



United Kingdom Accreditation Service Pension Scheme

Scheme Registration Number: 021/100676F

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



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The Trustee and Advisers

The Trustee

UKAS Pension Trustee Company Limited

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Jane Beaumont

Don Hughes

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* Member-Nominated

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Georgia Alsop

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The Trustee and Advisers (continued)

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Trustee's Report

This is the Annual Report of the Trustee of the United Kingdom Accreditation Service Pension Scheme ("the Scheme") and constitutes the document required by regulation 6 of The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 ("the Regulations").

The Report is available, as provided in regulation 6 (3) of the Regulations, free of charge for inspection on request to specified persons including members and prospective members of the Scheme, beneficiaries under the Scheme and appropriately recognised independent trade unions. On the same basis, copies are available free on request.

Scheme Management

Contents

This Annual Report includes the information required by the Regulations including the audited financial statements of the Scheme.

The financial statements on pages 47 to 59 summarise the transactions and net assets of the Scheme.

Liabilities to pay pensions and other benefits which are expected to become payable in the future are not dealt with in the financial statements.

The Year in Review

In the normal course of events 2023/24 should have been a relatively quiet year for the Pension Scheme running up to the triennial actuarial valuation as at the 31st March 2024. In reality 2023/24 was anything but quiet. This was mainly due to the overhang from the 2022 "LDI crisis" and the resulting disruption to UK Pension Scheme funding and investments plus an extremely active legislative and regulatory environment.

In the UKAS Pension Scheme, the main highlights of the past year were:

- I. a major reallocation of our investment portfolio to tilt our investments towards those which consider ESG ("Environment, Social and Governance") issues.
- II. The Trustee awarding, with the consent of the Company, a 10% revaluation of the accrued benefits as at the 31st March 2023 to the active and deferred members as at the 1st April 2024.
- III. The ever changing political and regulatory environment surrounding defined benefit pension provision required Trustee attention.

Looking forward, while we do not yet have the results of the 2024 actuarial valuation, the indications are that it will show a large surplus of assets over all the recognised measures of the future liabilities of the Scheme. As the Scheme Trustee, we need to consider why this has occurred and how to proceed going forward in discussion with the sponsoring employer.

As to why this has occurred, the valuation methodology adopted by The Pension Regulator ("TPR") to risk assess pension schemes particularly in its role to protect the Pensions Protection Fund uses the yield on UK Government Bonds (Gilts) as a basis to discount the future liabilities of the Scheme. Since 2009 following the introduction of Quantative Easing gilt yields fell significantly with the result that the present value liability measures, against which the assets of the Scheme are assessed, increased substantially even though the forecast liabilities may not have changed. As an open and relatively immature scheme, the effect of changes in assumptions based on gilt yields is magnified in the UKAS Pension Scheme as the majority of the liabilities are projected to occur many years into the future.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

The previous valuation of the UKAS Pension Scheme in 2001 based its valuation on a real gilt yield of minus c.2.1% on an RPI basis i.e. giving an assumed investment return assumption below the assumed inflation of the benefits. It appears that a 2024 valuation will reflect a real gilt yield of c. plus 1.1% much more in line with the position prior to 2009. During the 15 year period from 2009 to 2024, the UKAS Pension Scheme achieved an average investment return of 7.5% p.a. well ahead of RPI inflation over that period (4.15% p.a.).

To support the Scheme and to maintain Members' benefits during the period where the low yield discount rate assumption applied, the Employer voluntarily paid additional contributions into the Scheme totalling £5.5M. It now appears that these additional contributions may not have been required to secure the benefits granted to Members and will be reflected in the surplus reported in the valuation. However it does appear that the strong investment performance of the Scheme over this period was the major contributor to the current surpluses.

The Trustee Board is very clear that its role is to protect the interests of the Members with a primary duty to pay as they fall due the benefits promised to employees during their service with the employer as set out in the Trust Deed and Rules at the time. The level of surplus now being reported should give reassurance to Members that this objective can be fully met

Investments

Following the 2021 valuation, the Trustee Board commissioned an investment strategy review. This was supported by objectives set for the Investment Consultant in December 2022 in the light of the LDI crisis. The recommended strategy suggested a re-alignment of our equity investments, except a small holding in Emerging Markets, from passive index tracking funds in segregated geographic markets to worldwide passive ESG "Environment, Social and Governance" screened index funds tracking the MSCI World ESG Screened Index. This index excludes companies from the parent index that are associated with controversial, civilian and nuclear weapons and tobacco, palm oil and arctic oil & gas or that derive revenues from thermal coal and oil sands extraction and that are not compliant with the United Nations Global Compact principles. The index also excludes companies that are involved in very severe controversies and/or in certain biodiversity-related controversies and targets a minimum 30% reduction in carbon emission intensity relative to the underlying parent index. Although originally recommended in early 2022, the switch occurred in four tranches at monthly intervals commencing in September 2023. The delay in switching was partly due to market turmoil and a need for reappraisal consequent on the LDI crisis.

The Trustee is aware of certain issues to do with the majority of our equity investments tracking a single worldwide index. These include concentration of investment, particularly currently in U.S. "Big Tech" companies, such that at the 31st July 2024 just under 15% of the funds (10% of total scheme assets) are tracking just three companies: Apple, Microsoft Corporation, and NVidia. This also means that the dividend yield is depressed at 1.69% with a high historic price/earnings ratio of 22.8. The worldwide weighting also means that our exposure to UK quoted equities has reduced from 25% to 3.53%. The move to tracking a single worldwide weighted index increases the Scheme's exposure to currency risks, particularly Sterling versus U.S. Dollar. While approximately 60% of our funds are currency hedged, the protection provided is limited by the duration of the hedging contracts and we do have increased exposed to systemic currency risks. Nevertheless the performance of our equity portfolio has been particularly strong during 2023/24 providing a 19.5% return.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Investments (continued)

Two other recommendations from the 2022 review fell by the wayside:

The review recommended an increase in our exposure in UK Commercial Property from 5% of total assets to 10%, using our existing Blackrock UK Property Fund holding. Following the LDI crisis, due to the volume of redemption requests this Fund became illiquid while the managers struggled to sell sufficient property assets to meet the cash flow requirements. The proposal to add to our holding was therefore withdrawn. Despite some success in selling properties, the Blackrock Fund remains illiquid, with redemption requests made on or after September 2022 unfulfilled, there are also questions about the valuations attached to the assets. Nevertheless the Scheme retains its holding in the fund which is currently providing a dividend yield of 3.8% and a currently increasing asset value reflecting the sale of property assets above previous valuations.

It was also recommended to replace our index linked gilts holding with a pooled hedged LDI fund. This recommendation was not implemented before the LDI crisis in September 2022 and the recommendation was then withdrawn. The Trustee is reviewing the benefit to the Scheme of holding Index Linked Gilts in an index tracking fund in the situation of a substantial scheme surplus. In the meantime no further investments have been made into this Fund and the Statement of Investment Principles amended to combine the target holding with our Corporate Bond Buy and Maintain Fund and into which all new bond investments are currently being placed.

One recommendation from the 2022 review was acted upon in the year. This was that the Scheme should invest in an infrastructure fund including private equity investments. During the year, after a review process, the Fiera Eaglecrest Infrastructure Fund was selected for a £6M holding (originally targeted at 10% of scheme assets but now representing 8%). The funds released from our equity holdings were held in a short term money market fund at the year-end pending the capital call from Fiera which occurred in early April. The Fund is an open ended fund with a spread of investments (44% in the UK at 30th June 2024) particularly targeting ESG infrastructure including environmental waste recycling, solar energy, provision of digital fibre infrastructure in rural communities and between nations, as well as social housing and transportation services.

The investment returns achieved by the Scheme compared to CPIH Inflation have been as follows:

	Investment Return	Inflation (CPI)
1 year to 31 st March 2024	13.8%	3.2%
5 years to 31 st March 2024	6.3% p.a.	4.2% p.a.
10 years to 31 st March 2024	7.2% p.a.	2.9% p.a.
15 years to 31 st March 2023	7.5% p.a.	2.8% p.a.

Due to the differing characteristics of other pension schemes, the Trustee has been unable to meaningfully assess relative performance.

Once the results of the 2024 valuation are available and the strategic discussions with the Employer held, the Trustee Board intend to commence a further strategic investment review.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Members' Benefits

Pensions in payment received inflation increases capped in accordance with the Trust Deed at both the 1st April 2023 and 1st April 2024, namely a 5% (capped RPI) increase on benefits accrued based on service prior to the 1st April 2012 and 2.5% (capped CPI) increase on benefits accrued after the 1st April 2012.

The accrued benefits of active and deferred members were not revalued at the 1st April 2023. Reflecting recent high inflation, the Trustee proposed and the Employer consented to an exceptional discretionary revaluation increase of 10% to the Pensionable Pay at the 31st March 2023 of the active and deferred Members at the 1st April 2024. This will be reflected in the actuarial valuation at the 31st March 2024. The Trustee Board regard this as an exceptional discretionary award reflecting past events and not to be taken as any indication for the future.

Once the valuation results as at the 31st March 2024 are available, the Trustee Board and the Employer intend to hold discussions on the future funding of the Scheme including how benefits can be best protected against inflation.

Administration

Considerable efforts are continuing to progress outstanding member benefit calculation issues/errors identified. There are four matters currently being explored and corrected, two of these are common to all relevant defined benefit pension schemes and two are historical errors identified in the calculation of benefit for separate pools of Members and Pensioners. In addition the Cyber Incident affecting our Administrator Capita in March 2023 required the Trustee's attention and action during the year.

GMP Rectification / GMP Equalisation

A small number of Members earned or transferred in Guaranteed Minimum Pension rights in the Scheme relating to service prior to 1997. Two exercises have been undertaken with respect to these benefits: Reconciliation with the records maintained by the Department of Work and Pensions, and to prepare for Equalisation of GMP Benefits between male and female Members.

GMP Rectification – The exercise of reconciling the Scheme's GMP records to those of the DWP has now been completed and where necessary the Scheme's records amended accordingly. As a result, all those affected whose pensions commenced after 1st April 2012, and those who retire in the future now have their GMP reconciled to the DWP's records. The pensions of a very small number of existing pensioners may need to have their pensions adjusted, but because these Members are also subject to the GMP Equalisation review, their pensions will adjust once that exercise is complete. The amount of the required adjustments is unlikely to be material either to the Member or for the Scheme as a whole.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

GMP Rectification / GMP Equalisation (continued)

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 the 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. It is likely that GMP equalisation will increase the value of the Scheme's liabilities – although this is not expected to be significant as the Scheme does not have a large amount of accrued GMP benefit. In the 31 March 2021 actuarial valuation an additional liability estimate of 0.2% of liabilities was provided for this purpose and this will be reviewed for the 2024 valuation.

