Capita

ACNielsen (UK) Pension Plan

Plan Registration Number: 10226893

Trustee's Annual Report and Financial Statements For the Year Ended 5 April 2022

Contents

Plan Advisers and Principal Employer

Plan Actuary:	S Aries FIA Towers Watson Limited
Independent Auditor:	Grant Thornton UK LLP
Investment Managers:	Willis Towers Watson Limited Insight Investment Management (Global) Limited State Street Global Advisors Legal & General Investment Management Limited (DC section) Aviva (DC section)
Additional Voluntary Contributions (AVC) Providers:	Aviva
Legal Adviser:	Baker & McKenzie LLP
Plan Administrator:	Capita Pension Solutions Limited
Plan Consultants:	Willis Towers Watson Limited
Investment Custodians:	Northern Trust The Bank of New York Mellon (International) Limited Willis Towers Watson Limited
Bank:	The Royal Bank of Scotland Plc
Life Assurance Company:	Unum Limited
Principal Employer:	AC Nielsen Company Limited
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Trustee's Report

The Trustee of the ACNielsen (UK) Pension Plan is pleased to present its report together with the financial statements for the year ended 5 April 2022.

The Plan has a defined benefits section and two defined contribution sections. The defined benefits section was closed to new entrants on 1 January 2004, except in respect of certain members of the old defined contribution section who remained eligible to transfer to the defined benefits section if relevant criteria were met. The old defined contribution section of the Plan was also closed to new joiners from 1 January 2004. With effect from 1 April 2011 the defined benefits section was changed so that all benefits earned from that date were provided on a "Career Average Revalued Earnings" ("CARE") basis i.e. benefits were based on each year's pay rather than final pay.

The new defined contribution category (known as "the new Money Purchase Section") was established from 1 January 2005. This section was closed to new joiners and further contributions from existing members with effect from 1 October 2011.

The Plan was closed to the accrual of future benefits with effect from 1 April 2016.

The sale of the Global Connect business, now known as NielsenIQ, to Advent International was completed on 5 March 2021. Prior to the completion of the sale, the Trustee Board worked with its advisers to assess the impact of the sale on the Plan. An agreement was reached under which Nielsen made a 'one off' cash contribution of £42m to the Plan and Advent provided a letter of comfort to the Trustee confirming its intention to provide support regarding the payments due under the current schedule of contributions. The contribution being paid during the year ended 5 April 2021.

Following the completion of the triennial actuarial valuation of the Plan as at 5 April 2021, a new schedule of contributions was put in place covering the period 1 April 2022 to 31 May 2028. This was certified by the Actuary on 29 April 2022.

Plan Management

Under the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006, scheme trustees are required to ensure that at least one third of trustees, or directors of a trustee company, is nominated and selected by the members. The Plan meets this requirement. During the year under review the Trustee of the Plan has been ACNielsen (UK) Pension Plan Trust Limited which has six Directors, two of whom are Member Nominated Directors. The Directors during the year under review are as follows:

Richard Cowdrey	Member nominated
Michael Watkins	Member nominated
Robert Clayton	Company appointed
Jocelyn Colyer	Company appointed (resigned 31 August 2022)
Independent Trustee Services Limited	Company appointed (appointed 21 May 2021)
Michael Danilovich	Company appointed (appointed 31 March 2022)
Alison Timman	Company appointed (resigned 30 June 2021)
Philipp Lohan	Company appointed (appointed 1 August 2021 and resigned 31 March 2022)

Trustee's Report

Plan Management (continued)

As a result of the Plan closing to the accrual of future benefits with effect from 1 April 2016, the Trustee reviewed the arrangements in place for the nomination and selection of Member Nominated Directors (MNDs) to remove reference to "Active" members. At the same time, the Trustee introduced a new provision to enable an MND to continue in office for a limited period if they cease to be a member of the Plan, subject to the approval of the other Trustee Directors and the Company. This ensures that the Trustee Board and the members continue to benefit from the knowledge and experience gained by an MND rather than the MND immediately having to be replaced.

Further information about the Plan is given in the online explanatory booklet which is available to all members.

