

# **RALEIGH PENSION SCHEME**

## **Report and Financial Statements for the year ended 5 April 2024**

Scheme Registration No: 10101772



XPS Administration is a trading name of XPS Administration Limited  
Registered No. 9428346. Registered Office: Phoenix House, 1 Station Hill, Reading RG1 1NB.  
Part of XPS Pensions Group

# RALEIGH PENSION SCHEME

## TABLE OF CONTENTS

Trustees and their Advisers	2
Trustees' Report	4
Investment Report	9
Report on Actuarial Liabilities	12
Actuary's Certification of Schedule of Contributions	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report	15
Fund Account	18
Statement of Net Assets (Available for Benefits)	19
Notes to the Financial Statements	20
Independent Auditor's Statement about Contributions	29
Summary of Contributions paid in the year	30
Implementation Statement	31

# RALEIGH PENSION SCHEME

## TRUSTEES AND THEIR ADVISERS

***Principal Employer:***

Raleigh UK Limited  
136 Church Street  
Eastwood  
Nottingham  
NG16 3HT

***Trustees:***

M Jones (Chairman)  
S Atkins (Until 24<sup>th</sup> November 2023)  
T Fisher (Member Nominated)  
J Tomkinson (Member Nominated)  
CJ Weedon (Member Nominated)  
S Wigley (Member Nominated)

***Pension Administrators:***

XPS Administration Limited  
1 City Square  
Leeds  
LS1 2ES

***Pension Consultants:***

XPS Pensions Limited  
1 City Square  
Leeds  
LS1 2ES

***Scheme Actuary:***

C Fletcher  
XPS Pensions Limited  
1 City Square  
Leeds  
LS1 2ES

***Independent Auditor:***

Cooper Parry Group Limited  
Cubo Birmingham  
Office 401, 4<sup>th</sup> Floor  
Two Chamberlain Square  
B3 3AX

***Legal Adviser:***

Womble Bond Dickinson (UK) LLP  
Newcastle St Ann's  
112 Quayside  
Newcastle upon Tyne  
NE1 3DX

***Bankers:***

Bank of Scotland plc  
New Uberior House  
Earl Grey Street  
Edinburgh  
EH3 9BN

# RALEIGH PENSION SCHEME

## TRUSTEES AND THEIR ADVISERS (continued)

***Investment Manager:*** Columbia Threadneedle Investments  
Exchange House  
Primrose Street  
London  
EC2A 2NY

***Buy in Annuity Policies:*** L&G Assurance Society Limited  
One Coleman Street  
London  
EC2R 5AA

***Life Assurance Providers:*** AIG Life Limited  
58 Fenchurch Street  
London  
EC3M 4AB

# RALEIGH PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2024

### ***Introduction***

The Trustees are pleased to present their Report on the Raleigh Pension Scheme (the "Scheme") for the year ended 5 April 2024.

The format of the Report and Accounts follows guidelines laid down by the Occupational and Personal Pension Scheme (Disclosure of Information) Regulations 2013 and the Statement of Recommended Practice, Financial Reports of Pension Schemes (revised 2018).

### ***The Scheme***

The purpose of the Scheme is to provide pension and other benefits to members upon their retirement or ill health and/or to their dependants on death before or after retirement. The benefits are outlined in the Scheme Booklet.

At the start of the previous Scheme year the Scheme had both a Defined Benefit Section and a Defined Contribution Section.

During the year ended 5 April 2022 and following an appropriate selection and implementation process the Trustees discharged all of the assets of the Defined Contribution section into a Master Trust with L&G Assurance Society Limited. Also during the year ended 5 April 2022 the AVCs in Utmost and Clerical Medical within the Defined Benefit section were transferred into the Master Trust with L&G.

At the start of the previous Scheme year the contributions of the Defined Benefit Section were invested in managed funds run by Columbia Threadneedle Investment. During the previous Scheme year a buy-in policy was purchased with Legal & General Assurance Society Limited in respect of the Defined Benefit section of the Scheme. From the date the buy-in policy was purchased the majority of all benefits payable under the Defined Benefit Section are covered under the buy-in policy. The Defined Benefit Section of the Scheme was closed to future accrual of benefits with effect from 31 December 2002.

The Trustees use the services of XPS Pensions Group for Scheme administration. The administration services provided continue to operate as normal following the buy-in with no impact on pension payroll or payment of benefits. The Scheme retains a number of professional advisers in connection with the operation of the Scheme, and a list of these advisers is given on pages 2 to 3 of this Report.

The Scheme is governed in accordance with the terms of a Definitive Trust Deed and Rules, dated 21 January 2019. In accordance with the provisions of Schedule 36 of the Finance Act 2004 the Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

### ***Trustees***

The Trustees of the Scheme are listed on page 2 of this Report.

Under the provisions of the Pensions Act 2005 and in accordance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006, at least one third of the Trustee Board has been selected by members of the Scheme.

Under the terms of the Trust Deed the power of appointment and removal of the Trustees, with the exception of those who are member-nominated, lies with the Principal Employer. The member-nominated Trustees are nominated by members under the rules notified to the members of the Scheme. They may be removed before the end of their term only by agreement of all remaining Trustees although their appointment ceases if they cease to be a member of the Scheme.

Four Trustees, M Jones, CJ Weedon, T Fisher and S Wigley are in receipt of a pension from the Scheme. The pensions were granted on the same terms as for all members.

# RALEIGH PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2024 (continued)

### Membership

The number of members as at the year end was:

#### Pensioners

Pensioners at 6 April 2023	750
Opening adjustments in respect of prior period*	(32)
Preserved members retiring	13
Deaths	(31)
New dependants	13
<b>Pensioners at 5 April 2024**</b>	<b>713</b>

#### Members with preserved benefits

Members with preserved benefits at 6 April 2023	274
Opening adjustments in respect of prior period*	12
Retiring members	(13)
Deaths	(4)
<b>Members with preserved benefits at 5 April 2024</b>	<b>269</b>

**Total membership at the end of the year** **982**

\*Opening adjustments in respect of prior period are in respect of member movements notified to the administrator after year end.

