CAPITA

BSS Group Pension Scheme

Scheme Registration Number: 10154188

Trustee's Annual Report and Financial Statements
For the year ended 30 September 2019

CONFIDENTIAL

Contents

This report has been prepared by Capita Employee Solutions on the behalf of the BSS Group Pension Scheme

Trustee and Advisers

Principal Employer:	Travis Perkins plc
Trustee:	BSS GPS Trustee Limited
Directors during the year :	S. Girvin – Independent Director J. Baker – Member Nominated Director N. Bartley – Employer Nominated Trustee G Malpas - Member Nominated Director (appointed 17 April 2019) J Harkness - Employer Nominated Trustee (appointed 17 June 2019) W.S. Gibson – Member Nominated Director (resigned 30 November 2018) S.R. Hopson – Employer Nominated Director (resigned 19 October 2018) N. Rose (appointed 19 October 2018, resigned 14 June 2019)
Investment subcommittee	Mr MJ Deakin – chair (deceased 15 July 2019) Mr A Whalley – chair (appointed 30 August 2019)
Actuary:	C. Rice, Capita Employee Solutions (Consulting) (resigned 31 January 2020) R.Shackleton, Hymans Robertson LLP (appointed 7 February 2020)
Independent Auditors:	Deloitte LLP
Investment Managers:	Baillie Gifford & Co Insight Investment Management (Global) Limited Standard Life Aberdeen Legal & General Investment Management M & G Investments Royal London Asset Management Ares Investor Services LLC (appointed 1 October 2019)
AVC Providers:	The Prudential Assurance Company Limited Utmost Assurance from 1 January 2020 (Previously Equitable Life Assurance Society)
Bankers:	NatWest
Solicitors:	Gowling WLG (UK) LLP
Investment Consultants:	Mercer Limited
Administrator:	Capita Employee Solutions
Secretary to the Trustee:	A. Mills, Capital Cranfield Trustees

Trustee's Report

The Trustee of the BSS Group Pension Scheme ("the Scheme") is pleased to present its Report together with the Financial Statements for the year ended 30 September 2019.

Scheme Management

The Scheme

The Scheme is governed by a Definitive Trust Deed and Rules, the current version of which was executed on 3 September 1996, and various supplemental deeds of amendment which have been executed. The Scheme was closed to new members from 1 March 2002 and closed to future accrual from 31 August 2018.

During 2017 the Trustee began an exercise to consolidate the Trust Deed and Rules of the Scheme. This exercise is ongoing and, following the closure of the Scheme to future accrual on 31 August 2018, it is anticipated that the new consolidated rules will be executed in the first quarter of 2020.

The Trustee

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 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. The Trustee Directors in office during the year of this report, and their advisers, are shown on page 2. During the year four meetings of the Trustee were held to consider matters relating to the Scheme.

Trustee's Report (continued)

Scheme Management (continued)

Membership Statistics

	As at 30.09.19	As at 30.09.18
Deferred members (i.e. members who have left the Scheme, but are entitled to a pension from normal retirement age)	**1,370**	1,453
Pensioners and dependents (i.e. members or their dependants who are receiving a pension)	**1,053**	1,004
Total membership at the Scheme year-end	**2,423**	2,457

There were no active members.

Financial Development

The financial statements on pages 25 to 42 have been prepared and audited in accordance with regulations made under Sections 41(1) and (6) of the Pensions Act 1995. They show that the net assets of the Scheme increased from £316,382,000 at 30 September 2018 to £375,303,000 at 30 September 2019. This reflected a net decrease in assets from dealings with members of £4,730,000 and a net return on investments of £63,651,000.

Further details of the financial developments of the Scheme may be found in the audited financial statements on pages 25 to 42.

Trustee's Report (continued)

Scheme Management (continued)

Changes to the Scheme

Contributions and Actuarial Position

The Scheme Actuary, an independent adviser to the Trustee, looks into 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 2017 in accordance with the requirements of Part 3 of the Pensions Act 2004. The report on actuarial liabilities is on page 17 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 Plan, 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.

For full details see the Schedule of Contributions on pages 19 and 20.

On 31 August 2018 the Scheme was closed to future accrual with all active members becoming deferred members at that date.

Trustee's Report (continued)

Scheme Management (continued)

Individual Transfers

In March 2002, the Trustee agreed that no new requests for transfers into the Scheme would be accepted.

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.

Additional Voluntary Contributions (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 listed on page 34.

Members' AVCs, which are invested separately from the main fund, 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.

Pension Increases

In accordance with the Scheme rules, pensions were increased on 1 April 2019.

Where a Guaranteed Minimum Pension (GMP) is in payment, these were increased in accordance with statutory requirements (CPI capped at 3%).

Pensions in payment relating to service before and including 31 May 2005 were increased in line with the annual increase in the RPI, subject to a maximum increase of 5%.

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%.

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.

Trustee's Report (continued)

Scheme Management (continued)

Contact for Further Information

The Secretary to the Trustee is Andy Mills, who can be contacted at the following address.

Capital Cranfield Trustees
Unit 15
Poplars Court
Lenton Lane
Nottingham
NG7 2RR

Email: travisperkins@cctl.co.uk

All enquiries about this report and the Scheme generally, or about an individual's entitlement to benefit, should be sent to:

The Administrators of the BSS Group Pension Scheme:

Capita Employee Solutions
P.O. Box 555
Stead House
Darlington
DL1 9YT (Telephone 0114 289 3321)

Email: bssgroupmail@capita.co.uk

The Trustee has established an Internal Disputes Resolution Procedure, a copy of which can be obtained from the Secretary to the Trustee.

