

Registered number: 12007216

**BRIDON GROUP (2013) PENSION SCHEME
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024**

BRIDON GROUP (2013) PENSION SCHEME

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TRUSTEE AND ITS ADVISERS YEAR ENDED 31 DECEMBER 2024

Trustee	Capital Cranfield Pension Trustees Limited, represented by Susan Anyan
Capital Cranfield Pension Trustees Limited Directors	Victoria Gibbard Mark J Condrón Susan C Ellis (nee Anyan) Stephen D Godson Harus F H Rai Philip Whittome
Principal Employer	Bridon International Limited
Secretary to the Trustee	I Emery Aon Solutions UK Limited
Actuary	A Shah, FIA (resigned 18 December 2024) Aon Solutions UK Limited A Nazerali, FIA (appointed 19 December 2024) Aon Solutions UK Limited
Administrator	Aon Solutions UK Limited
Independent Auditor	Assure UK
Banker	HSBC Bank Plc
Investment Adviser	Aon Investments Limited ('AIL')
Investment Manager	Aon Investments Limited ('AIL')
AVC Provider	Aviva UK Limited ('Aviva')
Fiduciary Manager	Aon Investments Limited ('AIL')
Legal Adviser	Gunnercooke LLP
Contact Details	Bridon Group (2013) Pension Scheme Aon Solutions UK Limited 12 th Floor, The Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT bridonpensions@aon.com 0345 268 8476

BRIDON GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Introduction

The Trustee of Bridon Group (2013) Pension Scheme (the 'Scheme') is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2024.

Constitution and management

The Scheme is an occupational Defined Benefit ('DB') pension scheme. The Scheme is governed by a Trust Deed, as amended from time to time, and is administered by Aon Solutions UK Limited in accordance with the establishing document and Rules solely for the benefit of its members and other beneficiaries.

The Scheme came into existence during 2013 following the demerger of the FKI Group Pension Scheme. The Definitive Deed was signed on 4 April 2013. A Deed of Amendment was subsequently signed on 27 June 2013 following agreement to the demerger. Some deferred members of the FKI Group Pension Scheme were transferred to the Bridon Group (2013) Pension Scheme. The Scheme is closed to new entrants.

The Trustee is shown on page 1.

Under the Trust Deed and Rules of the Scheme, the Trustee is appointed and removed by the Principal Employer, Bridon International Limited.

The power of appointing and removing a Trustee Director is contained in the Articles of Association of Capital Cranfield Pension Trustees Limited.

Recent increasing burdens in terms of both regulatory and legislative complexity have acted as a catalyst and, in collaboration with the previous Trustee Directors, Bridon International Limited decided to replace the Trustee Board with Capital Cranfield Pension Trustees Limited from 1 January 2023, which will now act as a professional corporate sole trustee company for the Scheme.

The Trustee Directors have appointed professional advisers and other organisations to support them in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustee Directors have written agreements in place with each of them.

Trustee meetings

The Trustee Board met formally four times (2023: three times) during the year to consider the business of the Scheme.

Change of Scheme Actuary

On 18 December 2024, A Shah resigned as the Scheme Actuary and was replaced on 19 December 2024 by N Nazerali. As required, under legislation the outgoing Scheme Actuary confirmed that there were no circumstances connected with their resignation which significantly affected the interests of the current or prospective members and beneficiaries of the Scheme.

Scheme changes

There were no significant changes to the Scheme in the year.

Financial statements

The financial statements included in this annual report have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Guarantee

A parent company guarantee was put in place with NV Bekaert SA and came into force on 28 February 2020. As a result, the previous guarantee from Bridon Limited was released. In the event of the failure of Bridon International, certain obligations would pass to NV Bekaert SA unless the Scheme was sufficiently well funded. The Trustee received actuarial, covenant and legal advice and believe that the Scheme now benefits from a much stronger guarantee.

Membership

Details of the membership changes of the Scheme in the year are as follows:

	Deferreds	Pensioners	Total
Members at the start of the year	161	142	303
Adjustments to members	(2)	2	-
Retirements	(23)	23	-
Deaths	(2)	(2)	(4)
Members at the end of the year	134	165	299

Pensioners include 15 (2023: 15) individuals receiving a pension upon the death of their spouse who was a member of the Scheme.

The adjustments shown above relate to timing differences between the effective date of leaving or retiring and the actual date the administration system was updated.

Pension increases

Pensions in payment in excess of the Guaranteed Minimum Pension ('GMP') were increased on 1 May 2024 by 3.0% for pensions earned prior to 6 April 1997 and for pensions earned after 6 April 1997 either 4.5% or 2.5% in accordance with Scheme Rules. Post 88 GMP's were increased at 3.0%, Pre-88 GMP's were not increased in accordance with the Scheme Rules and statutory requirements.

There were no discretionary pension increases in the year.

Deferred benefits are increased in line with legislation and the Scheme Rules.

Transfers

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary increases.

Transfers into the Scheme are not allowed.

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Contributions

No contributions were due and so none were paid, in accordance with the Schedules of Contributions certified by the Scheme Actuary on 17 June 2020 and 28 March 2024.

Employer contributions

The Trustee and Employer agreed that no deficit reduction contributions will be paid to the Scheme. This is because the Scheme was in surplus on the technical provision basis as at 31 December 2022 and no additional contributions are required.

The expenses of administering the Scheme (excluding the Pension Protection Fund Levy) are met directly by the Employer with any expenses above £0.33M per annum ('p.a.') (excluding VAT) being reimbursed by the Scheme to the Employer.

The Pension Protection Fund Levy will be met directly by the Employer.

Investment management charges are excluded from Scheme expenses as these are deducted from the assets directly.