Four normal quarterly Trustee meetings were held during the year on 16 June 2021, 8 October 2021, 17 December 2021 and 24 February 2022. A further nine additional meetings were held during the year to consider the appointment of an independent trustee company to the Trustee Board, the valuation as at 5 April 2021 and the transfer of the New Money Purchase Section to a master trust, and to receive trustee training on various topics. In addition, the GMP sub-committee held three meetings during the year to consider actions relating to the reconciliation, rectification and equalisation of GMPs under the Plan and to make appropriate recommendations to the Trustee with regard to any decisions required.

Principal Employer

The Principal Employer is A.C. Nielsen Company Limited whose registered address is Nielsen House, John Smith Drive, Oxford, OX4 2WB.

Governance and Risk Management

The Trustee has in place a risk register which it uses to evaluate and manage the risks associated with managing the Plan. The Trustee also produced a business plan for the Plan year which sets out the objectives and aims of the Trustee for the year.

The Pensions Regulator has responsibility for the promotion of high governance standards in trust-based defined contribution (DC) schemes. Due to the impact of automatic enrolment and its increased focus on raising DC standards on governance and administration, the Regulator has introduced a governance statement which it expects trustees to complete to demonstrate that they have complied with the DC code and regulatory guidance.

The Trustee Directors of the ACNielsen (UK) Pension Plan Trust Limited confirm that the systems, processes and controls across key governance functions are consistent with those set out in:

- Code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits, and
- Regulatory guidance for defined contribution schemes.

These are underpinned by the DC quality features.

Based on the Trustee's assessment, and subject to the explanations set out below, the Trustee believes that it has adopted the standards of practice set out in the DC code and DC regulatory guidance.

- Where the Trustee has adopted a different approach to that set out in the DC code and DC regulatory guidance, the reason for this is explained in the governance checklist.
- Where the Trustee does not have systems and processes in place to demonstrate particular features, it has explained why in the governance checklist.
- Where the Trustee is seeking to achieve or maintain 'best practice' level, this is explained in the governance checklist.

Trustee's Report

Plan Management (continued)

Financial developments

The financial statements on pages 54 to 70 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the net assets of the fund increased from £297,076,497 at 5 April 2021 to £299,037,765 at 5 April 2022.

The most recent actuarial valuation of the Plan was carried out as at 5 April 2021. Further details from the valuation are included in the Actuarial Certificates on pages 47 and 48 of the Annual Report.

GMP Equalisation

As disclosed in note 21, the Trustees do not consider there will be a material impact on the financial statements of potential liabilities that may arise in respect of amendments required to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The Trustees continue to monitor the issue as, under a legal ruling dated 26 October 2018, the Plan will be required to backdate benefit adjustments in relation to GMP equalisation and provide interest thereon. A GMP sub-committee was established during the Plan year ending 5 April 2020 to consider the actions required in relation to the reconciliation, rectification and equalisation of GMPs under the Plan and to make appropriate recommendations to the Trustee with regard to any decisions required.

A supplemental judgement has been issued regarding the impact of GMP equalisation on historic transfers out. The Trustee is aware that the issue will affect historic transfers made from the Plan and is working with its advisers and administrators to identify the impacted transfers and consider the next steps.

Conflict in Ukraine

The current uncertainty, and the associated sanctions against Russia and Russian individuals, has led to volatility in investment markets. How those events might develop, the scale of those developments and the wider impacts are hard to predict, though a period of heightened uncertainty seems inevitable. The amount of exposure to Russia is regarded as trivial to the Plan. The Trustee has not identified any further material risks to the Plan or employer covenant because of Russian Sanctions although the Trustee will continue to closely monitor the situation.

Trustee's Report

Plan Management (continued)

Membership

Details of the current membership of the Plan are given below:

	CARE Section	Defined Contribution Section	Total 5 April 2022
Pensioners			
Pensioners at start of year	817	-	817
Adjustment*	2	-	2
Members with deferred benefits retiring	20	-	20
Spouses and children who started receiving pensions	5	-	5
Pensioners who died	(15)	-	(15)
Pensioners at end of year	**829**	**-**	**829**
Members with deferred benefits			
Members with deferred benefits at start of year	670	728	1,398
Adjustments*	(4)	(4)	(8)
Deferred members becoming pensioners	(20)	-	(20)
Transfers out	(5)	(15)	(20)
Commutation of benefits	(1)	-	(1)
Members with deferred benefits at end of year	**640**	**709**	**1,349**
Total membership at end of year	**1,469**	**709**	**2,178**

* In respect of late update of database where status changes occurred between 6 April 2021 and 5 April 2022

Pensioners include individuals receiving a pension upon the death of their spouse. Included within the pensioner numbers are 4 members who receive pensions secured by annuity policies held in the name of the trustee (2021: 4).