The 2018 judgement did not address transfers out and which were subject to a subsequent judgement in November 2020. This judgement indicated that all transfer payments made should be adjusted to an equalised basis and, if appropriate an additional payment made. As the Scheme has not experienced significant historical transfers out, the Trustee does not believe the outcome of this judgement will have a material impact on the Scheme.

The Trustee has reviewed, with its advisers, the implication of these rulings in the context of the scheme rules and the value of any liability. The Trustee together with the Administrator developed an action plan following the judgement and subsequent industry guidance and this is now in place to review the calculations of the affected pensions. The Trustee, in consultation with the Employer, has determined that the Court preferred Method C2 (a year-by-year comparison of true and opposite sex benefits) should be adopted by the Scheme. Current pension commencements and transfer value quotations are now made with GMPs equalised on this basis. Pensions in payment are currently being reviewed with the adjustments targeted for the 2024/25 scheme year. Historic transfer payments will then be reviewed. As noted above, these adjustments are unlikely to be material in the context of the overall pension scheme or the individual Member.

Any adjustments necessary will be recognised in the accounts of a future year.

Historic miscalculation of Final Salary Pensions

Historic errors were identified in the calculation of the initial pension in respect of some Members who had accrued final salary pensions on the closure of the final salary section of the Scheme in 2003 and who then transferred to the career average section. These errors had resulted in some pensions being overpaid while some other pensions are being underpaid. In previous years, the Trustee commissioned a recalculation exercise by the Administrator, and this identified the Members affected and adjustments required. All current pension commencements and transfer value quotations are being calculated on the corrected basis.

In April 2021, the pensioners, and dependants whose pensions had been overpaid had their pensions adjusted to the correct current value. The affected pensioners were not asked to repay the over-payments with the Employer funding the cost.

28 pensions have been underpaid and these pensions will be corrected at the same time as any required adjustments in respect of GMP Rectification or GMP Equalisation as those affected fall into the same cohort of Members. The adjustment will include back payments of previous underpayments together with interest as appropriate. The anticipated total back-payment is below £30,000 and will be recognised in the accounts of a future year. As the amount of the under-payment to each Member is small, being 0.7% of one element of the pension, the Trustee has considered and is satisfied that hardship is unlikely to have occurred.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Historic miscalculation of Final Salary Pensions (continued)

It is hoped that all the three exercises will be completed and the necessary adjustments to pensions in payment of the affected Members, with interest paid as appropriate, will be completed during the 2024/25 Scheme year.

Early Retirement / Commutation Factor Errors

During the year it was identified that an error in a formula used to calculate early retirement pension benefits and/or the residual pension and also for commuted lump sum benefits had resulted in the misstatement of some pensions [and lump sum payments]. An investigation was undertaken which identified that 23 Members whose pension commenced after 2018 were affected with some pensions underpaid and some overpaid. The pensions in payment are being corrected in Autumn 2024, with underpaid pensions backdated with interest as approximate adjustment to be estimated. It is anticipated that the Trustee and the Employer will agree to the use of augmentation powers to effectively write off overpaid amounts as the Trustee has requested, under the Terms of their Service Agreement, that the Scheme should be indemnified for any loss by the Administrator whose error led to the overpayment.

Any adjustments necessary will be recognised in the accounts of a future year.

Capita Cyber Incident

At the end of March 2023, the Scheme's administrator, Capita, suffered a cyber-attack during which a small proportion of the data held on Capita's I.T. environment was exfiltrated by attackers. This did not include data held on Capita's Pensions Administration system. However, after extensive investigations, it was discovered that the data exfiltrated did include personal data relating to 838 Members, former Members, Dependants, and other individuals associated with the UKAS Pension Scheme.

All the affected individuals for whom contact details had been retained were sent a letter confirming the data held on them which may have been exfiltrated and containing advice on data security and "phishing attacks". They have also been provided with a voucher entitling them to one year's free Membership of Experian's "Identity Plus", a credit and web monitoring service. The Information Commissioner's Office, the Pensions Regulator, and the Financial Conduct Authority were all kept informed by the Scheme's Data Controllers, as well as by Capita, and these authorities have subsequently advised that they intend to take no enforcement action.

Capita advised the Trustee that they had commissioned monitoring of the "dark web" for any instances of the exfiltrated data being offered for sale, with no confirmed events identified to date. However their further investigation suggested that data items other than those initially highlighted relating to the individuals identified and notified during the initial exercise could have been exfiltrated. On receipt of details from Capita the Trustee's Data Controllers will assess the risk to the individuals concerned and whether further notifications need to be sent.

Initial crisis reviews of IT security have been undertaken by the Trustee, Capita, and the Employer and a more comprehensive exercise has been commissioned. This will seek to identify and understand the circumstances leading up to the incident and how the possibility of a similar recurrence can be mitigated. The Trustee regrets and apologises for the inconvenience and concerns caused by the data leak and the delay in informing individuals.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Legislation and Regulatory Changes and Guidance

The year under review and subsequently has been a particularly active period for legislative and regulatory changes affecting all Trust based pension arrangements. The key developments affecting the UKAS Scheme are:

The Pensions' Regulators General Code

The General Code of Practice issued by the Pensions Regulator (TPR) in January 2024 and in force from March 2024 covers five areas: the governing body, funding and investment, administration, communications and disclosure, and reporting to TPR. It provides guidance on how occupational pension schemes should be managed along with the policies, practices, and procedures they should follow. The Code applies to both defined benefit and trust based defined contribution pension schemes. The Trustee Board have received training on the Code and considered its application to the Scheme.

The key requirement of the Code is that the Scheme should document and maintain an "Effective System of Governance"(ESOG). Given the nature of the Employer's business is in quality assurance systems, some Trustee Directors have specialist skills in this area and these are being utilised. An initial review of our existing systems has been undertaken, indicating that our existing systems were generally strong, but some gaps have been identified and some documentation required improvement. Work to address the issues raised is currently underway and is expected to be completed during the 2024/25 Scheme year.

A key outcome is that the Trustee Board has to complete its Own Risk Assessment ("ORA") of the ESOG. The UKAS Pension Scheme will be amongst the first tranche of pension schemes required to complete an ORA with a deadline date of 31st March 2026.

DB Funding Regulations 2024 and DB Funding Code

The Department for Work and Pensions (DWP) published its DB Funding and Investment Strategy Regulations on 29 January 2024 confirming the legislation will come into force for scheme funding valuations with effective dates after 22 September 2024. Under the Regulations, trustees of DB pension schemes are required to have a Funding and Investment Strategy for providing benefits over the long term. The strategy must set out the funding level, defined as a ratio of assets to liabilities, and the investments that trustees or managers intend the scheme to have at the date on which the scheme is estimated to reach "significant maturity", at which point schemes will be required to be fully funded on a basis of "low dependency" on their sponsoring employer. The Regulations require scheme assets to be invested in investments with "sufficient liquidity" to enable the scheme to meet expected cashflow requirements.

The Pension Regulator issued the DB Funding Code in July 2024 to give effect to the Regulations from the first actuarial valuation date after the 24th September 2024 (31st March 2027 in the UKAS Scheme). The DB Funding Code provides constructs to determine when a pension scheme reaches "significant maturity" and how it expects to assess "low dependency" fully funded status. It also provides an indication of how the TPR will assess schemes compliance with the Regulations, with "fast Track" and bespoke routes and also the information to be provided to allow it to assess whether schemes are meeting the sufficient liquidity cash flow requirements.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

DB Funding Regulations 2024 and DB Funding Code (continued)

Both the DB Funding Regulations and the DB Funding Code are built around an assumption that DB pension schemes are generally closed to new entrants and that Trustees should be establish an “end-game” Funding and Investment Strategy to ensure they remain solvent during Scheme run-on or alternatively are capable of transferring the liabilities to another occupational pension scheme (a consolidator or one guaranteed by an external capital provider) or through an insurance company buy-out. The Code does incorporate several relaxations for open schemes that aim to ensure such schemes are not forced into seeking unnecessary funding.

As a relatively immature Scheme fully open to new employees with a growing number of active members with a financially strong employer and which is already fully funded with a surplus against any of these scenarios, the value of these exercises is minimal. Nevertheless as part of the 2024 Valuation the Trustee intends to combine an Employer Covenant Review with setting a Funding and Investment Strategy appropriate to the long term objectives of the Scheme; this exercise will utilising relevant skills of the Trustee Directors with external support as appropriate.

Pensions Dashboards

Pensions dashboards will enable individuals to access their pensions information online, securely and all in one place. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. The statutory programme is managed by The Money and Pensions Service. Under the Pensions Dashboard Regulations 2022, the Scheme will be required to input information on the accrued and projected benefits of all non-pensioner Members by a staging date of 31st March 2026. The Trustee is monitoring the Administrators preparations to meet this deadline.

Regulator Initiatives and Government Consultations

There have been a number of initiatives by the regulatory bodies and also announcements and consultations by successive Governments which while having limited immediate direct immediate impact on the Scheme may well change the environment in which the Scheme operates. Among the key issues identified and considered by the Trustee are:

Value for Money – this TPR and FCA initiative is mainly targeted at DC pension arrangements. In the DB arena, although there should be no impact on Members' outcomes, the focus has been on the advantages of scale in investment performance and administration costs. This has led to the encouragement of the consolidation of (closed) DB schemes with the (Conservative) Government consulting on the establishment of a public sector consolidator.

Mansion House Reforms – In July 2023, the (Conservative) Chancellor set out various proposals to encourage better performance by pension arrangements (of all types) to improve Members' benefits, reduce Employer's costs, and to encourage growth and investment in “UK Plc.”. The proposed reforms were designed to encourage increased pension scheme investment in UK Private Equity and Infrastructure and also promote the benefits of consolidation of smaller DC and DB pension schemes, particularly focusing on investment management. Following the Mansion House speech, the Dept. of Work and Pensions, undertook a series of consultations on DB Scheme Funding, including making it easier for pension schemes to refund surplus contributions to the employer, raising PPF protection levels to 100% of scheme benefits, and the use of the PPF

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Regulator Initiatives and Government Consultations (continued)

as a public sector consolidator. None of these consultations resulted in draft legislation before the General Election.