Trustee's Report (continued)

Scheme Management (continued)

Summary of Contributions Paid in the Year

During the year ended 30 September 2019, the contributions paid to the Scheme by the employer were as follows:

	2019 **£000**
Employer deficit repair contributions	**10,553**
Total contributions payable under the Schedules of Contributions	**10,553**
In addition, further contributions were received:	
Employer additional contributions re expenses	**663**
Total contributions included in the financial statements	**11,216**

Investment Matters

Summary of the Scheme's Investment Structure

All investments have been managed during the year under review by the investment managers as follows: Baillie Gifford Life Limited ("Baillie Gifford"), Insight Investment ("Insight"), Legal & General Investment Management ("LGIM"), M&G Investments ("M&G"), Royal London Asset Management ("RLAM"), Aberdeen Standard Investments ("Aberdeen Standard") and Ares Management ("Ares"). AVC providers are detailed in note 14 on page 34. 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 fund 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.

Investment Strategy

The Trustee is aiming to achieve a funding level of 100% on the Technical Provisions assumptions (as set out in the Scheme's Statement of Funding Principles) and thereafter to maintain 100% funding. 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 are discounted at gilts + 0.5% p.a., so the Technical Provisions liabilities will converge with the gilts + 0.5% liabilities over the period to 30 September 2025.

A further objective is for the Scheme's investment managers to meet their performance targets without operating outside their target range of tracking error.

Current Strategy

The target investment strategy of the Scheme is as follows:

- 40.0% in return seeking assets comprising global equities, High Lease to Value ("HLV") property, diversified growth funds and Secured Finance.

- 30.0% 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.

- 30.0% 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.

In July 2019, c. £19.0m in total was disinvested from the LGIM RAFI Global Equity (c. £9.2m) and Baillie Gifford LTGG (c. £9.8m) portfolios. These assets were transferred to the LGIM Sterling Liquidity Fund ("SLF") and trustee bank account. In early September the Baillie Gifford proceeds were also transferred to the LGIM SLF.

Trustee's Report (continued)

Investment Matters (continued)

Current Strategy (continued)

On 1 October 2019, these assets were used to fund a new secured finance portfolio managed by Ares. As a result, the target strategic allocation to equities was reduced to 5% (2018: 10%) and the target allocation to secured financed was increased to 15% (2018: 10%).

In January 2019 the Trustee instructed an increase in the Scheme's target liability hedge ratios to 90% (interest rates) and 90% (inflation) of the liabilities calculated using a discount rate of gilts + 0.5% p.a. .

The Myners Review and Code of Best Practice

The Myners principles codify best practice in investment decision-making. While they are voluntary, pension fund trustees are expected to consider their applicability to their own fund and report on a 'comply or explain' basis how they have used them.

The principles were initially published in 2001 following a Government sponsored review of institutional investment by Paul Myners, which found shortcomings in the expertise and organisation of investment decision-making by pension fund trustees.

In March 2008 the Government consulted on proposals to update the Myners principles. This led to the publication of a revised set of six principles for Defined Benefit ("DB") Schemes in October 2008, together with the establishment of an Investment Governance Group ("IGG") to oversee the industry-led framework for the application of the principles.

While there are now only six DB principles, in place of the original ten, their scope is largely unchanged. The principles continue to emphasise the essentials of investment governance, notably the importance of effective decision-making, clear investment objectives and a focus on the nature of each Scheme's liabilities. The principles also require that the Trustee includes a statement of the Scheme's policy on responsible ownership in the Statement of Investment Principles and report periodically to members on the discharge of these responsibilities. The Investment Sub-Committee ("ISC") have reviewed the Scheme's compliance with the Myners principles on the Trustee's behalf and considers that the Scheme's investment policies and their implementation are broadly in keeping with the revised principles for DB Schemes. The ISC will be reviewing this again during 2020.

Responsible Investment and Corporate Governance

The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

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.

Trustee's Report (continued)

Investment Matters (continued)

Responsible Investment and Corporate Governance (continued)

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 ISC reviews the managers' ESG and stewardship policies.

Where investment is in pooled vehicles, the Trustee cannot direct the appointed investment managers on how to vote. The ISC 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 ISC 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.

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 the diversified growth funds which generally invest in broad markets rather than individual stocks. The Scheme also has a high allocation to 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.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis and is documented at least annually. The ISC 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.

Equity managers who are FCA registered are expected to report to the Trustee on their adherence to the UK Stewardship Code on an annual basis.

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.

The Trustee does not take into account members' views on "non-financial matters" (their ethical views, their views on ESG etc.).

Trustee's Report (continued)

Investment Matters (continued)

Deployment of Investments

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

Manager	Fund	30 September 2019 (%)	30 September 2018 (%)
Baillie Gifford	Long Term Global Growth	2.3	7.2
Insight	Segregated Liability Hedging	39.6	29.6
	Secured Finance	2.7	3.1
	Broad Opportunities Fund	4.8	5.3
	Segregated Buy & Maintain Credit	12.5	14.7
LGIM	Global Equity (RAFI – Hedged)	2.3	5.7
	HLV Property	3.8	4.4
M&G	Secured Property Income Fund	3.8	4.3
	Illiquid Credit Opportunities Fund II	5.2	6.0
Aberdeen Standard	Global Absolute Return Strategies	4.4	5.0
RLAM	Segregated Buy & Maintain Credit	13.7	14.7
Ares*	Secured Income Fund	4.9	-
Total DB Section		**100.0**	**100.0**

* As at 30 September 2019, the Ares investment is "cash in transit".

Review of Investment Performance

For periods to 30 September 2019, the Scheme's estimated total investment returns are set out in the table below. All returns are gross of investment management fees.

	Year to 30 September 2019 (%)	3 Years to 30 September 2019 (% p.a.)
Scheme's Total Investments	20.8	11.3
Benchmark	20.1	n/a

Source: Estimated by Mercer, based on data from the Scheme's investment managers.

Source: Investment Managers

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

- The Baillie Gifford Long Term Global Growth Fund and Aberdeen Standard Global Absolute Return Strategies Fund are daily priced and traded;
- The LGIM Global Equity (RAFI) Fund is weekly priced and traded;
- The M&G Secured Property Income Fund is monthly priced and traded;
- 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);

Trustee’s Report (continued)

Investment Matters (continued)

Review of Investment Performance (continued)

- 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 Insight segregated Broad Opportunities Fund holds daily priced and traded units of the Broad Opportunities Fund; and
- 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.

