

Partnerships in Care Limited
Pension and Life Assurance Plan
Plan Registration Number: 118038

Trustee's Annual Report and Financial Statements
For the Year Ended 31 December 2024

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Trustee and Advisers

Principal Employer:	Partnerships in Care Limited 80 Hammersmith Road London W14 8UD
Trustee:	PAN Trustees UK LLP (represented by L. Stewart-Brindle and R. Nathan)
Pension Administrators:	Capita Pension Solutions Limited 48 Finnieston Square Skypark 6 Glasgow G3 8ET Email: DL-CEB-PartnershipsInCarePlan@capita.co.uk
Plan Actuary:	Jonathan Isted, FIA Capita Pension Solutions Limited Hartshead House 2 Cutlers Gate Sheffield S4 7TL
Auditor:	Planet Audit Limited Tower 42 25 Old Broad Street London EC2N 1HN
Investment Managers:	Mobius Life Limited 7th Floor 20 Gresham Street London EC2V 7JE Columbia Threadneedle Management Limited Cannon Place 78 Cannon Street London EC4N 6AG PIMCO Europe Ltd 11 Baker Street London W1U 3AH Newton Investment Management Limited 160 Queen Victoria Street London EC4V 4LA Legal & General Investment Management Limited 1 Coleman Street London EC2R 5AA

Trustee and Advisers

AVC Providers:

Clerical Medical Investment Group Limited
Walton Street
Aylesbury
Bucks HP21 7GY

Utmost Life & Pensions Limited
Utmost House
6 Vale Avenue
Tunbridge Wells TN1 1RG

Annuity Provider:

Aviva
Surrey Street
Norwich NR1 3NG

Trustee's Report

The Trustee is pleased to present their Report on the Partnerships in Care Limited Pension and Life Assurance Plan ("the Plan") for the year ended 31 December 2024.

The format of the Report and Financial Statements follows guidelines laid down by The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 and the Statement of Recommended Practice, Financial Reports of Pension Schemes (revised 2018).

Plan Management

The Plan

The purpose of the Plan is to provide pension and other benefits to members upon their retirement or ill health and/or to their dependants on death before or after retirement. With effect from 1 May 2005, the Plan was closed to new entrants. Since then, new employees may join the group personal pension plan sponsored by Partnerships in Care Limited ("The Company").

The Plan is a defined benefit scheme and during the reporting period was administered by Capita Pension Solutions Limited in accordance with the establishing document and rules, solely for the benefits of its members and other beneficiaries.

All members of the Plan were contracted out of the State Second Pension under a certificate issued by the HMRC National Insurance Contributions Office, although this ceased in April 2016.

The Sponsoring Employer

The sole and principal employer continues to be Partnerships in Care Limited (Registered No. 02622784) who can be contacted at the address on page 2. The principal employer is a wholly owned subsidiary of Priory Group UK 1 Limited. On 18 January 2021, Priory Group UK 1 Limited was acquired in a transaction by a Dutch private equity investor, Waterland.

Trustee

The Trustee of the Plan throughout the year and to the date of approval of this report is detailed on page 2 of this Report.

PAN Trustees UK LLP is an independent professional trusteeship firm and has no connection with the Company, although it also carries out trusteeship for another pension scheme sponsored by Priory Group.

Partnerships in Care Limited has the power to appoint and remove the Trustee.

The Directors of PAN Trustees UK LLP during the period covered by this Trustee Report were as follows:

- Stephen John Delo
- Andrew John Firbank
- Michael Allen Roberts
- Lynne Carol Stewart-Brindle
- PAN Professional Trusteeship Limited
- Charles Donald James Goddard
- Raymonde Anthony Nathan
- Nicholas Chadha
- Jonathan David Walters
- John Patrick Breedon
- Kate Elizabeth Whittingham (appointed 14 March 2024)

As the sole Trustee is an independent body there is no requirement to appoint a Member-nominated Trustee.

The Trustee of the Plan meets formally on a regular basis with additional meetings being held as required.

Trustee's Report

Plan Advisers

The Plan retains a number of professional advisers in connection with the operation of the Plan, and a list of these advisers is given on pages 2 and 3 of this Report.

Financial Statements

The financial statements of the Plan for the year ended 31 December 2024 are set out on pages 23 to 35, the Auditor's Statement about Contributions is set out on page 22 and Trustee's Summary of Contributions is set out on page 7.

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

Actuarial Position

The benefits payable by the Plan are provided out of the contributions paid by both the members and the Company. The Trustee is responsible for ensuring that sufficient contributions are paid into the Plan to meet the benefits payable under the rules and to build up the fund to provide for future benefits. The Trustee is advised by the Plan's Actuary who recommends the level of deficit contributions to be paid by the Company.

Whilst the financial statements of a pension scheme can effectively deal with the past and, to some extent, the present, they are not intended to provide members with information about the long-term financial strength of the Plan. This information can only be provided by the Actuary through periodic valuations. The latest actuarial valuation as at 31 December 2022 was signed on 19 March 2024. Further information on the actuarial position of the Plan is included on pages 15 and 16. The next actuarial valuation will be carried out with an effective date of 31 December 2025.

GMP equalisation

In October 2018, the High Court ruled that pension schemes are required to equalise benefits between men and women for the effect of Guaranteed Minimum Pensions (GMP) which were accrued on or after 17 May 1990.

The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis the trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member.

With regards to the implications of these rulings for individuals who remain members of the Plan, the Trustee working with its advisers has corrected past benefits and those which will come into payment at a future date. The back payments (including interest) made to affected members during the Plan year to correct past benefits, amounted to £0.07 million. The Trustee has received advice that the indicative increase in liabilities (including back payments made) measured using the Technical Provisions was around £0.17 million.