LDI Crisis Reviews – During 2023 and 2024 the House of Commons Work and Pensions Committee under the Chairmanship of Sir Stephen Timms (now a DWP Minister in the Labour Government) met on a number of occasions to take evidence on the LDI crisis and its aftermath. They identified that the LDI crisis, possibly as result of funding requirements, had resulted in a significant loss of resources running into the hundreds of billions of pounds to DB pension funds available to pay members' benefits as they fell due. The Committee's third report on DB pension schemes was published in March 2024.

Labour Government Pensions Review – The Kings Speech indicated that there would be a Pensions Bill put before Parliament in the current session. Subsequently a Pensions Review was announced with the first stage chaired by Emma Reynolds, the newly appointed Pensions Minister. The first stage will particularly address DC pensions but will also consider funding and investment issues in the DB Local Government Pension Scheme.

"Innovative" Pension Arrangements – Collective Defined Contribution "CDC" pension arrangements are hardly a new concept, being initially proposed during the Stakeholder Pension consultation in 1997. Indeed the UKAS Pension Scheme's CARE benefit structure introduced in 2003 was designed using the suggested CDC structure but adapted to the legislative framework then in force by retaining the Employer's Guarantee and restricting the scope for benefit adjustment to the revaluation of accrued benefits subject to Employer consent.

Capital Backed Journey Plans where the Employer's guaranteed of DB benefits is transferred to or shared with a commercial capital provider have also been held up by regulatory concerns over the balance between "profit extraction" and protecting Members benefits. TPR Guidance was issued during August 2024 and envisaged capital backed journey plans would be appropriate to a commercial consolidator of closed DB pension schemes (where at present the only commercial consolidator is unable to offer more than a deferred buy-out). The Pension Superhaven, currently in the process of being launched, is a capital backed DB occupational pension scheme targeting a decumulation phase for DC Pension Pots

The Trustee is confident that a Funding and Investment Strategy, after discussion with the employer and consideration of possible future developments, can be set which is robust and capable of delivering the benefits promised to past, present and future employees into the indefinite future.

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Actuarial Valuations:

The previous triennial actuarial valuation of the Scheme as at the 31 March 2021 was signed off by the Scheme Actuary on 9 June 2022 (pages 35 to 36). This showed that under the Technical Provisions assessed appropriate for a pension scheme with a strong employer covenant, the Scheme had a funding surplus of £6,631,000 corresponding to a funding level of 112% of the estimated present value of the future liabilities of the Scheme. This compared to a surplus of £704,000 and a funding level of 102% at the previous valuation as at the 31 March 2018.

The Annual Interim Funding Update as at 31 March 2023 indicated that the surplus had risen to £24,034,000 with a funding level of 159%. (2022 - £11,715,000 121%). The valuation at the 31st March 2024 is currently underway with the results made available in 2025, but the strong investment performance during the year is likely to have resulted in further rises in the surplus and funding levels.

The Solvency valuation indicated that at the 31 March 2021 the Scheme's assets represented 79% of the estimated amount that would be required to buy out the Scheme's liabilities at that date with an insurance company. This had improved from 71% at the 31 March 2018 valuation. Current indications are that recent rises in interest rates have resulted in the Scheme becoming fully funded on a Solvency basis.

The improvements in the Scheme funding position over these successive valuations was due to a strong investment performance from the Scheme's assets; and rises in interest have reduced the estimated present value of the future pension commitments. Forecast future pension payments however remain unaltered except to reflect a minor adjustment to expected future inflation.

Awards made at the Trustee's Discretion:

Benefits accrued under the Career Average Revalued Earnings section of the Scheme are revalued prior to retirement with revaluations set at the Trustee's discretion, subject to the Employer's consent,. An increase of 10% to the Total Pensionable Pay as at 31 March 2023 was awarded on the 1 April 2024 (1 April 2023: -nil). See explanation in the Members' Benefits section above.

During the year, the Trustee has exercised its discretion as to the selection of the beneficiary to receive lump sum benefits payable following the death of a member or Pensioner in 2 cases (2022 -2).

Trustee's Report (continued)

Scheme Management (continued)

The Year in Review (continued)

Other Matters:

Discussions are held on an annual basis with investment advisors, investment managers, and the employer on Environmental, Social, and Governance ("ESG") issues and how they should be reflected in investment policies.

The Trustee monitors the investment performance and compliance with the Statement of Investment Principles on a regular basis.

The performance of the providers of the money purchase Additional Voluntary Contribution ("AVC") arrangements offered to Members, is also monitored by the Trustee Board considering administrative **performance**, charges, and appropriateness of investment funds offered. An annual meeting is held with the current provider to discuss and resolve issues arising.

In the dealings with members:

During the year 65 new members joined the Scheme, 1 active member retired, and 1 died in service. 42 members left employment and active membership resulting in 331 members accruing pension benefits at the year end.

All the members leaving the Scheme did so because they had left employment with the principal employer. 24 left the Scheme with less than 2 years' service and retain no deferred pension benefits in the Scheme. Of those leaving the Scheme with less than 2 years service, 22 elected to receive a refund of their contributions and 3 took a cash transfer to another pension scheme; a further 12 were undecided at the year-end on whether to take a refund or cash transfer.

18 leavers with over 2 years' service retained deferred benefits in the Scheme.

The total number of members with deferred pensions increased by 6 to 178. 9 of those with deferred benefits commenced pension during the year. There was 1 transfer of accrued benefits out of the Scheme to other pension arrangements (2023 – Nil). While it is impossible to predict future transfer payment requests, it is anticipated that any cash flow requirements for transfers out can be met out of regular monthly cash inflows.

The number of pensioners receiving pensions from the Scheme increased during the year from 120 to 130 with 10 commencing pensions during the year. One pensioner died and the number of dependants receiving a pension from the Scheme increased by 2. Current liability and cash flow projections assume further increases in the number and amount of annual pensions paid in the next few years arising from both retirement from active membership and deferred pensions coming into payment.

Trustee's Report (continued)

Scheme Management (continued)

The Scheme

Pensions and related benefits are provided under a third Definitive Trust Deed which was executed on 29 March 2012.

The Scheme is registered for tax purposes with Her Majesty's Revenue and Customs (HMRC) in accordance with the Finance Act 2004. Prior to 6 April 2006 the Scheme was exempt approved under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988.

The Trustee

The Trustee is the UKAS Pension Trustee Company Limited.

The Trustee Directors are:

Peter Cameron Brown (Chair)

Jane Beaumont

Don Hughes

Peter Kelley*

Alex Penfold*

*Member-Nominated

Alex Penfold's appointment as a Member Nominated Trustee was subject to re-nomination in March 2024. As there were no other nominations, Alex Penfold's appointment as a Member Nominated Trustee Director was confirmed for a further 3-year term.

The Role of the Trustee

The role of the Trustee is to administer the Scheme (maintain members' records, collect contributions, and pay benefits), manage the investments of the Fund which back the benefits of the Scheme and ensure that the assets are sufficient to meet the liabilities.

The Trustee has appointed Capita Pension Solutions Limited to carry out its administrative responsibilities and BlackRock Investment Management (UK) Limited and Insight Investment Fund Management Plc to manage the investments of the Fund. A new Investment manager, Fiera Capital (UK) Limited, was appointed after the year end.

During the year under review the Trustee Board met on 5 occasions, with 3 of these meetings in the format of a video conference, to discuss matters associated with the Scheme.

To be able to discharge all the duties placed on them, all the Trustee Directors attended at least one training course during the year. All the Trustee Directors have completed the Pensions Regulator's Trustee Toolkit.

Advisers

The current advisers to the Trustee are listed on pages 2 and 3 of this Annual Report.

Changes to the Scheme Rules

There were no changes to the Scheme Rules during the year.

Trustee's Report (continued)

Scheme Management (continued)

AVC Funds and Money Purchase Underpin to Career Average Benefits

The Scheme is classified as a Defined Benefit Scheme by the Pensions Regulator; however, in addition to the Additional Voluntary Contribution arrangements provided on a money purchase basis, there is an underpin to the career average defined benefits calculated on a notional money purchase basis which might be effective in some circumstances. There are no Members for whom the Underpin is currently effective and the Trustee considers it unlikely there will be any Members retiring in the foreseeable future for whom the underpin would be effective. The Pension Regulator's Office has confirmed that the Scheme is not required to provide an annual Chair's statement under the Code of Practice for DC Schemes.

Although an annual Chair's statement is not required, the Trustee takes its responsibilities towards money purchase benefits very seriously. The Trustee monitors the administrative performance of the AVC providers, the appropriateness of the investment vehicles offered, and considers the insurer's investment governance committee's reports.

Group Risk Assurance

Death in service benefits have been secured by a group life policy underwritten by UNUM. The premiums are met by the Scheme.

Contributions

Contributions during the year ended 31 March 2024 were paid in accordance with the Scheme Rules and the recommendations of the Scheme Actuary as follows: -

Active Members who transferred to the Scheme before 1 August 1995 (class 2):	5%
Active Members who joined on or after 1 August 1995 (class 1):	5%
Employer:	14%

Pensions Increase Awards

Pensions in payment in excess of any GMP, accrued up to 31 March 2012 are increased each 1 April by the percentage annual increase in the Retail Prices Index (over the year to the previous December) subject to a maximum increase of 5.0% each year. The increase at 1 April 2024 was 5.0%, (1 April 2023: 5.0%) with a proportionate increase for members who retired during the year to 1 April 2024.

Pensions in payment accrued from 1 April 2012, are increased each 1 April by the percentage annual increase in the Consumer Prices Index (over the year to the previous September) subject to a maximum increase of 2.5% each year. The increase as at 1 April 2024 was 2.5% (1 April 2023: 2.5%), with a proportionate increase for members who retired during the year to 1 April 2024.

No discretionary increases were awarded to pensions in payment in April 2024 (2023 = Nil).

Actuarial Valuation

The actuarial valuation of the Scheme at 31 March 2021 was completed on 9 June 2022.

After the Trustee received advice from the Scheme Actuary on the level of contributions to be paid by the Employer, a schedule of contributions was agreed with the employer, based on the actuarial valuation. The Actuary issued an Actuarial Statement for the purposes of The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 which is reproduced on page 35 of the Annual Report.

A Summary Funding Statement will be issued to Members during 2024. This will be based on the 2021 Actuarial Valuation and the Interim Valuation as at 31 March 2023.