\*\*Pensioners include 162 dependants (2023: 163).

### Pension increases

Pensions are increased with effect from 6 April each year. Pensions accrued in respect of post 5 April 1997 service and post 5 April 1988 Guaranteed Minimum Pension are increased in line with statutory orders. With effect from 6 April 2023 the statutory order was 3.0% for post 5 April 1988 Guaranteed Minimum Pension and 5.0% for Pensions accrued in respect of post 5 April 1997 service.

Pensions accrued in respect of pre 5 April 1997 service in excess of the Guaranteed Minimum Pension are increased at the discretion of the Trustees. No discretionary increases were granted during the year.

### Financial Development of the Scheme

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

Changes in the Scheme's net assets during the year were as follows:

	£
Net assets at 6 April 2023	56,427,463
Net withdrawals from dealings with members	(3,366,099)
Net returns on investments	(1,821,522)
Net assets at 5 April 2024	<u>51,239,842</u>

# RALEIGH PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2024 (continued)

### ***Interest in Property***

Under an Agreement dated 10 March 2006, Raleigh UK Limited and Raleigh International Limited agreed to pay £4.1m to the Trustees and to transfer to them an interest of £2.6m in Raleigh's site at Church Street, Eastwood, Nottingham, NG16 3HT ("the Eastwood Site"). By an Agreement and a Deed of Charge both dated 14 December 2007, and instead of the transfer of such an interest, Raleigh Holdings Limited (to whom the freehold of the Eastwood Site had been transferred) granted the Trustees a charge over the Eastwood Site to the amount of £2.6m plus interest at 6% per annum from 31 March 2006. In addition, further security over the Eastwood site was given to the Trustees under a deed of charge dated 23 January 2009 in the amount of £460,167. This amount, or such part of it as is required to enable the benefits under the Scheme to be bought out with an insurance company, would be payable pursuant to the charge on the occurrence of certain events including the insolvency or sale of Raleigh UK Limited, or Raleigh UK Limited failing to pay amounts due to the Scheme. The value of the charge is not included in the assets of the Scheme. In October 2014 the site was valued at £3.5m. Since that time Raleigh UK Limited has applied for and received conditional permission for a residential development of the site.

### ***Guarantee***

Following the sale of Raleigh to Accell Group N.V. in 2012, Accell Group guaranteed to meet the UK Companies' obligations under the current Schedule of Contributions.

The Accell guarantee as signed by Accell, was signed by all the Trustees at a meeting in November 2014 and was for a fixed sum of £8.7 million.

### ***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. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

Based on an initial assessment completed by the Scheme Actuary the Trustees do not consider that the estimated backdated amounts and related interest are material in relation to the financial statements and have therefore not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees will consider the next steps as the Scheme has experienced historical transfers out which will be subject to adjustment as a result of this second ruling.

No adjustments have been made within these financial statements.

### ***Going concern***

The Trustees of the Scheme have made an assessment on going concern and given the wind up of the Scheme is expected to be finalised within the next 12 months, the accounts have been prepared on a basis other than going concern as described in Note 1 to the financial statements.

# RALEIGH PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2024 (continued)

### **Internal Disputes**

The Internal Dispute Resolution Procedures (IDRP) regulations require the setting up of a formal procedure for the handling of disputes involving the Trustees. The procedure has been established by the Trustees and its details have been circulated to the Scheme membership. In the event of a dispute arising with the Trustees, the contact is Mr S Atkins, Raleigh UK Limited, 136 Church Street, Nottingham, NG16 3HT.

### **Transfer Values**

Any transfer values paid out of the Scheme during the Scheme year would have been calculated and verified in the manner required by Sections 97 and 183(3) of the Pension Schemes Act 1993. There was no transfer values paid during the Scheme year.

### **Additional Scheme Information**

Most of the information required by members in respect of the Scheme is supplied automatically. This includes general information, such as the Trustees' Report, and information such as Statements of Options on retiring. In addition, the documents governing the Scheme, the Trust Deed and Rules, can be inspected at the address shown on page 2 of this Report. These rights apply to all members and most extend to their spouses and other beneficiaries, and recognised trade unions.

Any member may request a Statement of Benefit entitlement once a year. Also, a member who is not yet in receipt of a pension may request a Statement of Transfer Value annually.

It is hoped that all members feel sufficiently well informed, and that specific requests are dealt with fully.

### **Enquiries**

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustees:

c/o XPS Pensions Limited  
1 City Square  
Leeds LS1 2ES

Email: [RaleighPensions@XPSGroup.com](mailto:RaleighPensions@XPSGroup.com)

### **MoneyHelper**

MoneyHelper provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service. MoneyHelper can be contacted at:

MoneyHelper  
Bedford Borough Hall  
138 Cauldwell Street  
Bedford MK42 9AB

Tel: 0800 011 3797

Email: [pensions.enquiries@moneyhelper.org.uk](mailto:pensions.enquiries@moneyhelper.org.uk)

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)



# RALEIGH PENSION SCHEME

## TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2024 (continued)

### ***Pensions Ombudsman***

If a member has a complaint against the Scheme that has not been resolved to his or her satisfaction through the Scheme's Dispute Procedure, the government appointed Pensions Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustees or Scheme administrators, or disputes of fact or law. 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](mailto:enquiries@pensions-ombudsman.org.uk)

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

### ***The Pensions Regulator (tPR)***

The Pensions Regulator can intervene if they consider that a Scheme's Trustees, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Telecom House  
125-135 Preston Road  
Brighton BN1 6AF

Tel: 0345 600 0707

Email: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### ***The Pension Scheme Registry***

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 10101772. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

Pension Tracing Service  
The Pension Service  
Post Handling Site A  
Wolverhampton WV98 1LU

Tel: 0800 731 0193

Website: [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

# RALEIGH PENSION SCHEME

## INVESTMENT REPORT

The Trustees determine their investment strategy after taking advice from their investment adviser. They have delegated the management of the investments to the investment manager listed on pages 3.