Summary of Contributions

During the year ended 5 April 2022, the contributions payable to the Plan by the Employer were as follows:

	Defined Benefit section £	Defined Contribution Section £	5 April 2022 Total £
Contributions from employer:			
Deficit funding	5,181,996	-	5,181,996
Additional	1,480,000	-	1,480,000
Contributions payable under the Schedule (as reported by the Plan Auditor)	**6,661,996**	**-**	**6,661,996**

Trustee's Report

Investment Matters

Overview

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

Investment managers

The names of those who have managed the Plan's investments during the year are listed on page 2. The Trustee has delegated the day-to-day management of investment to its appointed fund managers. A written agreement between the Trustee and each manager sets out the terms on which the manager 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 Plan'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 their own views.

Investment principles

In accordance with Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles 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

To the best of its knowledge, the Trustee can report that there has not been any departure from the SIP by the Plan's investment managers during the year ended 5 April 2022.

Custodial arrangement

The assets are invested in pooled investment vehicles; the investment managers have the responsibility for selecting and monitoring the custodians. The custodians in respect of the DB section investments, as at the year-end, are shown below:

Manager	Custodian
WTW	Bank of New York Mellon
Insight Investment	Northern Trust
State Street Global Advisers	Willis Towers Watson

Custody for the DC section investments is covered by the investment managers who make their own arrangements for custody of the underlying investments.

Employer-related investments

There were no employer-related investments at any time during the year.

Trustee's Report

Investment Matters (continued)

Asset allocation

The allocation of the Plan's Final Salary Section assets as at 31 March 2022, along with the Plan's benchmark allocation, is given in the table below:

Asset class	Plan weight (%)	Benchmark weight (%)	Difference (%)
Multi-asset funds (return-seeking assets)	44.4	42.0	2.4
Downside Risk Hedge	0.1	0.2	-0.1
LDI & cash (matching assets)	55.5	57.8	-2.3
	100.0	100.0	0.0

Source: State Street Global Services Performance Services

As at 31 March 2022, the Plan's asset allocation was approximately 44.4% invested in return-seeking assets, 0.1% in the Downside Risk Hedge and 55.5% invested in matching assets (liability driven investments (LDI) and cash). The benchmark allocation for the Plan was documented in the latest SIP, this target allocation is as at 31 December 2020.

In relation to the Old Money Purchase Section, member's assets are invested in the ACNielsen LGIM Lifestyle Strategy. This initially invests entirely in the LGIM Global Equity Market Weights (30:70) Index Fund until the member reaches age 60, at which point investment gradually switches to the LGIM Pre-Retirement Inflation Linked Fund so that by the time the member reaches age 65, they are entirely invested in this Fund.

Review of investment performance

Towers Watson Investment Management, Insight Investment and State Street Global Advisor managed the Plan's DB Section assets throughout the year to 31 March 2022. The table below compares the Plan return against the benchmark return since the inception of the fiduciary portfolio.

Period to 31 March 2022	Plan (% pa)	Benchmark (% pa)
Q1 2022	-7.48	-6.39
1 year	1.68	0.87
Since inception (Sept 2016)	3.87	2.29

Source: State Street Global Services Performance Services

Legal & General Investment Management managed all of the Plan's Old Money Purchase Section assets over the period. The table below compares the Plan's gross of charges return against the benchmark return for periods to 31 March 2022:

Period to 31 March 2022	Plan (% pa)	Benchmark (% pa)
1 year performance		
LGIM Global Equity Market Weights (30:70) Index Fund – 75% Currency Hedged	11.00	10.98
LGIM Pre-Retirement Inflation Linked Fund	-0.87	-0.86
3 year performance		
LGIM Global Equity Market Weights (30:70) Index Fund – 75% Currency Hedged	11.36	11.32
LGIM Pre-Retirement Inflation Linked Fund	2.11	2.10

Source: Legal & General Investment Management

Trustee's Report

Investment Matters (continued)

Review of investment performance (continued)

Aviva managed all of the Plan's New Money Purchase Section assets over the period. In addition, it managed some AVC assets for the Final Salary Section. The table below compares each fund's return (gross of fees) against the relevant benchmark return for periods to 31 March 2022:

Period to 31 March 2022	**1 year (%)**	**3 years (% pa)**
Aviva BlackRock (30:70) Currency Hedged Global Equity (Aquila HP)	**11.37**	**11.61**
Aviva BlackRock (30:70) Global Equity Index Tracker	*9.94*	*11.16*
Aviva BlackRock Over 15 Year Corporate Bond Index (Aquila HP)	**-8.87**	**1.20**
Markit IBOXX Sterling Non Gilts 15+ Yr	*-8.74*	*1.20*
Aviva BlackRock UK Equity Index (Aquila HP)	**13.05**	**5.61**
*FTSE All Share**	*13.07*	*5.62*
Aviva BlackRock Over 5 Year Index-Linked Gilt Index (Aquila HP)	**3.84**	**3.11**
FTSE Actuaries UK Index-Linked Over 5 Yr	*3.72*	*2.88*
Aviva BlackRock World (Ex-UK) Equity Index (Aquila HP)	**16.48**	**16.46**
FTSE Developed Ex UK	*16.62*	*16.39*
Aviva BlackRock Over 15 Year Gilt Index (Aquila HP)	**-7.85**	**-0.69**
FTSE Actuaries UK Conventional Gilts Over 15 Yrs	*-7.69*	*-0.80*
Aviva Stewardship NGP	**6.63**	**6.54**
*FTSE All Share**	*13.03*	*5.31*
Aviva Cash NGP	**0.18**	**0.36**
LIBID 7 Day Returns GBP	*0.05*	*0.17*

Source: Morningstar

* Different FTSE All Share data is provided – this is because the Aviva BlackRock UK Equity Fund and the Aviva Stewardship Fund are priced at different points and so the benchmark performance is set to these different points.

Market Update

Over Q1 2021, Rishi Sunak announced a favourable budget for businesses evident by the upkeep of grants, cheap loans; tax offsets for loss making companies; continuation of decreased VAT for hospitality industry and a "super-deduction" to incentivise business investment. The furlough scheme and the Self-Employed Income Support Scheme were extended until September 2021. To balance the budget, Sunak also announced plans to increase corporation tax to 25% by 2023 and freeze of income-tax thresholds. These announcements were helped by OBR's forecast of 7.3% growth in output by 2022.

In the US, over the first quarter of 2021, Biden's $1.9tn spending package was passed by the Senate, which brought the total pandemic-related spending to $6tn (28% pre-crisis GDP). This stimulus raised inflationary expectation (at the time) as the spending package was estimated to boost the accumulated excess saving of c.$1.6tn for households. The Fed, however, maintained an accommodative tone and announced no change in forward guidance on a rate hike.

Trustee's Report

Investment Matters (continued)

Market Update (continued)

Over Q2 2021, inflation rate rose sharply in the UK and in the US. In the UK, the annual consumer price inflation (CPI) rate climbed to 2.5% at the end of June 2021. Much of the rise in inflation was due to comparisons with falling prices midst lockdown in 2020 and partly due to supply-side bottlenecks.

In the US, the annual CPI rate accelerated to 5.4% at the end of June 2021 from 2.6% in March 2021. In reaction to the rate increase, the US Fed tightened its guidance for monetary policy.

In September 2021, the Bank of England (BoE) kept the interest rate unchanged at 0.1 per cent but publicised their inflation expectation to be above the 2% target by Q1 2022, signalling future rate hikes.

On December 16, over Q4 2021, the BoE raised its interest rate from 0.1% to 0.25%, its first-rate hike in just over three years. The bank's announcement came a day after the publication of the CPI for November 2021, which showed that the prices rose at a higher than the expected year-on-year rate of 5.1% - well above the bank's 2% target.

The US CPI increased at a 7% year-on-year rate over December 2021.

Over Q1 2022, the BoE raised interest rates a third time since December. It raised rates to 0.5% in February and then to 0.75% on 17 March — the highest level since March 2020. BoE explained the rate hike was to combat rising inflation (which reached 7.0% in the 12 months to March 2022, up from 5.1% in December 2021) and due to the strong employment rate.

In March 2022, the MPC warned that inflation is expected to reach 8% by the end of June 2022 and might even climb to double digits by the start of 2023.

Explaining the rise in inflation forecast, the MPC stated that Russia's invasion of Ukraine would "accentuate both the peak in inflation and the adverse impact on activity by intensifying the squeeze on household incomes".