Trustee's Report (continued)

Scheme Management (continued)

Transfer Payments

Any transfer values paid during the year to other pension schemes were made in accordance with methods and assumptions approved by the Scheme Actuary as prescribed by statutory regulations.

As described in the "Awards made at the Trustee's Discretion" section above, benefits accrued under the Career Average Earnings section of the Scheme may be granted discretionary increases prior to retirement. Such discretionary increases which have been granted are included in transfer values, but no future discretionary benefits are anticipated in transfer payments.

Financial Statements and Financial Developments

The financial statements for the year ended 31 March 2024 are set out on pages 47 to 59. During the year income from contributions and other sources totalled £3,734,441 (2023: £2,865,806). This included a receipt of £338,526 from the insurer in respect of the death of an active Member (2023 – Nil). £2,037,624 (2023: £1,282,013) was required in order to pay benefits and other expenditure leaving an excess of income over expenditure of £1,696,817 (2023: £1,583,793).

There was an increase in the market value of the Scheme's investment assets of £8,920,626 (2023: £3,863,843 decrease) and investment income of £125,517 (2023: £108,225) less investment expenses of £30,264 (2023: £30,523).

The financial statements have been prepared and audited in accordance with regulations made under section 41(1) and (6) of the Pensions Act 1995, namely The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

Trustee's Report (continued)

Scheme Management (continued)

Pension Tracing Service

Details of the Scheme and contact address have been lodged with the Pension Tracing Service. The purpose of this service is to provide a "tracing and information service" for former members of pension schemes.

Internal Dispute Resolution Procedure

In accordance with the Pensions Act 1995 the Scheme has a formal internal procedure for the resolution of disputes between the Scheme beneficiaries and the Trustee. It is a two-stage procedure. The initial reply to any formal complaint will be made by a person appointed by the Company Secretary of the Pension Trustee Company who will normally respond within two months of receiving full details of the complaint. If the matter is still not resolved to the person's satisfaction, the Trustee, on a person's application, will reconsider the complaint. The Trustee's decision will normally be issued within two months.

A copy of the procedure is available to members and beneficiaries on written request to the Secretary to the Trustee. In addition, papers explaining exactly how the process works will be sent with any written response at the first stage of the procedure.

The Pensions Ombudsman

Any concern connected with the Scheme should be referred to the Secretary to the Trustee, Ms G. Alsop, who will try to resolve the problem as quickly as possible. If a member has a complaint against the Scheme which has not been resolved to their satisfaction through the Scheme's dispute procedure, the government appointed Pensions Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustee or Scheme administrators, or disputes of fact or law. The Pensions Ombudsman can be contacted at:

1st Floor
10 South Colonnade
Canary Wharf
London E14 4PU

The Pensions Ombudsman website can be visited at:

www.pensions-ombudsman.org.uk

or alternatively contacted by telephone on 0800 917 4487 or by email at:

enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator ("TPR") is the UK regulator of occupational pension schemes and was established with effect from 6 April 2005.

The role of TPR is to act to protect the interests of pension scheme members and to enforce the law as it applies to occupational pension schemes. The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify trustees for acting unlawfully, and can impose fines on wrongdoers. TPR also exists to promote, and to improve the understanding of, the good administration of occupational pension schemes.

Trustee's Report (continued)

Scheme Management (continued)

The contact address for TPR is:

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

TPR's website can be visited at: www.thepensionsregulator.gov.uk

or alternatively contacted by telephone on 0345 600 0707.

MoneyHelper and The Money and Pensions Service (“MaPS”)

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

The contact address for MoneyHelper is:

Holborn Centre
120 Holborn
London EC1N 2TD

The Moneyhelper website can be visited at: www.moneyhelper.org.uk

or alternatively by telephone on 0800 011 3797 or by email at: pensions.enquiries@moneyhelper.org.uk.

General Data Protection Regulation (GDPR)

The Trustee and the Employer have both a legal obligation and a legitimate interest to process data relating to members for the purpose of administering and operating the Scheme and paying benefits under it. This may include passing on data about members to the Scheme's Actuary, Auditor, Administrator and such other third parties as may be necessary for the administration and operation of the Scheme.

The Trustee and the Employer from time to time are both regarded as 'Data Controllers' (for the purposes of the applicable Data Protection Legislation) in relation to data processing referred to above and can be contacted at the address on page 2. Following guidance issued by the Information Commissioner's Office, the Trustee and the Scheme Actuary are considered joint data controllers.

(The 'Employer' includes the principal employer for the purposes of the Scheme and members' employers from time to time).

The General Data Protection Regulation (“GDPR”) is a regulation by the European Parliament intended to strengthen and unify data protection for all individuals within the EU. It also addresses the export of personal data outside of the EU. GDPR came into force from 25 May 2018 and the Trustee worked with its advisers to formulate its GDPR policy so that it was compliant.

From 1 January 2021, the UK GDPR came into effect which will run alongside the DPA 2018, and the EU GDPR to which all EU nations remain subject, and this includes where the United Kingdom Accreditation Service Pension Scheme operates in the EU.

This ensures that we have adequate provision for the safe processing of data in the UK and in the EU/EEA. Our obligations under the UK GDPR are fundamentally the same as our obligations under the EU GDPR and we continue to remain subject to UK Data Protection laws.

Trustee's Report (continued)

Scheme Management (continued)

Membership Statistics

	2024	2023 Restated*
<u>Active Members</u>		
At 1 April	308	280
ADD: New members	65	82
LESS: Leaver with Deferred benefits	(16)	(24)
Leaver with no Deferred benefits	(24)	(29)
Retirement	(1)	(1)
Deaths	(1)	-
At 31 March	331	308
<u>Deferred Members</u>		
At 1 April	172	151
ADD: New deferred members	16	24
LESS: Retirement	(9)	(3)
Transfer out	(1)	-
At 31 March	178	172
<u>Retired and Dependant Members</u>		
At 1 April	120	118
ADD: Deferred coming into payment	9	3
New spouse /dependant	1	2
New child	1	-
Child no longer in receipt of pension	(1)	-
Retirements from active	1	1
LESS: Deaths	(1)	(4)
At 31 March	130	120
<u>Leavers awaiting decision/ action (no deferred benefit)</u>		
At 1 April	13	10
ADD: From Active	24	29
LESS: Contributions Refunded	(22)	(26)
Cash Transfer Sums Paid	(3)	-
At 31 March	12	13
<u>Life Assurance Only ("LAO")</u>		
At 1 April	13	12
ADD: New members	3	1
LESS: Leavers	(1)	-
At 31 March	15	13
TOTAL MEMBERS (EXCL. LAO + No DB)	639	600

* The 2023 membership statistics have been restated to agree with the figures used in Actuarial Reporting

Trustee's Report (continued)

Scheme Management (continued)

Summary of Contributions

During the year, the contributions paid to the Scheme by the Employer under the Schedule of Contributions were as follows:

	£
Employer normal contributions	2,338,733
Employee normal contributions	832,171
Total contributions paid under the Schedule of Contributions	3,170,904
Reconciliation to financial statements:	
Contributions paid under the Schedule of Contributions (as above)	3,170,904
Employer additional contribution	-
Members' additional voluntary contributions	225,011
Contributions receivable per financial statements	3,395,915

Trustee's Report (continued)

Investment Matters

Overview

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

Investment manager

BlackRock Investment Management (UK) Limited and Insight Investment Management (Global) Limited managed the Scheme's investments during the year. The Trustee has delegated the day-to-day management of investment to its appointed fund managers. A written agreement between the Trustee and the managers sets out the terms on which the managers will act.

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

Investment principles

In accordance with Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles ("SIP") which includes the Trustee's policy relating to ethical investment and the exercise of the rights attaching to investments. Any member may request a copy. This Statement may change from time to time according to advice received from the investment manager or consultants.

Departures from investment principles

A revised SIP was agreed in February 2024. The regional equity funds held with BlackRock were disinvested and replaced with the BlackRock ACS World ESG Equity Tracker Funds (GBP hedged and unhedged versions), with the target allocation to overall equities reduced by 10%. The Scheme introduced an allocation to the Fiera Global Infrastructure Fund (Eaglecrest Infrastructure), with a target allocation of 10% of total assets, noting that investment into this Fund will take place in April 2024. The £6m allocated to the Fiera Global Infrastructure Fund was invested in a cash fund (the BlackRock ICS GBP Liquidity Heritage Fund) ready to be called by Fiera as at 31 March 2024.

The target allocations and control ranges for the BlackRock iShares Emerging Markets Index Sub-Fund (a component of the overall equity portfolio), the BlackRock BPF UK Property Fund and the overall Bonds Portfolio (comprised of the BlackRock Aquila Life Over 5 Year Index-Linked Gilt Fund and the Insight Buy and Maintain Bond Fund) remain unchanged.

The Trustee also introduced stewardship priorities for the Scheme. The Trustee believes the stewardship policies of their investment manager who exercises the majority of the voting rights on behalf of the Scheme, BlackRock, are aligned with the Scheme's policies on voting and engagement. As such, the Trustee has adopted the same stewardship priorities as BlackRock as the Scheme's stewardship priorities.

To the best of its knowledge, the Trustee can report that there have not been any departures from the SIP by the Scheme's investment managers during the year ended 31 March 2024.

Trustee's Report (continued)

Investment Matters (continued)

Custodial arrangement

The Trustee has delegated the custody of the Scheme's assets to a professional custodian who ensures the proper collection of dividends and tax. The investments are held in the name of the United Kingdom Accreditation Service Pension Scheme.

Both the investment managers and the custodian are required to produce AAF01/06 reports. The custodian's records are reconciled on a regular basis by the investment managers.

Asset allocation

The Scheme's asset allocation is set by the SIP agreed with the Employer and approved by the Trustee Board on the 22 February 2024.

The table below highlights the target set by the SIP for each type of asset in proportion to the total investment assets of the Scheme compared to the actual investment assets held at the 31 March 2024 and to the total net assets of the Scheme at that date. The SIP sets a range for the target allocation for each investment within which the actual allocation is allowed to vary. As at 31 March 2024, the global equity allocation (comprised of the BlackRock ACS World ESG Equity Tracker Fund and the BlackRock ACS World ESG Equity Tracker Fund GBP Hedged) was overweight by 7.5%; above the control range of 3% set out in the SIP. This is being addressed as contributions to the Scheme available for investment are allocated to the bond holdings. As at the reporting date, the allocation to the Fiera Global Infrastructure Fund is held within the BlackRock ICS GBP Liquidity Heritage Fund and will be transferred to the Fiera Global Infrastructure Fund when called upon.