### Implementation statement

The Implementation Statement is included on pages 31 to 33.

### Overall Strategy

The Scheme holds the majority of assets in a bulk annuity policy ("the Policy") with Legal & General Assurance Society ("the Insurance Provider").

The Scheme has circa £8m of invested assets held with Columbia Threadneedle. For these assets, the investment objective of the Scheme is to invest in unleveraged matching assets in order to broadly match the Scheme's remaining liabilities.

The investment strategy is set out in the Statement of Investment Principles ("SIP"). The current strategy is set out below:

Asset class	Strategic allocation	Expected return (above gilts p.a.)*	Manager and fund	Objective	AMC (p.a.)
<b>Bulk Annuity Policy</b>	88%	(0.1%)	Legal & General Assurance Society	Provide exposure to changes in interest rates and inflation with the aim of liability matching together with longevity risk cover.	N/A
<b>Cash</b>	8%	1.0%	CT Sterling Liquidity Fund	SONIA	0.10%
<b>LDI</b>	4%	(0.1%)	CT Unleveraged Gilt Profile Funds	Provide exposure to changes in interest rates and inflation with the aim of liability matching.	0.08% on the first £15m, 0.06% on the next £35m and 0.05% on the next £100 million. 0.04% on the next £150 million, 0.03% thereafter.
	<b>100%</b>	<b>0.0%</b>			

*\*Return expectations quoted above are best estimates for medium-term returns as at 31 March 2024. Note that the AMC with Columbia Threadneedle is subject to a minimum of £15,000 per annum over both accounts.*

# RALEIGH PENSION SCHEME

## INVESTMENT REPORT (continued)

### Asset allocation investment strategy

The table below shows the valuation and allocation of the Scheme's assets as at 5 April 2024:

Investment Manager	Fund	5 April 2024 £	End Weight (%)
<b>Invested Assets</b>		<b>7,990,470</b>	
<b>Matching Assets</b>		<b>2,598,055</b>	<b>5.1</b>
Columbia Threadneedle	Short Profile Unleveraged Real Gilt Fund	2,598,055	5.1
<b>Cash Assets</b>		<b>5,392,414</b>	<b>10.6</b>
Columbia Threadneedle	Sterling Liquidity Fund	5,392,414	10.6
<b>Uninvested Assets</b>		<b>43,111,000</b>	
<b>Annuity Policy</b>		<b>43,111,000</b>	<b>84.3</b>
L&G Assurance Society	Bulk Annuity Policy	43,111,000	84.3
<b>Total Invested Assets</b>		<b>51,101,470</b>	<b>100.0</b>

### Performance Summary

The performance of the Scheme's Invested Assets over a 1 year period to 31 March 2024, being the closest reporting date to the Scheme's year end, are as follows:

Performance Summary	Return Type	1 year (%)		3 year (%)		5 year (%)	
		Fund	Target	Fund	Target	Fund	Target
Matching Assets							
CT Short Profile Unleveraged Real Gilt Fund	Gross	-2.1	-2.3	-6.2	-6.3	-3.1	-3.2
Cash Assets							
CT Sterling Liquidity Fund	Gross	5.1	4.9	2.4	2.4	1.6	1.5

### Employer Related Investments

There were no employer related investments during the current or prior year.

### Financially material considerations/ Non-financial matters

The Trustees expect Investment Managers to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustees require the Investment Managers to report on significant votes made on behalf of the Trustees.

### Exercise of rights (including voting rights)

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the Investment Managers.

### Stewardship

The Trustees require the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

# RALEIGH PENSION SCHEME

## INVESTMENT REPORT (continued)

### **ESG (Environmental, Social and Governance policies)**

As the majority of the Scheme's assets are invested in the Policy with the Insurance Provider, the Trustees don't expect ESG factors to have a material impact on investment risk and return outcomes over the time horizon of the investment. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's Insurance Provider and therefore acknowledges that they cannot directly influence the policies and practices of the companies in which the Policy is invested.

For the assets that remain invested with Columbia Threadneedle, the Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Investment Manager. The Trustees require the Investment Manager 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.

### **Market commentary**

Over the year to 31 March 2024, there have been significant policy developments. In the early part of the accounting year, the UK and EU signed a pact to increase co-operation on financial services. The move was a signal of the UK's willingness to work more closely with the EU post Brexit but falls short of a full agreement. In the second half of 2023, Rishi Sunak announced a significant policy change to the UK Government's climate commitments, including a series of delays on the Government's net zero pledges. The UK Government also announced their plans to axe the Northern leg of the High-Speed Rail (HS2) project. The final quarter of 2023 saw the Chancellor set out his Autumn Statement which could have a major impact on the future of both DB and DC pensions landscapes. Detail published alongside the Statement included a series of responses to the Mansion House consultations, and new consultations including running schemes on for surplus, designed to continue the Government's objective of getting DB and DC schemes to invest more in productive finance.

Over the accounting year, the UK market experienced a series of interest rate hikes in efforts to curb inflation. Following a fall in the UK CPI rate in Q3 2023, the Bank of England halted their run of 14 consecutive interest rate rises after raising rates by 0.25% to 5.25% in August 2023. The 12-month UK Consumer Price Index ('CPI') fell from 10.1%, at its peak, to 3.2% as at 31 March 2024. Governor Andrew Bailey signposted that markets were moving in the right direction, but that inflation would need to continue to fall back towards the long-term target of 2% before cuts would be initiated. In turn, the Bank of England held the bank rate for a fifth consecutive time at 5.25% during the March 2024 meeting.

UK corporate bonds posted positive returns over the accounting year, largely driven by tightening credit spreads despite gilt yields rising over the 12 months to 31 March 2024. Moreover, UK corporate bond spreads have tightened over the past 12 months to their lowest level in 2 years.