All of the securities are daily priced and traded.

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.

Trustee's Report (continued)

Investment Matters (continued)

Custodial Arrangements (continued)

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

Manager	Mandate	Pooled / Segregated	Custodian
Baillie Gifford	Long Term Global Growth	Pooled	BNYM
LGIM	Global Equity (RAFI)	Pooled	HSBC / Citibank NA[1]
M&G	Secured Property Income Fund	Pooled	Northern Trust (Guernsey) Limited
Aberdeen Standard	Global Absolute Return Strategies	Pooled	Citibank NA, Securities and Fund Services
Insight	Broad Opportunities Fund	Segregated	BNYM [2]
M&G	Illiquid Credit Opportunities Fund II	Pooled	State Street Custodial Services (Ireland) Ltd
Insight	Secured Finance	Segregated	BNYM [2]
RLAM	Buy & Maintain Credit	Segregated	BNYM
Insight	Buy & Maintain Credit	Segregated	BNYM
Insight	Liability Hedging	Segregated	BNYM
Ares	Secured Finance	Pooled	BNYM

Source: investment managers and the Scheme's custodian.

[1] HSBC are LGIM's appointed custodian for UK assets and Citibank are the appointed custodian for overseas assets.

[2] State Street Custodial Services (Ireland) Ltd are Insight's appointed custodian for the pooled Broad Opportunities Fund; Northern Trust Fiduciary Services (Ireland) Limited are Insight's appointed custodian for the pooled Secured Finance Fund. The Scheme's units in the pooled Fund are held in a segregated account at the Scheme's appointed custodian, BNYM.

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 2019, 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.

Investment risk disclosures

Investment risk disclosures are shown in note 16 on pages 36 to 41.

Trustee's Report (continued)

Compliance Matters

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

Pensions Advisory Service (TPAS)

TPAS (from April 2019, part of the Money & Pensions Service, formerly the Single Financial Guidance Body) is an independent voluntary organisation with local advisers who are experts in pension matters. TPAS can be contacted through any local Citizens Advice Bureau or at the following address:

TPAS Headquarters
11 Belgrave Road
London SW1V 1RB
0800 011 3797

Money & Pensions Service contact@singlefinancialguidancebody.org.uk 0115 9659570

Pensions Ombudsman

The Pensions Ombudsman will, if a case falls within his remit, investigate and decide on complaints of maladministration or disputes of fact or law. His decision is binding on all parties and can only be challenged on a point of law in the High Court.

Pensions Ombudsman
10 South Colonnade
Canary Wharf
London E14 4PU
or email enquiries@pensions-ombudsman.org.uk

Telephone: 020 7630 2200

The Pensions Regulator

The Pensions Regulator ("The Regulator") is able to intervene in the running of schemes where the Trustee, Employer or professional advisers have failed in their duties. The Regulator's address and telephone number are:
The Pensions Regulator
Napier House
Trafalgar Terrace
Brighton BN1 4DW
Tel: 0870 606 3636 or via their website at www.thepensionsregulator.gov.uk.

The Pension Tracing Service

A pension tracing service is carried out by the Department for Work and Pensions. The Pension Tracing Service can be contacted at the following address:

The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU
Telephone: 0800 731 0193 or via the website at www.gov.uk/find-pension-contact-details

Statement of Trustee's Responsibilities

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

- show a true and fair view of the financial transactions of the Scheme during the year and of the amount and disposition at the year end of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the 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 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 in the form of an Annual Report.

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

Trustee's Responsibilities in Respect of Contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Signed on behalf of the Trustee by:

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Trustee Director **Trustee Director**

Date:

Report on Actuarial Liabilities (forming part of the Trustee's Report)

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 2017. This showed that on that date:

The value of the Technical Provisions was:	£343 million
The value of the assets was:	£304 million

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

Method

The actuarial method to be used in the calculation of the Technical Provisions is the Projected Unit Method.

Significant Actuarial Assumptions

Discount Rate: based on the appropriate spot gilt yield taken from the Bank of England gilt curve applied to the expected cash flow in each future year.

An addition of 1.20% pa is applied to the yield curve until 30 September 2025. Thereafter, an addition of 0.5% pa is applied. This addition is based on a prudent expectation of future investment returns, net of investment manager expenses, from the Scheme's long term investment strategy.

Future Retail Price Inflation: based on the appropriate implied RPI inflation rate taken from the Bank of England's implied RPI inflation curve, applied to the expected cash flow in each future year. Until 30 September 2025 a deduction of 0.1% pa is applied to the implied RPI inflation rate. Thereafter, no deduction is applied.

Future Consumer Price Inflation: the assumption for future retail price inflation less 1.00% per annum.

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.

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 the periods before and after retirement, 100% of the S2PMA base table for males and 90% of the S2PFA base table for females with future mortality improvements based on the core CMI 2016 projections with a long term rate of 1.5% per annum.

Actuary's Certification of the Schedule of Contributions

Certification of the Schedule of Contributions

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 30 September 2017 to be met by the end of the period for which the Schedule is to be in force.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 19 December 2018.

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

Signature:	C. Rice
Name:	Christopher Rice
Date:	16 December 2019
Name of employer:	Capita Employee Solutions
Address:	Prudential Buildings, 11-19 Wine Street, Bristol, BS1 2PH
Qualification:	Fellow of the Institute and Faculty of Actuaries

Schedule of Contributions

This Schedule of Contributions has been prepared by BSS GPS Trustee Limited (the "Trustee") of the BSS Group Pension Scheme (the "Scheme") after obtaining the advice of the Scheme Actuary on the scheme funding assessment as at 30 September 2017 and following the flexible apportionment arrangements that have been recently completed which have resulted in BSS Group Limited becoming the sole sponsoring employer in relation to the Scheme. This Schedule of Contributions replaces the previous Schedule of Contributions dated 19 December 2018 and it will be subject to review at future scheme funding assessments. The Trustee and The BSS Group Limited (the "Employer") hereby agree that the following contributions will be paid to the Scheme.

