The BSS Group Pension Scheme

Annual Report and Financial Statements
30 September 2024
Scheme Registration number 10154188

Contents

Section 1 – Trustee and its Advisers

The Trustee

The Trustee of the Scheme is a Sole Trustee, Ross Trustees Services Limited, part of the Independent Governance Group.

Corporate Trustee	Ross Trustees Services Limited (part of the Independent Governance Group) – represented by: Susan Jane Andrews Dickon Best Pavan Bhardwaj Andrew David Bradshaw Richard Cousins Catherine Eleanor Hardingham Margaret Kember Anthony Livingstone Roger Alan Richard Mattingly Joanna Beth Myerson Nigel Charles Moore Amanda Osborne Manpreet Sohal Grant Suckling
Secretary to the Trustee	Ross Trustees Services Ltd (part of Independent Governance Group) Directors listed above.

Advisers

The advisers to the Trustee are set out below:

Actuary	R Shackleton FIA of Hymans Robertson LLP
Independent Auditors	Deloitte LLP
Legal Adviser	Gowling WLG (UK) LLP
Administrator	Hymans Robertson LLP
Additional Voluntary Contribution (“AVC”) Providers	Clerical Medical The Prudential Assurance Company Limited
Bankers	Barclays Bank UK PLC
Custodian (Insight and Royal London)	Bank of New York Mellon

Trustee and its Advisers (continued)

Advisers (continued)

Investment Consultant	XPS Pension Group
Investment Managers	Ares Management LLC
	Insight Investment Management (Global) Limited
	M&G Alternatives Investment Management Limited
	Royal London Asset Management
Principal Employer	Travis Perkins plc

Section 2 – Trustee's Report

The Trustee of The BSS Group Pension Scheme ("the Scheme") is pleased to present its report together with the audited financial statements and actuarial statements of the Scheme for the year ended 30 September 2024.

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

Management of the Scheme

Constitution of the Scheme

The Scheme is governed by a Definitive Trust Deed and Rules, the current version of which was executed on 25 February 2020. The Scheme was closed to new members from 1 March 2002 and closed to future accrual from 31 August 2018.

The Scheme is a defined benefit scheme which provides benefits based on a member's salary and length of service.

Members were able to make Additional Voluntary Contributions ("AVCs") to secure additional benefits.

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

Members of the Scheme were contracted-out of the State Second Pension ("S2P"). From 6 April 2016, following changes to the State Pension, members are no longer contracted-out of the Additional State Pension.

Rule Changes

There were no changes made to the Scheme rules for the year to 30 September 2024.

Management of the Scheme

Responsibility for setting the strategy and for managing the Scheme rests with the Trustee. The Trustee Directors who served during the year are listed on page 1.

The Trustee is required to act in accordance with the Scheme's Trust Deed and Rules within the framework of pensions and trust law. It is responsible for safeguarding the assets of the Scheme and for taking reasonable steps to prevent fraud and other irregularities.

The Occupational Pension Schemes (Member-Nominated Trustees and Directors) Regulations 2006 came into force on 6 April 2006 and prescribe the composition of trustee boards. Under the regulations, it is a requirement that at least one-third of the Scheme's Trustee Directors are nominated by the membership.

With the exception of the Member-Nominated Directors ("MNDs"), the Principal Employer, Travis Perkins plc, is responsible for the appointment and removal of the Trustee Directors who can choose to retire from office at any time. From March 2022, the Principal Employer switched to a Sole Trustee structure. The Trustee Directors in office during the year of this report, and their advisers, are shown on page 1. During the year, no hybrid meetings (2023: one) and four video conferences (2023: two) were held to consider matters relating to the Scheme. In addition, there were two additional investment committee meetings and two Joint Working Groups, which were held to assist the Trustee in both considering and managing matters relating to the Scheme. Informally, the Trustee meets biweekly to consider and manage the Scheme, and decisions are taken in a timely, and agile manner.

Trustee's Report (continued)

Financial Development of the Scheme

The fund account shows that the net assets of the Scheme increased from £226,069,000 at 30 September 2023 to £237,716,000 at 30 September 2024. The increase in net assets is accounted for by:

	2024 £000	2023 £000
Member related income	524	850
Member related payments	(11,381)	(11,126)
Net withdrawals from dealings with members	**(10,857)**	**(10,276)**
Net returns on investments	22,504	(19,602)
Net increase/(decrease) in Scheme	**11,647**	**(29,878)**
Opening net assets available for benefits	226,069	255,947
Closing net assets available for benefits	**237,716**	**226,069**

Contributions

The Scheme Actuary, an independent adviser to the Trustee, assesses the financial position of the Scheme every three years by performing an actuarial valuation. The latest triennial actuarial valuation of the Scheme was carried out as at 30 September 2023 in accordance with the requirements of Part 3 of the Pensions Act 2004. The Report on Actuarial Liabilities is on page 7 of this report.

Legislation requires the Trustee to agree a Statement of Funding Principles setting out how it will achieve the statutory funding objective – that is, for the Scheme to be sufficiently and appropriately funded to at least the level of its "technical provisions" (i.e. its liabilities). In the event of a past service deficit, the Trustee is required to agree a Recovery Scheme, this being an amount payable over a fixed term of years over which the deficit will be eliminated, taking into consideration the strength of the employer's covenant – that is, the ability of the employer to continue to contribute to the balance of the cost of the Scheme.

A Schedule of Contributions was certified on 22 December 2023 to allow for all administration and management expenses incurred by the Scheme to be paid out of the Scheme's assets from 1 January 2024. This agreement continued under an updated version, agreed and certified by the Scheme Actuary on 1 August 2024, after completion of the actuarial valuation as at 30 September 2023.

Trustee's Report (continued)

Pension Increases

In accordance with the Scheme rules, pensions were increased on 1 April 2024.

Where a Guaranteed Minimum Pension ("GMP") is in payment, these were increased in accordance with statutory requirements (Consumer Price Index ("CPI") capped at 3% on Post 6 April 1988 GMP and no increase on Pre 6 April 1988 GMP). For the April 2024 increase a rate of 3.0% was applied.

Pensions in payment relating to service before and including 31 May 2005 were increased in line with the annual increase in the Retail Price Index ("RPI"), subject to a maximum increase of 5%, referencing the previous November's rate. For the April 2024 increase a rate of 5% was applied.

Pensions in payment relating to service after 31 May 2005 were increased in line with the annual increase in the RPI, subject to a maximum increase of 2.5%, referencing the previous November's rate. For the April 2024 increase a rate of 2.5% was applied.

In addition, there are some members who receive a fixed increase to pensions in payment relating to AVCs.

Deferred members' preserved pensions were increased in accordance with statutory requirements.

There were no discretionary pension increases made in the year ended 30 September 2024 (2023: 7.6%).

Transfer Values Paid

Cash equivalents paid during the year were calculated and verified as prescribed in Section 94(1) of the Pension Schemes Act 1993. No allowance was made in the calculation for any discretionary benefits.

Members who leave the Scheme can normally take a transfer value of their benefits under the Scheme to their new employer's scheme or to a suitably approved pension arrangement with an insurance company. The transfer values paid out of the Scheme during the year under review were calculated and verified in the manner required by the regulations and do not take account of any discretionary post retirement increases the members' pension might have received. Transfer values were paid in full.

With effect from November 2021, the Pensions Regulator released guidance in respect of members transfer requests which requires the Trustee to ensure specific checks are made before complying with a member's request to transfer their pension and this forms part of the due diligence process for transfer requests. The Trustee works with the Scheme Administrator to ensure the Scheme is compliant with the updated guidance.

There have been no discretionary benefits included in any transfer values paid.

AVCs

Members were able to make AVCs in order to secure greater benefits. Members invested their AVCs in the arrangements established with the AVC providers.

Members' AVCs, which are invested separately from the main Scheme, secure additional benefits on a money purchase basis. Members participating in these arrangements receive an annual statement confirming the amounts held in their AVC account.

Trustee's Report (continued)

Going Concern

The Scheme financial statements have been prepared on the going concern basis. In making this assessment, the Trustee has assessed the ability of the Employer to continue to meet its obligations to the Scheme and for the Scheme to meet its future obligations as they fall due. The Trustee has reviewed information available to it from the Employer and its advisors and as a consequence, the Trustee believes the Scheme is well positioned to manage its risks successfully. In light of this, the Trustee has a reasonable expectation that the Scheme will continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the Scheme financial statements.

The Scheme's current investment strategy remains appropriate for the Scheme given its current funding position and is regularly reviewed by the Trustee and investment adviser. The covenant provided to the Scheme by the Principal Employer (Travis Perkins PLC) remained Strong – with improvements in scheme funding and investment risk levels largely offsetting year-on-year decline in core trading metrics.

In accordance with the requirements of FRS 102 and the Pensions SORP the fair value of investments at the date of the statement of net assets reflects the economic conditions in existence at that date. The Trustee has evaluated all subsequent events or transactions for potential recognition or disclosure to the date on which these financial statements were signed and has determined that there were no additional subsequent events requiring adjustment to or disclosure in the Scheme financial statements.