With regards to adjustments required for past transfers made, the work remains ongoing. The Trustee has received advice that the sums involved once these amounts are settled are not likely to exceed £10,000 and as such, the Trustee does not expect these to be material in the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Trustee's Report

Pension increases

Preserved pensions were increased between date of leaving and date of retirement in accordance with statutory requirements. Pensions in payment were increased as follows:

- Guaranteed Minimum Pension ("GMPs") were increased in accordance with statutory requirements.
- Pensions in excess of GMP accrued before 6 April 1997 were increased by RPI inflation up to 5%.
- Pensions accrued from 6 April 1997 onwards were increased up to 2015 by CPI inflation up to 5%, and from 2016 onwards by CPI up to 2.5%.

No discretionary increases were granted during the year.

Plan Membership

The following changes in membership occurred during the year:

Pensioners

At 1 January 2024	87
Adjustments	-
Retirements	6
New Dependant	1
Death	(2)

As at 31 December 2024 **92**

Deferred Pensioners

At 1 January 2024	80
Retirements	(6)

As at 31 December 2024 **74**

Trustee's Report

Summary of Contributions

Statement of 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 Plan by or on behalf of the employer and the active members of the Plan 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 Plan, while the Plan was open to accrual, and for adopting risk-based processes to monitor whether contributions are made to the Plan 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.

Trustee's Summary of Contributions payable under the Schedules in respect of the Plan year ended 31 December 2024

This Summary of Contributions has been prepared by and is the responsibility of the Trustee. It sets out the contributions payable to the Plan under the Schedules of Contributions, certified by the Actuary on 18 November 2021 and 17 March 2024, in respect of the Plan year ended 31 December 2024. The Plan's Auditor reports on contributions payable under the Schedules in the Auditor's Statement about Contributions.

The Auditor's Statement about Contributions is on page 22.

£

Contributions payable under the Schedules of Contributions in respect of the Plan year
(as reported on by the Plan Auditor and reported in the financial statements)

Employer - deficit funding contributions

4,687,500

Trustee's Report

Investment Matters

Overview

The Trustee, with the assistance of its appointed investment adviser, determines the overall investment strategy for the Plan and sets out the broad policy to be adopted by each of the appointed fund managers.

Investment managers

The names of those who have managed the Plan's investments during the year are listed on pages 2 and 3. The Trustee has delegated the day-to-day management of investment to its appointed fund managers. A written agreement between the Trustee and each manager sets out the terms on which the manager will act.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Plan's assets. The Trustee has reviewed each of the investment managers' policies on these issues. The Trustee believes that the policies adopted by the managers are consistent with its own views.

Statement of Investment Principles

The Trustee has produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995, which was last updated in July 2023. A copy of the SIP is available online and on request. The Trustee's investment policy is guided by an overall objective of achieving, over the long term, a rate of return on the investments which is consistent with the long-term assumptions made by the Actuary in determining the funding of the Plan.

Link: <https://members.pensionpal.co.uk/PartnershipsInCarePensions>

Within the SIP the Trustee sets out the following policies:

Voting Policy: The Trustee wishes to encourage best practice in terms of activism. The Trustee accepts that by using pooled investment vehicles the day-day application of voting rights will be carried out by the investment managers. Consequently, the Trustee expects the Plan's investment managers to adopt a voting policy that is in accordance with best industry practice.

Socially responsible investment ("SRI"): The Trustee believes its main duty reflected in the investment objectives is to protect the financial interests of the Plan members. The Trustee believes that SRI issues are secondary to this. The Trustee has elected to invest in pooled funds and cannot therefore directly influence the social, environmental and ethical policies in which such pooled funds invest. Where the pooled funds are managed on a passive basis; decisions regarding the selection, retention and realisation of investments are only made in order to ensure efficient tracking of indices and SRI issues are not taken into account. The Trustee has noted the extent to which SRI issues are taken into account by its appointed investment managers in exercising their corporate governance policy.

Over the shorter term, the objective is to achieve a favourable return against an appropriate benchmark return.

Departures from investment principles

The SIP last updated in July 2023 reflects the Plan's current investment strategy, following an investment strategy review conducted for the Plan in 2022.

Trustee's Report

Investment Matters (continued)

Employer-related investments

There have been no employer-related investments within the meaning of section 40 of the Pensions Act 1995 (as amended) during the year ended 31 December 2024.

Economic Background and Market Commentary to 31 December 2024

The year ending 31 December 2024 was another positive year for global equities, although gains were more moderate compared to 2023. Inflation continued to decline across most developed markets, prompting several central banks, including the Bank of England (BoE) and the US Federal Reserve, to begin cautiously reducing interest rates. Market sentiment was supported by these policy shifts, along with ongoing strength in technology and AI-driven sectors.

While geopolitical tensions remained elevated, markets showed resilience. US equities once again led the way (S&P 500 gained c.12% over 2024), supported by strong corporate earnings and sustained investment in AI and green technologies. European and Asian markets also posted modest gains, benefiting from improved economic data and easing inflationary pressures.