Going concern

The Trustee regularly reviews Employer covenant and maintains dialogue with senior representatives of the UK business and its parent company.

Regular updates continue to show that, despite challenging conditions, the business is in good shape, recognising the diversified nature of its customers and markets.

The Scheme ended 2024 in a similar funding position to the start of the year, despite ongoing market turmoil.

The latest estimates show that the funding level continues to fluctuate around 100% on a technical provisions basis, taking into account the results of the formal 2022 triennial valuation which was signed off in Q1 2024.

The Scheme continues to fully hedge its interest and inflation exposures, whilst holding a mix of assets that are designed to deliver growth and to match cashflows.

Reliance on Employer covenant is somewhat limited given the strong funding position of the Scheme and low risk investment strategy. However, in addition to its direct recourse to the statutory Employer in the UK, the Trustee also has access to a parent company guarantee, in a PPF compliant format, for an amount that is intended to cover the solvency deficit.

Taking all these factors into consideration, in particular the stable funding position of the Scheme, the low risk investment strategy and the favourable covenant position, the Trustee considers that the Scheme remains a going concern for the foreseeable future.

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Report on Actuarial Liabilities

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

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. 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 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 December 2022. The results of this valuation, together with the most recent Annual Actuarial update as at 31 December 2023 is set out below:

	31 December 2022	31 December 2023
The value of the technical provisions	£52.2m	£52.0m
The value of the assets	£53.0m	£51.8m

The 31 December 2023 liability above includes a £1.4m GMP equalisation reserve (which includes a £0.25m allowance for back payments).

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

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Discount interest rate: term dependent rates set by reference to the UK government fixed interest gilt yield curve at the valuation date plus an addition of 0.7% p.a.

Future Retail Price inflation ('RPI'): term dependent rates derived from the difference in market yields on fixed interest and index-linked gilts at the valuation date.

Future Consumer Price inflation ('CPI'): RPI inflation curve with a deduction equal to Aon's prevailing best estimate of the difference between RPI and CPI inflation. As at 31 December 2022 this difference was 1.0% p.a. up to 2030 and 0.1% p.a. thereafter.

Pension increases: derived from the RPI or CPI price inflation as appropriate, allowing for the maximum and minimum annual increases, and for inflation to vary from year to year.

Mortality: for the period in retirement standard tables S3PA 'Heavy' for males and females with scaling factors of:

- 101.5% (97.2%) for male (female) deferred members
- 103.1% (112.9%) for male (female) pensioner members
- 116% (100.8%) for contingent dependants of male (female) deferred members
- 113.9% (99.4%) for contingent dependants of male (female) pensioner members

An allowance for future improvements in mortality has been made in line with the CMI 2021 core projections with parameters $Sk=7.0$ and $A=0.25\%$, subject to a long-term rate of improvement of 1.5% p.a.

Next actuarial valuation

The next triennial valuation is due as at 31 December 2025.

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Investment matters

Management and custody of investments

As required by Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles ('SIP'). A copy of the SIP can be found on the Scheme's website at:

<https://www.bridonpensions.co.uk/investment/> and is available on request from the Secretary to the Trustee.

The Trustee has delegated management of investments to the investment manager shown on page 1. This manager, who is regulated by the Financial Conduct Authority in the United Kingdom, manages the investments in line with the investment manager agreements which is designed to ensure that the objectives and policies captured in the SIP are followed

The Trustee has considered environmental, social and governance ('ESG') factors for investments (including but not limited to climate change) and has delegated to the investment manager the responsibility for taking these considerations into account when assessing the financial potential and suitability of an investment and for exercising the rights (including voting rights) relating to the Scheme's investments.

The investment manager is paid fees for its services. The fees are calculated as a percentage of the market value of the part of the Scheme that it manages.

The Trustee has not appointed a custodian to the Scheme as the investment manager appoint a custodian for the assets underlying the investments it manages for the Trustee. The Custodian appointed by the investment manager is shown below:

Manager	Custodian
AIL	BNY- Mellon Company (Ireland) Limited

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

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and believe them to be appropriate relative to the reasons for holding each class of investments.

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Investment report

Investment policy and objectives

The Trustee aims to invest the assets of the Scheme prudently with the aim of ensuring that the benefits promised to members are provided. In setting investment strategy, the Trustee first considers the lowest risk allocation that it can adopt in relation to the Scheme's liabilities. The asset allocation strategy it has selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Scheme's liabilities.

At 31 December 2024 the Trustee's investment objective is to return 1.25% p.a. in excess of the gilt based Liability Benchmark, net of fees, whilst, at the same time, managing the investment risk profile.

Current target asset allocation

The Trustee has appointed Aon Investments Limited ('AIL') as the Fiduciary Manager for the Scheme. It has therefore given AIL an investment objective to meet and delegated asset allocation and manager selection to them. There is therefore no target asset allocation against which the assets are monitored.

Custody of assets

AIL has appointed the Bank of New York Mellon as custodian.

Investment principles

The Trustee has produced a Statement of Investment Principles ('SIP') in accordance with Section 35 of the Pensions Act 1995.

The SIP summarises how the Trustee:

- Sets and implements the Scheme's investment strategy;
- Considers risk; and
- Monitors the performance of the Scheme's investments.

It also details the Trustee's arrangements with its asset managers and approach to cost monitoring. In setting and implementing the Scheme's investment strategy the Trustee does not explicitly 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 matters (defined as 'non-financial factors'¹). However, the Trustee recognises that there is a risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly ('ESG risk'). They therefore expect it to be considered by AIL when considering the managers in the portfolio.