	Target Allocation of Investment Assets	Investment Assets*(Actual)	Net Assets
	%	%	%
Global Equity	56.50	64.00	62.60
Emerging Market Equity	3.50	3.00	2.94
Bonds (Index-Linked Bonds & Corporate bonds)	25.00	20.80	20.36
Property	5.00	4.10	4.02
Infrastructure	10.00	0.00	0.00
Cash	0.00	8.10	7.97
	100.00	100.00	97.90

*Excludes AVCs, Cash held within the Trustee Bank Account and accrued income.

Trustee's Report (continued)

Investment Matters (continued)

Asset allocation (continued)

Investment Performance

The following table summarizes the returns generated by the individual funds which the Scheme held throughout the year.

Periods to 31 March 2024	1 Year (%)		3 Years (%p.a.)		5 Years (%p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Aquila Life European Equity – Hedged*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life Japanese Equity – Hedged*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life Pacific Rim Equity – Hedged*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life US Equity – Hedged*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life European Equity*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life Japanese Equity*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life Pacific Rim Equity*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life UK Equity*	n/a	n/a	n/a	n/a	n/a	n/a
Aquila Life US Equity*	n/a	n/a	n/a	n/a	n/a	n/a
ACS World ESG Tracker Fund**	n/a	n/a	n/a	n/a	n/a	n/a
ACS World ESG Tracker Fund GBP Hedged**	n/a	n/a	n/a	n/a	n/a	n/a
iShares Emerging Markets Index Sub-Fund	5.09	5.86	-2.74	-2.22	2.43	2.86
BPF - UK Property	-3.30	-0.70	-0.40	1.50	0.30	1.40
Aquila Life Over 5yr UK Index	-6.70	-6.83	-12.04	-12.08	-6.48	-6.52
Insight Buy and Maintain Bond Fund	8.13	6.69	-2.77	-3.82	0.33	-0.48

*Performance for these funds is not shown as they were disinvested throughout the year.

**Performance for these funds is not shown as they have been invested for less than one year.

Employer related investments

The United Kingdom Accreditation Service is a company limited by guarantee with no shareholders, therefore there are no employer related investments held within the scheme.

Investment risk disclosures

Investment risks are disclosed in note 17 are on pages 55 to 57.

Trustee's Report (continued)

Annual Implementation Statement

United Kingdom Accreditation Service Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustee of the United Kingdom Accreditation Service Pension Scheme ("the Scheme") to set out the following information over the year to 31 March 2024.

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 March 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in February 2024 and has been made available online here: [Statement of Investment Principles \(ukas.com\)](https://www.ukas.com)

The following changes were made to the stewardship policy over the year:

- The Trustee introduced an allocation to the BlackRock ACS World ESG Tracker Fund (hedged and unhedged versions of the Fund).
- The Trustee introduced stewardship priorities for the Scheme. The Trustee believes the stewardship policies of their investment manager who exercises the majority of the voting rights on behalf of the Scheme, BlackRock, are aligned with the Scheme's policies on voting and engagement which forms part of this Statement of Investment Principles. As such, the Trustee has adopted the same stewardship priorities as BlackRock as the Scheme's stewardship priorities. The Stewardship priorities are:
 - Board quality & [effectiveness](#);
 - Strategy purpose & financial [resilience](#);
 - Incentives aligned with financial value [creation](#);
 - Climate & nature [capital](#);
 - Company impacts on people.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

Trustee's Report (continued)

Implementation Statement (continued)

- The Trustee undertook an initial review of the stewardship and engagement activities of the current managers at their 6 March 2019 meeting, and were satisfied that their policies were reasonable and no remedial action was required at that time.
- The Trustee obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- Annually the Trustee receives and reviews voting information and engagement policies from the asset managers, which they review to ensure alignment with the Trustee's stewardship policies/priorities. The Trustee believes that the voting and engagement activities undertaken by the asset managers on their behalf have been in the members' best interests. This exercise was undertaken in September 2023.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.

**Prepared by the Trustee of the United Kingdom Accreditation Service Pension Scheme
July 2024**

Trustee’s Report (continued)

Implementation Statement (continued)

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme’s Growth Portfolio on behalf of the Trustee over the year to 31 March 2024. The Index-Linked Gilt Fund, Property Fund and cash funds with BlackRock as well as they Buy and Maintain Corporate Bond Fund with Insight have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. The BlackRock regional equity funds (excluding the BlackRock iShares Emerging Markets Index Fund) were fully disinvested from over the year to 31 March 2024, as such, data for these funds is shown over the year to the quarter end of disinvestment, Q4 2023.

Manager	BlackRock Funds (includes currency hedged and unhedged versions where appropriate)						
Fund name	Aquila Life European Equity Index	Aquila Life Japanese Equity Index	Aquila Life Pacific Rim Equity Index	Aquila Life US Equity Index	Aquila Life UK Equity Index	iShares Emerging Markets Index Fund (IE)	ACS World ESG Tracker Fund
Structure	Pooled						
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager’s voting behaviour.						
No. of eligible meetings	471	509	455	601	1,027	2,783	467
No. of eligible votes	8,824	6,062	3,107	8,038	14,905	23,079	7,296
% of resolutions voted	77%	100%	100%	99%	96%	98%	98%
% of resolutions abstained¹	1%	0%	0%	0%	1%	2%	0%
% of resolutions voted with management²	88%	96%	89%	97%	96%	87%	97%
% of resolutions voted against management¹	11%	3%	10%	2%	3%	12%	2%
Proxy voting advisor employed¹	Institutional Shareholder Services (ISS)						
% of resolutions voted against proxy voter recommendation	0%	1%	0%	0%	0%	0%	0%

Trustee’s Report (continued)

Implementation Statement (continued)

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, more recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities / themes. Over the year to 31 March 2024, the Trustee introduced stewardship priorities for the Scheme. The Trustee believes the stewardship policies of their investment manager who exercises the majority of the voting rights on behalf of the Scheme, BlackRock, are aligned with the Scheme’s policies on voting and engagement which forms part of this Statement of Investment Principles.

BlackRock have provided a selection of votes for each fund which they believe to be significant. The Trustee selected 3 of the most significant votes for each fund which relate to the stewardship priorities of the Scheme. The BlackRock regional equity funds (excluding the BlackRock iShares Emerging Markets Index Fund) were fully disinvested over the year to 31 March 2024, as such, data for these funds is shown over the year to the quarter end of disinvestment, Q4 2023.

A summary of the significant votes provided is set out below.

BlackRock, Aquila Life European Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Siemens AG	Koninklijke Ahold Delhaize NV	Holcim Ltd.
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	The manager hasn’t provided this information.		
Summary of the resolution	Amend Articles Re: Participation of Supervisory Board Members in the Annual General Meeting by Means of Audio and Video Transmission	Approve Remuneration Report	Approve Climate Report
How the manager voted	For	For	For
Rationale for the voting decision	The manager hasn’t provided this information.		
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	The manager hasn’t provided this information.		
Criteria on which the vote is considered “significant”	The manager hasn’t provided this information.		

Trustee's Report (continued)

Implementation Statement (continued)

BlackRock, Aquila Life Japanese Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Toyota Motor Corp.	Chubu Electric Power Co., Inc.	Tokyo Electric Power Co. Holdings, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Amend Articles to Ban Reprocessing of Spent Nuclear Fuels	Amend Articles to Not to Position Nuclear Power Generation as Global Warming Mitigation Measures
How the manager voted	Against	Against	Against
Rationale for the voting decision	The proposal did not serve shareholder's interest.		
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

BlackRock, Aquila Life Pacific Rim Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Woodside Energy Group Ltd.	Techtronic Industries Co., Ltd.	Whitehaven Coal Limited
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	The manager hasn't provided this information.		
Summary of the resolution	Approve the Amendments to the Company's Constitution	Elect Horst Julius Pudwill as Director	Approve the Amendments to the Company's Constitution
How the manager voted	Against	Against	Against
Rationale for the voting decision	Shareholder proposals best facilitated through regulatory changes	Chair of Nomination Committee not independent and Remuneration Committee without majority independence	Shareholder proposals best facilitated through regulatory changes
Outcome of the vote	Fail	Pass	Fail
Implications of the outcome	The manager hasn't provided this information.		
Criteria on which the vote is considered "significant"	The manager hasn't provided this information.		

Trustee’s Report (continued)

Implementation Statement (continued)

BlackRock, Aquila Life US Equity Index

	Vote 1	Vote 2	Vote 3
Company name	Westlake Corporation	Broadcom Inc.	Alphabet Inc.
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	The manager hasn’t provided this information.		
Summary of the resolution	Report on Reducing Plastic Pollution of the Oceans	Elect Director Diane M. Bryant	Approve Recapitalization Plan for all Stock to Have One-vote per Share
How the manager voted	For	Against	For
Rationale for the voting decision	Additional information would help shareholders assess investment risks and opportunities related to natural capital, which BlackRock deem material to long-term financial results.	Vote against compensation committee member because pay is not properly aligned with performance and/or peers.	BlackRock believe that one vote per share is in the best interest of long term shareholders
Outcome of the vote	Fail	Pass	Fail
Implications of the outcome	The manager hasn’t provided this information.		
Criteria on which the vote is considered “significant”	The manager hasn’t provided this information.		

BlackRock, Aquila Life UK Equity Index

	Vote 1	Vote 2	Vote 3
Company name	BE Semiconductor Industries NV	Glencore Plc	Dollar Tree, Inc.
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	The manager hasn’t provided this information.		
Summary of the resolution	Approve Discharge of Supervisory Board	Resolution in Respect of the Next Climate Action Transition Plan	Advisory Vote to Ratify Named Executive Officers’ Compensation
How the manager voted	For	Against	For
Rationale for the voting decision	The manager hasn’t provided this information.	Proposal is not in shareholders’ best interests	The manager hasn’t provided this information.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	The manager hasn’t provided this information.		
Criteria on which the vote is considered “significant”	The manager hasn’t provided this information.		