Realised (past) inflation in the UK continued to drop over 2024 with December 2024 RPI down to 3.6% (5.2% December 2023) and December 2024 CPI down to 3.6% (4.0% December 2023). Inflation is still, however, significantly above the BoE's long-term target of 2%. The BoE decreased the interest rate base rate to 4.5% in November 2024

Asset Allocation

	Asset allocation at 31/12/2024	Benchmark Allocation	Difference	Ranges
	%	%	%	%
Diversified growth funds	18.5	22.0	-3.5	
Multi-asset credit	20.9	22.0	-1.1	
Synthetic global equities	8.9	7.5	1.4	
Total Return Seeking Assets	48.3	51.5	-3.2	5.0
Liability Driven Investment	31.5	42.0	-10.5	
Absolute return bonds	20.2	6.5	13.7	
Total Matching Assets	51.7	48.5	3.2	5.0
Total	100.0	100.0	0.0	

Trustee's Report

Investment Matters (continued)

Performance

	1 Year	3 Year	5 Years
	%	% p.a.	% p.a.
BNY Mellon Real Return Fund	7.4	1.0	3.7
<i>Benchmark 1: Short-term benchmark return (60:40 equity: bonds)¹</i>	11.7	3.1	N/A
<i>Benchmark 2: SONIA (30-day compounded) +4%²</i>	N/A	7.6	6.2
<small>¹Benchmark 1 is a short-term target representing the return on an investable portfolio of 60% MSCI World, 20% iBoxx Non-Gilt 20% and FTSE A Gilts All Stocks. This has been shown for the shorter-term periods only.</small>			
<small>²Benchmark 2 is a long-term target of 4% pa above cash. It is not investable. This has been shown for the longer-term periods only.</small>			
Columbia Threadneedle Real Dynamic LDI	-26.7	-61.4	-39.2
<i>Benchmark: Leveraged Real Gilt</i>	-26.2	-63.7	-41.0
Columbia Threadneedle Nominal Dynamic LDI Fund	-27.5	-63.8	-44.5
<i>Benchmark: Leveraged Nominal Gilt</i>	-28.7	-64.5	-44.8
PIMCO GIS Income Fund	5.7	1.8	2.7
<i>Benchmark: Bloomberg U.S. Aggregate (GBP Hedged) Index</i>	0.8	-3.3	-1.0
LGIM Synthetic Leveraged Equity	40.1	15.6	25.6
<i>Benchmark: Leveraged Markit MSCI World Index</i>	40.9	16.0	25.8
LGIM Absolute Return Bond Fund	8.6	4.7	4.4
<i>Benchmark: ICE BofA SONIA 3-Month Constant Maturity TR Index</i>	5.3	3.6	2.3

Trustee's Report

Investment Matters (continued)

Performance (continued)

The Liability Driven Investment (LDI) funds are designed to mirror movements in the Plan's liabilities. Long-term interest rates rose during the year which reduced the value of both the Plan's liabilities and the LDI funds. Overall, the Plan is 'underhedged' on a Solvency basis against long-term interest rates and so the rises in interest rates are good news for the financial health of the Plan.

The poor performance of the Diversified Growth Fund (BNY Mellon Real Return) relative to both benchmarks has been a cause of concern for the Trustee and it has decided to fully disinvest from the Diversified Growth Fund in 2025.

In addition to the assets described above; the Plan holds a bulk annuity policy with Aviva.

Paragraph 2.4.6 of the 2018 Statement of Recommended Practice (SORP) recommends that the investment performance for the Plan in aggregate should be disclosed, and not just for each manager individually. However, subsequent pensions industry legislation and regulations (Pensions Scheme Act 2021 and The 2024 DB Funding Code) confirms that asset returns are a poor indicator of the financial health of a DB pension scheme and so this has been omitted. The comment above regarding the negative returns on LDI is an example of this.

Trustee's Report

Compliance Matters

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with Schedule 3 of The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 or voluntarily by the Trustee. The information deals with matters of administrative routine.

Transfer Values

Transfer values are calculated and verified as required under the Regulations.

Transfer values continue to be paid in full and not reduced, either to reflect the funding level of the Plan or the expenses of calculating transfer values. Discretionary benefits are not included in the calculation of transfer values.

Taxation

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

MoneyHelper

MoneyHelper (formerly The Money and Pensions Service (MaPs)) was created in 2019 as a single body providing information to the public on matters relating to workplace and personal pensions.

Website: <https://www.moneyhelper.org.uk/en>

Email: pensions.enquiries@moneyhelper.org.uk

Tel: 0800 011 3797

Pensions Ombudsman

The Pensions Ombudsman is available to assist members and beneficiaries of the Plan in connection with difficulties which they have failed to resolve with the Trustee or Administrator of the Plan and may also investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme.

The Pensions Ombudsman can be contacted at 10 South Colonnade, Canary Wharf, London E14 4PU.

Telephone: 0800 917 4487

Early resolution email: helpline@pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

Pensions Regulator

The Pensions Regulator is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties.

The Pensions Regulator may be contacted at Telecom House, 125-135 Preston Road, Brighton, BN1 6AF.

Telephone: 0345 600 0707

Pension Tracing

A pension tracing service is carried out by the Department for Work and Pensions.

The Pension Tracing Service can be contacted at Mail Handling Site A, Wolverhampton, WV98 1LU. Telephone: 0800 731 0193

Trustee's Report

Compliance Matters (continued)

The General Code of Practice

The Pensions Regulator's (TPR) long-awaited General Code of Practice came into force on 27 March 2024. The code consolidates existing codes of practice into one document, as well as introducing some new requirements for pension schemes.

Central to the Code are the Regulator's expectations as to the features of a well-run scheme and how the governing body (those in charge of pension schemes) should comply with their legal duties. Governing bodies will need to have in place an effective system of governance (ESOG), which is a collection of internal controls and procedures in relation to running a pension scheme. The code sets out TPR's expectations of how occupational pension schemes should be managed and the policies, practices and procedures that should be in place, which includes the obligation to conduct an Own Risk Assessment (ORA).

While the ORA is a new provision, TPR anticipates that many of the stipulations are already being adhered to by the scheme. The Trustee is working with their advisers to identify any gaps and assess what actions need to be taken to ensure compliance with the General Code.

Trustee's Report

Statement of Trustee's Responsibilities for the Financial Statements

The audited financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan 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 judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up.