Guaranteed minimum pension

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

In November 2020, a further High Court judgement was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pensions schemes remain liable to members where transfer value payments reflected unequalised GMP benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

The Trustee of the Scheme is aware that the issue may affect the Scheme, and is working with its advisors to provide an update to members affected by this issue in due course. The liability will be included in the accounts once this has been calculated.

Virgin Media

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, concerned the implications of section 37 of the Pension Schemes Act 1993. The Trustee, with its legal advisers is currently undertaking a review of historic Deeds for the Scheme to determine if any further action may be required.

However, based on information available at the date of these accounts, the Trustee is not aware of any impact of the judgement on the Financial Statements and they will continue to monitor this matter as the review continues.

Trustee's Report (continued)

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, 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 30 September 2023, the next actuarial valuation is due at 30 September 2026. The following shows the difference between the actuarial valuations between 30 September 2020 and 30 September 2023:

Funding position		
	Actuarial valuation as at 30 September 2020 £'m	**Actuarial valuation as at 30 September 2023 £'m**
Technical Provisions	390	226
Assets	389	226
Deficit	**(1)**	**-**

The 30 September 2023 actuarial valuation showed that the Scheme had no funding deficit relative to the Scheme's statutory funding objective and so no deficit reduction contributions are payable. All management and administration expenses incurred by the Scheme will be paid out of the Scheme's assets. In addition, the PPF levy, the PPF administration levy, the Fraud Compensation levy and the Pension Regulator's general levy will be paid out of the Scheme's assets. The Sponsor will pay additional contributions in respect of expenses from time to time as agreed by the Sponsor and the Trustee.

A copy of the most recent certification from the Scheme Actuary is given in Section 8.

The method and significant actuarial assumptions used to determine the Technical Provisions as at 30 September 2023 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 Rate: term-dependent rates set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 1.2% per annum for the 5 years from 30 September 2023 to 30 September 2028, then reducing to an addition of 0.5% p.a. thereafter.

Future Retail Price Inflation: market expectation of future inflation dependent on term as measured by the difference between yields on fixed and index-linked government bonds.

Future Consumer Price Inflation: the assumption for future retail price inflation less 1.0% p.a. pre 2030, and RPI curve less 0% p.a. thereafter.

Pension Increases: derived from the future retail and consumer price inflation rates, using the Black-Scholes model with a volatility assumption of 1.75% per annum, allowing for the relevant caps and floors on pension increases according to the provisions in the Scheme's rules.

Trustee's Report (continued)

Report on Actuarial Liabilities (continued)

Salary Increases: no assumption has been used for salary increases as all members are assumed to leave at the valuation date due to closure to future benefit accrual.

Mortality: for post-retirement mortality, the latest VitaCurves available at the valuation date. These are based on pooled experience from occupational pension schemes during the period 2019 to 2021 as collated by Club Vita who analyse the data and allow for observed variations in mortality such as age, gender and salary. Future improvements are assumed to be in line with the Continuous Mortality Investigation ("CMI") 2022 model with:

- Starting rates based on improvements observed in England and Wales population data, with an adjustment to the A parameter of 0.4% for males and 0.5% for females;
- A "W" parameter of 0 for 2020 and 2021, and 0.25 for 2022; and
- A smoothing parameter of Sk = 7; and
- A long-term rate of improvement of 1.5% p.a. (tapering for ages above 85 to 0% at 110).

The pre-retirement mortality of future pensioners is assumed to be 100% of the standard S3PXA tables published by the CMI.

Trustee's Report (continued)

Scheme Membership

The reconciliation of the Scheme membership during the year ended 30 September 2024 is shown below:

Pensioner Members (including spouses and dependants)	
As at 1 October 2023	**1,176**
Retirements	60
Deaths	(44)
Dependants' pensions	24
Full commutations	(1)
Other movement**	(1)
Pensioner Members as at 30 September 2024*	**1,214**

*Included within pensioners is one pensioner (2023:1 pensioner) whose pension is paid from annuities held in the name of the Trustee.

**Within the membership table above the other movement relates to a member who historically received a full refund of contributions and therefore has no benefits held within the Scheme.

Deferred Pensioner Members	
As at 30 September 2023	**1,106**
Late adjustments***	(2)
Restated at 1 October 2023	**1,104**
Retirements	(60)
Death	(2)
Full commutation	(1)
Deferred Pensioner Members as at 30 September 2024	**1,041**

***Late adjustments in respect of the prior year relate to member changes in the prior year whose records were not updated or produced by the time the previous Trustee Report and Accounts were finalised.

Investment Policy

Summary of the Scheme's Investment Structure

All investments have been managed during the year under review by the investment managers ("managers") as follows: Ares Management ("Ares"), Insight Investment Management (Global) Limited ("Insight"), M&G Alternatives Investment Management Limited ("M&G"), and Royal London Asset Management ("RLAM"). The AVC providers are listed on page 1. There is a degree of delegation of responsibility for investment decisions with the investment managers.

The Trustee is responsible for determining the Scheme's investment strategy. The Trustee has set the investment strategy for the Scheme after taking appropriate advice. The Trustee has delegated the day-to-day management of investments to professional external investment managers. These managers, which are regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, manage the investments within the restrictions set out in the Statement of Investment Principles ("SIP") and Investment Implementation Policy Document ("IIPD"). Subject to complying with the agreed strategy, which specifies the target proportions of the Scheme which should be invested in the principal market sectors, the day-to-day management of the asset portfolio of the Scheme, including the full discretion for stock selection, is the responsibility of the investment managers.

The main priority of the Trustee when considering the investment policy for the Scheme is to aim to ensure that the benefits payable to members are met as they fall due.

Due to market conditions, at the year-end, the asset allocation of the Scheme was not in line with the allocations disclosed in the Statement of Investment Principles ("SIP") and Investment Implementation Policy Document ("IIPD"). The Trustee is currently reviewing the investment strategy with respect to their long-term objective of securing member benefits with a bulk annuity provider. This includes considering the appropriate timing of redemptions with respect to the illiquid assets and general credit exposure. The IPID is expected to be updated shortly to reflect the asset allocation expected to be held over the medium to long term.

Investment strategy

The Trustee is aiming to achieve 100% funding on the Technical Provisions assumptions (as set out in the Section's Statement of Funding Principles) and thereafter to maintain 100% funding on this basis. Once full funding on Technical Provisions has been achieved, the Trustee then aims to achieve 100% funding with the liabilities discounted at Gilts + 0.5% p.a. Note that from 30 September 2025, the Technical Provisions liabilities will be discounted at gilts + 0.5% p.a. (both pre and post-retirement), so the Technical Provisions liabilities will automatically converge with the gilts + 0.5% liabilities at this point. The target investment strategy of the Scheme at the 30 September 2024 year-end is as follows:

- 13.4% in return seeking assets comprising of Secured Finance.
- 33.6% in Buy & Maintain corporate bonds, which are expected to modestly outperform the Scheme's liabilities over the long term whilst exhibiting some sensitivity to interest rates (not applicable to the Insight Buy & Maintain Mandate).
- 53.0% in a liability hedging portfolio designed to hedge a proportion of the movements in the liabilities due to changes in interest rate and inflation expectations. This portfolio also includes the investment with High Grade ABS as this is used within the collateral management framework in place with Insight.

Investment Policy (continued)

Investment strategy

Near the end of the reporting period, the Scheme's Investment Management Agreement ("IMA") with Insight was updated and subsequently implemented with the following changes:

- The Trustee implemented a new cashflow benchmark reflecting the preliminary assumptions of the 2023 Actuarial Valuation and updated its target hedging objective to 100% of changes in interest rate and inflation expectations measured against low dependency liabilities (Gilts + 0.5% p.a.).

- The Trustee implemented a share class conversion on the Insight Secured Finance Fund to an Income Plus share class to increase income distributions and therefore help reduce cashflow disinvestments required to meet outgoing cash outflows from the Scheme.

- The Global ABS Fund was included within the collateral waterfall managed at Insights discretion. On 30 September 2024, £20m of surplus liquidity from the LDI portfolio was subsequently invested into the Global ABS Fund. The proceeds settled post year end on 1 October 2024.

- The sustainability guidelines were also refined to ensure that any changes are applied explicitly to new purchases only, to reduce the amount of portfolio turnover and transaction costs in the short term.

Near the end of the reporting period, the Scheme's IMA for the Segregated Buy & Maintain Credit Fund with RLAM was also updated to allow RLAM the discretion to opportunistically disinvestment from all unrated bonds that are deemed ineligible. Similarly with Insight, the sustainability guidelines were also refined to ensure that any changes are applied explicitly to new purchases only, to reduce the amount of portfolio turnover and transaction costs in the short term. These guidelines have been agreed with the Trustee and will be implemented in the following reporting period.