Period covered by this Schedule of Contributions

This Schedule of Contributions applies from the date it is certified by the Scheme Actuary until 16 DECEMBER 2024.

Contributions payable by the Employer

Recovery Plan contributions

In order to eliminate the funding deficit as at 30 September 2017, the Employer will pay Recovery Plan contributions in each month from 1 October 2017 until 30 September 2021. The Recovery Plan contributions will be £11,600,000 per annum over the period 1 October 2017 to 31 December 2018, £10,030,000 per annum over the period 1 January 2019 to 30 September 2020 and £5,500,000 per annum over the period 1 October 2020 to 30 September 2021.

Expenses

The Employer will pay contributions to cover the management and administration expenses incurred by the Scheme. The amount to be paid in each calendar year will be agreed between the Trustee and Employer by the end of the preceding year based on an expectation of the expenses that will be incurred by the Scheme in the next calendar year including a provision for regular expenses as well as special projects. The agreed amount for the calendar year 2019 is £572,000. In the event that the Trustee and Employer do not agree to an alternative amount, the annual contribution payable will be £413,000.

The Recovery Plan and Expenses contributions will be paid in advance in equal monthly instalments over the period to which they relate, with each monthly contribution paid by the 19th day of the relevant month at the latest. It is anticipated that the Expenses contribution will cover (but is not limited to) routine costs of advice and services for actuarial, administration, consultancy, covenant, investment consultancy, legal, secretarial and trustee.

In addition, the Trustee and the Employer will monitor the level of expenses on a quarterly basis to ensure good value for money is being obtained. If the agreed provision following each quarterly review is not expected to cover actual costs then the Employer will make an agreed contribution in respect of that difference.

The Employer will meet the Pension Protection Fund levy directly.

The Employer may also pay any additional contributions from time to time that it so chooses.

Schedule of Contributions (continued)

Contingent Contributions payable by the Employer

In consideration of the Trustee entering into a flexible apportionment arrangement, the Employer has committed to accelerate the payment of Recovery Plan contributions to the Scheme in the manner set out below in the event that:

a) The Travis Perkins Group disposes of the Plumbing and Heating division; and

b) Part of the proceeds of that disposal are either:

   A. returned to TP plc's shareholders whether by the way of a special dividend or share buyback; or

   B. used to fund the early repayment of bonds issued by TP plc (although any early repayment of bonds from the Group's ongoing free cash flow generation will fall outside of this provision, as will, for the avoidance of doubt, the scheduled repayment of the bonds upon their maturity in 2021 and 2023).

a) and b) are referred to as the "Conditions".

In the event that the Conditions are met before a new recovery plan is agreed between the Employer and the Trustees as part of the triennial actuarial valuation of the Scheme as at 30 September 2020, the Employer will make a lump sum payment into the Scheme of an amount equal to any remaining Recovery Plan contributions due under this Schedule. This lump sum payment shall be made within one calendar month of the Conditions being met, and, once that payment is made, no further Recovery Plan contributions will be due under this Schedule.

Date of this Schedule of Contributions 10 DECEMBER 2019

Signed on behalf of the Trustee: N Bartley	Signed on behalf of the Employer: Alan Williams
Name: NICOLA BARTLEY	Name: ALAN WILLIAMS Position: DIRECTOR
Date: 10.12.19	Date: 10/12/19

Independent Auditor's Statement about Contributions to the Trustee of the BSS Group Pension Scheme

We have examined the Summary of Contributions to the BSS Group Pension Scheme for the year ended 30 September 2019 which is set out on page 8.

Opinion

In our opinion contributions for the Scheme year ended 30 September 2019 as reported in the summary of contributions and payable under the Schedules of Contributions have in all material respects been paid from 1 October 2018 to 18 December 2018 at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 16 December 2016 and from 19 December 2018 to 30 September 2019 at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 19 December 2018.

Scope of work on statement about contributions

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

Respective responsibilities of 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 Schedule 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
Birmingham, United Kingdom
Date

Independent Auditor’s Report to the Trustee of the BSS Group Pension Scheme

Opinion

In our opinion the accounts of 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 2019, 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 accounts which comprise:

- the Fund Account;
- the Statement of Net Assets (available for benefits); and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the Trustee’s use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Scope of the Audit of the Accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustee’s Annual Report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Use of our report

This report is made solely to the Trustee, as a body in accordance with the Pensions Act 1995 and regulations made thereunder. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it 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 pension Scheme and the pension Scheme’s Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
Date

Fund Account

For the year ended 30 September 2019

	Note	Year ended 30 September 2019 £000	16 months ended 30 September 2018 £000
Contributions and benefits			
Employer contributions		**11,216**	18,814
Employee contributions		**-**	1,219
Total contributions	4	**11,216**	20,033
Benefits paid or payable	5	**(7,609)**	(10,226)
Payment to and on account of leavers	6	**(7,872)**	(6,926)
Administration expenses	7	**(465)**	(1,936)
		(15,946)	(19,088)
Net (withdrawals)/additions from dealings with Members		**(4,730)**	945
Returns on investments			
Investment income	8	**7,384**	6,238
Change in market value of investments	9	**56,963**	4,513
Investment management expenses	10	**(696)**	(591)
Net returns on investments		**63,651**	10,160
Net increase in the fund during the year		**58,921**	11,105
Net assets of the Scheme at start of the year (as originally reported)		**316,382**	300,769
Change in market value of investments adjustment at start of year		**-**	4,508
Net assets of the Scheme at the start of the year		**316,382**	305,277
Net assets of the Scheme at end of the year		**375,303**	316,382

The accompanying notes on pages 27 to 42 form an integral part of these financial statements.