They are also responsible for making available each year, commonly in the form of a trustee's annual report, information about the Plan prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

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

Trustee's Report

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 based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Principal Employer and set out in the Statement of Funding Principles dated 19 March 2024, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 31 December 2022 (the "effective date"). This showed that on that date:

The value of the Technical Provisions was: £43.967 million

The value of the assets was: £34.686 million

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

Method

The actuarial method to be used in the calculation of the technical provisions is the Defined Accrued Benefits method.

Significant actuarial assumptions

Discount rate:

The pre-retirement discount rate is set with reference to the Bank of England nominal gilts spot curve (the "gilt curve") with an adjustment – the adjustment will be an addition of 1.5% pa before 2028 and an addition of 0.25% pa thereafter (which represents a prudent allowance for a proportion of the expected higher return available under the Plan's actual investment strategy less an allowance for investment expenses).

The post-retirement discount rate is set with reference to the gilt curve plus 0.25% pa. (which represents a prudent allowance for a proportion of the expected higher rate of return available from investments in good quality corporate bonds less an allowance for investment expenses).

Future Retail Price inflation:

The RPI inflation assumption is set as the rate on the Bank of England implied inflation curve with an allowance for the impact of high levels of inflation in the short term.

Future Consumer Price inflation:

The CPI inflation assumption is set as:

Pre-2030: RPI inflation assumption less 0.7% pa

Post-2030: RPI inflation assumption

Pension increases:

There are a variety of increase rates applying to pensions in payment within the Plan.

Those increases which are set relative to RPI and CPI inflation subject to a cap and/ or a floor, namely 3% and 5% pa are assumed to increase in line with the Black Scholes model using a 1.6% pa volatility assumption for RPI.

Trustee's Report

Report on Actuarial Liabilities (continued)

Mortality in retirement:

The mortality rates are assumed to be in line with tables from the S3PxA series of tables (adjusted for each member's year of birth) with weightings of 94% applied for female Plan members and dependants and 92% applied for male Plan members and dependants.

The allowance for future improvements is to be based on the CMI 2021 projection model with long term rate of improvement of 1.50% pa, 0.5% pa initial addition to mortality improvements, smoothing parameter $S_x = 7$ and nil weighting to 2020 and 2021 data.

The next triennial valuation will be as of 31 December 2025.

The latest actuarial update at 31 December 2024 indicated that the funding position of the Plan had improved from 79% at 31 December 2022 to 98% as at 31 December 2024.

Trustee's Report

Contact for Further Information

Any enquiries or complaints about the Plan, including requests from individuals for information about their benefits or Plan documentation, should be sent to:

Capita Pension Solutions Limited
48 Finnieston Square
Skypark 6
Glasgow
G3 8ET

Email: DL-CEB-PartnershipsInCarePlan@capita.co.uk

Approval of the Trustee's Report

This Trustee's Report was approved by the Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan onand was signed on its behalf by:

.....
Trustee

Date:

.....
Trustee

Date:

Actuary's Certification of the Schedule of Contributions

Certification of the schedule of contributions

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 December 2022 to be met by the end of the period specified in the Recovery Plan dated 19 March 2024.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 19 March 2024.

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 Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature:	<i>Jonathan Isted</i>
Name:	Jonathan Isted
Date:	March 17, 2024 11:55 GMT
Name of employer:	Capita Employee Solutions
Address:	65 Gresham Street, London EC2V 7NQ
Qualification:	Fellow of the Institute and Faculty of Actuaries

Independent Auditor's Report to the Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan

Opinion

We have audited the financial statements of the Partnerships in Care Limited Pension and Life Assurance Plan (the "Plan") for the year ended 31 December 2024 which comprise the fund account, the statement of net assets 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 Plan during the year ended 31 December 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 Plan 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 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 Plan's ability to continue as a going concern for a period of at least twelve months from the date 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.

Independent Auditor's Report to the Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan (continued)

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 Trustee is responsible for the other information.

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 set out on page 14, 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 Plan'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 Plan, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Independent Auditor's Report to the Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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:

- Identifying the applicable laws and regulations to which the Plan is subjected.
- Ensuring the audit team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and applying an industry specific audit methodology.
- Assessing the extent of compliance with the applicable laws and regulations through making enquiries of management.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, including the risk of management override of controls.

Based upon our understanding, we designed our audit procedures to respond to those risks. Our procedures included but were not limited to:

- Analytical procedures to identify any unusual or unexpected relationships.
- Testing of journal entries to identify unusual transactions.
- Obtaining supporting evidence for significant transactions and balances, including direct confirmation from the investment fund managers of investments held at the Statement of Net Assets date.
- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Making enquiries of and, if applicable, reviewing correspondence with HMRC and 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 Trustee 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Plan's Trustee, 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 Plan's 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 Plan's Trustee for our audit work, for this report, or for the opinions we have formed.

Planet Audit Limited
Statutory Auditor
London

Independent Auditor's Statement about Contributions to the Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan

Statement about contributions

We have examined the Summary of Contributions to the Partnerships in Care Limited Pension and Life Assurance Plan for the Plan year ended 31 December 2024 which is set out on page 7.

In our opinion contributions for the Plan year ended 31 December 2024 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid for the period 1 January 2024 to 16 March 2024 at least in accordance with the Schedule of Contributions certified by the Plan actuary on 18 November 2021 and for the period 17 March 2024 to 31 December 2024 at least in accordance with the Schedule of Contributions certified by the Plan actuary on 17 March 2024..

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions on page 7 have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of Trustee and auditor

As explained more fully in the Trustee's Responsibilities section of the Summary of Contributions Statement set out on page 14, the Plan's 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 Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan 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.

The purpose of our work and to whom we owe our responsibilities.

This statement is made solely to the Trustee in accordance with Regulations made under section 41 of the Pensions Act 1995. Our work has been undertaken so that we might state to the 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 Trustee for our work, for this statement, or for the opinion we have formed.