Investment Policy (continued)

Responsible Investment and Corporate Governance

The Trustee believes that there can be financially material risks relating to Environmental, Social and Governance ("ESG") issues. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's investment managers. The Trustee requires the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The size of the Scheme's assets means that it is out of scope to complete the Task Force on Climate Related Disclosures (TCFD) Report.

ESG issues and climate change represent risks that ought to be managed appropriately consistent with other risks faced by the Scheme. There may also be investment opportunities created by ESG factors, but the Trustee recognises it may be difficult to access these within their current and likely future investment strategies given the nature of the Scheme's investment arrangements. However, this will be kept under review as the market and ESG offerings evolve.

The Scheme's assets are managed in both pooled and segregated arrangements and the Trustee accepts that the assets are subject to the investment managers' policies on ESG considerations (including climate change) relating to the selection, retention, and realisation of investments. The Trustee reviews the managers' ESG and Stewardship policies from time to time, including discussing these policies and how they have been implemented as part of the managers' attendance at meetings.

Where investment is in pooled vehicles, the Trustee cannot direct the appointed investment managers on how to vote. The Trustee reviews the voting policies of each of the pooled vehicles in which the Scheme invests to determine whether the managers' policies are acceptable. Where assets are held on a segregated basis, the Trustee delegates the exercise of voting rights to the investment manager and the Trustee reviews the managers' policy on voting from time to time. The segregated assets are either invested via derivatives or are UK government bond related (where there are limited stewardship issues) or are credit mandates where there are generally few opportunities around voting.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustee may periodically meet with its investment managers to discuss engagement which has taken place. The Trustee will also expect its investment adviser to engage with the managers from time to time as needed and report back to the Trustee on the stewardship credentials of its managers. The Trustee will then discuss the findings with the investment adviser, in the context of its own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustee recognises the Code as an indication of a manager's compliance with best practice stewardship standards.

The Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

The Scheme invests a large proportion of its assets in funds/mandates where ESG factors have varying degrees of materiality, such as credit and bond assets where whilst ESG issues are still relevant to risk control, there is less opportunity to influence investee company behaviour compared to equity holdings, although where relevant managers are encouraged to use their position as lenders of capital to engage with companies.

Investment Policy (continued)

Responsible Investment and Corporate Governance (continued)

The Trustee considers how ESG, climate change and stewardship are integrated within investment processes in appointing new investment managers and monitoring existing investment managers. The Trustee will consider the ESG ratings provided by the Investment Consultant and how each investment manager embeds ESG factors into its investment process and how the investment manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. The Trustee will review the ESG rating provided by the Investment Consultant at least annually and will review these relative to other ESG ratings for investment managers managing funds in the same asset class. A change in ESG rating does not mean that the fund will be removed or replaced automatically. Managers will also be expected to report on their own ESG policies as and when requested by the Trustee. The Trustee will also consider ESG integration, climate change and stewardship when determining which mandates / funds to sell down as part of any future investment risk reduction exercises.

The Trustee, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this statement.

During the year the Trustee met with its investment manager, Insight, to discuss the performance of its investments, and ESG was a topic at these discussions. The manager reiterated its approach towards engagement and provided evidence of engagement taking place within the relevant funds that was deemed by the Trustee to be at a satisfactory level. Moreover, The Trustee commissions a TCFD report which requires engagement examples from the Investment Managers to be included in the report.

The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities but may consider this in future. A copy of the Trustee's policy relating to ESG has been shared with the investment managers. The Trustee was in the process of reviewing the ESG and sustainability guidelines of the Buy & Maintain Credit assets as at year end.

The Trustee does not take into account members' views on "non-financial matters" (their ethical views, their views on ESG, etc.) and does not intend to take these into account in the future given the difficulty in determining members' views and then applying these to a single scheme investment strategy (given members' views across the thousands of members are likely to vary significantly).

Deployment of Investments

The deployment of the Scheme's invested assets is shown in the table below:

Manager	Fund	30 September 2024 (%)	30 September 2023 (%)
Ares	Secured Income Fund	2.1	5.8
Insight	Segregated Liability Hedging	32.5	34.2
	Secured Finance	3.8	3.9
	High Grade Asset Backed Security	3.6	-
	Insight Liquidity Fund	2.4	-
	Segregated Buy & Maintain Credit	28.1	28.3
M&G	Illiquid Credit Opportunities Fund II	6.7	7.4
RLAM	Segregated Buy & Maintain Credit	20.7	20.3
AVCs	Various	0.1	0.1
Total		**100.0**	**100.0**

Figures subject to rounding.

Investment Policy (continued)

Review of Investment Performance

For periods to 30 September 2024, the Scheme's estimated total investment returns are set out in the table below. All returns are gross of investment management fees.

	30 September 2024 (% p.a.)			30 September 2023 (% p.a.)		
	1y	3y	5y	1y	3y	5y
DB Section Total	**9.7**	**(11.2)**	**(5.6)**	(8.1)	(13.3)	(3.8)
Benchmark	**10.3**	**(12.3)**	**(7.3)**	(12.0)	(15.9)	(5.7)

Source: Performance figures shown above have been estimated by XPS based on historical data obtained from previous report and accounts and available manager data at 30 September 2024.

With the exception of the Secured Finance, the Trustee regards all investments as readily marketable. Further detail is provided below:

- The M&G Illiquid Credit Opportunities Fund II is quarterly priced and traded. Redemptions from the Fund are restricted until three years after the date of initial investment. Redemptions from the Insight Secured Finance Fund can be instructed on a quarterly basis, subject to a three-month notice period (otherwise, the Fund is monthly priced). The Ares Secured Income Fund is quarterly priced and traded (although disinvestments can only be made after the fourth quarter after the subscription date);

- The Buy & Maintain Corporate Bond Portfolios managed by Insight and RLAM are comprised of daily priced and traded securities and the Trustee is able to disinvest from these portfolios on a daily basis by giving the respective investment managers appropriate notice to do so. The RLAM portfolio includes some holdings in unrated credit which may take longer to sell;

- The segregated liability hedging portfolio managed by Insight is comprised of physical holdings, fixed interest and index-linked gilts, futures, interest rate swaps, repurchase agreements and liquidity funds. Insight High Grade ABS fund, used in the collateral management framework, is also daily dealt.

On 29 November 2023, Ares announced the termination of the Secured Income Fund and has entered a period of wind up where capital is returned to investors. As such, this allocation will begin returning capital to the Scheme over time. The Trustee had already agreed to start the process of redeeming the Ares Secured Income holding to begin preparing for a future insurance transaction, so the closure of the Fund is not expected to have a significant impact on the Scheme's investment strategy. The final redemption proceeds for the Secure Income Fund was received during April 2025, the proceeds were transferred and remain in the Scheme's Trustee Bank Account. There are ongoing discussions currently on the future investment of the redemption and wind-up proceeds.

Investment Policy (continued)

Custodial Arrangements

The Trustee is responsible for ensuring the Scheme's assets continue to be securely held. The Trustee reviews the custodial arrangements from time to time and the Scheme auditor is authorised to make whatever investigations it deems are necessary as part of the annual audit procedure.

The Trustee has appointed Bank of New York Mellon ("BNYM") as the Scheme's global custodian for the Scheme's segregated arrangements. The custodian is responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments (except for assets held in pooled funds). Investments are held in the name of the custodian's nominee company, in line with common practice for pension scheme investments.

For the Scheme's pooled fund investments, the Trustee has no direct ownership of the underlying pooled funds or the underlying assets of the pooled funds. The policies, proposal forms, prospectuses, and related principles of operation, set out the terms on which the assets are managed. The safekeeping of the assets within the pooled funds is performed on behalf of the representative investment managers by custodian banks specifically appointed to undertake this function and whose appointment is reviewed at regular intervals by the manager.

The custodians as at the year-end are shown in the table below:

Investment Manager	Mandate	Pooled / Segregated	Custodian
M&G	Illiquid Credit Opportunities Fund II	Pooled	State Street Custodial Services (Ireland) Limited
Insight	Secured Finance Fund	Pooled	Northern Trust [1]
	Buy & Maintain Credit Fund	Segregated	BNYM
	Liability Hedging Portfolio	Segregated	BNYM
	High Grade ABS Fund	Pooled	Northern Trust [1]
RLAM	Buy & Maintain Credit Portfolio	Segregated	BNYM
Ares	Secured Finance Fund	Pooled	BNYM and BNP Paribas

Source: Investment managers.

[1]Northern Trust Fiduciary Services (Ireland) Limited are Insight's appointed custodian for the pooled Secured Finance and the High-Grade ABS Fund. The Scheme's units in the pooled Fund are held in a segregated account at the Scheme's appointed custodian, BNYM.

Statement of Investment Principles

The Trustee Directors have produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). From 1 October 2020, disclosure regulations came into effect which requires pension schemes to publish the SIP on a publicly available website. A copy of the SIP and Implementation Statement are available from www.bsspensions.co.uk/resources.