In the US, over Q1 2022, the Fed raised rates by 0.25%, first rate hike since 2018. This brought the target rate range to 0.25%- 0.50%. The chair of the Fed, Jerome Powell, explained that the rate hike was necessary to deal with "extremely tight labour market in high inflation" and signalled there would be hikes in each of the remaining six policy meetings in 2022.

Over the 12 months to 31 March 2022 sterling has depreciated against the US dollar by 4.6% and appreciated against the Euro and the Yen by 0.8% and 4.8% respectively.

Equity markets

Over the 12 months to 31 March 2022, the Equity market returns were positive across all regions except China, Emerging Markets and Japan. The FTSE World Index returned 12.8% in sterling terms. North America was the best performing region, returning 19.7% in sterling terms. The UK and Europe regional equities showed robust performance returning 13.0% and 6.5% respectively. The worst performing region was China, with MSCI China Index returning -29.3% over the 12-month period.

Bond markets

UK government bond yields (which move inversely to bond price) increased over 12 months to 31 March 2022. Long maturity UK gilts have returned -7.2% over the period (as measured by FTSE-A Gilts Over 15 Years Index) and short maturity UK gilts returned -5.1%.

Inflation-linked gilt yields decreased over the 12-month period. Long maturity UK index-linked gilts returned 3.9% (as measured by FTSE-A Index-Linked Gilts Over 15 Years Index) and short maturity UK index-linked gilts returned 5.1%.

Over the past year, local currency emerging market debt outperformed hard currency emerging market debt returning -4.2% and -7.8% respectively.

Trustee's Report

Investment Matters (continued)

Market Update (continued)

Alternative investment markets

Over Q1 2021, oil price continued to increase reaching a 1-year high (in mid-March 2021) of US $65 per barrel.

In Q2 2021, the price of Brent crude oil to soared to a two-and-half-year high to US $73.5 per barrel. To help reduce prices, the Opec cartel and partners agreed to increase their supply by a further two million barrels per day from August 2021 till the end of 2021.

Over Q3 2021, oil prices carried on increasing to US $75 per barrel due to increase in global oil demand.

In October 2021, the price of Brent crude oil climbed to its highest since Q3 2014 to c. $84 per barrel. In December 2021, prices fell as low as $65 per barrel due to the market's concerns about how Omicron variant would affect oil demand but recovered to end the year at a slightly higher price than in Q3 2021 at $75.2 per barrel as Omicron variant concerns subsided.

The price of Brent crude oil has been steadily increasing since Q4 2021, crossing US$100 per barrel in late February 2022 due to the heightened volatility brought upon by the Russia-Ukraine conflict. Prices peaked at US$124 per barrel on 8 March 2022 before settling to US$104.7 at the end of Q1 2022. The dip in price was due to fears of lockdown in Beijing as well as Shanghai which negatively impacted the demand outlook.

Crude oil returned 77.6% (West Texas Intermediate Crude Oil) in sterling terms over the 12 months to 31 March 2022.

Commerical UK property (as measured by the IPD Monthly Index) has returned 23.7% over the 12 months to 31 March 2022.

Investment risk disclosures

Investment risks are disclosed in note 16 to the Financial Statements.

Trustee's Report

DC Governance Statement

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Administration Regulations"). It describes how the Trustee has met the statutory governance standards applicable to the ACNielsen (UK) Pension Plan ('the Plan') in relation to:

- The investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds)
- Net investment returns
- Requirements for processing core financial transactions
- Assessment of charges and transaction costs
- An illustration of the cumulative effect of these costs and charges
- Value for members
- The requirement for trustee's knowledge and understanding (TKU)

The statement relates to the reporting period between 6 April 2021 and 5 April 2022. It has been prepared in accordance with relevant statutory guidance.

The Plan's defined contribution arrangements, which are under the remit of this statement, are as follows:

- The old Money Purchase section (also known as 'Section A'), which was closed to new joiners on 1 January 2004. This section was closed to new contributions on 1 April 2016. Members are invested in the ACNielsen Lifestyle strategy invested in Legal & General Investment Management (LGIM) funds.
- The Additional Voluntary Contribution (AVC) arrangement within the Defined Benefit section of the Plan was open to contributions at the same time as Section A was open. The AVC arrangement is held with Aviva.
- The new Money Purchase section (also known as 'Section C'), now closed, was open between 1 January 2005 and 1 October 2011. This section was held in a policy with Aviva until 20 June 2022. As a result of previous value for member assessments, the Trustee decided that members would receive more value in an alternative arrangement and agreed to transfer the policies from Aviva to the Fidelity Master Trust.