Copies of the Statement are available online at: www.bridonpensions.co.uk/investment/

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Investment report (continued)

Performance returns to 31 December 2024

	One Year	3 Years	Since Inception (p.a.)
Asset Return (%):	(8.9)	(18.6)	(7.1)
Liability Benchmark Return (%):	(9.9)	(17.8)	(7.3)
Relative (%):	1.0	(0.8)	0.2
Investment Objective:	To outperform the Liability Benchmark* by 1.25% p.a. over rolling three year periods		
Investment Objective Return (%):	(9.0)	(17.0)	(6.3)
Relative (%):	0.2	(1.6)	(0.8)

Source: Aon / Bank of New York Mellon.

Returns are in GBP and quoted net of fees.

Returns for periods in excess of one year are annualised.

Inception date: 30 April 2019.

Figures may be subject to rounding.

*Please note that the Liability Benchmark acts as a proxy for the pension liabilities that the Trustee has asked to hedge and performance has been assessed relative to this measure.

Market background

General background

Global equity markets rose over the year. The MSCI ACWI rose 20.7% in local currency and 20.1% in sterling terms, with sterling appreciating against major global currencies except the US Dollar. Inflation slowed down in most major economies and the global economy proved more resilient than previously anticipated.

Major political developments dominated the last year, with the UK and US elections delivering a clear mandate to the respective Labour and Republican parties, while Europe saw political instability. In Q3 2024, the Labour Party returned to Government in the UK after 14 years, winning 412 seats with a vote share of 33.8%. The Conservative party came second, winning 121 seats with a vote share of 23.7%. Keir Starmer was appointed as the Prime Minister. Rachel Reeves was named as the Chancellor, and Liz Kendall was appointed as the Secretary of State for Work and Pensions. The outcome of the US Presidential Elections, which were held in Q4 2024, resulted in a decisive victory for the Republican Party candidate, Donald Trump, who secured 312 electoral college votes, surpassing the 270 needed to become President. The Republican Party gained a majority in the US Senate, holding 53 seats, and gained a majority in the House of Representatives, securing 220 seats (218 required).

During the year, the Bank of England ('BoE') reduced its policy interest rate twice by 0.25% each to 4.75%, with the first rate cut coming in July and the second in November. The UK nominal gilt curve shifted upwards over the year, with yields rising across maturities. Yields rose more sharply towards the medium and long end of the yield curve compared to the short-term maturities. The 10-year nominal bond yield rose by 103bps to 4.68%.

Engagement Policy Implementation Statement ('EPIS')

The Trustee has prepared an Engagement Policy Implementation Statement in accordance with legislation. This statement is shown at the Appendix on page 33 to 40.

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Employer related investments

The investments of the Scheme are invested in accordance with Section 40 of the Pensions Act 1995. Details of any Employer related investments are disclosed in note 19 to the financial statements.

Further information

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries. In particular, the documents constituting the Scheme, the Rules and a copy of the latest actuarial report and the Trustee's SIP can be inspected.

Individual benefit statements are provided to deferred members on request. In addition to the information shown on these statements members can request details of the amount of their current transfer value. Such requests are available free of charge once a year.

If members have any queries concerning the Scheme or their own pension position, or wish to obtain further information, they should contact the Administrator at the contact details on page 1 who will also be able to provide them with a further copy of the Scheme's booklet should they require one and answer any queries that they may have about entitlement to benefits.

Aon Solutions UK Limited processes the personal data as contained in this report and financial statements for the purpose of providing the Trustee with a report and financial statements on the operation of the Scheme. Aon Solutions UK Limited processes personal data in the context of providing pension scheme administration services on behalf of the Trustee, the data controller. Aon Solutions UK Limited, when operating in its capacity as a data processor who provides the members of the Scheme with pension scheme administration services on behalf of the Trustee, will comply with the applicable legislation including any data protection legislation and the instructions of the Trustee.

The Trustee or the Employer will ensure the data subjects of whom personal data is processed for the purposes of this report and financial statements are informed of the processing activities in accordance with the requirements of the applicable data protection legislation.

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Governing bodies, regulators and sources of reference

Pension Tracing

The Scheme is registered with the Pension Tracing Service which maintains a list of up to date addresses of schemes to assist ex-members in tracing their rights if they have lost contact with the previous Employers' scheme. The Pension Tracing Service can be contacted at:

The Pensions Service
Post Handling Site A
Wolverhampton
WV98 1AF

0800 731 0469
www.gov.uk/find-pension-contact-details

The Pensions Regulator

The Pensions Regulator ('TPR') is the United Kingdom ('UK') regulator of work-based pension schemes.

TPR's role is to act to protect the interest of pension scheme members and to enforce the law as it applies to occupational pension schemes.

The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify trustees for acting unlawfully, and can impose fines.

TPR can be contacted at:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

0345 600 0707
customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

The Pension Protection Fund

The Pension Protection Fund was established to provide compensation to members of eligible pension schemes, when there is a qualifying insolvency event in relation to the Employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection Fund can be contacted at:

PPF Member Services
Pension Protection Fund
PO Box 254
Wymondham
NR18 8DN

0330 123 2222
ppfmembers@ppf.co.uk
www.ppf.co.uk

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Governing bodies, regulators and sources of reference (continued)

Questions about pensions

If you have any questions about your pension, MoneyHelper, which is part of the Money and Pensions Service, provides professional, independent and impartial help with pensions for free. Services include independent information and general guidance on pension matters.