The Scheme's Implementation Statement is appended to this document forming part of the Trustee's report, and published on a publicly available website.

The SIP gives details of the Trustee's investment objectives, while an accompanying Investment Implementation Policy Document ("IIPD"), which is available on request, provides details of the underlying benchmarks used to measure the performance of the investment managers.

Investment Policy (continued)

Risk

The Trustee recognises that, with the development of modern financial instruments, it would be possible to select investments that broadly match the estimated defined benefit liability cash flows. However, in order to meet the long-term funding objective with an acceptable level of Principal Employer contributions, the Trustee has agreed to take investment risk relative to the liabilities. This is to target a greater return than the matching assets are expected to provide. The Trustee targets a return consistent with the assumptions made in determining the Scheme's Technical Provisions and Recovery Plan.

Before deciding to take investment risk relative to the liabilities, the Trustee received advice from the Investment Consultant and held discussions with the Principal Employer. In particular, the Trustee considered carefully the following possible consequences:

- The assets might not achieve the excess return relative to the liabilities anticipated over the longer term. This would result in deterioration in the Scheme's financial position and consequently higher contributions from the Principal Employer than are currently expected.
- The relative value of the assets and liabilities will be more volatile over the short term than if investment risk had not been taken. This will increase the likelihood of there being a shortfall of assets relative to the liabilities in the event of discontinuance of the Scheme. This consequence is particularly serious if it coincides with the Principal Employer being unable to make good the shortfall.
- This volatility in the relative value of assets and liabilities may also increase the short-term volatility of the Principal Employer contribution rate set at successive actuarial valuations, depending on the approach to funding adopted.

The Trustee's willingness to take investment risk is dependent on the continuing financial strength of the Principal Employer and its willingness to contribute appropriately to the Scheme. The financial strength of the Principal Employer and its perceived commitment to the Scheme is monitored and the Trustee will review investment risk relative to the liabilities should either of these deteriorate.

The degree of investment risk the Trustee is willing to take also depends on the financial health of the Scheme and the Scheme's liability profile. The Trustee monitors these with a view to altering the investment objectives, risk tolerance and/or return target should there be a significant change in either.

Investment Policy (continued)

Engagement and Monitoring

The Trustee's main objectives when considering the selection of investment managers are as follows:

a) To select a combination of investment products that together (though not necessarily individually) would generate the maximum net of fees added value over the benchmark, given the Trustee's tolerance for investment manager risk.

b) To employ highly-rated investment products, according to the Investment Consultant's research, wherever possible (subject to objective a).

c) To minimise potential transition costs by retaining the incumbent managers where possible (subject to objectives (a) and (b) above) but allowing for the fact that the cost of making a change can easily be outweighed by superior future performance.

The investment managers are appointed by the Trustee based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and desired risk characteristics. The Trustee utilises the investment consultant's forward looking manager research ratings in decisions around the selection, retention and realisation of manager appointments. These ratings are based on the investment consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management.

If the investment objective for a particular manager's fund changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the wider Trustee investment objectives.

Some mandates are actively managed, and the managers are incentivised through performance targets (an appointment will be reviewed following periods of sustained underperformance). The Trustee will review the appropriateness of using actively managed funds as part of the wider monitoring of the Scheme's managers.

The majority of the Scheme's investments are made through pooled investment vehicles, and as such the Trustee accepts that it has no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The balance of the Scheme's investments is segregated: the Trustee has specified criteria in the investment manager agreements so that the assets are managed in line with the Trustee's specific requirements. For the buy and maintain corporate bond mandates, these criteria include the duration of the portfolios and the proportion of the portfolios invested in bonds denominated in sterling and overseas currencies, the proportion of the portfolios to be invested in different sectors and in sub-investment grade bonds. With respect to the liability hedging portfolio, the manager has been appointed to manage the assets in line with a Scheme-specific benchmark based on the underlying liability profile of the Scheme, with restrictions set out in the guidelines in order to manage portfolio-specific risks.

The investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed. If the Trustee dissatisfied, then it will look to replace the manager.

Investment Policy (continued)

Engagement and Monitoring (continued)

The Trustee receives investment manager performance reports from the investment consultant on a quarterly basis, which present performance information over 3 month, 1 year, and 3 years. The Trustee reviews absolute performance, relative performance against a suitable index used as a benchmark, where relevant, and against the manager's stated performance target (over the relevant time period). The Trustee's focus is primarily on long term performance but short-term performance is also reviewed. As noted above, the Trustee may review a manager's appointment if:

- There are sustained periods of underperformance;
- There is a change in the portfolio manager;
- There is a change in the underlying objectives of the investment manager;
- There is a significant change to the Investment Consultant's rating of the manager.

If a manager is not meeting performance objectives, or their investment objectives for the mandate have changed, the Trustee may initially ask the manager to review their fees instead of terminating the appointment.

The Trustee does not currently actively monitor the portfolio turnover costs of the assets. Investment manager performance is generally reported net of transaction costs, and therefore managers are incentivised in this way to keep portfolio turnover costs to the minimum required to meet or exceed their objectives.

The Trustee receives some MiFID II reporting from their investment managers but does not analyse the information. The Trustee will continue to monitor industry improvements concerning the reporting of portfolio turnover costs. In future, the Trustee may ask managers to report on portfolio turnover costs explicitly. They may assess this by comparing portfolio turnover across the same asset class, on a year-on year basis for the same manager fund, or relative to the manager's specific portfolio turnover range in the investment guidelines or prospectus.

The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis.

For open-ended funds, the Trustee will retain an investment manager unless:

a) There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;

b) The manager appointment has been reviewed and the Trustee is no longer comfortable that the manager can deliver the mandate.

Investment Policy (continued)

Employer Related Investments

Under the Pensions Act 1995 particular types of investment are classed as “employer-related investments” (“ERI”). Under laws governing ERI not more than 5% of the current value of Scheme assets may be invested in ERI (subject to certain specific exceptions). In addition, some ERI is absolutely prohibited, including an employer-related loan or guarantee. In September 2010 the prohibition of ERI was extended to cover pooled funds. It should be noted that this prohibition does not cover pooled funds held in life wrappers, i.e. funds which are packaged in an insurance policy.

The Trustee reviews the Scheme’s allocation to ERI on an on-going basis and is satisfied that the proportion of the Scheme’s assets in ERI did not exceed 5% of the market value of the Scheme’s assets as at 30 September 2024, and the Scheme therefore complies with legislative requirements. This will continue to be monitored annually. Furthermore, the Trustee has agreed with the relevant investment managers with whom segregated mandates are held to restrict ERI to zero.

Statement of Trustee's responsibilities

The 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 Scheme during the Scheme year and of the amount and disposition at the end of that 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 the 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 preparing 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 the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control. The Trustee is responsible for the maintenance and integrity of the corporate and financial information included on the Scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 Scheme by or on behalf of the employer of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible 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 of Contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Further Information

Internal Dispute Resolution ("IDR") Procedures

It is a requirement of the Pensions Act 1995 that the Trustees of all occupational pension schemes must have IDR procedures in place for dealing with any disputes between the Trustee and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to the contact named below.

Contact for Further Information

Any enquiries or complaints about the Scheme, including requests from individuals about their benefits or for a copy of Scheme documentation, should be addressed to:

Hymans Robertson LLP
45 Church Street
Birmingham
B3 2RT
E-mail: BSSgroup@hymans.co.uk

The Money and Pensions Service ("MaPS")

This service is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the Trustees of the Scheme. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the government and free to use.

The Money and Pensions Service
Borough Hall
Cauldwell Street
Bedford
MK42 9AB
Tel: 01159 659570
Website: www.moneyhelper.org.uk

The Pensions Ombudsman

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

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the events(s) the member is complaining about happened – or, if later, within three years of when they first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London
E14 4PU
Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk
Members can also submit a complaint form online: www.pensions-ombudsman.org.uk/making-complaint

Further Information (continued)

The Pensions Regulator ("TPR")

TPR has the objectives of protecting the benefits of members, promoting good administration and reducing the risk of claims on the Pension Protection Fund. TPR has the power to investigate schemes, to take action to prevent wrongdoing in or maladministration of pension schemes and to act against employers failing to abide by their pension obligations. TPR may be contacted at the following address:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
www.thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Schemes Registry has been replaced with the Pension Tracing Service and is now provided by the Department for Work and Pensions. Responsibility for compiling and maintaining the register of occupational pension schemes has been passed to The Pensions Regulator.

Contact details for the services are as follows:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1LU
United Kingdom
Website: www.gov.uk/find-pension-contact-details

Approval of the Report by the Trustee

The investment report included in this annual report and financial statements forms part of the Trustee's report.