Default arrangement

For the purposes of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 ('the Charges and Governance Regulations'), as at 5 April 2021 the Plan's "default arrangement" was the ACNielsen Lifestyle strategy.

The ACNielsen Lifestyle strategy is the only available investment option within the old Money Purchase section of the Plan ('Section A'). The ACNielsen Lifestyle strategy is made up of two LGIM investment funds, and invests in the LGIM Global Equity Market Weights (30:70) Index Fund – 75% Currency Hedged, until five years before the member's 65th birthday when the funds are gradually switched into the LGIM Pre-retirement Inflation Linked Fund.

No sections of the Plan are used as a qualifying scheme for automatic enrolment purposes.

Trustee's Report

DC Governance Statement (continued)

Statement of investment principles

Appended to this statement is a copy of the Plan's latest Statement of Investment Principles ("SIP") governing decisions about investments for the purposes of the default arrangements, prepared in accordance with legislation. A copy of the Plan's SIP is also available to view at the following website: https://www.acnielsenpensionplan.co.uk/. This existence of the SIP, and its availability for viewing, is drawn to the attention of members in their annual benefit statement.

The objective specifically relevant to the default arrangement is to provide capital growth for members over the long term and then de-risk into annuity-targeting funds that provide greater protection against volatility as members approach retirement, in expectation that the majority or all of the Section's benefits will be required to purchase an annuity through the Defined Benefit (DB) section.

Review of the default arrangement

The default arrangement was not reviewed over the year to 5 April 2022. The last full review of the default arrangement (the ACNielsen LGIM Lifestyle Strategy) was completed on 11 February 2019, followed by a further ad hoc review in September 2020. The next review of the default arrangement took place in May 2022, the results for which will be included in the next Statement reporting period.

Net investment returns

The Trustee can confirm it has taken account of the DWP's Statutory Guidance on net investment reporting. The Trustee is required to report on the net investment returns for the default arrangements and for all self-select funds during the Plan year. The net investment return is after all transaction costs and charges.

Fund - LGIM	**Last 12 months**	**Last 3 years (p.a.)**	**Last 5 years (p.a.)**
LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	10.77%	11.13%	9.13%
LGIM Pre-Retirement Inflation Linked	-1.00%	1.97%	2.45%

ACN Lifestyle strategy	**Age**	**Last 12 months**	**Last 3 years (p.a.)**	**Last 5 years (p.a.)**
	25	10.77	11.13	9.13
	45	10.77	11.13	9.13

Trustee's Report

DC Governance Statement (continued)

Fund - Aviva	**Last 12 months**	**Last 5 years (p.a.)**	**Last 10 years (p.a.)**
Aviva BlackRock 30:70 Currency Hedged Global Equity Index	10.84%	8.75%	9.78%
Aviva BlackRock Over 15 Year Corporate Bond Index	-9.31%	1.63%	5.36%
Aviva BlackRock Over 15 Year Gilt Index	-8.29%	0.48%	4.51%
Aviva BlackRock Over 5 Year Index-Linked Gilt Index	3.34%	2.80%	6.00%
Aviva BlackRock UK Equity Index	12.51%	4.29%	6.76%
Aviva BlackRock World (Ex UK) Equity Index	15.92%	11.63%	13.53%
Aviva Cash	-0.30%	-0.09%	-0.08%
Aviva Stewardship	6.11%	5.27%	7.95%

Aviva investment strategy	**Age**	**Last 12 months**	**Last 5 years (p.a.)**	**Last 10 years (p.a.)**
5 Year Cash Lifetime Investment Programme	25	10.84%	8.75%	9.78%
	45	10.84%	8.75%	9.78%
	55	10.84%	8.22%	6.96%

Aviva notes: The charges assumed are those currently applicable to a single contribution of £10,000 paid into your scheme at the beginning of the reporting period. Returns are annualised geometric means over the time periods displayed. For age specific returns, a normal retirement age of 65 has been used

Processing financial transactions

The Trustee has a specific duty to ensure that core financial transactions relating to the Plan are processed promptly and accurately and must describe to members how this obligation is met. The Trustee has appointed Capita to provide administration services for the Plan. The Trustee has received assurance from Capita and has taken steps to try and ensure that there are adequate internal controls to ensure that core financial transactions relating to the Plan were processed promptly and accurately during the reporting period.