Planet Audit Limited
Statutory Auditor
London

Fund Account

For the Year ended 31 December 2024

		2024	2023
		£	£
	Note		
Contributions and benefits			
Employer contributions		4,687,500	2,250,000
Total contributions	4	4,687,500	2,250,000
Benefits paid or payable	5	(1,738,105)	(1,821,512)
Administration fees		(4)	(4)
		(1,738,109)	(1,706,516)
Net additions from dealings with members		2,949,391	428,484
Returns on investments			
Investment income	6	780,747	723,500
Change in market value of investments	7	(2,832,270)	1,783,787
Investment management expenses	8	(55,161)	(28,174)
Net returns on investments		(2,106,684)	2,479,113
Net increase in the fund during the year		842,707	2,907,597
Net assets of the Plan at start of year		37,600,708	34,693,111
Net assets of the Plan at end of year		38,443,415	37,600,708

Statement of Net Assets available for Benefits

As at 31 December 2024

	Note	2024 £	2023 £
Investment assets:	7		
Pooled investment vehicles	9	25,716,586	24,617,655
Insurance policies	10	10,824,000	12,199,000
AVC investments	11	110,003	103,345
Total net investments		<u>36,650,589</u>	<u>36,920,000</u>
Current assets	15	1,834,089	826,358
Current liabilities	16	(41,263)	(145,650)
Net assets of the Plan at end of year		<u>38,443,415</u>	<u>37,600,708</u>

The financial statements summarise the transactions of the Plan 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 Plan year. The actuarial position of the Plan, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 15 and 16 of the Annual Report and these financial statements should be read in conjunction with this report.

The accompanying notes on pages 25 to 35 form an integral part of these financial statements.

These financial statements were approved and signed by the Trustee on2025.

.....
Trustee

.....
Trustee

Notes to the Financial Statements

1. Basis of preparation

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

2. Identification of the financial statements

The Plan is established as a trust under English law. The registered address of the Plan is The Trustee of the Partnerships in Care Limited Pension and Assurance Plan, 5th Floor, 80 Hammersmith Road, London, W14 8UD.

3. Accounting policies

The principal accounting policies of the Plan are as follows:

Contributions

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedules of Contributions or on receipt if earlier with the agreement of the employer and Trustee.

Payments to members

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

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

Expenses

Expenses are accounted for on an accruals basis. The Employer covers all fees incurred by the Plan, other than those disclosed within these Financial Statements.

Investment income

Income from cash and short-term deposits is accounted for on an accruals basis.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

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.

Investments are included at fair value as described below:

Pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Annuities have been valued by the Annuity Provider at the amount of the related obligation using the data held by the insurer as at the year end and considering the market conditions at that time.

AVC investments have been valued on the basis of the valuation provided by the AVC provider.

Notes to the Financial Statements

3. Accounting policies (continued)

Presentation currency

The Plan's functional and presentational currency is pounds sterling.

Critical accounting estimates and judgements

The preparation of the Financial Statements requires the Trustee to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the related Fund Account movements during the year. Actual results could differ from those estimates. For the Plan, 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 year are related to the valuation of the Plan investments and, in particular, those classified in level 3 of the fair-value determination, being the insured annuity policies. The accounting policy description sets out where estimates are required and further explanation of the key assumptions underpinning the valuation of investments is included within note 13.

4. Contributions

	2024 £	2023 £
Employer contributions		
Deficit funding	4,687,500	2,250,000

In order to eliminate the funding deficit as at 31 December 2022, the Principal Employer will make deficit recovery contributions in accordance with the Recovery Plan dated 19 March 2024, summarised as follows:

Contributions from 1 January 2023 until 31 March 2024: £562,500 per quarter

Contributions from 1 April 2024 until 31 December 2025: £1,375,000 per quarter

Contributions from 1 January 2026 until 31 March 2026: £812,500 per quarter

In respect of contributions in any year, those relating to

- the quarter from 1 January until 31 March will be paid no later than 31 March;
- the quarter from 1 April until 30 June will be paid no later than 30 June;
- the quarter from 1 July until 30 September will be paid no later than 30 September;
- the quarter from 1 October until 31 December will be paid no later than 31 December.

Notes to the Financial Statements

5. Benefits paid or payable.

	2024 £	2023 £
Pensions	1,360,998	1,403,898
Commutations of pensions and lump sum retirement benefits	377,107	417,614
	<u>1,738,105</u>	<u>1,821,512</u>

6. Investment income

	2024 £	2023 £
Annuity income	772,159	715,782
Interest on cash deposits	8,588	7,718
	<u>780,747</u>	<u>723,500</u>

7. Reconciliation of investments

	Value at 1 January 2024 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 December 2024 £
Pooled investment vehicles	24,617,655	4,044,681	(1,481,822)	(1,463,928)	25,716,586
Insurance policies	12,199,000	-	-	(1,375,000)	10,824,000
AVC investments	103,345	-	-	6,658	110,003
	<u>36,920,000</u>	<u>4,044,681</u>	<u>(1,481,822)</u>	<u>(2,832,270)</u>	<u>36,650,589</u>

Transaction costs are included in the cost of purchases and sales proceeds. Direct transaction costs include costs charged to the Plan such as fees, commissions and stamp duty. There are no direct transaction costs. Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. These are not separately identifiable.

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

8. Investment management expenses

	2024 £	2023 £
Administration, management, and custody	<u>55,161</u>	<u>28,174</u>

Notes to the Financial Statements

9. Pooled investment vehicles

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

	2024 £	2023 £
Diversified Growth	4,759,426	4,461,064
LDI	8,106,556	11,671,609
Multi-Asset Credit	5,371,491	5,456,762
Equities	2,289,191	2,038,040
Absolute Return Bonds	5,189,922	990,180
	<u>25,716,586</u>	<u>24,617,655</u>

10. Insurance policies

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

	2024 £	2023 £
Aviva Bulk Buy in Annuity	<u>10,824,000</u>	<u>12,199,000</u>

The annuity policy has been valued by the insurer at the accounting date. They have confirmed that the main assumptions underlying the value of the policy are as follows:

Discount rate:

Benefit cashflows have been discounted using the full-term related swap curve, based on market conditions at 31 December 2024, adjusted to allow for the impact of Aviva's capital requirements and other elements of the pricing basis.