Global equity markets excelled over the accounting year, posting their best first quarter since 2019 as at Q1 2024. This was largely driven by an Artificial Intelligence ('AI') boom that gained momentum in the second half of 2023 onwards, and the continued resilience of the US economy despite stubbornly high inflation. UK equities and other major European regions caught up with the surge in global equities from AI-driven gains in the US.

# RALEIGH PENSION SCHEME

## REPORT ON ACTUARIAL LIABILITIES

### Actuarial position

The last full actuarial valuation was completed as at 5 April 2020 and revealed that the assets of the Scheme at that date were sufficient to meet the accrued liabilities on the 'ongoing' funding basis. The valuation results indicated that the Scheme had a funding level of 103% and a surplus of £2.4m as at 5 April 2020.

The actuarial valuation revealed a surplus in the Scheme's funding position; therefore no recovery plan was agreed as there is no deficit to be addressed.

Scheme expenses will be met from the Scheme with all PPF risk based levies being met by the Principal Employer.

The next full actuarial valuation is due as at 5 April 2023. The deadline for this being prepared is 5 September 2024 and it will not be required if the buy-out has been triggered.

### Method

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

### Significant actuarial assumptions

The significant assumptions used in the 5 April 2020 actuarial valuation are detailed below:

	Assumption
Discount rate	Yield curve for nominal government bonds
Future price inflation – Retail Price Inflation (RPI)	Market implied inflation curve
Future price inflation – Consumer Price Inflation (CPI)	RPI inflation less 0.7% p.a.
Deferred pension revaluation	
• Guaranteed Minimum Pension (GMP)	RPI plus 1.0% p.a.
• Pension in excess of GMP	In line with CPI inflation
Pension increases in payment:	
• Pre 88 GMP	Nil
• Post 88 GMP	CPI inflation subject to a 3.0% p.a. cap
• All other pension accrued before 6 April 1997	Nil
• Pension accrued after 5 April 1997	CPI inflation subject to a 5.0% p.a. cap
Pensionable salary increases	RPI inflation
Mortality:	
• Base table	SAPS S2PA
• Adjustment to base table	115% for males and 102% for females
Improvement table	CMI 2019 1.50% p.a. for males CMI 2019 1.25% p.a. for females

### Actuarial update as at 5 April 2022

An actuarial update was completed as at an effective date of 5 April 2022 and indicated that the funding level of the Scheme had deteriorated slightly from 111% as at 5 April 2021 to 108% as at 5 April 2022. The deterioration in the funding position comes from returns on the Scheme's residual assets being lower than expected and actual inflation being higher than assumed.

## ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

# Actuary's certification of schedule of contributions

### Raleigh Pension Scheme

---

#### 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 5 April 2020 to continue to be met for 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 September 2020.

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

---

**Signature**



**Date**

23 September 2020

---

**Name**

Chris Fletcher

**Qualification**

Fellow of the Institute  
and Faculty of Actuaries

---

**Address**

1 City Square  
Leeds  
LS1 2AL

**Employer**

XPS Pensions Consulting Limited

# RALEIGH PENSION SCHEME

## STATEMENT OF TRUSTEES' 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 Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

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

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustees also have 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 Trustees are 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 Principal Employer and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Principal Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

### Approval of the Trustees' Report

The Trustees' Report, which includes the Investment Report, the Report on Actuarial Liabilities, the Implementation Statement and the Statement of Trustees' Responsibilities was approved by the Trustees on:

.....  
**Trustee**

.....  
**Date**

# RALEIGH PENSION SCHEME

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RALEIGH PENSION SCHEME

### Opinion

We have audited the financial statements of the Raleigh Pension Scheme for the year ended 5 April 2024 which comprise the fund account, the statement of net assets and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2024, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

### Basis for opinion

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

### Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1 of the financial statements which explains that in connection with the winding up of the Scheme, the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing these financial statements. Our opinion is not modified in respect of this matter.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon and our auditor's statement about contributions. The Trustees are 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.



# RALEIGH PENSION SCHEME

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RALEIGH PENSION SCHEME (continued)**

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Scheme's Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our assessment focussed on key laws and regulations the Scheme has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Pensions Act 1995 and United Kingdom Generally Accepted Accounting Practice.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Scheme and how the Scheme is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Scheme's control environment and how the Scheme has applied relevant control procedures, through discussions and sample testing of controls;
- obtaining an understanding of the Scheme's risk assessment process, including the risk of fraud;
- reviewing Trustees meeting minutes throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing the appropriateness of journal entries and other adjustments made.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

# RALEIGH PENSION SCHEME

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RALEIGH PENSION SCHEME (continued)**

### **Use of our report**

This report is made solely to the Scheme's Trustees, 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 Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Park View  
Cubo Birmingham  
Office 401, 4th Floor  
Two Chamberlain Square  
B3 3AX

**COOPER PARRY GROUP LIMITED**

Statutory Auditor

Date:

# RALEIGH PENSION SCHEME

## FUND ACCOUNT

For the year ended 5 April 2024

	Note	2024 £	2023 £
<b>CONTRIBUTIONS AND BENEFITS</b>			
Benefits paid or payable	5	(2,905,252)	(3,024,015)
Payments to and on account of leavers	6	-	(62,031)
Other payments	7	(15,557)	(17,955)
Administrative expenses	8	(445,290)	(241,510)
		<u>(3,366,099)</u>	<u>(3,345,511)</u>
<b>NET WITHDRAWALS FROM DEALINGS WITH MEMBERS</b>			
		<u>(3,366,099)</u>	<u>(3,345,511)</u>
<b>RETURNS ON INVESTMENTS</b>			
Investment income	9	3,135,747	3,215,139
Change in market value of investments	11	(4,942,217)	(16,532,091)
Investment management expenses	10	(15,052)	(18,600)
<b>NET RETURN ON INVESTMENTS</b>		<u>(1,821,522)</u>	<u>(13,335,552)</u>
<b>NET DECREASE IN THE FUND FOR THE YEAR</b>			
		(5,187,621)	(16,681,063)
<b>OPENING NET ASSETS</b>		<u>56,427,463</u>	<u>73,108,527</u>
<b>CLOSING NET ASSETS</b>		<u><u>51,239,842</u></u>	<u><u>56,427,463</u></u>