MoneyHelper can be contacted at:

Money & Pensions Service
Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB

0800 011 3797
www.moneyhelper.org.uk

Resolving difficulties/Internal Dispute Resolution

It is expected that most queries relating to benefits can be resolved with the Scheme's Administrator. In the event that a member's complaint cannot be resolved by the Administrator, they may make a formal complaint using the Scheme's Internal Dispute Resolution ('IDR') procedure, details of which can be obtained from the Administrator. Should the member remain dissatisfied having completed both stages of the IDR procedure, they have the right to refer their complaint to The Pensions Ombudsman free of charge. Members can also make use of the Pensions Ombudsman's informal Early Resolution Service, which can be contacted at any time.

The Pensions Ombudsman can be contacted at:

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

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

You can also submit a complaint online: www.pensions-ombudsman.org.uk/making-complaint

BRIDON GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK ('FRS 102') are the responsibility of the 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 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 Scheme will not be wound up.

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 it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee 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.

Approval

The Trustee's report on pages 2 to 12 were approved by the Trustee and signed and on its behalf by:

Trustee Director:

Date:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BRIDON GROUP (2013) PENSION SCHEME

Opinion

We have audited the financial statements of the Bridon Group (2013) Pension Scheme (the 'Scheme') for the year ended 31 December 2024 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including a summary of 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 Bridon Group (2013) Pension Scheme financial statements:

- show a true and fair view of the financial transactions of the Scheme 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 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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE
OF BRIDON GROUP (2013) PENSION SCHEME**

Other information

The other information comprises the information included in the annual report set out on pages 1 to 39, other than the financial statements, our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 12, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Capability of the audit in detecting irregularities, including fraud irregularities

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our discussions with the Trustee, we considered the laws and regulations that have a direct impact on the preparation of the financial statements such as 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE
OF BRIDON GROUP (2013) PENSION SCHEME**

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

Our approach was as follows:

During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The engagement team remained alert to non-compliance throughout the audit from planning to completion.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of:

- enquiries of management and the Trustee as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of relevant legal correspondence;
- review of Trustee meeting minutes;
- testing the appropriateness of journal entries; and
- the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme'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 Scheme's Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Assure UK
Chartered Accountants and Statutory Auditor
London

Date:

BRIDON GROUP (2013) PENSION SCHEME

FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Benefits paid or payable	4	(2,523,406)	(1,555,083)
Payments to and on account of leavers	5	-	(312,844)
Administrative expenses	6	(104,344)	(189)
		<u>(2,627,750)</u>	<u>(1,868,116)</u>
Net withdrawals from dealing with members		<u>(2,627,750)</u>	<u>(1,868,116)</u>
Returns on investments			
Investment income	7	1,416,988	1,736,935
Change in market value of investments	8	(5,695,180)	(970,572)
Investment management expenses	9	(158,344)	(167,889)
		<u>(4,436,536)</u>	<u>598,474</u>
Net returns on investments		<u>(4,436,536)</u>	<u>598,474</u>
Net decrease in the fund during the year		(7,064,286)	(1,269,642)
Opening net assets		51,812,610	53,082,252
Closing net assets		<u>44,748,324</u>	<u>51,812,610</u>

The notes on pages 18 to 29 form part of these financial statements.

BRIDON GROUP (2013) PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Investment assets			
Pooled investment vehicles	11	44,601,396	51,311,913
AVC investments	12	43,468	52,742
Cash	13	85,029	272,637
		<u>44,729,893</u>	<u>51,637,292</u>
Investment liabilities			
Other investment balances	13	(39,325)	(57,268)
Total net investments		<u>44,690,568</u>	<u>51,580,024</u>
Current assets	17	217,596	243,433
Current liabilities	18	(159,840)	(10,847)
Net assets available for benefits at 31 December		<u><u>44,748,324</u></u>	<u><u>51,812,610</u></u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included in the Trustee's Report on page 5. These financial statements and Actuarial Certificate should be read in conjunction with this report.

The notes on pages 18 to 29 form part of these financial statements.

These financial statements on pages 16 to 29 were approved by the Trustee and were signed on its behalf by:

Trustee Director:

Date:

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Basis of preparation

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

2. Identification of financial statements

Bridon Group (2013) Pension Scheme is a Defined Benefit occupational pension scheme established under trust under English Law.

The address of the Scheme's registered office is:

Bridon International Ltd Technology Centre
Balby Carr Bank
Doncaster
DN4 8DG

3. Accounting policies

The principal accounting policies applied to the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Functional and presentational currency

The Scheme's functional and presentational currency is GBP.

Benefits paid or payable

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

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

Payments to and on account of leavers

Individual transfers to other schemes are accounted for when member liability is discharged which is normally when the transfer amount is paid.

Administrative expenses

Administrative expenses are accounted for on an accruals basis, net of recoverable VAT.

Investment income

Income from pooled investment vehicles is accounted for when declared by the fund manager.

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

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. Accounting policies (continued)

Change in market value of investments

The change in market value of investments during the year comprise 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 and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Direct transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.

Investment management expenses

Investment management fees are accounted for on an accruals basis.

Investment management fees for pooled investment vehicles are incorporated in the unit price and reflected in change in the market value of investments in the Fund Account.

Valuation of investment assets

Investments

Investment assets are included in the financial statements at fair value. The methods of determining fair value for the principal classes of investment are:

Pooled investment vehicles which are unquoted or not actively traded are stated at bid price or single price where there is no bid/offer spread as provided by the investment manager at the year end.

AVC funds are included within the Statement of Net Assets (Available for Benefits) on the basis of fair values provided by the AVC provider at the year end.

With profits insurance policies held as AVC investments are reported at the policy value provided by the insurer based on cumulative reversionary bonuses declared and the current terminal bonus.