Pension increases in payment and in deferment:

Inflation for RPI/CPI linked increases is derived from that implied by the relevant market swap rates as at 31 December 2024 and weighted by the Plan benefit cashflows.

11. AVC investments

The Trustee holds assets invested separately from the main investments to secure additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions (AVCs).

The aggregate amounts of AVC investments are as follows:

	2024 £	2023 £
Utmost Life and Pensions Limited (policies of assurance)	5,249	4,903
Clerical Medical Investment Group Limited (with profits)	104,754	98,442
	<u>110,003</u>	<u>103,345</u>

Notes to the Financial Statements

12. Concentration of investments

The following investments were valued in excess of 5% of the net assets of the Plan at 31 December 2024.

	2024	%	2023	%
	£		£	
Aviva Bulk Annuity Buy-in	10,824,000	28	12,199,000	32
CT Real Dynamic LDI	5,522,785	14	7,536,519	20
PIMCO GIS Income Fund	5,371,491	14	5,456,762	14
L&G Absolute Return Bond Fund	5,189,922	14	990,180	3
BNY Mellon Real Return Fund	4,759,426	12	4,461,064	12
CT Nominal Dynamic LDI Fund	2,583,771	7	4,135,090	11
L&G Synthetic Leveraged Equity	2,289,191	6	2,038,040	5

13. Fair value determination

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

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

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

As at 31 December 2024	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	25,716,586	-	25,716,586
Insurance policies	-	-	10,824,000	10,824,000
AVC investments	-	-	110,003	110,003
	-	25,716,586	10,934,003	36,650,589
<hr/>				
As at 31 December 2023	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	24,617,655	-	24,617,655
Insurance policies	-	-	12,199,000	12,199,000
AVC investments	-	-	103,345	103,345
	-	24,617,655	12,302,345	36,920,000

Notes to the Financial Statements

14. Investment risk disclosures

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

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

- **Currency risk:** 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:** 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:** 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 financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments the Trustee 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 Trustee's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Notes to the Financial Statements

14. Investment risk disclosures (continued)

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

	Credit Risk		Market Risk*			31.12.24 £	31.12.23 £
	Direct	Indirect	Currency	Interest rate	Other price		
Pooled investment vehicles*:							
- BNY Mellon Real Return	Y	Y	Y	Y	Y	4,759,426	4,461,064
- CT Real Dynamic LDI	Y	N	N	Y	Y	5,522,785	7,536,519
- CT Nominal Dynamic LDI	Y	N	N	Y	N	2,583,771	4,135,090
- PIMCO GIS Income Fund	Y	Y	Y	Y	Y	5,371,491	5,456,762
- L&G Synthetic Leveraged Equity	Y	Y	Y	N	Y	2,289,191	2,038,040
- Mobius L&G Absolute Return Bond Fund	Y	Y	Y	Y	Y	5,189,922	990,180
- Aviva Bulk Annuity	Y	Y	N	Y	Y	10,824,000	12,199,000
Total investments						36,540,586	36,816,655

In the above table, the risks noted applied in 2024 and 2023.

*There is no direct market risk arising from the holdings in the pooled investment vehicles.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include AVC investments as these are not considered material in relation to the overall investments of the Plan.

Notes to the Financial Statements

14. Investment risk disclosures (continued)

Investment Strategy

The investment objective of the Trustee is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy for the Plan taking into account considerations such as the strength of the Employer covenant, the long-term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

The current strategy is to hold:

- a. 48.5% in investments that move in line with the long-term liabilities of the Plan. This is referred to as the Liability Matching Portfolio and comprises Real and Nominal Dynamic Liability Driven Investments ('LDI') and Absolute Return Bonds. The purpose of these investments is to hedge against the impact of interest rate and inflation movements on long term liabilities.
- b. 51.5% in return seeking investments comprising of Synthetic Equities, Multi-asset Credit and Diversified Growth Funds.
- c. All of the investments in the pooled investment vehicles are priced in sterling.

Credit risk

The Plan invests in pooled investment vehicles through an investment platform with Mobius Life Limited ('The Platform Provider'), and therefore is directly exposed to the credit risk of Mobius Life Limited. Mobius Life Limited is regulated by the FCA/PRA. In the unlikely event Mobius Life Limited becomes insolvent and could not meet its obligations, the Trustee would be able to make a claim against the Financial Services Compensation Scheme on behalf of their members for 100% of the value of the investment. The Plan is indirectly exposed to credit risk in relation to the underlying fund managers of these pooled investment funds. Therefore, the Plan is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment funds which are on the Mobius Life Limited Platform.

Investments exposed to credit risk	2024	2023
	£	£
Pooled investment funds:		
Direct and indirect credit risk:		
BNY Mellon Real Return Fund	4,759,426	4,461,064
CT Real Dynamic LDI	5,522,785	7,536,519
CT Nominal Dynamic LDI	2,583,771	4,135,090
PIMCO GIS Income Fund	5,371,491	5,456,762
L&G Synthetic Leveraged Equity	2,289,191	2,038,040
L&G Absolute Return Bond Fund	5,189,922	990,180
	25,716,586	24,617,655

The holdings in pooled investment vehicles are unrated. Indirect credit risk arising from pooled investment managers 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 mandates amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled manager.

