclosures remain appropriate and productive for investors.

Implementation Statement (Cont)

Schroder, Secured Finance Fund (Firm level engagement data provided)

CVS Health

Schroder have identified human capital management as a priority area for their engagement. Schroder believe that a company's workforce is a key source of competitive advantage. One area of focus for Schroder within this theme is investment in the workforce, including transparency around paid time off and broader employee benefits. In 2022, Schroder began engaging with over 30 retail and service sector holdings in the United States to understand how paid sick leave policies had evolved following the end of COVID-19 restrictions. CVS Health was among the companies Schroder engaged with on this issue.

CVS Health's existing policy appeared to apply only to employees working over 30 hours per week or those covered by local or state mandates. Schroder raised concerns about the potential reputational risk this posed, particularly given CVS Health's brand association with public health. Schroder encouraged CVS Health to adopt a comprehensive paid sick leave policy for all employees, believing that such a move would support long-term business sustainability and align with the United Nations Sustainable Development Goal 8 ("UN SDG 8") – Decent Work and Economic Growth.

To escalate the engagement, Schroder collaborated with other investors and co-filed a shareholder resolution, requesting that CVS Health adopt and disclose a paid sick leave policy for both full and part-time employees. This action was consistent with Schroder's escalation framework. The resolution received 26% shareholder support. Schroder continues to hold CVS Health and will monitor future developments, with the expectation that the company will strengthen its approach to paid sick leave over time.

Schroder Matching Plus Buy & Maintain Credit Cashflow Funds

Motability

Motability overcharged disabled motorists while awarding millions of pounds in bonuses to senior management between 2008 and 2015. Schroder chose Motability Operations Group as an example of governance challenges, particularly concerning vulnerable customers, to evaluate Motability's governance framework and ensure appropriate safeguards are in place. This involved a review of Motability's corporate governance structures, by speaking with the company's Chief Financial officer and Head of Treasury to understand existing oversight mechanisms, executive remuneration policies, and any steps taken to prevent further overcharging. After evaluation, Schroder maintained a laggard governance score, indicating ongoing concerns about the lack of a formal regulator or competitor.

As the shortcomings of governance remained with Motability, Schroder removed Motability from their Buy and Maintain buy list and any new investments were restricted. All existing holdings across Schroder's portfolios were sold to reflect their heightened concerns. Schroder will continue to monitor Motability's governance developments and remain open to reconsidering position if meaningful reforms are introduced.