# RALEIGH PENSION SCHEME

## STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 5 April 2024

	Note	2024 £	2023 £
<b>INVESTMENT ASSETS</b>	11		
Pooled investment vehicles	12	7,990,470	7,902,530
Insurance policies	13	43,111,000	48,059,000
		<u>51,101,470</u>	<u>55,961,530</u>
<b>CURRENT ASSETS</b>	17	262,316	538,759
<b>CURRENT LIABILITIES</b>	18	(123,944)	(72,826)
<b>CLOSING NET ASSETS</b>		<u>51,239,842</u>	<u>56,427,463</u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. 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 on page 12 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 20 to 28 form an integral part of these financial statements.

The financial statements on pages 18 to 28 were approved by the Trustees and signed on their behalf.

Signed on behalf of the Trustees:

.....  
**Trustee**

.....  
**Date**

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 5 April 2024

### 1. BASIS OF PREPARATION

The financial statements of the 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 wind up of the Scheme is expected to be completed within the next 12 months and therefore, the Trustees do not consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern. No adjustments to the fair values included within the financial statements was necessary as a result of this basis.

### 2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

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

### 3. ACCOUNTING POLICIES

#### (a) Accounting convention

The financial statements are prepared on an accruals basis.

#### (b) Contributions

Employee contributions are accounted for when they are deducted from pay by the employer.

Employer normal contributions are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions in force during the year.

#### (c) Payments to members

Pensions and benefits payable are recognised when they fall due.

Individual and group transfers out are accounted for when the member liability is discharged which is normally when the transfer is paid.

#### (d) Expenses

Expenses are accounted for on an accruals basis.

#### (e) Investment income

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

Annuity income is accounted for on an accruals basis.

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

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

### 3. ACCOUNTING POLICIES (continued)

#### (f) Investments

Investments are included at fair value as follows.

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

Historic annuities held with Just Retirement are being carried at a zero valuation as the true value is not material to the Scheme.

The annuity buy-in policy in the name of the Scheme has been valued by the Scheme Actuary at the present value of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

#### (g) Currency

The Scheme's functional and presentation currency is Pound Sterling (GBP). Monetary amounts in these financial statements are rounded to the nearest £.

### 4. CONTRIBUTIONS

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 23 September 2020, no further contributions were paid or payable to the Scheme from 1 October 2020 onwards.

### 5. BENEFITS PAID OR PAYABLE

	2024	2023
	£	£
Pension payments	2,677,808	2,695,984
Commutation of pensions and lump sum retirement benefits	220,605	324,532
Refunds of contributions on death	6,839	3,499
	<u>2,905,252</u>	<u>3,024,015</u>

### 6. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2024	2023
	£	£
Group transfers out to other schemes	<u>-</u>	<u>62,031</u>

### 7. OTHER PAYMENTS

	2024	2023
	£	£
Premiums on term insurance policies	<u>15,557</u>	<u>17,955</u>

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

8.	ADMINISTRATIVE EXPENSES	2024	2023			
		£	£			
	Administration, consulting and actuarial fees	381,833	189,506			
	Legal fees	32,171	17,344			
	Audit fees	11,550	9,650			
	TPR levy	7,866	10,734			
	Trustees' fees & expenses	10,840	13,260			
	Bank charges	1,030	1,016			
		<u>445,290</u>	<u>241,510</u>			
9.	INVESTMENT INCOME	2024	2023			
		£	£			
	Income from pooled investment vehicles	152,157	135,752			
	Bank interest	3,566	2,547			
	Annuity income	2,980,024	3,076,840			
		<u>3,135,747</u>	<u>3,215,139</u>			
10.	INVESTMENT MANAGEMENT EXPENSES	2024	2023			
		£	£			
	Investment consulting	-	3,400			
	Administration, management & custody	15,052	15,200			
		<u>15,052</u>	<u>18,600</u>			
11.	RECONCILIATION OF INVESTMENTS					
		Value at	Purchases at	Sales	Change in	Value at
		06.04.2023	cost	proceeds	market value	05.04.2024
		£	£	£	£	£
	Pooled investment vehicles	7,902,530	152,157	(70,000)	5,783	7,990,470
	Insurance policies	48,059,000	-	-	(4,948,000)	43,111,000
		<u>55,961,530</u>	<u>152,157</u>	<u>(70,000)</u>	<u>(4,942,217)</u>	<u>51,101,470</u>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, change in market value also includes income, net of withholding tax, which is reinvested in the fund.

Transaction costs are included in the cost of purchases and sale proceeds. Direct transaction costs include costs charged to the Scheme such as fees, commissions, stamp duty and other fees. Acquisition costs are included in the purchase cost of investments. In addition to the transaction costs, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

The companies managing the pooled investment vehicles investments during the year were registered in the United Kingdom.

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

### 12. POOLED INVESTMENT VEHICLES

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

	2024 £	2023 £
Liability Driven Investments	2,598,055	2,707,045
Liquidity	5,392,415	5,195,485
	<u>7,990,470</u>	<u>7,902,530</u>

All of the Scheme's pooled invested vehicles are held in open ended investment companies (OEIC).

### 13. INSURANCE POLICIES

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

	2024 £	2023 £
Annuity policies with L&G Assurance Society Limited	<u>43,111,000</u>	<u>48,059,000</u>

The Trustees hold an insurance policy with L&G Assurance Society Limited that secures pensions payable to specified members. This policy remains an asset of the Trustees and are valued on the Scheme funding basis at the period end, as advised by the Scheme Actuary. These policies will continue in payment until the death of the last remaining insured member.