4. Benefits paid or payable

	2024 £	2023 £
Pensions	1,312,074	1,203,866
Commutations of pensions and lump sum retirement benefits	1,151,810	341,109
Lump sum death benefits	59,522	10,108
	<u>2,523,406</u>	<u>1,555,083</u>

5. Payments to and on account of leavers

	2024 £	2023 £
Individual transfers to other schemes	-	312,844

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

6. Administrative expenses

	2024 £	2023 £
Sundry expenses	104,161	-
Bank charges	183	189
	<u>104,344</u>	<u>189</u>

The Schedules of Contributions certified by the Scheme Actuary on 17 June 2020 and 28 March 2024. The expenses of administering the Scheme are met directly by the Employer with any expenses above £0.33m p.a. (excluding VAT) being reimbursed by the Scheme to the Employer. These expenses are included within sundry expenses.

7. Investment income

	2024 £	2023 £
Income from pooled investment vehicles	1,409,566	1,731,742
Interest on cash deposits	7,422	5,193
	<u>1,416,988</u>	<u>1,736,935</u>

8. Investments

	Opening value at 1 Jan 2024 £	Purchases at cost £	Sales proceeds £	Change in market value £	Closing value at 31 Dec 2024 £
Pooled investment vehicles	51,311,913	25,838,606	(26,849,518)	(5,699,605)	44,601,396
AVC investments	52,742	-	(13,699)	4,425	43,468
Total net investments	<u>51,364,655</u>	<u>25,838,606</u>	<u>(26,863,217)</u>	<u>(5,695,180)</u>	44,644,864
Cash	272,637				85,029
Other investment balances	(57,268)				(39,325)
Total net investments	<u>51,580,024</u>				<u>44,690,568</u>

Transaction costs

Transaction costs are included in the cost of purchases and deducted from sale proceeds in the reconciliation above. Transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty.

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

8. Investments (continued)

	Pooled Investments Vehicles £	2024 Total £
Fees	4,185	4,185
Rebates	(354)	(354)
	<u>3,831</u>	<u>3,831</u>
	Restated Pooled Investments Vehicles £	2023 Total £
Fees	17,063	17,063
Rebates	(3,432)	(3,432)
	<u>13,631</u>	<u>13,631</u>

In addition to the direct transaction costs above, indirect costs are incurred through the bid-offer spread on pooled investment vehicles. It is not possible for the Trustee to quantify these indirect costs.

The implied transaction costs depend on the net inflow or outflow on the day that the client trades. So, the costs are very much driven by not only what the Scheme is doing but what every other investor is doing as well.

9. Investment management expenses

	2024 £	2023 £
Investment management expenses	383,917	507,875
Investment rebates	(225,573)	(339,986)
	<u>158,344</u>	<u>167,889</u>

10. Taxation

The Scheme is a registered pension scheme in accordance with the Finance Act 2004 and is exempt from income tax and capital gains tax except for withholding tax on overseas investment income. This means that the contributions paid by both the Employer and the members qualify for full tax relief.

11. Pooled investment vehicles

	2024 £	2023 £
Tailored LDI funds	<u>44,601,396</u>	<u>51,311,913</u>

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

11. Pooled investment vehicles (continued)

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

	2024 £	2023 £
Open ended investment company	44,601,396	51,311,913

The Scheme is the sole investor in Aon Hewitt Bespoke Fund B17 which is managed by Aon Investments Limited. A breakdown of the underlying assets at the year end is set out below:

	2024 £	2023 £
LDI	20,074,574	32,353,137
Bonds	15,868,886	10,042,271
Equities	3,925,591	6,509,837
Alternatives	4,732,345	1,637,323
Cash	-	769,345
	<u>44,601,396</u>	<u>51,311,913</u>

12. AVC investments

	2024 £	2023 £
Aviva	43,468	52,742

The Trustee holds assets which are separately invested from the main Scheme to secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement made up to 31 December each year confirming the amounts held to their account and movements during the year.

AVC providers can be further analysed as:

	2024 £	2023 £
With profits	43,468	52,742

13. Cash and other investment balances

	2024 £	2023 £
Cash	85,029	272,637
Accrued income	(39,325)	(57,268)
	<u>45,704</u>	<u>215,369</u>

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. Fair value hierarchy

FRS102 requires for each class of financial instrument an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for an identical asset or liability that the entity can access at the assessment dates;

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

	Level 1 £	Level 2 £	Level 3 £	2024 Total £
Investment assets				
Pooled investment vehicles	-	44,601,396	-	44,601,396
AVC investments	-	-	43,468	43,468
Cash	85,029	-	-	85,029
	85,029	44,601,396	43,468	44,729,893

Investment liabilities

Other investment balances	(39,325)	-	-	(39,325)
	45,704	44,601,396	43,468	44,690,568

	Level 1 £	Level 2 £	Level 3 £	2023 Total £
Investment assets				
Pooled investment vehicles	-	51,311,913	-	51,311,913
AVC investments	-	-	52,742	52,742
Cash	272,637	-	-	272,637
	272,637	51,311,913	52,742	51,637,292

Investment liabilities

Other investment balances	(57,268)	-	-	(57,268)
	215,369	51,311,913	52,742	51,580,024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks.

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

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

Currency risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Investment strategy

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 its 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. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Credit risk

The Scheme is subject to credit risk because the Scheme has cash balances. The Scheme also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the investments it holds in the pooled investment vehicles. The Scheme is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Cash is held within financial institutions which are at least investment grade credit rated. This is the position at the year-end and the prior year.

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

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Investment risks (continued)

Credit risk (continued)

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

	31 December 2024	31 December 2023
	Market Value (£)	Market Value (£)
Open ended investment company	44,601,396	51,311,913
Total	44,601,396	51,311,913

Source: Aon / Bank of New York Mellon. Please note that figures may not sum due to rounding.