Signed for and on behalf of the Trustee of The BSS Group Pension Scheme:

______________________________ Trustee Director

______________________________ Date

Section 3 – Independent Auditor's Report to the Trustee of The BSS Group Pension Scheme

Report on the audit of the Financial Statements

Opinion

In our opinion the financial statements of The BSS Group Pension Scheme (the "Scheme"):

- Show a true and fair view of the financial transactions of the Scheme during the year ended 30 September 2024 and of the amount and disposition at that date of its assets and liabilities, other than the 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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.

We have audited the financial statements which comprise:

- The Fund Account;
- The Statement of Net Assets (available for benefits); and
- The related notes 1 to 20.

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).

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 Financial Reporting Council's (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 a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report to the Trustee of The BSS Group Pension Scheme (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 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Statement of Trustee's responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Scheme's industry and its control environment, and reviewed the Scheme's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of the Trustee, pension administration and Scheme Actuary about their own identification and assessment of the risks of irregularities, including those that are specific to the Scheme's business sector.

Independent Auditor's Report to the Trustee of The BSS Group Pension Scheme (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

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

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the misappropriation of investment assets due to the significant size of investment transactions and balances. In response we have:

- obtained an understanding of the relevant controls over investment holdings and transactions;
- agreed investment holdings to independent confirmations; and
- agreed investment and cash reconciliations to independent sales and purchase reports and bank statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of the Trustee, pension administrators and Scheme Actuary concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of Trustee and subcommittee meetings.

Independent Auditor's Report to the Trustee of The BSS Group Pension Scheme (continued)

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.

Deloitte LLP
Statutory Auditor
Belfast
United Kingdom
Date:

Section 4 – Financial Statements

Fund Account for year ended 30 September 2024

	Note	Total 2024 £000	Total 2023 £000
CONTRIBUTIONS AND BENEFITS			
Contributions	4	**174**	696
Other income		**1**	1
Bank interest		**349**	153
		524	850
Benefits paid or payable	5	**(10,421)**	(9,976)
Payments to and on account of leavers	6	**-**	(522)
Other payments	7	**(69)**	(69)
Administrative expenses	8	**(891)**	(559)
		(11,381)	(11,126)
Net withdrawals from dealings with members		**(10,857)**	(10,276)
RETURNS ON INVESTMENTS			
Investment income	10	**7,951**	8,256
Change in market value of investments	12	**15,000**	(27,300)
Investment management expenses	11	**(447)**	(558)
Net returns on investments		**22,504**	(19,602)
Net increase/(decrease) in the Scheme during the year		**11,647**	(29,878)
Net assets of the Scheme at the start of the year		**226,069**	255,947
Net assets of the Scheme at the end of the year		**237,716**	226,069

The notes on pages 29 to 45 form part of these financial statements.

Financial Statements (continued)

Statement of Net Assets (available for benefits) as at 30 September 2024

		2024	2023
	Note	**£000**	£000
Investment assets:			
Bonds	*12*	**296,798**	283,259
Pooled investment vehicles	*12*	**44,748**	38,613
Derivatives	*12*	**15,748**	10,857
Reverse Repurchase Agreements	*12*	**2,113**	-
AVC investments	*12*	**148**	149
Other investment balances	*12*	**2,767**	2,154
Cash deposits	*12*	**1,214**	1,074
		363,536	336,106
Investment liabilities:			
Cash in transit	*12*	**(5,414)**	-
Derivatives	*12*	**(13,750)**	(6,212)
Amounts payable under Repurchase Agreements	*12*	**(113,746)**	(106,610)
		(132,910)	(112,822)
Total net investments		**230,626**	223,284
Current assets	*13*	**7,534**	3,367
Current liabilities	*14*	**(444)**	(582)
Total Net Assets (available for benefits) of the Scheme		**237,716**	226,069

The notes on pages 29 to 45 form part of these financial statements.

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 takes into account such obligations, is dealt with in the Report on Actuarial Liabilities and in the Actuary's certificates in Section 8 of these financial statements and should be read in conjunction therewith.

Signed for and on behalf of the Trustee of The BSS Group Pension Scheme:

______________________________ Trustee Director

______________________________ Date

Section 5 – Notes to the Financial Statements

Notes to the financial statements for the year ended 30 September 2024

1 BASIS OF PREPARATION

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

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as they believe that the Scheme has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months from the date of approval of the financial statements.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the scheme is Hymans Robertson LLP, 45 Church Street, Birmingham, B3 2RT.

3 ACCOUNTING POLICIES

The principal accounting policies, which have been consistently applied during the year, are set out below.

3.1 Contributions

Other contributions made by the employer to reimburse costs and levies payable by the Trustee are accounted for on the same basis as the corresponding expense.

3.2 Other Income

Other income items are accounted for on an accruals basis.

3.3 Additional voluntary contributions

AVCs are accounted for on an accruals basis, in the same way as other contributions, and the resulting investments are included in the net asset statement.

3.4 Benefits

Pensions payable in respect of the Scheme year are accounted for by reference to the period to which they relate. Refunds and lump sums are accounted for by reference to the later of the date of retirement or leaving the Scheme, or the date the option is exercised. Benefits taken are reported gross of any tax settled by the scheme on behalf of the member.

3.5 Transfers to and from other Schemes

Transfer values relating to early leavers are included at values determined by the Actuary advising the Trustee. Transfers are accounted for when the receiving scheme has accepted the liability and the amount can be determined with reasonable certainty.

3.6 Administrative and other expenses

Administrative expenses are accounted for on an accruals basis. The Scheme bears all the costs of administration and during the period the Employer paid extra contributions in respect of expenses.

Notes to the financial statements for the year ended 30 September 2024 (continued)

3 ACCOUNTING POLICIES (CONTINUED)

3.7 Investment income

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

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

Income from bonds is accounted for on an accrual basis and includes interest bought and sold on investment purchases and sales.

Investment income arising from the underlying investments of the pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within 'Change in Market Value'.

Receipts from annuity policies held by the Trustee to fund benefits payable to Scheme members are included within investment income on an accrual basis.

3.8 Investments

Investments are included at fair value.

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

Annuity policies, if material, are valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent funding valuation assumptions updated for market conditions at the reporting date. Income arising from annuity policies is included in investment income and the pensions paid included in pensions payments. The Trustee has concluded that the annuities are not material and so have not been valued.

Investments in overseas currencies are translated into sterling at the exchange rates ruling at the year end.

Bonds and short sold bonds are quoted at "clean" (without accrued interest) value. Accrued interest is included in investment income receivable.

Derivatives are stated at fair value.

- Exchange traded derivatives are stated at fair value determined using market quoted prices.
- Swaps are valued taking the current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.
- Over the counter ("OTC") derivatives are stated at fair value using pricing models and relevant market data as at the year-end date.
- Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- All gains and losses arising on derivative contracts are reported within 'Change in Market Value'.
- Receipts and payments arising from derivative instruments are reported as sale proceeds or purchase of investments.

Notes to the financial statements for the year ended 30 September 2024 (continued)

3 ACCOUNTING POLICIES (CONTINUED)

3.8 Investments (continued)

AVC investments are included at the value given by the AVC provider.

Investments include all cash held by investment managers and available for investment.

Where bonds are sold subject to contractual agreements ('repurchase agreements') for the repurchase of equivalent securities, the securities sold are accounted for within their respective investment classes as if they have been held at the year-end market value. The contracts to buy back the equivalent securities, the Repurchase Agreements, are accounted for as an investment liability and the market value reported is the cash received from the counterparty at the opening of the agreements.

Where bonds are bought subject to contractual agreements ("reverse repurchase agreements") for the resale of equivalent securities, the securities bought are excluded from their respective investment classes. The contracts to sell back the equivalent securities, the reverse repurchase agreements, are accounted for as an investment asset and the market value reported is the cash paid to the counterparty at the opening of the agreements.

The Scheme recognises assets delivered out under repurchase contracts. Cash received from repurchase contracts is recognised as an investment asset and an investment liability is recognised for the value of the repurchase obligation. Cash delivered under reverse repurchase contracts is recognised as an investment receivable in the financial statements. Securities received in exchange are disclosed as collateral supporting this receivable but not included as Scheme assets.

Investment management expenses and rebates are accounted for on an accrual basis. Acquisition costs are included in the purchase cost of investments.

3.9 Presentation Currency

The Scheme's functional and presentation currency is pounds Sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the year end. Foreign currency transactions are recorded in Sterling at the spot exchange rate at the date of the transaction.

3.10 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustee has made the following judgements:

- Determined whether there are any indicators of impairment of the Scheme's investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

There are no other key sources of estimation uncertainty.

Notes to the financial statements for the year ended 30 September 2024 (continued)

4 CONTRIBUTIONS

	Total 2024	Total 2023
	£000	£000
Employer additional contributions re expenses	**174**	696

It was agreed that the Sponsoring Employer would pay £696,000 for the full year in monthly instalments for the calendar year ended 31 December 2023 to cover the cost of administration and management expenses (with each monthly contribution paid by 19th day of the following month at the latest), under the Schedule of Contributions signed on 4 May 2021.