### 14. 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 (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

	At 5 April 2024			Total
	Level 1 £	Level 2 £	Level 3 £	£
Pooled investment vehicles	-	7,990,470	-	7,990,470
Insurance policies	-	-	43,111,000	43,111,000
	<u>-</u>	<u>7,990,470</u>	<u>43,111,000</u>	<u>51,101,470</u>

	At 5 April 2023			Total
	Level 1 £	Level 2 £	Level 3 £	£
Pooled investment vehicles	-	7,902,530	-	7,902,530
Insurance policies	-	-	48,059,000	48,059,000
	<u>-</u>	<u>7,902,530</u>	<u>48,059,000</u>	<u>55,961,530</u>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

### 15. INVESTMENT RISK DISCLOSURES

#### 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 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 these risks because of the investments it makes to implement its investment strategy described in the Trustees' report. The Trustees manage 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 Trustees by regular review of the investment portfolios.

#### Investment strategy

The Scheme has circa 84% of total assets held in the Legal & General Assurance Society ("LGAS") Bulk Annuity Policy ("the Policy"). Of the remaining circa 16% invested assets, the Scheme has a broad allocation of circa 33% to liability matching assets, which is designed to fund the Barber and GMP benefit rectification and equalisation. This means that the assets held in the index linked gilts should move broadly in line with market movements which will affect the liability for the Barber and GMP benefit rectification and equalisation.

The value of the Policy will change in line with underlying market conditions. Therefore, the Policy can be viewed as being exposed to the areas of risk listed below. However, as the payments are met by the Insurance Provider, it is the Insurance Provider rather than the Scheme that is exposed to these risks. Further mitigation against the Insurance Provider default is provided as 100% of the credit risk is covered by Financial Services Compensation Scheme ("FSCS").

The Scheme invests in pooled investment vehicles, operated by Columbia Threadneedle Investments ("CT"). The Trustees and their advisors carry out thorough due diligence before the appointment of new managers and before any new monies are allocated to a new fund. The Trustees are also required to take appropriate investment advice from a qualified professional. All decisions made by the Trustees in relation to the investment strategy are subject to and comply with Section 36 of the Pensions Act 1995.

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

### Investment strategy (continued)

#### 15. INVESTMENT RISK DISCLOSURES (continued)

The Trustees are required to regularly review, and if necessary, update the Scheme's Statement of Investment Principles. This is a statutory document which sets out, amongst other items: how the Scheme invests, the long-term investment strategy for the Scheme, the policy for rebalancing, the benchmarks and objectives of the managers, the Trustees' policy for monitoring performance and reviewing managers' role within the strategy.

Information on the Trustees' approach to risk management is set out in the sections below.

<b>Risk exposures over combined period</b>	<b>Credit Risk</b>	<b>Currency Risk</b>	<b>Interest Rate Risk</b>	<b>Other Price Risk</b>
CT Short Profile Unleveraged Real Gilt Fund	✓	✗	✓	✓
CT Sterling Liquidity Fund	✓	✗	✗	✓

#### Credit risk

Credit risk is the risk that the counterparty of a financial instrument could default on its obligations, or delay payment of contractual income and the Scheme will incur a financial loss as a result.

The Scheme will have credit exposure to the Insurance Provider, LGAS, as a counterparty. Counterparty risk must be considered in the context of the Insurance Provider's overall financial strength and the Prudential Regulatory Authority ("PRA") regulatory regime, within which UK registered insurance companies must operate. In addition, there is protection offered through the Financial Services Compensation Scheme ("FSCS"), which would provide cover in the event of the failure of the selected Insurance Provider. This cover would be provided for the Scheme during the buy-in phase and then for the members who are subsequently bought-out after the Policy was issued. The FSCS cover limit for insurance policies increased to 100% in July 2015, without an upper limit.

The Scheme invests in pooled investment vehicles. These are exposed to direct credit risk, with there being an extreme, albeit low, risk that the investment manager becomes defunct, acts fraudulently or that the manager no longer acts on the Scheme's behalf or in the Scheme's best interests. However, this is mitigated by the use of custodian relationships and by the ongoing monitoring undertaken by the advisors and Trustees of the Scheme.

For pooled investment vehicles credit risk arises where there is a dependence on the pooled arrangement to deliver the cash flows which support the fair value and units or shares in the pooled arrangement can only be transacted with the pool manager. If the Scheme's interest in a pooled arrangement can be traded in the open market then the Scheme, generally, does not have direct credit risk to the pooled arrangement. All other credit risk exposure can be deemed to be indirect due to the underlying asset classes within the pooled investment vehicles.

The Scheme has exposure to indirect credit risk via the CT Short Profile Unleveraged Real Gilt Fund. The Scheme may also be exposed to indirect risk to a lesser extent through the CT Sterling Liquidity Fund. The CT Sterling Liquidity Fund invests in high quality, short-term money market instruments.

The total value of Scheme assets in pooled vehicles with exposure to credit risk as at the end of the accounting period was circa £8.0m (2023: £7.9m).

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

### 15. INVESTMENT RISK DISCLOSURES (continued)

#### Currency risk

Currency risk is the risk that the value of assets will change due to movements in foreign exchange rates.

The Scheme does not have any exposure to currency risk, as all non-Sterling denominated funds are hedged back to Sterling.

#### Interest rate risk

Interest rate risk is the risk that the value of fixed-rate instruments will change due to movements in market interest rates.

The Scheme has exposure to interest rate risk via investments held in the CT Short Profile Unleveraged Real Gilt Fund. The value is sensitive to movements in interest rate expectations. This level of exposure was a deliberate position taken by the Trustees, in order to gain increased exposure to interest rate movements. The objective of this exposure is to mitigate the impact of adverse movements in the Scheme's liabilities, which are also based on interest rate changes.