Statement of Net Assets available for Benefits

As at 30 September 2019

	Note	30 September 2019 £000	30 September 2018 £000
Investment assets:			
Bonds	9	**456,184**	356,831
Pooled investment vehicles	12	**109,479**	129,536
Cash equivalent funds	9	**829**	1,975
AVC investments	14	**242**	336
Cash	9	**2,301**	1,607
Cash in transit - Ares	9	**19,050**	-
Derivatives	13	**4,635**	3,030
Investment debtor	9	**2,043**	1,742
		594,763	495,057
Investment liabilities:			
Derivatives	13	**(2,852)**	(136)
Repurchase agreements	9	**(218,610)**	(178,309)
Investment creditor	9	**(118)**	(1,306)
		(221,580)	(179,751)
Total net investments		**373,183**	315,306
Current assets	17	**2,455**	1,609
Current liabilities	18	**(335)**	(533)
Net assets of the Scheme at end of year		**375,303**	316,382

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 year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 17 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 27 to 42 form an integral part of these financial statements.

These financial statements were approved by the Trustee on 2020

Signed on behalf of the Trustee:

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Trustee Director **Trustee Director**

Notes to the Financial Statements

1. General Information

The Scheme is governed by a Definitive Trust Deed and Rules, the current version of which was executed on 3 September 1996, and various supplemental deeds of amendment which have been executed.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief and income and capital gains earned by the Scheme receive preferential tax treatment.

The Scheme was closed to new members from 1 March 2002. On 31 August 2018 the Scheme was closed to future accrual with all active members becoming deferred members at that date.

2. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Amendments to FRS 102 – Fair Value Hierarchy Disclosures (March 2016) issued by the Financial Reporting Council and with guidance set out in the Statement of Recommended Practice (Revised November 2014).

3. Accounting Policies

The principal accounting policies of the Scheme are as follows:

Contributions

Employer's and employees' contributions are accounted for on an accruals basis at rates agreed between the Trustee and the employer based on the Schedule of Contributions agreed with the employer and certified by the Actuary. Members' AVCs are accounted for in the same way.

Benefits Payable

Benefits payable are accounted for as they fall due. They include all valid claims notified to the Trustee during the year.

Transfer Values

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.

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.

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

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

Notes to the Financial Statements (continued)

3. Accounting Policies

Investments

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

– Investments are included at market value or fair value where there is no market.

– The majority of listed investments are stated at the bid price or the last traded price, depending on the convention of the stock exchange on which they are quoted, at the date of the net asset statement.

– Bonds are valued by valuation techniques that use observable market data.

– Pooled investment vehicles are valued at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager. If none of these are available, they are valued at the net asset value (NAV) price.

– Accrued interest is excluded from the market value of fixed income securities and is included in investment income receivable.

– Over the counter (OTC) derivatives are stated at market value using pricing models and relevant market data as at the year-end date.

– Forward foreign exchange (Forward FX) – the gain or loss that would arise from closing out the contracts at the reporting date by entering into an equal and opposite contract at that date.

– Repurchase agreements - the Scheme recognises and values the securities that are delivered out as collateral and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.

– Pooled investment vehicles are valued at the closing bid price if both bid and offer prices are published, or, if single priced, at the single closing price. Interests in unquoted pooled investment vehicles which are valued using net asset values provided by the pooled investment manager are normally reported at the net asset value as determined by the pooled investment manager who uses fair value principles to value the underlying investments of the pooled arrangement.

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

– Under FRS 102, annuity policies are reported at the value of the related obligation to pay future benefits funded by the annuity policy. The Trustee has determined that there are no material annuity policies held in the name of the Trustee.

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.

Notes to the Financial Statements (continued)

4. Contributions

	Year ended 30 September 2019 £000	16 months to 30 September 2018 £000
Employer contributions		
Normal	**-**	1,125
Deficit funding	**10,553**	13,373
Employer secondary funding target contributions	**-**	2,093
Employer additional contributions re expenses	**663**	2,223
	11,216	18,814
Employee contributions		
Normal	**-**	1,213
Additional voluntary contributions	**-**	6
	-	1,219
	11,216	20,033

In accordance with the Schedule of Contributions certified on 19 December 2018, recovery plan contributions were payable for the period 1 October 2017 to 31 December 2018 at £11,600,000 per annum and at £10,030,000 per annum from 1 January 2019 to 30 September 2020, and £5,500,000 per annum from 1 October 2020 to 30 September 2021.

The Employer pays contributions to cover the management and administrative expenses incurred by the Scheme. For each quarter from 1 January 2017 to 31 December 2018 the employer paid additional contributions equalling 120% of the expenses or levies paid by the Scheme. From 1 January 2019 the amount would be paid in monthly instalments of an agreed annual amount which for 2019 was £572,000. In the event that the Trustee and Employer do not agree an amount, the annual contribution will be £413,000.

5. Benefits Paid or Payable

	Year ended 30 September 2019 £000	16 months to 30 September 2018 £000
Pensions	**6,311**	7,893
Commutations of pensions and lump sum retirement benefits	**1,284**	2,150
Lump sum death benefits	**14**	168
Lump sum AVC benefits	**-**	15
	7,609	10,226

Notes to the Financial Statements (continued)

6. Payments to and on Account of Leavers

	Year ended 30 September 2019 £000	16 months to 30 September 2018 £000
Individual transfers out to other schemes	**7,872**	6,926

7. Administration Expenses

	Year ended 30 September 2019 £000	16 months to 30 September 2018 £000
Auditor's remuneration	**16**	25
Consultancy and actuarial	**255**	485
Administration services	**159**	298
PPF Levy	**-**	1,086
Trustee fees	**35**	42
	465	1,936

From 2017 administration expenses were paid by the Scheme. An agreement dated 16 December 2016 stated that following each quarter end after 1 January 2017, up to and including the quarter ending 31 December 2018, the employer would pay additional contributions equalling 120% of the expenses or levies paid by the Scheme. All other costs of administration, except those noted here are borne by the employer. From 1 January 2019 the amount would be paid in monthly instalments of an agreed annual amount, which for 2019 was £572,000. In future in the event that the Trustee and employer do not agree an amount, the annual contribution will be £413,000.

In accordance with the Schedule of Contributions, the employer directly met the PPF levies in 2019.