No further contributions in respect of expenses were received from the Sponsoring Employer, as it was agreed that all administration and management expenses incurred by the Scheme would be paid out of the Scheme's assets from 1 January 2024 under an updated Schedule of Contributions signed on 22 December 2023. This agreement was continued under the Schedule of Contributions signed July 2024, following completion of the 30 September 2023 actuarial valuation.

5 BENEFITS PAID OR PAYABLE

	Total 2024	Total 2023
	£000	£000
Pensions payable	**8,346**	7,741
Commutations of pensions and lump sum retirement benefits	**2,075**	2,173
Lump sum death benefits	**-**	62
	10,421	9,976

6 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Total 2024	Total 2023
	£000	£000
Individual transfers to other schemes	**-**	522

Notes to the financial statements for the year ended 30 September 2024 (continued)

7 OTHER PAYMENTS

	Total 2024	Total 2023
	£000	£000
Irrecoverable VAT	**69**	69

The principal employer reclaims VAT on behalf of the Scheme. Irrecoverable VAT arises due to the employer being restricted in the amount of VAT it can reclaim.

8 ADMINISTRATIVE EXPENSES

	Total 2024	Total 2023
	£000	£000
Administration and processing	**292**	232
PPF Levies	**12**	-
Actuarial and consultancy fees	**187**	124
Audit Fee	**20**	19
Legal and other professional fees	**380**	184
	891	559

In accordance with the Schedule of Contributions dated 22 December 2023, all management and administration expenses incurred by the Scheme are to be paid from the Scheme's assets from 1 January 2024 to 31 December 2025. Previously, in accordance with the Schedule of Contributions dated May 2021 all expenses including the PPF Levy (2023: £26,383) were met by the Employer directly for the year ended 30 September 2023.

9 TAX

The BSS Group Pension Scheme is a registered pension scheme for tax purposes under Chapter 2 of Part 4 of the Finance Act 2004. The Scheme is therefore exempt from taxation and tax charges are accrued on the same basis as the investment income to which they relate (see Note 10).

10 INVESTMENT INCOME

	Total 2024	Total 2023
	£000	£000
Income from pooled investment vehicles	**5,240**	4,924
Income from bonds	**8,680**	8,222
Interest on cash deposits	**14**	5
Annuity income	**5**	5
Interest payable on swaps or repurchase agreements	**(5,988)**	(4,900)
	7,951	8,256

Notes to the financial statements for the year ended 30 September 2024 (continued)

11 INVESTMENT MANAGEMENT EXPENSES

	Total 2024 £000	Total 2023 £000
Administration, management and custody	**447**	558

Investment fees for the other fund managers are adjusted for within the unit prices of each fund.

12 INVESTMENTS

12.1 INVESTMENT RECONCILIATION

	Opening value at 1 October 2023 **£000**	***Purchase cost and derivative payments*** **£000**	***Sales proceeds and derivative receipts*** **£000**	***Change in market value*** **£000**	***Closing value at 30 September 2024*** **£000**
Bonds	283,259	21,000	(21,447)	13,986	**296,798**
Pooled investment vehicles	38,613	43,449	(36,906)	(408)	**44,748**
Derivatives (net)	4,645	6,159	(10,214)	1,408	**1,998**
AVC investments	149	-	(15)	14	**148**
	326,666	**70,608**	**(68,582)**	**15,000**	**343,692**
Cash deposits	1,074				**1,214**
Cash in transit	-				**(5,414)**
Repurchase agreements (net)	(106,610)				**(111,633)**
Other investment balances	2,154				**2,767**
TOTAL NET INVESTMENTS	223,284				**230,626**

Bonds reflect the net of both the long and short positions, there are no short positions as at 30 September 2024 (2023: none).

The change in the 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.

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.2 POOLED INVESTMENT VEHICLES ("PIVs")

The holdings of PIVs are analysed below:

	2024	2023
	£000	£000
Global bonds	**12,354**	-
Illiquid credit	**26,701**	36,314
Liquidity	**5,693**	2,299
	44,748	38,613

12.3 AVC INVESTMENTS

The Trustee holds assets invested separately from the main defined benefit section fund in the form of a managed fund. These 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 confirming the amounts held in their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	2024	2023
	£000	£000
Clerical Medical	**96**	98
Prudential	**52**	51
	148	149

12.4 DERIVATIVES

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the pension scheme.

The main objectives for the use of key classes of derivatives and the policies followed during the year are summarised as follows:

- Swaps - the Trustee's aim is to match as far as possible the LDI portfolio of the Scheme's long term liabilities, in particular in relation to their sensitivities to interest rate movements. The Trustee has entered into OTC interest rate swaps during the year that extend the duration of the fixed income portfolio to better match the long term liabilities of the Scheme.
- Forward foreign exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investors to the targeted level.
- Futures - where cash is held for short-term liquidity, the Trustee has entered into index-based contracts of equivalent economic value to avoid being "out-of-the-market".

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.4 DERIVATIVES (CONTINUED)

	2024			2023		
	Assets £000	**Liabilities £000**	**Total £000**	Assets £000	Liabilities £000	Total £000
Swaps	**2,049**	**(1,880)**	**169**	6,302	-	6,302
Futures	**11,598**	**(11,598)**	**-**	4,275	(4,275)	-
Forward foreign exchange	**2,101**	**(272)**	**1,829**	280	(1,937)	(1,657)
	15,748	**(13,750)**	**1,998**	10,857	(6,212)	4,645

For the year ended 30 September 2024, the net balance of Exchange Traded Futures is less than £1.0m (2023: less than £1.0m).

Swaps

The Scheme had derivative contracts outstanding at the year-end relating to its Liability-Driven Investment ("LDI") fixed interest investment portfolio. These contracts were traded over the counter. The details are:

Nature	Number of Contracts	Notional Principal £000	Duration	Asset value at year end £000	Liability value at year end £000
Interest rate swap	76	65,695	2024 to 2061	2,049	(1,880)
Total 2024				**2,049**	**(1,880)**
Total 2023				6,302	-

At 30 September 2024, collateral of £1.2m (2023: £0.3m) was pledged and collateral of £3.1m (2023: £4.4m) was held in relation to outstanding swap contracts. Collateral pledged consisted of £1.2m (2023: £0.4m) of government bonds. Collateral held consisted of £1.3m (2023: £3.1m) of cash and £1.8m of government bonds (2023: £1.3m).

Forward Foreign Exchange ("FX")

The Scheme had open FX contracts at the year-end relating to its currency hedging strategy as follows:

Nature	Currency Bought 000	Currency Sold 000	Settlement Date	Asset value at year end £000	Liability value at year end £000
Bought GBP sold EURO	£9,419	€(10,708)	Oct – Nov 24	153	(100)
Bought USD sold GBP	$311	£(233)	Oct – Nov 24	-	(1)
Bought GBP sold USD	£54,773	$(71,216)	Oct – Nov 24	1,669	(171)
Other	£279	-	Oct – Nov 24	279	-
Total 2024				**2,101**	**(272)**
Total 2023				280	(1,937)

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.5 CONCENTRATION OF INVESTMENTS

The table below provides an overview of the Scheme's pooled investments that represented more than 5% of the total net assets as at 30 September 2024.

	2024 £000	**2024 % of net assets**	2023 £000	2023 % of net assets
M&G - Illiquid Credit Opportunities Fund	**13,500**	**5.7**	15,950	7.1
Ares Secured Income Fund	**4,530**	**1.9**	12,673	5.6

12.6 INVESTMENT TRANSACTION COSTS

Indirect transaction costs are incurred through bid-offer spread on investments within pooled investment vehicles. Direct transaction costs are included in the cost of purchases and deducted from sales proceeds in the reconciliation above. It has not been possible for the Trustee to quantify the direct and indirect costs for the Scheme.

12.7 REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date:

	2024 £000	2023 £000
Contracts held under reverse repurchase agreements	**2,113**	-
Contracts held under repurchase agreements	**(113,746)**	(106,610)
	(111,633)	(106,610)

As at 30 September 2024, there were 2 contracts held under reverse repurchase agreements (2023: none).

At 30 September 2024, collateral of £0.9m (5 October 2023: £3.8m pledged) was pledged in relation to outstanding repurchase agreements, and collateral of £0.3m (5 October 2023: £nil) was held in relation to outstanding repurchase agreements. All of this collateral was in UK government bonds.