Trustee’s Report (continued)

Implementation Statement (continued)

BlackRock, iShares Emerging Markets Index Fund (IE)

	Vote 1	Vote 2	Vote 3
Company name	Shin Kong Financial Holding Co. Ltd.	Shin Kong Financial Holding Co. Ltd.	Zhejiang Expressway Co., Ltd.
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	The manager hasn’t provided this information.		
Summary of the resolution	Elect CHIEN, MIN-CHIU, with SHAREHOLDER NO.A221993XXX as Independent Director	Elect FANG, MATTHEW, a Representative of YING YING INVESTMENT CO., LTD., with SHAREHOLDER NO.00358547, as Non-independent Director	Approve Class and Nominal Value of Rights Shares
How the manager voted	For	Against	For
Rationale for the voting decision	Proposal considered to be in the best interests of shareholders	BlackRock believe that it is not in the best interests of shareholders to have this particular director on this board.	The manager hasn’t provided this information.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	The manager hasn’t provided this information.		
Criteria on which the vote is considered “significant”	The manager hasn’t provided this information.		

BlackRock, ACS World ESG Tracker Fund (currency hedged and unhedged versions)

	Vote 1	Vote 2	Vote 3
Company name	Broadcom Inc.	The Goldman Sachs Group, Inc.	Shell Plc
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	The manager hasn’t provided this information.		
Summary of the resolution	Advisory Vote to Ratify Named Executive Officers’ Compensation	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	Approve the Shell Energy Transition Progress
How the manager voted	Against	Against	For
Rationale for the voting decision	Pay is not aligned with performance and peers	The company already provides sufficient disclosure and/or reporting regarding this issue,	The manager hasn’t provided this information.

Trustee’s Report (continued)

Implementation Statement (continued)

	Vote 1	Vote 2	Vote 3
		or is already enhancing its relevant disclosures	
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	The manager hasn’t provided this information.		
Criteria on which the vote is considered “significant”	The manager hasn’t provided this information.		

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme’s cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

As with the voting section, the BlackRock regional equity funds (excluding the BlackRock iShares Emerging Markets Index Fund) were fully disinvested over the year to 31 March 2024, as such, data for these funds is shown over the year to the quarter end of disinvestment, Q4 2023.

Manager	BlackRock Aquila Life Funds (includes currency hedged and unhedged versions where appropriate)				
Fund name	European Equity Index	Japanese Equity Index	Pacific Rim Equity Index	US Equity Index	UK Equity Index
Number of engagements undertaken on behalf of the holdings in this fund in the year	424	346	198	674	3,118
Number of entities engaged on behalf of the holdings in this fund in the year	237	221	133	401	2,023
Number of engagements undertaken at a firm level in the year			3,768*		

Manager	BlackRock	BlackRock	BlackRock	BlackRock	Insight
Fund name	iShares Emerging Markets Index Fund	Aquila Life Over 5 Year UK Index-Linked Fund	Property Fund	ACS World ESG Tracker Fund (currency hedged and unhedged versions)	Buy & Maintain Bond Fund

Trustee’s Report (continued)

Implementation Statement (continued)

Manager	BlackRock	BlackRock	BlackRock	BlackRock	Insight
Number of engagements undertaken on behalf of the holdings in this fund in the year	345	n/a	n/a	564	120
Number of entities engaged on behalf of the holdings in this fund in the year	237	n/a	n/a	305	63
Number of engagements undertaken at a firm level in the year			3,768*		2,521

*Data for the number of engagements undertaken at a firm level in the year is provided as at 31 December 2023, due to lack of data at the time of reporting.

Examples of engagement activity undertaken over the year to 31 March 2024

BlackRock

Shell plc

Shell plc (Shell) is a globally integrated energy company headquartered in the United Kingdom. BlackRock Investment Stewardship (BIS) engages with companies to better understand how company leadership identifies and manages the material risks and opportunities in their business model that, in BlackRock’s assessment, can impact their ability to deliver durable financial performance for long-term investors like BlackRock’s clients. BIS also engage to provide an investor perspective on corporate governance practices. BIS has had an extensive, multiyear engagement history with Shell, during which they have discussed a range of corporate governance topics that, in BIS’ assessment, are important for long-term financial value creation. This has included board composition, corporate strategy, and the board’s oversight of and management’s approach to climate-related risks and opportunities.

Insight

Barclays plc

This engagement was identified as part of Insight’s counterparty engagement programme. With growing operations in the US, the political environment related to ESG is directly impacting the bank. The latest engagement sought to discuss the bank’s sustainable finance framework and the feedback Insight have provided, given some elements of their environmental programme lags behind their peers. This engagement is aligned to climate Action.

Barclays’ sustainable finance framework was updated in 2022 when the target was revised from \$150bn to \$1tr. However, they have yet to set accredited science-based targets, continue to engage with SBTi but are prioritising NZBA and the majority of their portfolios to have financed emissions targets. Impact bonds were discussed in the context of stricter policy criteria covering refinancing of old projects, maximum lookback periods, EU taxonomy alignment, use-of-proceeds investor reporting, energy efficiency, target populations, definitions (e.g., what constitutes ‘sustainable protein’) and overarching governance. Their revenue-based threshold around arctic drilling is high (50%) given they recognise the different dependencies on fracking between the UK and US and will remain

Trustee's Report (continued)

Implementation Statement (continued)

Insight

Barclays plc

flexible in their approach, noting that a significant proportion of their financing relates to cash flows rather than project financing.

Following on from Insight's recommendations, BACR has enhanced its oil sands policy and introduced a Client Transition Framework demonstrating how the bank is evaluating its corporate clients' transition progress towards low-carbon business models. They also acknowledged their risk policy guidelines are due for an update. Insight recommended that BACR continues to align its sector policies (to address exclusions relating to arctic, general oil and gas; and fracking) to IEA guidance; provide additional details on the assessment, support of and escalation (without terminating relationships) procedures relating to clients on climate-related issues under their Client Transition Framework in their next annual report; set science-based targets to improve transparency and comparability with competitors; increase scope of assurance on scope 1, 2, 3 emissions; transparency around its lobbying practices.

Trustee's Report (continued)

Report on Actuarial Liabilities – 31st March 2021

Under Section 222 of the Pensions Act 2004, the 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 at the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2021. This showed that on that date:

The value of the Technical Provisions was: £54,450,000

The value of the assets was: £61,081,000

Therefore, the Scheme had a funding surplus of £6,631,000 corresponding to a funding level of 112%.

In years where there is no actuarial valuation, the Scheme Actuary produces an estimate of the funding position known as an actuarial report. One of these was carried out as at 31 March 2023 and disclosed a funding level of 159% when assessed using the method and assumptions set out in the Trustee's Statement of Funding Principles.

The next valuation is being carried out as at 31 March 2024.

The method and significant actuarial assumptions used to determine the Technical Provisions are as follows (all assumptions adopted are set out in the Statement of Funding Principles dated June 2022):

Method

The actuarial method used in the calculation of the Technical Provisions as at 31 March 2021 is the Projected Unit Method.

Actuarial assumptions – The key assumptions used as at 31 March 2021 are:

Pre-retirement discount rate	Bank of England nominal gilt yield curve plus 3.00% p.a.
Post-retirement discount rate	Bank of England nominal gilt yield curve plus 0.30% p.a.
Retail Prices Index (RPI) inflation	Bank of England implied inflation curve
Consumer Prices Index (CPI) inflation	Pre 2030: RPI inflation assumption less 0.75% p.a. Post 2030: RPI inflation assumption
Pensionable Pay increases	RPI inflation plus 1.80% p.a.
Pension increases in payment	Statistical model of movements in inflation (with a 1.5% p.a. standard deviation) along with the assumed long-term inflation rate
Pre-retirement mortality	None
Post-retirement mortality table	90% of S3PXA
Post-retirement mortality projections	CMI 2020 model with a long-term improvement rate of 1.75% p.a., initial addition parameter of 0.25% p.a., and a 2020 weight parameter of 25%
Retirement age	Transferred Members assumed to retire at age 60. All other members assumed to retire at age 65.
Proportion of members with a dependant at retirement or earlier death	85%
Allowance for cash commutation	None
Allowance for GMP equalisation	Method C2

Trustee's Report (continued)

Report on Actuarial Liabilities— 31st March 2021 (continued)

Discount rate

The discount rate will normally be determined by the Trustee taking into account professional advice in relation to market indicators available at the valuation date, the long-term strategic asset allocation, the liability profile of the Scheme, and the perceived strength of the Employer covenant. However, if the Trustee has material concerns over the strength of the Employer covenant the discount rate may need to be determined looking solely at the yield available on gilts and other low risk asset classes.

The return on Government bonds will be taken as a suitable market index yield.

As a proportion of the Scheme's assets are invested in assets which would be expected to outperform UK government bonds over the long term, an allowance may be made for this in the discount rate, depending on the perceived strength of the Employer covenant. The allowance will be determined by the Trustee based on information provided by their professional advisers. A different rate/investment return may be used pre-retirement and post-retirement to reflect the Scheme's investment policy.

Mortality

The rates of mortality assumed will reflect information published by the Continuous Mortality Investigation of the Actuarial Profession deemed most relevant to the membership of the Scheme, including an appropriate allowance for expected future improvements in longevity.

This assumption may also reflect any available evidence relating to the actual mortality experience of the Scheme, the industry in which members work, or the distribution of pension payment amounts.

Retirement

Members will be assumed to retire at the earliest age at which they can take their benefit without an actuarial reduction applying. (Transferred Members will therefore be assumed to retire at age 60.)

Leaving service

No allowance will be made for active members to leave service before their retirement date. A withdrawal allowance would not have any impact on the technical provisions as the Scheme has converted to a career average basis of accrual.

Member options

If the Trustee considers it to be appropriate, allowance may be made for member options such as commuting pension for cash at retirement or taking early retirement.

Dependant details

Assumptions regarding the proportion of members with a dependant at death, and the age difference between the member and the dependant, will be set taking into account professional advice and the experience of the Scheme.

Arrangements for other parties to make payments to the Scheme

There are no arrangements for parties other than a participating employer or members to contribute to the Scheme.

Trustee's Report (continued)

Statement of Trustee's Responsibilities

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to scheme members, beneficiaries, and certain other parties, audited financial statements for each scheme year which:

- 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 the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for:

- assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- using the going concern basis of accounting unless it either intends to wind up the Scheme, or has no realistic alternative but to do so; and
- making available each year, commonly in the form of a trustee's annual report, information about the Scheme prescribed by pensions legislation, which it should ensure is consistent with the financial statements it accompanies.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Trustee's Report (continued)

Contact for Further Information

Requests for further information about the Annual Report, the Scheme or entitlement to benefit should be addressed to:

Georgia Alsop
Secretary to the Trustee
UKAS Pension Trustee Co. Ltd.
2 Pine Trees
Chertsey Lane
Staines-upon-Thames TW18 3HR

Telephone Number: 01784 428827
Email: Georgia.Alsop@UKAS.com

Alternatively, you may contact the Administrators directly. Requests should be addressed to:

United Kingdom Accreditation Service Pension Scheme
PO Box 555
Stead House
Darlington DL1 9YT
Telephone Number: 0370 123 4788 (Helpdesk)
Email: ukas@capita.co.uk

Approval of Trustee's Report

Signed by *P Cameron Brown*

Trustee Director

25th October 2024

Actuary's Certification of the Schedule of Contributions

United Kingdom Accreditation Service Pension Scheme


Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected, on 31 March 2021, to be met for the period for which the Schedule is expected to be in force.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated June 2022.