8. Investment Income

	Year ended 30 September 2019 £000	16 months to 30 September 2018 £000
Income from pooled investment vehicles	**1,045**	959
Annuity income	**5**	46
Rebate of investment manager fees	**52**	(18)
Income from bonds	**8,005**	7,687
Interest payable – swaps & repurchase agreements	**(1,858)**	(1,050)
Interest on cash deposits	**19**	-
Foreign exchange profit / (loss)	**116**	(1,386)
	7,384	6,238

Notes to the Financial Statements (continued)

9. Reconciliation of Investments

The change in market value of the 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. Indirect transaction costs are incurred through the bid-offer spread on investments held within pooled investment vehicles.

	Value at 1 October 2018 £000	Purchases at cost and derivative payments £000	Sales proceeds and derivative receipts £000	Change in market value £000	Value at 30 September 2019 £000
Bonds	356,831	**103,937**	**(65,534)**	**60,950**	**456,184**
Pooled investment vehicles	129,536	**19,861**	**(42,880)**	**2,962**	**109,479**
Cash equivalent funds	1,975	**37,032**	**(38,178)**	**-**	**829**
Derivatives	2,894	**469,829**	**(463,966)**	**(6,974)**	**1,783**
AVC investments	336	**-**	**(119)**	**25**	**242**
	491,572	**630,659**	**(610,677)**	**56,963**	**568,517**
Cash deposits	1,607				**2,301**
Cash in transit - Ares	-				**19,050**
Repurchase agreements	(178,309)				**(218,610)**
Investment debtor	1,742				**2,043**
Investment creditor	(1,306)				**(118)**
	315,306				**373,183**

The following investments were valued in excess of 5% of the net assets of the Scheme at 30 September 2019:

	£000	% of assets
Ares Secured Income Fund (cash in transit)	**19,050**	**5.08**
M&G - Illiquid Credit Opportunities Fund	**19,427**	**5.18**

As at 30 September 2019, the Scheme received £3.8m collateral in the form of cash and £0.3m collateral in the form of gilts. As at that date, the Scheme had paid collateral to the counterparty of £1.7m in the form of gilts.

Notes to the Financial Statements (continued)

10. Investment Management Expenses

	Year ended 30 September 2019 £000	16 months to 30 September 2018 £000
Administration, management and custody	**534**	477
Commission paid	**3**	8
Investment consultancy	**159**	106
	696	591

11. Taxation

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

12. Pooled Investment Vehicles

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

	30 September 2019 £000	30 September 2018 £000
Equity	**31,502**	54,586
Bonds	**10,214**	9,847
Property	**14,188**	13,629
Illiquid credit	**19,427**	18,927
Diversified growth	**34,148**	32,547
	109,479	129,536

13. Derivative Contracts

Objectives and policies

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:

- *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.
- *Exchange traded futures* – contracts in short term gilts are purchased with an underlying economic value broadly equivalent to those assets that the Trustee does not wish to be held out of the market.
- *Swaps* - the Trustee's aim is to match as far as possible the Liability Driven Investment (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.

Notes to the Financial Statements (continued)

13. Derivative Contracts (continued)

Derivatives	30 September 2019 Assets £000	30 September 2019 Liabilities £000	30 September 2018 Assets £000	30 September 2018 Liabilities £000
Futures	**21**	**(289)**	944	-
Forward FX contracts	**851**	**(457)**	298	(98)
Swaps	**3,763**	**(2,106)**	1,788	(38)
	4,635	**(2,852)**	3,030	(136)

The Scheme had open futures contracts at the year end as follows:

Futures Contract	Expiration	Economic Exposure £000	Asset value at year end £000	Liability value at year end £000
UK LONG GILT - exchange traded B&M)	Dec 2019	(266)	**-**	**(2)**
UK LONG GILT - exchange traded (LDI)	Dec 2019	(37,300)	**-**	**(287)**
USA 10YR NOTE - exchange traded (B&M)	Dec 2019	(429)	**7**	**-**
USA ULTRA TREASURY NOTE - exchange traded (B&M)	Dec 2019	(468)	**6**	**-**
USA ULTRA TREASURY BOND - exchange traded (B&M)	Dec 2019	(943)	**8**	**-**
Total 2019			**21**	**(289)**
Total 2018			944	-

The Scheme had open forward foreign exchange contracts as follows:

Contract	Settlement date	Currency	Bought	Currency	Sold	Net Asset Value at Year end £000	Net Liability Value at Year end £000
Forward OTC	2 Oct 19	GBP	8,004,024	EUR	7,756,053	**248**	**-**
Forward OTC	2 Oct 19	EUR	114,125	GBP	118,282	**-**	**(4)**
Forward OTC	2 Oct 19	EUR	155,705	GBP	161,161	**-**	**(6)**
Forward OTC	2 Oct 19	EUR	7,472,068	GBP	7,480,200	**-**	**(8)**
Forward OTC	8 Oct 19	GBP	8,684,948	USD	8,815,527	**-**	**(131)**
Forward OTC	17 Oct 19	GBP	223,403	EUR	223,056	**-**	**-**
Forward OTC	21 Oct 19	GBP	4,334,163	USD	4,287,879	**46**	**-**
Forward OTC	21 Oct 19	GBP	4,326,100	USD	4,279,770	**47**	**-**
Forward OTC	01 Nov 19	GBP	4,927,235	USD	4,854,145	**73**	**-**
Forward OTC	01 Nov 19	GBP	4,604,330	USD	4,535,615	**69**	**-**
Forward OTC	01 Nov 19	GBP	4,935,088	USD	4,861,440	**74**	**-**
Forward OTC	01 Nov 19	USD	370,403	GBP	375,646	**-**	**(5)**
Forward OTC	15 Nov 19	GBP	1,469,867	USD	1,476,794	**-**	**(7)**
Forward OTC	26 Nov 19	GBP	831,992	USD	842,968	**-**	**(11)**
Forward OTC	18 Oct 19	EUR	110,000	GBP	97,382	**286**	**-**
Forward OTC	18 Oct 19	USD	232,000	GBP	188,116	**-**	**(285)**
Forward OTC	05 Dec 19	GBP	7,496,915	EUR	7,488,642	**8**	
TOTAL	**2019**					**851**	**(457)**
TOTAL	2018					298	(98)

Notes to the Financial Statements (continued)

13. Derivative Contracts (continued)

On close out or expiry of the futures contracts the variation margin balances held in respect of unrealised gains or losses are recognised as cash receipts or payments in the investment reconciliation table, depending on whether there is a gain or loss.