The interest rate risk exposure for the CT Sterling Liquidity Fund has been updated from the previous accounting period from being present to being negligible (given the nature of the underlying holdings). This has been confirmed by the investment manager.

The total value of Scheme assets in pooled vehicles with exposure to interest rate risk at the end of the accounting period was circa £2.6m (2023: £2.7m).

The value of the underlying investments of the Policy may be significantly and directly impacted by the movement in interest rates. However, any potential impact on the value of the Policy is expected to be offset by an equal and opposite movement in the Scheme's liabilities that the Policy insures against and is therefore mitigated.

#### Other risks, including price risk

Price risk is the risk that the value of a financial instrument will change due to movements in market prices or indices.

The Scheme may have had exposure to price risks over the year through its entire holdings held with CT.

The Trustees are aware of these risks and the Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various asset classes and markets.

The total value of Scheme assets in pooled vehicles with exposure to price risk at the end of the accounting period was circa £8.0m (2023: £7.9m).

### 16. CONCENTRATION OF INVESTMENTS

The following investments represented over 5% of the net assets of the Scheme at either the current or previous year end:

Fund	2024		2023	
	£	%	£	%
Legal and General Insurance Policy	43,111,000	84.1	48,059,000	85.2
CT Sterling Liquidity Fund	5,392,415	10.5	5,195,485	9.2
CT Short Profile Unleveraged Real Gilt Fund	2,598,055	5.1	2,707,045	4.8

The CT Sterling Liquidity Fund and the CT Short Profile Unleveraged Real Gilt Fund are pooled investment vehicles which has multiple underlying assets none of which exceeds 5% of the net assets of the Scheme.

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

17. CURRENT ASSETS	2024 £	2023 £
Bank balance	240,113	510,164
Annuities receivable	1,564	23,026
Tax recoverable	20,639	5,569
	<u>262,316</u>	<u>538,759</u>

18. CURRENT LIABILITIES	2024 £	2023 £
Accrued expenses	96,196	51,201
Tax payable	27,748	21,625
	<u>123,944</u>	<u>72,826</u>

## 19. SELF INVESTMENT

The Scheme does not hold any direct investment in Raleigh UK Limited or in any other company or person connected with the company.

## 20. RELATED PARTY TRANSACTIONS

Four Trustees, CJ Weedon, M Jones, T Fisher and S Wigley are in receipt of a pension from the Scheme. The pensions were granted on the same terms for all members. During the year, Trustee fees of £10,840 (2023: £11,181) were payable by the Scheme and £1,429 (2023: £2,079) is included within current liabilities at the year end.

VAT on administration expenses totalling £51,158 (2023: £37,836) has been reimbursed to the Scheme by Raleigh UK Limited during the year.

## 21. CONTINGENT ASSET

Under an Agreement dated 10 March 2006, Raleigh UK Limited and Raleigh International Limited agreed to pay £4.1m to the Trustees and to transfer to them an interest of £2.6m in Raleigh's site at Church Street, Eastwood, Nottingham, NG16 3HT ("the Eastwood Site"). By an Agreement and a Deed of Charge both dated 14 December 2007, and instead of the transfer of such an interest, Raleigh Holdings Limited (to whom the freehold of the Eastwood Site had been transferred) granted the Trustees a charge over the Eastwood Site to the amount of £2.6m plus interest at 6% per annum from 31 March 2006. In addition, further security over the Eastwood site was given to the Trustees under a deed of charge dated 23 January 2009 in the amount of £460,167 (accumulated value is around £7.1m). This amount, or such part of it as is required to enable the benefits under the Scheme to be bought out with an insurance company, would be payable pursuant to the charge on the occurrence of certain events including the insolvency or sale of Raleigh UK Limited, or Raleigh UK Limited failing to pay amounts due to the Scheme. The value of the charge is not included in the assets of the Scheme and application has not been made for it to be considered a contingent asset for Pension Protection Fund purposes. In October 2014 the site was valued at £3.5m. Since that time Raleigh UK Limited has applied for and received conditional permission for a residential development of the site.

Following the sale of Raleigh to Accell Group N.V. in 2012, Accell Group guaranteed to meet the UK Companies' obligations under the current Schedule of Contributions.

The Accell guarantee as signed by Accell, was signed by all the Trustees at a meeting in November 2014 and was for a fixed sum of £8.7 million.

# RALEIGH PENSION SCHEME

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2024

### 22. 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. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

Based on an initial assessment completed by the Scheme Actuary the Trustees do not consider that the estimated backdated amounts and related interest are material in relation to the financial statements and have therefore not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

On 20 November 2020, the High Court handed down a second judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustees will consider the next steps as the Scheme has experienced historical transfers out which will be subject to adjustment as a result of this second ruling.

No adjustments have been made within these financial statements.

### 23. TAXATION STATUS

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.

# RALEIGH PENSION SCHEME

## **INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEES OF THE RALEIGH PENSION SCHEME**

We have examined the Summary of Contributions to the Raleigh Pension Scheme for the Scheme period ended 5 April 2024 which is set out in the Trustees' Report on page 30.

In our opinion contributions for the Scheme year ended 5 April 2024 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 23 September 2020.

### **Scope of work on Statement about Contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions 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 Trustees and the Auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Scheme's Trustees are 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 Schedule of Contributions and to report our opinion to you.

### **Use of our report**

This statement is made solely to the Scheme's Trustees, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in such an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's Trustees, as a body, for our work on contributions, for this statement, or for the opinions we have formed.

Cubo Birmingham  
Office 401, 4th Floor  
Two Chamberlain Square  
B3 3AX

### **COOPER PARRY GROUP LIMITED**

Chartered Accountants  
Statutory Auditor

Date:

# RALEIGH PENSION SCHEME

## SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of, the Trustees. It sets out the employer and employee contributions payable to the Scheme under the Schedule of Contributions certified by the Scheme Actuary on 23 September 2020 in respect of the Scheme year ended 5 April 2023. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions

During the year ended 5 April 2024, no contributions were payable into the Scheme under the Schedule of Contributions certified by the Scheme Actuary on 23 September 2020.