Indirect credit risk arising from underlying investments held in the bond and liability matching pooled investment vehicles is mitigated by the underlying exposures on an aggregate basis being predominantly investment grade credit securities. However, the funds may invest in debt securities which may be unrated by a recognised credit rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Risk is mitigated by holding a diverse portfolio of investments with exposure to a range of issues and issuers, through the higher yield available on these investments which compensates on an aggregate basis for the risk taken and through the use of an active fund manager who through careful stock selection will aim to reduce the impact of defaults and downgrades.

Currency risk

No direct currency risk exists as all of the pooled investment vehicles held by the Scheme are denominated in GBP.

Indirect currency risk arises because some investments are held in overseas markets via pooled investment vehicles. The manager may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions. This fluctuation results from changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions.

Interest rate risk

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in leveraged gilts through pooled vehicles, and cash, as part of their LDI investment strategy (Hedging Component). 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 also has some exposure to bond pooled investment vehicles as part of its diversified return seeking growth portfolio.

Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes a range of strategies invested in pooled vehicles (global equities, return-seeking bonds (active global fixed income), return-seeking bonds (multi-asset credit), low risk bonds, liquid alternatives, opportunities portfolio). This exposure to overall price movements is managed by constructing a diverse portfolio of investments across various markets.

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Investment risks (continued)

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

						31 December 2024	31 December 2023
		Credit Risk	Currency Risk	Interest Rate Risk	Other Price Risk	Market Value (£)	Market Value (£)
Strategy	Fund						
Multi-Factor Equity Strategy	LGIM Developed Factor Index Fund - Hedged	●	○	○	●	1,632,127	-
Multi-Factor Equity Strategy	LGIM Developed Factor Index Fund - Unhedged	●	●	○	●	502,906	-
Climate Transition Equity Strategy	UBS Global Equity Climate Transition Fund	●	●	○	●	1,410,738	-
Climate Transition Equity Strategy	UBS Global EM Equity Climate Transition Fund	●	●	○	●	379,820	-
Active Global Fixed Income Strategy	Adept SF2	●	●	●	●	8,620,602	-
Sustainable Multi-Asset Credit Strategy	Adept SF18	●	●	●	●	3,286,576	-
Low Risk Bond strategy	Adept SF25	●	●	●	●	3,961,708	9,095,385
Core Diversifiers Strategy	Adept SF31	●	●	●	●	3,970,079	-
Opportunities Strategy	Adept SF5	●	●	●	●	762,266	-
Managed Growth strategy	Adept SF9	●	●	●	●	-	9,863,390
Hedging Component		●	○	●	○	20,074,574	32,353,138
Total						44,601,396	51,311,913

Source: Aon / Bank of New York Mellon. Data as at 31 December 2024, unless otherwise stated.

Cash balances held in LDI accounts are included in the Hedging Component market value.

Please note that figures may not sum due to rounding.

In the table above, the risk noted affects the investment class [●] significantly or [○] hardly/not at all.

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16. Concentration of investments

The following investments, account for more than 5% of the net assets of the Scheme.

	2024 £	%	2023 £	%
Aon Hewitt Bespoke Fund B17	44,601,396	100	51,311,913	99

The Scheme is the sole investor in Aon Hewitt Bespoke Fund B17 which is managed by Aon Investments Limited. The following underlying funds, excluding UK Government securities, account for more than 5% of the net assets of the Scheme (excluding hedging component).

	2024 £	%	2023 £	%
Adept 2 Active GBL FI GBP*	8,620,602	19	-	-
Adept 31 Gbp 0 Class NPV*	3,970,079	9	-	-
Adept 25 Low Risk Bond GBP*	3,961,708	9	-	-
ILF-GBP Liquidity-2	3,551,657	8	10,230,000	20
Adept 18 MA CR STR-021GBP*	3,286,576	7	-	-
LDI Sol Pls Part GLT 51-6*	3,197,428	7	3,777,577	7
LDI Sol Pls Part GLT 41-5*	3,193,162	7	3,674,385	7
LDI SP PAFU IX/L GLT 41-5*	2,255,553	5	3,426,374	7
MGD Growth GBP-0**	-	-	9,863,390	19
Low Risk BND GBP-0**	-	-	9,095,386	18
LDI Sol Pls IX/L GLT 31-4***	-	-	3,050,786	6

* Invested during the year.

** Disinvested during the year.

*** Investments were less than 5% of the Scheme's net assets as at 31 March 2024, hence it has not been disclosed for the current year.

17. Current assets

	2024 £	2023 £
Prepayments	100,531	87,250
Cash balances	117,065	156,183
	217,596	243,433

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

18. Current liabilities

	2024 £	2023 £
Accrued benefits	159,101	10,108
Sundry creditors	739	739
	<u>159,840</u>	<u>10,847</u>

The amount of £739 relates to the AVC disinvestment in response of a member (FKI AVC policy) incorrectly credited to the Bridon account.

19. Employer related investments

There were no direct Employer related investments during the year or at the year end (2023: Nil).

The Trustee recognises that indirect investment in the Employer's parent company, is possible through holdings in pooled investment vehicles. Based on information provided by the investment manager the Trustee believes that any indirect exposure to shares in the Employer sponsor group was no more than 0.1% of the Scheme assets at any time during the year or at the year end and was Nil (2023: Nil%) at year end.

20. Related party transactions

Key management personnel

Fees and expenses were paid to Trustee Directors in the amount of £40,997 (2023: £43,302) by the Employer.