12.8 CASH AND OTHER NET INVESTMENT BALANCES

Cash	**2024 £000**	2023 £000
Cash Deposits – Sterling	**1,187**	151
Cash Deposits – Overseas	**27**	923
Cash in transit	**(5,414)**	-
	(4,200)	1,074

Other investment balances	**2024 £000**	2023 £000
Accrued investment income	**2,767**	2,154

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.9 INVESTMENTS FAIR VALUE HIERARCHY

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

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable (i.e. developed for the asset or liability, either directly or indirectly).
Level 3	Inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

As at 30 September 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
Bonds (net)	**-**	**296,798**	**-**	**296,798**
Pooled investment vehicles	**-**	**26,718**	**18,030**	**44,748**
Derivatives (net)	**1,829**	**169**	**-**	**1,998**
Repurchase agreements (net)	**-**	**(111,633)**	**-**	**(111,633)**
AVC investments	**-**	**97**	**51**	**148**
Other investment balances	**2,767**	**-**	**-**	**2,767**
Cash	**1,214**	**-**	**-**	**1,214**
Cash in transit	**(5,414)**	**-**	**-**	**(5,414)**
	396	**212,149**	**18,081**	**230,626**

As at 30 September 2023	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Bonds (net)	-	283,259	-	283,259
Pooled investment vehicles	-	9,990	28,623	38,613
Derivatives (net)	(1,657)	6,302	-	4,645
Repurchase agreements (net)	-	(106,610)	-	(106,610)
AVC investments	-	149	-	149
Other investment balances	2,154	-	-	2,154
Cash	1,074	-	-	1,074
Cash in transit	-	-	-	-
	1,571	193,090	28,623	223,284

Repurchase agreements are level 2 based on underlying instruments exchanged.

In the prior year the Insight Cash Liquidity funds were noted as level 1 funds however due to the nature of the funds these have been reanalysed as level 2 in line with the SORP guidelines.

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.10 INVESTMENT RISKS

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

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

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

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

The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee's Report. 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 portfolios. The investment objectives and processes in place to monitor and manage risks of the Scheme are further detailed in the Statement of Investment Principles ("SIP") and the Investment Implementation Policy Document ("IIPD").

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

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.10 INVESTMENT RISKS (CONTINUED)

Market Risk (continued)

Currency Risk

The Scheme is subject to direct currency risk where assets denominated in overseas currencies are held in segregated mandates. The Trustee has opted to hedge all of the overseas currency exposure in the segregated mandates back to Sterling; direct currency exposure at the year-end was implicitly 0.0% (2023: 0.0%).

Indirect currency risk arises from the Scheme's investment in Sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currencies.

The Scheme also had exposure to indirect currency risk through its holdings in two Secured Finance funds and the High-Grade ABS Fund. The Secured Finance funds consists of underlying investments in debt and debt related securities, loan investments and structured financial instruments which may be issued world-wide, denominated in any currency and may / may not be listed on recognised exchanges and markets. The funds are Sterling priced, however the managers may use underlying currency exposures as part of their investment strategy.

Some of the investment managers may utilise currency hedging as a means of protecting a fund's value against currency movements. In extreme market conditions, the hedge may not be perfect, and the fund may be exposed to currency changes. In instances where returns are not hedged, this may be a deliberate and calculated action taken by the manager as a means of generating additional returns through expected currency movements. The Trustee reviews the strategies employed by the manager as part of their ongoing monitoring of the Scheme.

Interest Rate Risk

The Scheme is subject to direct interest rate risk because some of the Scheme's investments are held in government bonds, repurchase agreements, interest rate and bond derivatives and cash in segregated investments. In the case of the Buy and Maintain Credit funds, the interest rate exposure that these funds introduce is taken by the respective investment managers as part of their investment strategies to add value.

The Trustee has set a benchmark for total investment in liability hedging assets (including High-Grade ABS and cash collateral assets) of 52.0% of the total investment portfolio (2023: 52.0%), as part of its liability driven investment strategy. Under this strategy, if interest rates fall, all else being equal, the value of these investments should rise to help match the increase in the value placed on the liabilities arising from a fall in the discount rate (which is derived from market interest rates). Similarly, if interest rates rise, all else being equal, these investments should fall in value, as should the value placed on the liabilities because of an increase in the discount rate.

At the year end, the liability hedging portfolio (including High Grade ABS and Liquidity), managed by Insight represented c.38.6% of the total investment portfolio (2023: c.34.7%). As at year end, the hedge ratio of the Scheme's inflation-linked liabilities on the Trustee's liability hedging basis (gilts + 0.25% p.a.) was c.95.4% (2023: c.96.1% on gilts +0.25% p.a.) and therefore broadly in line with the Trustee's target of 100%. The hedge ratio of the Scheme's fixed liabilities on the Trustee's liability hedging basis (gilts + 0.5% p.a.) was c.92.2% (2023: c.95.4% on gilts +0.25% p.a.) and therefore slightly below the Trustee's target of 100%. The interest rate sensitivity within the Royal London Asset Management ("RLAM") Buy & Maintain credit portfolio is taken into account by Insight in the liability hedging arrangements.

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.10 INVESTMENT RISKS (CONTINUED)

Interest Rate Risk (continued)

The Scheme also had indirect exposure to interest rate risk over the year through investments in Secured Finance and High-Grade ABS funds. Any interest rate sensitivity from these funds is considered immaterial and therefore not allowed for in Insight's liability hedging arrangements. The interest rate sensitivity within the Secured Finance and High-Grade ABS mandates is limited as the underlying investments are predominantly floating rate in nature.

The small cash holding also had exposure to interest rate risk through short-dated money market instruments. Given the length of term of these instruments, the interest rate sensitivity is expected to be minimal and therefore not allowed for in Insight's liability hedging arrangements.

Other Price Risk

Other price risk arises principally in relation to the Scheme's return seeking assets. During the year, the Scheme was exposed to other price risk though its investments in return seeking assets. Whilst the Buy & Maintain Credit and High Grade ABS may be considered as matching assets (where ABS is used for LDI collateral purposes), these assets are still expected to generate returns in excess of the risk free rate.

The Trustee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets and asset classes. At the year end, the Scheme's return seeking assets represented c.64.9% of total assets (2023: c.65.2%).

The Segregated LDI portfolio may also be considered to be exposed to other price risk where it includes Index Linked Bonds that have sensitivity to changes in long term inflation expectations. At year end, the Scheme's LDI portfolio consisted of £122.2m of Index Linked Bonds (2023: £121.0m).

Credit Risk

The Scheme is subject to direct credit risk because the Scheme invests in bonds, over the counter ("OTC") derivatives, has cash balances and enters into repurchase agreements through its segregated investments. The Scheme also invests in pooled investment vehicles which may invest in sovereign government bonds and corporate bonds.

As at year end, the Scheme had exposure to investment grade bonds, related derivatives and cash which amounted to c.£186.9m (2023: c.£185.8m) and c.£0.9m of non-investment grade corporate bonds (2023: c.£0.2m) in segregated vehicles. The Scheme is directly exposed to credit risk arising from these pooled investment vehicles and is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles.

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.10 INVESTMENT RISKS (CONTINUED)

Credit Risk (continued)

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

	2024	2023
	£000	£000
Qualifying Investor Alternative Investment Fund ("QIAIFs")	**22,171**	23,641
Open Ended Investment Company ("OEICs")	**18,047**	2,299
Shares of Limited Liability Partnerships	**4,530**	12,673
	44,748	38,613

The pooled investment arrangements held by the Scheme at year end comprised of OEICs (the Insight High Grade ABS Fund), QIAIFs (M&G Illiquid Credit Opportunities Fund II and Insight Secured Finance Fund) and Shares of Limited Liability Partnerships (Ares Secured Income Fund). The Scheme's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustee manages and monitor the credit risk arising from the Scheme's pooled investments by considering the nature of the arrangement, the legal structure, and regulatory environment.

Direct credit risk arising from the pooled investments in the OEICs and the QIAIFs 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. Cash held by the pooled managers' custodians is ring-fenced where possible. Where this is not possible, the credit risk arising is mitigated by the use of regular cash sweeps (typically daily) and investing cash in liquidity funds.

Direct credit risk arising from pooled investment vehicles structured as unit-linked insurance contracts is mitigated by capital requirements and the Prudential Regulatory Authority's regulatory oversight. In the event of default by the insurer, the Scheme may be protected by the Financial Services Compensation Scheme and may be able to make a claim for up to 100% of its policy value, although noting that compensation is not guaranteed. 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 operating environment of the pooled managers.

Both the pooled and segregated vehicles may hold units within other pooled arrangements. The Trustee has considered the impact of these arrangements in relation to the Scheme's exposure to failure by the sub-funds or reinsurers who may have different regulatory or insolvency protections compared to the pooled investment made directly by the Scheme.

Indirect credit risk also arises in respect of the Scheme's allocation to Secured Finance and High-Grade ABS, as a high proportion of the value of the underlying investments held within the pooled funds relate to debt or contractual obligations.

The total value of pooled investment vehicles at year end exposed to indirect credit risk was c.£35.1m (2023: c.£36.5m).

In addition, the notes below provide more detail on how this risk is managed and mitigated for the different asset classes.

Notes to the financial statements for the year ended 30 September 2024 (continued)

12.10 INVESTMENT RISKS (CONTINUED)

Government bonds

Credit risk arising on government bonds held directly and within pooled funds is mitigated by investing specifically in UK government bonds whereby the credit risk is deemed minimal. Some of the Buy & Maintain Credit, Secured Finance and High-Grade ABS funds may invest in government bonds where credit risk is taken as part of the strategy to add value or for liquidity management purposes.