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:	21 June 2022
Name:	Lisa Lawson	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Decimal Place Chiltern Avenue Amersham HP6 5FG	Employer:	Barnett Waddingham LLP

United Kingdom Accreditation Service Pension Scheme

Certification of the Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Scheme's Technical Provisions as at 31 March 2021 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated June 2022.

Signature:

Lisa Lawson

Date:

9 June 2022

Name:

Lisa Lawson

Qualification:

Fellow of the Institute and Faculty of Actuaries

Address:

Decimal Place
Chiltern Avenue
Amersham
HP6 5FG

Employer:

Barnett Waddingham LLP

United Kingdom Accreditation Service Pension Scheme

Schedule of Contributions

Status

This Schedule of Contributions has been prepared by the Trustee of the United Kingdom Accreditation Service Pension Scheme (the "Scheme"), after obtaining the advice of the Scheme Actuary appointed by the Trustee and has been agreed by the United Kingdom Accreditation Service (the "Employer").

Contributions to be paid by active members from 1 July 2022 to 30 June 2027

5.0% of Pensionable Pay, to be deducted from earnings by the Employer and paid towards the Scheme on or before the 22nd day of the calendar month following deduction.

Any additional voluntary contributions payable by active members are payable in addition.

Contributions to be paid by the Employer from 1 July 2022 to 30 June 2027

In respect of the future accrual of benefits and the provision of death-in-service benefits:

14.0% of Pensionable Pay. These contributions are payable monthly and are due for payment towards the Scheme on or before the 22nd day of the calendar month following that to which the payment relates.

The Employer shall separately pay the Pension Protection Fund levy and the expenses associated with administering and operating the Scheme.

The Employer may pay contributions in addition to the amounts shown above at any time. Any contributions paid at a rate higher than that required can be offset against later payments due at the request of the Employer.

The contributions are subject to review at the next actuarial valuation due no later than as at 31 March 2024.

This schedule has been agreed by the Trustee and the Employer



Signed on behalf of UKAS Pension Trustee Company Limited

9th June 2022

Date



Signed on behalf of United Kingdom Accreditation Service

21 June 2022

Date

Independent Auditor's Report to the Trustee of the United Kingdom Accreditation Service Pension Scheme

Opinion

We have audited the financial statements of the United Kingdom Accreditation Service Pension Scheme for the year ended 31 March 2024, which comprise the fund account, the statement of net assets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Independent Auditor's Report to the Trustee of the United Kingdom Accreditation Service Pension Scheme (continued)

Other information (continued)

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

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Trustee's Responsibilities Statement on page 37, 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.

The extent to which the audit was considered capable of detecting irregularities including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the Scheme through discussions with the Trustee and other management, and from our knowledge and experience of pension schemes.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Scheme, including the Pensions Act 1995.

Independent Auditor's Report to the Trustee of the United Kingdom Accreditation Service Pension Scheme (continued)

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

We assessed the susceptibility of the Scheme's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the Trustee and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- making enquiries of the Trustee as to where it considered there was susceptibility to fraud, its knowledge of actual, suspected and alleged fraud: and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of Trustee meetings.
- enquiring of the Trustee as to actual and potential litigation and claims; and
- reviewing correspondence with the Pensions Regulator and the Scheme's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

Independent Auditor's Report to the Trustee of the United Kingdom Accreditation Service Pension Scheme (continued)

Use of our report

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

Nortons Assurance Limited

Statutory Auditor
2nd Floor
Now Building
Thames Valley Park
Reading RG6 1RB

Date:

Independent Auditor's Statement about Contributions to the Trustee of the United Kingdom Accreditation Service Pension Scheme

We have examined the Summary of Contributions payable to the United Kingdom Accreditation Service Pension Scheme in respect of the Scheme year ended 31 March 2024 which is set out in the Trustee's Report on page 21.

In our opinion contributions for the Scheme year ended 31 March 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 22 June 2022.

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 the 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 schedule of contributions and to report our opinion to you.

Use of our report

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

Nortons Assurance Limited

Statutory Auditor
2nd Floor
Now Building
Thames Valley Park
Reading RG6 1RB

Date:

Fund Account

For the year ended 31 March 2024

	Note	2024 £	2023 £
Contributions and benefits			
Employer contributions	4	2,338,733	2,026,021
Employee contributions	4	1,057,182	839,785
		<u>3,395,915</u>	<u>2,865,806</u>
Other Income	5	338,526	-
		<u>338,526</u>	<u>-</u>
		<u>3,734,441</u>	<u>2,865,806</u>
Benefits paid or payable	6	(1,780,694)	(1,097,594)
Payments to and on account of leavers	7	(135,055)	(94,384)
Administrative expenses	8	(21)	(4)
Other payments	9	(121,854)	(90,031)
		<u>(2,037,624)</u>	<u>(1,282,013)</u>
Net additions from dealings with Members		1,696,817	1,583,793
Returns on investments			
Investment income	10	125,517	108,225
Change in market value of investments	12	8,920,626	(3,863,843)
Investment management expenses	13	(30,264)	(30,523)
Net returns on investments		9,015,879	(3,786,141)
Net increase/(decrease) in the fund during the year		10,712,696	(2,202,348)
Net assets of the Scheme at start of year		65,991,680	68,194,028
Net assets of the Scheme at end of year		76,704,376	65,991,680

The accompanying notes on pages 49 to 59 are an integral part of these financial statements.

Statement of Net Assets available for Benefits

As at 31 March 2024

	Note	2024 £	2023 £
Investment assets:			
Pooled investment vehicles	14	75,117,088	64,528,436
AVC investments	15	932,270	826,393
Cash	12	23,106	50,534
		<u>76,072,464</u>	<u>65,405,363</u>
Investment liabilities:			
Other investment balances	12	(8,099)	(42,791)
		<u>(8,099)</u>	<u>(42,791)</u>
	12	<u>76,064,365</u>	<u>65,362,572</u>
Current assets	18	682,680	631,894
Current liabilities	19	(42,669)	(2,786)
Net assets of the Scheme at end of year		<u>76,704,376</u>	<u>65,991,680</u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations is dealt with in the Report on Actuarial Liabilities on pages 35 and 36 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 49 to 59 form an integral part of these financial statements.

The financial statements on pages 47 to 59 were approved by the Trustee and signed on its behalf on
25th October 2024 by:

P Cameron Brown

Trustee Director

J Beaumont

Trustee Director

Notes to the Financial Statements

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland Triennial Review 2017, incremental Improvements and clarification issued in December 2017 by the Financial Reporting Council and with guidance set out in the Statement of Recommended Practice (revised 2018) ('SORP (revised 2018)').

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Scheme has adequate resources to realise its assets and meet benefit obligations in the normal course of affairs (continue to operate) for at least the next twelve months. The Trustee has also taken into account the impact on investments, future income and capital growth, portfolio liquidity and cashflow requirements. The Trustee is confident that the Scheme will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements and therefore, has prepared the financial statements on a going concern basis.

2. Identification of the financial statements

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

3. Accounting policies

The principal accounting policies of the Scheme are as follows:

Contributions

Employee contributions, including AVCs, are accounted for by the Trustee when they are deducted from pay by the Employer, except for the first contribution due where the employee has been auto-enrolled by the Employer in which case it is accounted for when received by the Scheme.

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

Payments to members

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

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

Opt-outs are accounted for when the Scheme is notified of the opt-out.

Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.

Other income

Compensation receipts are accounted for in the period in which they're received.

Death in service insurance receipts are accounted for on an accruals basis.

Notes to the Financial Statements (continued)

3. Accounting policies (continued)

Investment income

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

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

Administrative Expenses

The only administrative expenses paid by the Scheme are for group life assurance and investment manager fees on the Property portfolio. Group life assurance fees are accounted for on a cash basis. Investment manager fees are deducted when declared by the fund manager.

Investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investments are included at fair value as described below:

Unitised pooled investment vehicles have been valued at the latest available bid price provided by the pooled investment manager.

AVC funds are included at the market value as advised by the AVC managers at the year end.

Functional and Presentational currency

The Scheme functional and presentational currency is pounds sterling.

4. Contributions

	2024 £	2023 £
Employer contributions		
Normal	2,338,733	2,026,021
	<u>2,338,733</u>	<u>2,026,021</u>
Employee contributions		
Normal	832,171	720,163
Additional voluntary contributions	225,011	119,622
	<u>1,057,182</u>	<u>839,785</u>
	<u>3,395,915</u>	<u>2,865,806</u>

The Schedule of Contributions signed on 22 June 2022 following the actuarial valuation as at 31 March 2021 requires no deficit contributions to be paid by the Employer.

5. Other Income

	2024 £	2023 £
Insurance proceeds – death in service	319,422	-
Compensation from administrator for payment error	19,104	-
	<u>338,526</u>	<u>-</u>

Notes to the Financial Statements (continued)

6. Benefits paid or payable

	2024 £	2023 £
Pensions payable	1,089,939	969,180
Lump sum retirement benefits	447,405	121,747
Lump sum death benefits	243,350	6,667
	1,780,694	1,097,594

7. Payments to and on account of leavers

	2024 £	2023 £
Refunds to members	52,006	35,362
Transfer values and cash transfer sums paid	83,049	59,022
	135,055	94,384

8. Administrative expenses

Other than those disclosed in the Fund Account, all other administration and investment management fees expenses are paid by the Principal Employer in accordance with the Schedule of Contributions. In addition to the expenses borne by the Scheme, the Principal Employer paid the following amounts in the years ended March 2024 and March 2023 on behalf of the Scheme and Trustee:

	2024 £	2023 £
Actuary and advisor – Barnett Waddingham	192,780	192,010
Administrator - Capita	69,469	55,867
Investment manager – BlackRock (Life Funds)	97,867	97,408
Auditor – Nortons Assurance Limited	7,750	7,900
Legal fees – TLT	51,802	2,115
Pension Protection Fund levy	27,771	41,842
Trustee costs and other	38,784	41,283
	486,223	438,425

Notes to the Financial Statements (continued)

9. Other payments

Group life assurance premiums are paid for by the Scheme.