The Scheme held open interest rate swaps contracts at the year end as follows:

Contract	Expiration date	No. of contracts	Notional Amount	Asset value at year end £000	Liability value at year end £000
OTC IRSW	Less than 1 year	1	500,000 EUR	**-**	**(2)**
OTC IRSW	Less than 1 year	1	3,600,000 USD	**8**	**-**
OTC TRSW	Less than 1 year	5	13,732,000 GBP	**3,755**	**-**
OTC IRSW	1-5 years	3	4,900,000 EUR	**-**	**(163)**
OTC IRSW	1-5 years	3	1,600,000 GBP	**-**	**(25)**
OTC IRSW	1-5 years	4	11,000,000 USD	**-**	**(101)**
OTC IRSW	5-15 years	5	2,945,000 EUR	**-**	**(296)**
OTC IRSW	5-15 years	3	2,100,000 GBP	**-**	**(108)**
OTC IRSW	5-15 years	7	14,725,000 USD	**-**	**(546)**
OTC IRSW	15+ years	1	300,000 GBP	**-**	**(47)**
OTC IRSW	15+ years	9	7,350,000 USD	**-**	**(818)**
Total 2019				**3,763**	**(2,106)**
Total 2018			-	1,788	(38)

14. AVC Investments

The Trustee holds assets invested separately from the main fund in the form of individual insurance policies securing 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 to their account and the movements in the year.

The aggregate amounts of AVC investments at the year end were as follows:

	30 September 2019 £000	30 September 2018 £000
Equitable Life Assurance Company	**59**	59
The Prudential Assurance Company Limited	**183**	277
	242	336

Notes to the Financial Statements (continued)

15. Fair Value Determination

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

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (ie 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 levels as follows:

As at 30 September 2019 *Excluding repurchase agreements*	**Level (1) £000**	**Level (2) £000**	**Level (3) £000**	**Total £000**
Bonds	**-**	**456,184**	**-**	**456,184**
Pooled investment vehicles	**-**	**75,865**	**33,614**	**109,479**
Cash equivalent funds	**-**	**829**	**-**	**829**
Derivatives	**(268)**	**2,051**	**-**	**1,783**
AVC investments	**-**	**141**	**101**	**242**
Cash	**2,301**	**-**	**-**	**2,301**
Cash in transit - Ares	**19,050**	**-**	**-**	**19,050**
Other investment balances	**1,925**	**-**	**-**	**1,925**
	23,008	**535,070**	**33,715**	**591,793**

As at 30 September 2018 *Excluding repurchase agreements*	**Level (1) £000**	**Level (2) £000**	**Level (3) £000**	**Total £000**
Bonds	-	356,831	-	356,831
Pooled investment vehicles	-	96,980	32,556	129,536
Cash equivalent funds	-	1,975	-	1,975
Derivatives	2,694	200	-	2,894
AVC investments	-	177	159	336
Cash	1,607	-	-	1,607
Other investment balances	436	-	-	436
	4,737	456,163	32,715	493,615

Notes to the Financial Statements (continued)

16. Investment Risk Disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Scheme was exposed to at the end of the reporting period. 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 is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:

- *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 the above risks because of the investments it makes to implement its investment strategy. The Trustee reviews the investment risks to which the Scheme is exposed on a regular basis taking into account the Scheme's strategic investment objectives. The investment objectives are implemented through the investment management agreements (or equivalent contractual 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, credit and market risk is set out below. This does not include Additional Voluntary Contributions ("AVC") investments as these are not considered significant in relation to the overall investments of the Scheme.

Investment Strategy

The Trustee is aiming to achieve a funding level of 100% on the Technical Provisions assumptions (as set out in the Scheme's Statement of Funding Principles) and thereafter to maintain 100% funding. 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 are discounted at gilts + 0.5% p.a., so the Technical Provisions liabilities will converge with the gilts + 0.5% liabilities as we approach 2025.

A further objective is for the Scheme's investment managers to meet their performance targets.

Notes to the Financial Statements (continued)

16. Investment Risk Disclosures (continued)

The target investment strategy of the Scheme is as follows:

- 40.0% in return seeking assets comprising global equities, high lease to value ("HLV") property, diversified growth funds and secured finance.
- 30.0% 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.
- 30.0% in a liability hedging portfolio designed to hedge a proportion of the movements in the Scheme's liabilities due to changes in interest rate and inflation expectations.

The actual allocations will vary from the above due to market price movements and intervals between rebalancing the portfolio.

Market Risk

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 0.0% (2018: 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 is subject to indirect currency risk through its investment in the global equity fund managed by Baillie Gifford, which may hold underlying investments denominated in an unhedged foreign currency. However, in order to reduce currency risk within the equity portfolio as a whole (to a level with which the Trustee is comfortable), the Scheme invests in the currency hedged version of the Legal and General ("L&G") Global Equity (RAFI 3000) Fund. To mitigate risk arising from any one currency, the Trustee has constructed a global equity portfolio that has exposure to a number of global currencies. At year end, 2.3% of the Scheme assets (2018: 7.2%) were invested with Baillie Gifford and hence subject to indirect currency risk from their allocation to overseas developed and emerging market currencies.

The Scheme also invests in a diversified growth fund, which consist of underlying investments across a range of asset class and regions (and therefore foreign currencies), which further exposes the Scheme to indirect currency risk. The fund is Sterling priced, however the manager may use underlying currency exposures as part of its investment strategy.

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.