Corporate bonds

Credit risk arising on corporate bonds held within the underlying pooled funds (Secured Finance and High-Grade ABS funds) and those held directly (in the segregated Buy & Maintain corporate bond mandates) is mitigated by the portfolios being mainly invested in corporate bonds which are rated at least investment grade. The Trustee considers financial instruments or counterparties to be of investment grade if they are rated at BBB- or higher by Standard & Poor's or Fitch or rated at Baa3 or higher by Moody's.

Non-Investment Grade Bonds

Credit risk arising on non-investment grade bonds held directly is mitigated through diversification of the underlying securities to minimise the potential impact of default by any one issuer. Should more than 10% of the Insight Buy & Maintain Credit portfolio be invested in non-investment grade corporate bonds, the manager will discuss possible corrective action with the Trustee. The RLAM portfolio has a hard limit of 15% of the total portfolio being invested in non-investment grade bonds. The pooled Secured Finance and High-Grade ABS funds may also invest in non-investment grade bonds as part of their strategies to add value.

Cash Balances

Credit risk arising on cash held within financial institutions is mitigated by ensuring cash is held with a diversified range of institutions which are at least investment grade credit rated.

Derivatives

Credit risk arising on derivatives depends on whether the derivative is exchange traded or OTC. Exchange traded instruments have minimal credit risk as they are arranged via a central counterparty.

OTC derivative contracts are not guaranteed by any regulated exchange and therefore the pooled funds and segregated mandates holding these contracts are subject to risk of failure of the counterparty. The credit risk for OTC derivatives is reduced by collateral arrangements at the discretion of the appointed investment manager.

The Trustee has agreed restrictions with Insight in their investment guidelines set out in the IMA for the LDI portfolio. These set out limits for transacting with particular counterparties, prevents excessive exposure to an individual counterparty and requires a minimum level of credit quality for the approved counterparties.

The information about exposures to and mitigation of credit risks as detailed above applied at both the current and previous year end.

Repurchase agreements

Credit risk on repurchase agreements is mitigated through collateral arrangements at the discretion of the appointed investment manager. The Trustee has also set out certain limits with respect to repurchase agreements within Insight's LDI portfolio guidelines.

Notes to the financial statements for the year ended 30 September 2024 (continued)

13 CURRENT ASSETS

	Total 2024 £000	Total 2023 £000
Balance at bank	**6,818**	2,651
Accrued contributions	**-**	58
Due from employer in respect of VAT	**43**	25
Payroll paid in advance	**577**	574
Bank Interest accrued	**96**	59
	7,534	3,367

14 CURRENT LIABILITIES

	Total 2024 £000	Total 2023 £000
Administrative expenses	**343**	530
Benefits payable	**101**	52
	444	582

15 RELATED PARTY TRANSACTIONS

During the year, one of the Trustee Directors received a pension from the Scheme (2023: one).

During the year Trustee Directors were paid £215,200 (2023: £124,295) for their services of this balance £11,634 (2023: £7,500) was outstanding at the year-end.

As at 30 September 2024, the Scheme was due a VAT reimbursement of £42,457 (2023: £25,349) from the Employer which was paid in November 2024.

There are no other related party transactions other than as disclosed elsewhere within the financial statements.

16 CONTINGENCIES AND COMMITMENTS

In the opinion of the Trustee, the Scheme had no contingent liabilities at 30 September 2024 (2023: nil), except as disclosed in Note 18 and 19.

17 EMPLOYER RELATED INVESTMENTS

Under the Pensions Act 1995 particular types of investment are classed as “employer-related investments” (“ERI”). Under laws governing ERI not more than 5% of the current value of Scheme assets may be invested in ERI (subject to certain specific exceptions). In addition, some ERI is absolutely prohibited, including an employer-related loan or guarantee. In September 2010 the prohibition of ERI was extended to cover pooled funds. It should be noted that this prohibition does not cover pooled funds held in life wrappers, i.e. funds which are packaged in an insurance policy.

Notes to the financial statements for the year ended 30 September 2024 (continued)

17 EMPLOYER RELATED INVESTMENTS (CONTINUED)

The Trustee reviews the Scheme's allocation to ERI on an on-going basis and is satisfied that the proportion of the Scheme's assets in ERI was 0% of the market value of the Scheme's assets as at 30 September 2024, and the Scheme therefore complies with legislative requirements. This will continue to be monitored annually. Furthermore, the Trustee has agreed with the relevant investment managers with whom segregated mandates are held to restrict ERI to zero.

18 GMP EQUALISATION

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

In November 2020, a further High Court judgement was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic transfer values would fall under the scope of GMP equalisation and that trustees of pensions schemes remain liable to members where transfer value payments reflected unequalised GMP benefits.

The Trustee of the Scheme is aware that the issue may affect the Scheme, and is working with its advisors to provide an update to members affected by this issue in due course. The liability will be included in the accounts once this has been calculated.

19 VIRGIN MEDIA

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, concerned the implications of section 37 of the Pension Schemes Act 1993. The Trustee, with its advisers, are considering the judgement and any possible implications for the Scheme. Based on information available at the date of these accounts, the Trustee is not aware of any impact of the judgement on the Financial Statements and they will continue to monitor this matter.

20 SUBSEQUENT EVENTS

On 2 April 2025, the President of the United States America, Donald Trump announced a raft of tariffs affecting all trading partners with the United States. This centred around a 'universal tariff' of 10% on all trading countries, with further 'reciprocal tariffs' which ranged between 0% to greater than 40% reflective of the trade imbalance between the United States and each country where a trade relationship exists. As a result of this, there were substantial falls in global equity markets from the announcement of the tariffs at the end of March 2025 to 7 April 2025. Sterling credit markets remained resilient but spreads (i.e. the yield difference between corporate and government bonds) widened moderately by 0.2% with United Kingdom gilt yields falling slightly during the first week of April 2025, however these rebounded towards the middle of April 2025. Trump's subsequent announcements have caused some of the market weakness to unwind, but this volatility will likely be a characteristic of the coming years.

The Scheme's Investment Adviser have confirmed that the tariffs have largely impacted equity markets and therefore the Scheme has avoided the largest proportion of the volatility. It has been noted by the Trustee that there has been more volatility in gilt markets during the first week of April 2025, however with the wider backdrop of the UK economy also coming into play, the overall impact is less known. The Investment Adviser has confirmed that due to the high levels of hedging within the Scheme's investment portfolio, it is expected that this should broadly immunise the Scheme from any further volatility in respect of the Scheme's net asset/liability position. The movements in the sterling credit market will feed into Scheme performance, but this has been more muted than equities. The Trustee continues to monitor the situation with the support of their Advisers.

Section 6 – Independent Auditor's Statement about Contributions

We have examined the Summary of Contributions to The BSS Group Pension Scheme for the Scheme year ended 30 September 2024 which is set out on the following page.

Opinion

In our opinion, contributions for the Scheme year ended 30 September 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 October 2023 to 21 December 2024 in accordance with the Schedule of Contributions certified by the Scheme Actuary on 4 May 2021, for the period 22 December 2023 to 31 July 2024 in accordance with the Schedule of Contributions certified by the Scheme Actuary on 22 December 2023, and for the period 1 August 2024 to 30 September 2024 in accordance with the Schedule of Contributions certified by the Scheme Actuary on 1 August 2024.

Scope of work on statement about contributions

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

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions 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 report

This statement is made solely to the 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 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 as a body for our work, for this statement, or for the opinion we have formed.

Deloitte LLP
Statutory Auditor
Belfast
United Kingdom
Date

Section 7 – Trustee's Summary of Contributions

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedules of Contributions certified by the Scheme Actuary on 4 May 2021, 22 December 2023 and 1 August 2024 in respect of the Scheme year ended 30 September 2024. The Scheme auditor reports on these contributions payable under the Schedules in the Auditors' Statement about Contributions.

Summary of Contributions payable in the year

During the year, the contributions payable to the Scheme were as follows:

	£000
Required by the Schedules of contributions	
Employer additional contributions re expenses	**174**
Total contributions payable under the Schedules of Contributions (as reported on by the Scheme Auditor) and reported in the financial statements	**174**

The summary was approved by the Trustee of The BSS Group Pension Scheme and signed for and on their behalf by:

______________________________ Trustee Director

______________________________ Date

Section 8 – Actuarial Statement & Certificate

BSS Group Pension Scheme

Schedule of Contributions – Actuarial Certificate

Adequacy of contributions

In my opinion, the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force.

Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated July 2024.

Please note that the adequacy of contributions statement in this certificate relates to the Scheme's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the Scheme's full liabilities with annuities if the Scheme were to wind up.

Signature	Richard Shackleton
Date	01-Aug-2024 | 17:21 BST
Name	Richard Shackleton
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	One London Wall, London, EC2Y 5EA

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.