From 1 January 2024, the Scheme has been managed by a sole corporate pension Trustee, Capital Cranfield Pension Trustees Limited, the representatives of whom at the year end were:

K Lewandowski - non-member
S Anyan - non-member (2023: non-member)

Employer and other related parties

The Principal Employer is considered a related party. All transactions involved with these entities relate to remittance of monthly contributions required under the Rules of the Scheme. The Principal Employer recharges the Scheme for costs.

The Principal Employer recharged the Scheme for costs of administration (excluding the PPF levy) in excess of £330,000 p.a. in the amount of £104,161 (2023: £Nil).

BRIDON GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

21. Contingent assets and liabilities

In the opinion of the Trustee, the Scheme had no other contingent assets or liabilities as at 31 December 2024 (2023: £Nil).

22. GMP Equalisation

In October 2018, the High Court determined that benefits provided to members who had contracted out of the state pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee has included an estimated liability of £1.4M in respect of these matters within the technical provisions figures shown in the 'Report on actuarial liabilities' section. This includes an estimated allowance of £0.25m in relation to historical transfer payments.

BRIDON GROUP (2013) PENSION SCHEME

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF BRIDON GROUP (2013) PENSION SCHEME

Independent Auditor's Statement about Contributions to the Trustee of Bridon Group (2013) Pension Scheme

We have examined the Summary of Contributions to the Bridon Group (2013) Pension Scheme for the Scheme year ended 31 December 2024, which is set out on page 31.

In our opinion contributions for the Scheme year ended 31 December 2024 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 17 June 2020 and 28 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 31 have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of Trustee and the auditor

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

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

Use of our statement

This statement is made solely to the Scheme's Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions 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 on contributions, for this statement, or for the opinion we have formed.

Assure UK
Chartered Accountants and Statutory
Auditor
London

Date:

BRIDON GROUP (2013) PENSION SCHEME

**SUMMARY OF CONTRIBUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2024**

During the year ended 31 December 2024 the contributions payable to the Scheme were as follows:

	Total £
Contributions payable under the Schedules of Contributions and as reported by the Scheme auditor	
	<u>Nil</u>
Total contributions reported in the financial statements	<u><u>Nil</u></u>

The Summary of Contributions was approved by the Trustee and signed on its behalf by:

Trustee Director:

Date:

BRIDON GROUP (2013) PENSION SCHEME

ACTUARIAL CERTIFICATE

Certification of schedule of contributions

Name of the Scheme : Bridon Group (2013) Pension Scheme

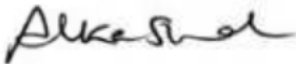
Adequacy of rates of contributions

1. I certify that, in my opinion, the 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 for which the schedule is in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 28 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 scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature: 

Date: 28 March 2024

Name: Alka Shah

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: 12th Floor
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Name of employer: Aon Solutions UK Limited

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

Engagement Policy Implementation Statement ('EPIS')

Engagement Policy Implementation Statement ("EPIS")

Bridon Group (2013) Pension Scheme (the "Scheme")

Scheme Year End – 31 December 2024

The purpose of the EPIS is for Capital Cranfield Pension Trustees Limited ("the Trustee") to explain what the Trustee has done during the year ending 31 December 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. How the Trustee's policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Scheme's investments have been followed during the year; and
2. How the Trustee's voting rights have been exercised, including the use of any proxy voting advisory services, and the 'most significant' votes cast over the reporting year.

Our conclusion

Based on the activity undertaken during the year by the Trustee and its investment managers, the Trustee believes that the policies set out in the SIP have been implemented effectively.

In the Trustee's view, the Scheme's underlying investment managers (chosen by Aon Investments Limited ("Aon") as our fiduciary manager) were able to disclose good evidence of voting and engagement activity. The Trustee believes the activities completed by Aon as our fiduciary manager aligns with the Trustee's stewardship expectations and that the Trustee's voting policies have been implemented effectively.

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

How voting and engagement policies have been followed

The Scheme is invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme's investment managers. The Trustee reviewed the stewardship activity carried out over the Scheme year by the material underlying investment managers and in the Trustee's view, most of the underlying investment managers were able to disclose good evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections.

Over the reporting year, the Trustee monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, the Trustee received quarterly ESG ratings from Aon for the funds the Scheme is invested in where available.

Each year as part of the Trustee's preparation of this statement, the Trustee reviews the voting and engagement policies of the Scheme's investment managers to ensure they align with the Trustee's own policies for the Scheme.

Over the year the Trustee received and reviewed the Annual Stewardship and Cost Disclosure reports from its fiduciary manager. The Trustee is satisfied that these metrics are in line with expectations and that no further action is required. The Trustee will continue to review this information on an annual basis.

The Trustee has put in place formal objectives in relation to the delivery of strategic investment advice, compliance, monitoring and service standards for its investment adviser and reviews the adviser's performance against these objectives on an annual basis. In addition, the Trustee has appointed Isio to provide periodic independent reviews of the fiduciary manager.

The Scheme's stewardship policy can be found in the SIP:
<https://www.bridonpensions.co.uk/investment/>

The SIP is reviewed at least triennially or when there is a significant change to the circumstances of the Scheme.

Our Engagement Action Plan

Based on the work undertaken for the EPIS, the Trustee decided to take the following step over the next 12 months:

1. The Trustee will invite Aon to talk through the Responsible Investment approach in order to get a better understanding of how it is monitoring the voting practices and engaging with the underlying investment managers on the Trustee's behalf, and how these help the Trustee fulfil its Responsible Investment policies.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

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Our fiduciary manager's engagement activity

The Trustee delegates the management of the Scheme's defined benefit assets to its fiduciary manager, Aon. The Trustee invests some of the Scheme's assets in Aon's Adept Strategy 2 Fund, Adept Strategy 5 Fund, Adept Strategy 18 Fund, Adept Strategy 25 Fund, Adept Strategy 31 Fund. These are fund of fund arrangements, where Aon selects the underlying investment managers on the Trustee's behalf. In addition, some of the Scheme's assets are invested in Legal and General Investment Management ("LGIM") - Multi-Factor Equity Fund (hedged and unhedged), UBS Global Asset Management ("UBS") - Emerging Market Equity Climate Transition Fund and UBS Global Asset Management ("UBS") - Global Equity Climate Transition Fund.