Signed on behalf of the Trustees:

.....

**Trustee**

## IMPLEMENTATION STATEMENT



# Raleigh Pension Scheme Implementation Statement for the year ended 5 April 2024

## Purpose

This Implementation Statement provides information on how, and the extent to which, the Trustees of the Raleigh Pension Scheme ("the Scheme") have followed the policies documented in their Statement of Investment Principles ("SIP") during the year ended 5 April 2024 ("the reporting year"). There is no summary of the voting behaviour and most significant votes cast during the reporting year because the Scheme had no equity exposure.

## Background

As at the end of the current reporting year, the majority of the Scheme's assets (c.84%) are managed by Legal & General Assurance Society ("the Insurance Provider") with the remaining surplus assets held with Columbia Threadneedle Investments ("the Investment Manager"). The Trustees have no direct influence on the range of assets which support the payments due under the Legal & General Assurance Society Bulk Annuity Policy ("the Policy"). The Insurance Provider will invest in an appropriate range of assets. The Trustees have delegated to the Insurance Provider the responsibility to make decisions in the long-term interests of the Scheme.

The Trustees' policy is documented in the most recent Statement of Investment Principles.

## The Trustees' updated policy

As the majority of the Scheme's assets are invested in the Policy with the Insurance Provider, the Trustees don't expect ESG factors to have a material impact on investment risk and return outcomes over the time horizon of the investment. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Scheme's Insurance Provider and therefore acknowledges that they cannot directly influence the policies and practices of the companies in which the Policy is invested.

For the assets that remain invested with Columbia Threadneedle, the Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the investment manager. The Trustees require the investment manager 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.

## Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the Investment Manager and Insurance Provider from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement. XPS engage with the Investment Manager on behalf of the Trustees from time to time in relation to any relevant ESG issues.

## Manager selection exercises

During the reporting year, there were no manager selection exercises.

## Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities laid out in the Statement of Investment Principles to an acceptable degree.



## IMPLEMENTATION STATEMENT (continued)



### Voting activity

The assets that the Scheme held throughout the year (ending 05 April 2024) had no equity exposure and therefore no voting information was disclosed.

### Engagement Information

Engagement is an effective method of driving long-term positive change in company policies and practices and is applicable across all asset classes.

A high-level summary of the number of engagement activities, as well as examples of engagement, by each of the relevant investment manager organisations is as follows.

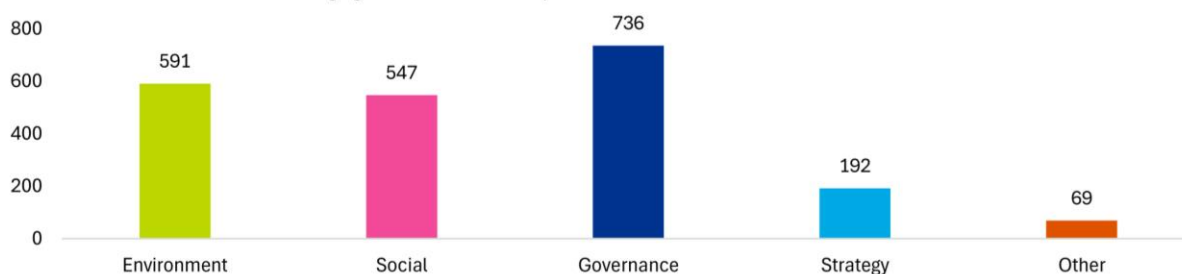
The Scheme holds LDI with CT. Given the nature of these funds, engagement information at a fund level is not available. As such, we have included engagement information at a firm level below.

#### Firm level engagement data provided by CT as at 31 December 2023

Firm level engagement Information	
Engagement focus	<p>CT's engagement activity is predominantly executed for equities and corporate fixed income. They also cover real estate and private equity.</p> <p>CT plays an active role in public policy development through engagement with policymakers and regulators, seeking to bring a constructive investor voice to standard settings. CT believes policy and regulatory change can be a catalyst for improved corporate behaviour.</p> <p>CT is reviewing their engagement tracking across all asset classes.</p>
How many entities did you engage with over the last 12 months at firm level?	867
How many engagements took place over the last 12 months at firm level?	1,424

#### Engagement activity outcomes

Number of engagements in each topic over the last 12 months to 31 December 2023



Topic	Number of engagements over the 12 months to 31 December 2023
<b>Environment</b>	
Climate change	380
Natural resource use/impact (e.g. water, biodiversity)	151

# RALEIGH PENSION SCHEME

## IMPLEMENTATION STATEMENT (continued)



Pollution, Waste	60
<b>Social</b>	
Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)	59
Human and labour rights (e.g. supply chain rights, community relations)	177
Human capital management (e.g. inclusion & diversity, employee terms, safety)	183
Inequality	62
Public health	66
<b>Governance</b>	
Board effectiveness - Diversity	65
Board effectiveness - Independence or Oversight	127
Board effectiveness - Other	171
Leadership - Chair/CEO	195
Remuneration	149
Shareholder rights	29
<b>Strategy</b>	
Strategy, Financial and Reporting - Capital allocation	26
Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)	23
Strategy, Financial and Reporting - Financial performance	51
Strategy, Financial and Reporting - Strategy/purpose	51
Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks)	41
<b>Other</b>	
*Other - CT have mapped their engagement sub-themes to those in this template. Where an appropriate mapping did not exist, CT have assigned the sub-theme to "other". This captures: environmental stewardship: product sustainability; disclosure and transparency; environmental finance. Within corporate governance: sustainability innovation; corporate governance 'other'. Please note that any single engagement activity may cover multiple themes.	69

**Note:** Please note that CT has only provided engagement data as at 31 December 2023 at a firm level and not Fund level.

Signed: \_\_\_\_\_, Chair of Trustees

Date: \_\_\_\_\_