Notes to the Financial Statements

14. Investment risk disclosures (continued)

Credit risk (continued)

At the year end the total value of underlying pooled investments subject to credit risk was £25,716,586 (2023: £24,617,655). As part of managing this risk, a number of controls are used by the pooled managers to reduce the impact of this risk, such as holding collateral and monitoring credit ratings associated with each counterparty. This risk is managed by requiring pooled managers to diversify the portfolio to minimise the impact of default of any one issuer.

The Plan also invests in a bulk buy in annuity with Aviva and is therefore subject to direct credit risk with Aviva and indirect credit risk from the underlying assets. The annuity policy is unrated. These risks are mitigated by the regulatory environment in which the insurer operates and diversification of the annuity policy's underlying assets.

Currency risk

All of the Plan's assets are priced in sterling, so that there is no direct foreign exchange risk. The Plan is subject to indirect currency risk because some of the Plan's investments are held in overseas markets via pooled investment vehicles through the diversified growth fund, multi-asset credit fund and synthetic leveraged equity fund. In certain circumstances, the pooled managers may seek to mitigate exposure to currency movements by using forward currency contracts.

The Plan's total potential currency risk exposure at the year end was as follows:

	2024	2023
	£	£
Pooled investment vehicles		
BNY Mellon Real Return Fund	4,759,426	4,461,064
PIMCO GIS Income Fund	5,371,491	5,456,762
L&G Synthetic Leveraged Equity	2,289,191	2,038,040
Total	12,420,108	11,955,866

Interest rate risk

The Plan is subject to indirect interest rate risk because some of the Plan's investments are held in bonds, through pooled vehicles, the bulk annuity policy and cash. The Trustee has invested in LDI funds and equity-linked inflation funds which aim to create significant levels of interest rate risk in order to offset the level of interest rate risk inherent in the Plan's liabilities. Under this strategy, if interest rates fall, the value of liability matching investments will rise to help mitigate the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the liability matching investments will fall in value in line with the degree of the decrease of actuarial liabilities because of an increase in the discount rate.

The Plan is also subject to indirect interest rate risk arising from the underlying instruments of the pooled diversified growth fund, the Multi-Asset Credit Fund and the Absolute Return Bond Fund. Interest receivable on bank deposits or payable on bank overdrafts and the value of the securities and interest rate derivatives held are affected by fluctuations in interest rates.

At the end of 2024, as well as the annuity policy, 91.1% (2023: 91.9%) of the Plan's pooled investment assets are subject to indirect interest rate risk.

Notes to the Financial Statements

14. Investment risk disclosures (continued)

Other price risk

Other price risk arises partly in relation to the Plan's return seeking portfolio which primarily includes equities, equity futures and various types of credit assets held in the pooled vehicles, which are all exposed to movements in equity prices and credit spreads (which represent the price of credit and illiquidity risk). At the year end, the return seeking assets represented 48.3% of the total investment portfolio, excluding the annuity policy (2023: 48.1%). The Trustee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets. Note that this does not include the bulk annuity policy.

The underlying instruments of the CT Real Dynamic LDI fund also offer exposure to changes in inflation and long-term inflation expectation. Such instruments will tend to go up in value with rising inflation and fall in value with falling inflation. It should be noted that market values may be affected not only by variations in official inflation rates and by changes in long term inflation expectations, but also by day to day prices, supply/demand and specific structure/features of such instruments (e.g. terms). In a similar view, the bulk annuity policy pays pensions related to the Retail Prices Index or Consumer Prices Index and will also move in value with inflation expectations.

The Trustee has set a benchmark for total matching asset investments which includes LDI of 48.5% . Under this strategy, if inflation or inflation expectations rise, the value of these funds will rise to help match the increase in actuarial liabilities arising from an increase in inflation or inflation expectations. LDI represented 31.5% (2023: 47.4%) of the total investment portfolio, excluding the annuity policy. At year end 90.0% of the pooled investment funds were subject to other price risk (2023: 81.9%).

15. Current assets

	2024 £	2023 £
Cash balances	1,833,617	825,911
Interest receivable	472	447
	<u>1,834,089</u>	<u>826,358</u>

16. Current liabilities

	2024 £	2023 £
Accrued expenses	11,002	3,231
PAYE payable	28,574	25,776
Cash in transit	-	-
Accrued Benefits	1,687	116,643
	<u>41,263</u>	<u>145,650</u>

Notes to the Financial Statements

17. Related party transactions

There were no related party transactions during the year (2023: £Nil).

The Employer pays administrative expenses on behalf of the Plan. Expenses in respect of PAN Trustees are paid by the Employer. These amounted to £34,893 in 2024 (2023: £56,748).

18. Contingent Liabilities

In October 2018, the High Court ruled that pension schemes are required to equalise benefits between men and women for the effect of Guaranteed Minimum Pensions (GMP) which were accrued on or after 17 May 1990.

The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis the trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member.

In connection with the correction of past benefits to individuals who remain members of the Plan, back payments (including interest) were made to affected members during the Plan year, and these are included within pensions in note 5 of the Financial Statements.

With regards to adjustments required for past transfers made, the work remains ongoing. The Trustee has received advice that the sums involved once these amounts are settled are not likely to exceed £10,000 and as such, the Trustee does not expect these to be material in the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Appendix - Implementation Statement (forming part of the Trustee Report)

Covering 1 January 2024 to 31 December 2024

1. Background

The Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan (the "Plan") is required to produce an annual statement to set out how, and the extent to which, the Trustee has followed the Plan's Statement of Investment Principles ("SIP") during the previous Plan year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes.

A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

A copy of the most recent SIP can be found at <https://members.pensionpal.co.uk/PartnershipsInCarePensions>

2. Voting and Engagement

As noted in the SIP, the Trustee is keen that their investment managers are signatories of the UK Stewardship Code, which they currently are.