	2024 £	2023 £
Group life assurance premiums	<u>121,854</u>	<u>90,031</u>

10. Investment income

	2024 £	2023 £
Income from pooled investment vehicles	113,146	107,017
Interest received	<u>12,371</u>	<u>1,208</u>
	<u>125,517</u>	<u>108,225</u>

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. Reconciliation of investments held at the beginning and end of the year

	Value at 1 April 2023 £	Purchases at cost £	Sales Proceeds £	Change in market value £	Value at 31 March 2024 £
Pooled investment vehicles	64,528,436	51,052,229	(49,322,771)	8,859,194	75,117,088
AVC investments	826,393	200,711	(156,266)	61,432	932,270
	<u>65,354,829</u>	<u>51,252,940</u>	<u>(49,479,037)</u>	<u>8,920,626</u>	<u>76,049,358</u>
Cash	50,534				23,106
Pending transactions	(42,791)				(8,099)
	<u>65,362,572</u>				<u>76,064,365</u>

Investments in its pooled investment vehicles are managed by companies registered in the UK.

Purchases at cost in respect of AVC investments represent AVCs paid onwards by the Trustee to third party AVC providers. Sales proceeds in respect of AVC investments represent AVC funds returned to the Trustee by the AVC providers to settle benefits due to members.

Transaction costs are included in the cost of purchases and deducted from sale proceeds. There were no direct transaction costs incurred during the year.

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

Notes to the Financial Statements (continued)

13. Investment management expenses

Investment management expenses incurred relate to the running and management of the Blackrock property portfolio which is deducted from the Blackrock property portfolio fund directly. All other investment management expenses incurred by the scheme are settled by the Principal Employer and are listed in note 8 Administration costs.

14. Pooled investment vehicles

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

	2024 £	2023 £
Equities	50,303,578	47,594,103
Property	3,083,814	3,218,645
Bonds	15,626,189	13,715,674
Cash	6,103,507	14
	<u>75,117,088</u>	<u>64,528,436</u>

15. AVC investments

The Trustee holds assets invested separately from the main investments to secure additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	2024 £	2023 £
Scottish Widows – With Profits	25,873	25,208
Scottish Widows – Unit Linked	78,808	91,229
Royal London – Unit Linked	827,589	709,956
	<u>932,270</u>	<u>826,393</u>

Notes to the Financial Statements (continued)

16. 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 and liabilities have been fair valued using the above hierarchy levels as follows:

As at 31 March 2024	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	72,033,274	-	72,033,274
Property - PIV	-	-	3,083,814	3,083,814
AVC investments	-	-	932,270	932,270
Cash	23,106	-	-	23,106
Pending transactions	(8,099)	-	-	(8,099)
	15,007	72,033,274	4,016,084	76,064,365

As at 31 March 2023	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	61,309,791	-	61,309,791
Property - PIV	-	-	3,218,645	3,218,645
AVC investments	-	-	826,393	826,393
Cash	50,534	-	-	50,534
Pending transactions	(42,791)	-	-	(42,791)
	7,743	61,309,791	4,045,038	65,362,572

Notes to the Financial Statements (continued)

17. Investment risk disclosures

Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
 1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates.
 2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates.
 3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the 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, BlackRock and Insight, and monitored by the Trustee by regular reviews of the investment portfolio.

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

Investment strategy

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

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

The current strategy is to hold:

- 25% in investments that move broadly in line with the long-term liabilities of the Scheme. This comprises UK and overseas government and corporate bonds, the primary purpose of which is to hedge against the impact of interest rate movement on long-term liabilities.
- 75% in return seeking investments, comprising UK and overseas equities, UK property and global infrastructure.

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Credit risk

The pooled investment arrangements used by the Scheme comprise unit trusts. Direct credit risks arising from pooled investment vehicles (PIVs) is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and the ongoing due diligence of the pooled manager.

The Trustee monitors the performance of BlackRock and Insight (“the investment managers”) on a regular basis in addition to having meetings with the investment managers from time to time as necessary. The Trustee has written agreements with the investment managers, which contain a number of restrictions on how the investment managers may operate.

The Scheme has indirect exposure to credit risks from the underlying investments held by the PIVs. The risk is mitigated as follows:

- The indirect credit risk arising on bonds is mitigated by placing restrictions on the assets that may be held within the bond portfolio and through a buy and maintain management approach of the Insight Buy and Maintain Bond Fund. All bond holdings are made by pooled investment vehicles.
- Indirect credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter (OTC). OTC derivatives are not guaranteed by a regulated exchange so there is a risk of the counterparty defaulting on its payment. Derivatives form a minority holding in the Scheme’s pooled investment vehicles for efficient portfolio management as well as tactically managed use in the actively managed funds.
- The Scheme does not have a fixed cash allocation but allocations to cash may be held by its pooled funds. Cash is held within financial institutions which are at least investment grade rated.

Market risk: Interest rates

The Scheme is subject to interest rate risk because some of the Scheme’s investments are held in bonds through pooled vehicles, and cash. The Trustee has set a benchmark for total investment in bonds of 25% of their total investment portfolio. Under this strategy, if interest rates fall, the value of the Scheme’s bond investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the Scheme’s bond investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. At the year end the bond portfolio represented 20.8% of the total investment portfolio (2023: 21.2%).

Market risk: Currency

The Scheme is exposed to currency risk because some of its investments are held in overseas markets. For example, the Scheme invests indirectly in overseas equities and bonds through PIVs.

The Scheme’s liabilities are denominated in sterling. In order to manage the impact of exchange rate fluctuations on the Scheme’s investments, currency hedging is employed on half of the Scheme’s overseas equities.

The Scheme’s total unhedged exposure to overseas currency at the year-end was 34.5% (2023: 29.6%).

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Market risk: Other price

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes equities and property held in pooled vehicles.

The Scheme manages this exposure by investing in pooled funds that invest in a diverse portfolio of instruments across various markets. According to the Scheme's Statement of Investment Principles (SIP), the investment manager's responsibilities include having regard to the need for diversification of investments so far as appropriate. In addition, the asset allocation is detailed in Section 3.3 of the SIP document and is monitored on a regular basis by the Trustee.

At the year end, the Scheme's exposure to investments subject to other price risk was:

	2024 £	2023 £
Indirect		
Equity PIVs	50,303,578	47,594,103
Property PIVs	3,083,814	3,218,645
18. Current assets		

	2024 £	2023 £
Contributions due from employer in respect of:		
Employer	201,117	175,450
Employee	106,784	73,080
Prepaid payroll	81,556	71,587
Cash at bank	273,519	293,628
Other Debtors	19,704	18,149
	682,680	631,894

The contributions receivable were due in the normal course of collection and were received by the statutory deadline.

19. Current liabilities

	2024 £	2023 £
Benefits Accruals	41,607	-
Taxation	1,062	2,786
	42,669	2,786

Notes to the Financial Statements (continued)

20. Concentration of Investments

At 31 March 2024, the following investment holdings represent more than 5% of the Scheme's assets:

	2024		2023	
	Value £	% of Net Assets	Value £	% of Net Assets
ACS WL ESG EQ TR FD X2 ACC GBP HDG	29,276,986	38.1	-	-
ACS WLD ESG EQ TR FD X2 ACC GBP	18,769,023	24.5	-	-
Insight Buy and Maintain Bond Class B Acc Fund	9,321,293	12.1	7,617,778	11.5
Aquila Life UK Gilt Index Linked 5 yrs	6,304,896	8.2	6,097,896	9.2
Blackrock Historic Liquidity Fund	6,097,143	7.9	-	-
Aquila Life UK Equity Index	-	-	11,669,750	17.7
Aquila Life US Equity Index	-	-	6,427,693	9.7
Aquila Life European Equity Index	-	-	5,696,699	9.6
Aquila Life Hedged US Equity Index	-	-	5,656,086	8.6
Aquila Life Hedged European Equity Index	-	-	5,541,128	8.4

21. Related party transactions

Contributions and benefits in respect of Trustee Directors were in accordance with the Scheme rules and Schedule of Contributions.

During the year under review, no Trustee Director held office as a Director of the Company. Peter Cameron Brown is an independent Trustee Director, Don Hughes is also independent from the Company, but up to April 2017, a company of which he is a director, and the principal shareholder had a significant business relationship with the Employer. Peter Kelley and Alex Penfold are nominated by members and Alex Penfold was in employment with the Company during the year. Jane Beaumont and Peter Kelley are pensioner members of the Scheme.

As disclosed in note 8 and in accordance with the Schedule of Contributions the United Kingdom Accreditation Service, as Principal Employer, paid administration and investment costs of £486,223 (2023: £438,425) on behalf of the Scheme and Trustee which included Trustee costs of £38,784 (2023: £41,283).

Notes to the Financial Statements (continued)

22. Contingent liabilities in respect of GMP equalisation and miscalculation of increases during deferment of final salary pensions

As explained on pages 7 and 8 of the Trustee's Report, following a High Court judgement the Scheme is required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The actuary has estimated the adjustment required is likely to be less than 0.2% of the total pension liabilities.

As explained on page 8 of the Trustee's Report, the Trustee has discovered that there had been some historic miscalculation of increases during deferment of final salary pension benefits which had been deferred on the closure of that section of the Scheme in 2003. This resulted in some Members' benefits being overpaid and others underpaid. Those Members who have been overpaid have been identified and the monthly pensions were adjusted to the correct amount from 1 April 2022. The Company and Trustee agreed that the overpayments for the period up to 31 March 2022 were not to be recovered from Members. These overpayments were treated as a benefit augmentation, the cost of which was funded by the Company by an additional contribution of £29,198. Where there has been an underpayment of pension this will be corrected with interest when the GMP Equalisation exercise has been completed with an estimated cost of less than £30,000.

Also as explained on page 8 of the Trustee's report, a recent exercise reconciling the actuarial to the administrative records has identified a pensioner whose pension may have been underpaid since date of retirement. A correction exercise is currently underway, and the correct pension will be paid backdated to the date of retirement together with interest. This will be reflected in the Accounts of a future year and the cumulative underpayment plus interest is estimated to be approximately £10,000.

23. Employer Related Investments

The United Kingdom Accreditation Service is a company limited by guarantee with no shareholders, therefore there are no employer related investments held within the scheme.