Notes to the Financial Statements (continued)

16. Investment Risk Disclosures (continued)

The Trustee has set a benchmark for total investment in liability hedging assets of 30.0% of the total investment portfolio, as part of its liability driven investment ("LDI") 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, managed by Insight Investment Management (Global) Limited ("Insight") represented c.39.5% of the total investment portfolio (2018: 29.6%). Just after the year end the ISC was considering actions in order to rebalance the asset allocation back towards the target allocation (although it is worth noting that rises in gilt yields after the year end reduced the allocation). As at year end 2019, the hedge ratio of the Scheme's inflation-linked liabilities on the Trustee's liability hedging basis (gilts +0.5% p.a.) was c.92.6% (2018: c.67.0% on gilts +0.75% p.a.), in line with the target of 93.0%. The hedge ratio of the Scheme's interest-linked liabilities on the Trustee's liability hedging basis (gilts +0.5% p.a.) was c.89.0% (2018: c.67.0% on gilts +0.75% p.a.), in line with the target of 90.0%. The level of hedging was increased in January 2019. 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.

The Scheme also has further indirect exposure to interest rate risk through investments in diversified growth and secured finance funds. In the case of the diversified growth 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 interest rate sensitivity within the secured finance mandates is limited as the underlying investments are predominantly floating rate in nature. Any interest rate sensitivity from these two asset classes is 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, which include equity funds, a diversified growth fund, HLV property and secured finance through underlying investments in pooled investment vehicles.

The Scheme has set a target asset allocation of 40.0% of investments being held in return seeking investments (although the 15.0% allocation to secured finance is included within this is also a fixed income asset but with growth-like properties and so is discussed further below in the Credit Risk section). 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.34.5% of total assets (2018: 41.1%). The Scheme is underweight in return seeking assets relative to the benchmark allocation as at 30 September 2019.

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. As at the year end, the Scheme had exposure to c.£443.5m of investment grade bonds, related derivatives and cash (2018: £284.6m) and c.£1.5m of non-investment grade corporate bonds (2018: £4.6m) in segregated vehicles.

Notes to the Financial Statements (continued)

16. Investment Risk Disclosures (continued)

The Scheme also invests in pooled investment vehicles which may invest in sovereign government bonds and corporate bonds. The total value of pooled investment vehicles at year end exposed to indirect credit risk amounted to c.£83.0m (2018: c.£61.4m).

The pooled investment arrangements used by the Scheme are structured as unit-linked insurance contracts, limited partnerships, Qualifying Investor Alternative Investment Funds ("QIAIFs") and Open Ended Investment Companies ("OEICs"). The Scheme is therefore 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.

Indirect credit risk also arises in respect of the Scheme's allocation to secured finance and HLV property, as a high proportion of the value of the underlying investments held within the pooled funds are in relation to rental income whose payment is subject to the solvency of the leaseholders. The investment managers are responsible for controlling this credit risk by monitoring the credit quality of tenants.

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

Government bonds

Credit risk arising on government bonds held directly and within pooled funds is mitigated by investing specifically in government bonds whereby the credit risk is deemed minimal. Some of the buy & maintain credit, diversified growth and secured finance 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 (diversified growth and secured finance funds) and those held directly (in the segregated buy & maintain corporate bond mandates managed by Insight and RLAM) 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 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 further action with the Trustee. The RLAM portfolio has a limit of 15% of the total portfolio being invested in non-investment grade bonds. The pooled diversified growth and secured finance 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.

Notes to the Financial Statements (continued)

16. Investment Risk Disclosures (continued)

Derivatives

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter ("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 ISC, on behalf of the Trustee, have also agreed restrictions with Insight in their investment guidelines set out in the investment manager agreement ("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 ISC have also set out certain limits with respect to repurchase agreements within Insight's LDI portfolio guidelines.

Vehicle Structure

The pooled investment arrangements used by the Scheme comprise unit-linked insurance contracts (L&G Global Equity (RAFI) and Sterling Liquidity Fund, Aberdeen Standard GARS and the M&G Secured Property Income Fund), OEICs (Insight Broad Opportunities Fund, Baillie Gifford Long Term Global Growth), a limited partnership (the Ares Secured Income Fund LP) and QIAIFs (M&G Illiquid Credit Opportunities Fund II and Insight Secured Finance). The Scheme's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustee manages and monitors 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, the limited partnership and the QIAIFs is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled managers, and the regulatory environments in which the pooled managers operate. 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.

Notes to the Financial Statements (continued)

16. Investment Risk Disclosures (continued)

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.

17. Current Assets

	30 September 2019 £000	**30 September 2018 £000**
Contributions due from the employer in respect of:		
Employer	**-**	135
Cash balances	**1,928**	1,021
Debtors and prepayments	**527**	453
	2,455	1,609

18. Current Liabilities

	30 September 2019 £000	**30 September 2018 £000**
Accrued benefits	**63**	74
Administrative expenses	**269**	456
Taxation payable	**3**	3
	335	533

19. Related Party Transactions

Certain Trustee Directors were pensioner members of the Scheme in the year and are entitled to benefits in accordance with the normal rules of the Scheme.

20. Self investment

As at 30 September 2019 the Scheme held an indirect investment in Travis Perkins plc through the FTSE 3000 All World Equity Index fund pooled investment vehicle held with Legal & General. However with a market value of £1,584 (2018:£2,018) this indirect investment represented less than 0.0006% of the total investment portfolio.

Notes to the Financial Statements (continued)

21. 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.

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 will be considering this as at a future meeting and decisions will be made as to the next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

Once the judgements on further related cases have been published (including the ruling on de minimis) and further issues, for example, the tax treatment of any additional benefits granted have been resolved, then the Trustee (and their advisers) and the Employer (and their advisers) will be able to agree on a way forward in terms of the implementation of the agreed approach which will include the assessment of the impact of the approach on the Scheme which will be reflected in future years' accounts. It is not possible to reliably estimate the value of any such adjustments at this point in time.

22. COVID-19

Subsequent to the Scheme year-end, there has been the emergence and spread of the new coronavirus that is causing disruption and volatility on the financial markets. The Trustee will continue to monitor the developments and the potential impact on the Scheme investments across the year.