The Trustee has elected to invest in pooled funds and the Trustee has delegated to their investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee has not used proxy voting services over the year. However, the Trustee will consider these policies in all future selections.

The Plan's funds held over the year are:

- BNY Mellon Real Return Fund
- Columbia Threadneedle Nominal Dynamic LDI Fund
- Columbia Threadneedle Real Dynamic LDI Fund
- PIMCO GIS Income Fund
- LGIM Synthetic Leveraged Equity Fund
- LGIM Absolute Return Bond Fund

The underlined funds either do not hold physical equities or were disinvested over the course of the year, hence there are no voting rights and voting data for the Trustee to report on.

Trustee's Report

Implementation Statement (continued)

3a. Description of BNY Mellon's (also known as Newton) voting processes.

BNY Mellon describe their voting process as follows:

"Newton has established overarching stewardship principles which guide our ultimate voting decision, based on guidance established by internationally recognized governance principles including the OECD Corporate Governance Principles, the ICGN Global Governance Principles, the UK Investment Association's Principles of Remuneration and the UK Corporate Governance Code, in addition to other local governance codes. All voting decisions are taken on a case-by-case basis, reflecting our investment rationale, engagement activity and the company's approach to relevant codes, market practices and regulations. These are applied to the company's unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy. It is only in the event that we recognise a material conflict of interest that we apply the vote recommendations of our third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic, environmental, social and governance policies, procedures and practices through the support of proposals that are consistent with following four key objectives:

- To support the alignment of the interests of a company's management and board of directors with those of the company's investors;
- To promote the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to the company's investors;
- To uphold the rights of a company's investors to effect change by voting on those matters submitted for approval; and
- To promote adequate disclosure about a company's business operations and financial performance in a timely manner.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.

All voting opportunities are communicated to Newton by way of an electronic voting platform.

The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues identified may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to confer or engage with the company or other relevant stakeholders.

An electronic voting service is employed to submit voting decisions. Each voting decision is submitted via the electronic voting service by a member of the Responsible Investment team but can only be executed by way of an alternate member of the team approving the vote within the same system.

Trustee's Report

Implementation Statement (continued)

Members of certain BNY Mellon operations teams responsible for administrative elements surrounding the exercise of voting rights by ensuring the right to exercise clients' votes is available and that these votes are exercised.

Where we plan to vote against management on an issue, we may seek to engage with the company on a best-effort basis and depending on the significance of our holding, to share our concerns and to provide an opportunity for our concerns to be allayed. In such situations, we only communicate our voting intentions ahead of the meeting direct to the company and not to third parties. In some cases, depending on the materiality of our holding and the issue of concern, we alert a company via email regarding an action we have taken at its annual general meeting (AGM) to explain our thought process. We may then hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the global equity analyst.

3b. Summary of voting behaviour over the year

	Summary Info
Manager name	Newton Investment Management Limited
Fund name	BNY Mellon Real Return Fund
Approximate value of trustees' assets	c.£4.8m as at 31 December 2024
Number of equity holdings in the fund	72
Number of meetings eligible to vote	72
Number of resolutions eligible to vote	1,035
% of resolutions voted	99.2%
% of resolutions voted with management	94.4%
% of resolutions voted against management	5.6%
% of resolutions abstained	0.0%
% of meetings with at least one vote against management	35.0%
% of resolutions voted contrary to the proxy adviser recommendation	4.9%

Trustee's Report

Implementation Statement (continued)

BNY Mellon describe their voting process as follows(continued):

An electronic voting service is employed to submit voting decisions. Each voting decision is submitted via the electronic voting service by a member of the Responsible Investment team but can only be executed by way of an alternate member of the team approving the vote within the same system.

Members of certain BNY Mellon operations teams responsible for administrative elements surrounding the exercise of voting rights by ensuring the right to exercise clients' votes is available and that these votes are exercised.

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Trustee's Report

Implementation Statement (continued)

3c. Most significant votes over the year

BNY Mellon define their process for determining the "most significant" votes as follows:

"Newton's significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes will be drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders."

Below are samples of the significant votes made by BNY Mellon over the period to December 2024.

Company name	AstraZeneca PLC
Date of vote	11-Apr-24
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.01%
Summary of the resolution	Approve Remuneration Report
How you voted	FOR
Where you voted against management, did you communicate your intent to the company ahead of the vote?	NA
Rationale for the voting decision	We decided to support the CEO pay package based on the CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery. For many years, he has been compensated below global peers in the industry, despite his accomplishments, and has also hinted at possibly leaving previously. At this juncture, where execution is critical, we want to avoid any potential disruptions that a change in leadership might bring. Our decision to support CEO pay aligns with our broader investment case for AZ, as we believe under Pascal's leadership, the company is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders.
Outcome of the vote	95.3% For
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The level of support behind this vote signifies shareholder confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. We will continue to monitor performance to ensure it aligns with our interests as shareholders.
On which criteria have you assessed this vote to be "most significant"?	We deem this vote as significant due to its strategic importance, impact on shareholder value, risk of leadership disruption, industry benchmarking, and strong shareholder support. It aligns with our investment case, emphasizing the need to retain and compensate effective leadership.

Trustee's Report

Implementation Statement (continued)

Company name	Shell Plc
Date of vote	21-May-24
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.76%
Summary of the resolution	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	NA
Rationale for the voting decision	We did not support a shareholder proposal for a report on GHG (greenhouse gas) emission-reduction targets aligned with the Paris Agreement as we believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response to the proponent's asks.
Outcome of the vote	81.4% AGAINST
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	While we do find some merits to the proponent's asks and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to our concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy
On which criteria have you assessed this vote to be "most significant"?	As a significant GHG emitter, it is critical for Shell to have a credible transition plan