The monitoring of ESG integration and stewardship of the underlying managers is delegated to Aon. The Trustee has reviewed Aon's latest annual Stewardship Report and believes it shows that Aon is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and networking events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. The Trustee believes that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. The Trustee expects the Scheme's equity-owning investment managers to responsibly exercise their voting rights.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the Trustee still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the Trustee will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

BRIDON GROUP (2013) PENSION SCHEME

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Voting statistics

The table below shows the voting statistics for each of the Scheme's material funds with voting rights for the year to 31 December 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Legal and General Investment Management ("LGIM") - Multi-Factor Equity Fund (hedged and unhedged)	11,565	99.6%	20.8%	0.4%
UBS Global Asset Management ("UBS") – Emerging Market Equity Climate Transition Fund	7,595	85.0%	10.9%	2.0%
UBS Global Asset Management ("UBS") – Global Equity Climate Transition Fund	12,145	93.0%	8.0%	0.1%

Source: LGIM, UBS.

Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Scheme's managers use proxy voting advisers.

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

Managers	Description of use of proxy voting advisers
Legal and General Investment Management	LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM does not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
UBS Global Asset Management	UBS retains the services of ISS for the physical exercise of voting rights and for supporting voting research. UBS retains full discretion when determining how to vote at shareholder meetings.

Source: LGIM, UBS.

Significant voting examples

To illustrate the voting activity being carried out on the Trustee's behalf, the Scheme's underlying investment managers were asked to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix.

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Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Scheme's material underlying investment managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
PIMCO - Climate Bond Fund	136	1,517	Environment - Climate Change Social - Human and Labour Rights; Human Capital Governance - Board Effectiveness, Remuneration & Leadership Strategy, Financial & Reporting - Capital Allocation; Financial Performance Other - ESG Bonds
Robeco - Sustainable Development Goals ("SDG") Credit Income Fund	12	324	Environment - Climate Change Social - Human and Labour Rights Governance - Shareholder Rights; Board Effectiveness - Other
Aegon Asset Management ("Aegon") – European Asset Backed Securities (ABS) Fund	115	422	Environment - Climate Change Social - Human and Labour Rights Governance - Leadership - Chair/CEO; Remuneration Other - General Disclosure
M&G - Sustainable Total Return Credit Income Fund	12	406	Environment - Net Zero/ Decarbonisation; CA 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion Governance - Remuneration
Royal London Asset Management ("RLAM") - Absolute Return Bond Fund	33	710	Environment - Climate Transition Risk Social - Just Transition; Mental Health; Financial Inclusion Governance - Remuneration; Corporate Governance Strategy, Financial & Reporting - Strategy/Purpose
LGIM - Multi-Factor Equity Fund (hedged and unhedged)	682	Not provided	Environment - Climate Impact Pledge Social - Human Rights Governance - Capital Management; Remuneration Other - Corporate Strategy
UBS – Emerging Market Equity Climate Transition Fund	38	425	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness. – Other Strategy, Financial & Reporting - Capital Allocation; Strategy/Purpose; Reporting
UBS – Global Equity Climate Transition Fund	174	425	Environment - Climate Change Social - Human and Labour Rights; Human Capital Governance - Remuneration; Board Effectiveness. - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Capital Allocation

Source: PIMCO, Robeco, Aegon, M&G, RLAM, LGIM, UBS.

Data limitations

At the time of writing, LGIM provided a complete list of engagements for the invested funds but not in the industry standard engagement reporting template, Investment Consultants Sustainability Working Group ("ICSWG"), although it is expected that these will be available later in the year as part of the managers' annual stewardship reports. Also, the firm level engagement information is expected to be available when the LGIM's annual report is published.

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Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's managers. The Trustee considers a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

Legal and General Investment Management ("LGIM") - Multi-Factor Equity Fund (hedged and unhedged)	Company name	Microsoft Corporation
	Date of vote	10 December 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.4%
	Summary of the resolution	Resolution 9: Report on AI Data Sourcing Accountability
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Shareholder Resolution - Governance: A vote FOR this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be most significant?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.
UBS Global Asset Management ("UBS") – Emerging Market Equity Climate Transition Fund	Company name	Samsung C&T Corp
	Date of vote	15 March 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Approve Appropriation of Income (KRW 4,500 per Common Share and KRW 4,550 per Preferred Share) (Shareholder Proposal)
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Given the company's robust balance sheet, improving operational performance and strong cash flow generation, support for proposals for a higher dividend and share buyback is warranted.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will	We shall continue to monitor the company's income distribution strategy.

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	you take in response to the outcome?	
	On which criteria have you assessed this vote to be most significant?	Voting escalation action linked to engagement outcome.
UBS Global Asset Management ("UBS") – Global Equity Climate Transition Fund	Company name	International Business Machines Corporation
	Date of vote	30 April 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	Not provided
	Summary of the resolution	Adopt Science-Based GHG Emissions Targets Including for Value Chain Emissions
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to monitor ahead of the next AGM.
	On which criteria have you assessed this vote to be most significant?	30.8% of shareholders voted in support of the proposal.

Source: LGIM, UBS.