Within Capita, the Plan has a dedicated administration team and all administration tasks are logged and automatically monitored by a workflow system that is managed by a senior member of the dedicated team. Aviva is the pension provider for Section C and the AVC arrangement.

Trustee's Report

DC Governance Statement (continued)

Core financial transactions are identified and prioritised, for example, investment and banking transactions are checked and fully reconciled. For this purpose, 'Core financial transactions' includes (but is not limited to):

- Investment of contributions in the scheme (although this is no longer relevant under the Plan)
- Transfers of assets relating to members into and out of the Plan
- Transfers of assets relating to members between different investments within the Plan, and
- Payments from the Plan to, or in respect of members.

The Trustee has a Service Level Agreement (SLA) in place which covers the accuracy and timeliness of all core financial transactions.

Regular quarterly reporting is received from Capita, including performance against the service level agreements (SLAs) that are in place. The average SLA over the reporting period was 84%. (This data included the DB section). Any complaints or issues that arise are referred to the Trustee as and when they arise. The Administration Sub-committee (composed of two Trustee Directors and a representative from the Capita administration team) holds monthly meetings to consider administration complaints or issues. There were generally no issues which arose within the reporting period in relation to core financial transactions. Capita's Finance team monitors the bank accounts daily and all investment and banking transactions are checked and sanctioned separately before they are actioned.

Aviva's SLAs are 5 working days. Aviva proactively monitors customer experience via research and feedback across its platform. During the reporting period, 54.55% of tasks in Section C were completed (end to end) in 5 days or less (53.33% within the AVC arrangement for the same period). During that period there were no member complaints within Section C. WTW benchmarks Aviva's administration performance against the rest of the bundled provider market to support the Trustee in its view of Aviva. WTW found that Aviva had completed 89.2% of its tasks within SLA during the 2022 governance period.

The Plan's accounts are also audited annually by Grant Thornton UK LLP.

The administrators regularly undertake common data and conditional data checking exercises. The April 2022 common data report provided a score of 78.7%. Most of the failures in common data have arisen from missing address data. Capita undertook initial investigations on member data which focused on address data, however these were put on hold following the decision to transfer Section C members out to a Master Trust.

During the reporting period there were no material administration errors, therefore, the Trustee is satisfied that the Plan's core financial transactions have been processed promptly and accurately during the 6 April 2021 to 5 April 2022 governance period.

Charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the "charges" borne by members of the Plan for the 2021 governance period, and considered whether it could obtain "transaction costs".

For these purposes:

- "transaction costs" means the costs incurred as a result of the buying, selling, lending or borrowing of investments.

Trustee's Report

DC Governance Statement (continued)

- "charges" means, broadly, administration charges other than:
    - transaction costs;
    - costs the court determines the Trustee can recover;
    - certain pension sharing on divorce costs;
    - winding-up costs; and
    - costs solely associated with the provision of death benefits.

Charges - Section A

During the Plan year, there were no charges applicable to the default arrangements that were borne by members. The fund charges (which includes the cost of investment and administration) for the ACNielsen Lifestyle Strategy are met by the Plan. The default arrangement is set up as a Lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means the level of transaction costs will vary depending on how close members are to their target retirement date. For the reporting period covered by this statement, the transaction costs are set out in the table below.

Fund name	**Total fund charges (pa)**	**Transaction costs ***
LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	0.00%	0.00%
LGIM Pre-Retirement Inflation Linked	0.00%	0.00%

Charges - Section B AVCs and Section C

The fund charges for the remaining money purchase funds within the Plan (of which none are default arrangements) are shown below. The Aviva funds have an Annual Management Charge of 0.48% pa; where the total fund charge is higher, the difference is in respect of any Additional Expenses.

Fund name	**Total fund charges (pa)**	**Transaction costs****
Aviva BlackRock 30:70 Currency Hedged Global Equity Index	0.48%	0.104%
Aviva BlackRock Over 15 Year Corporate Bond Index	0.48%	0.098%
Aviva BlackRock Over 15 Year Gilt Index	0.48%	0.000%
Aviva BlackRock Over 5 Year Index-Linked Gilt Index	0.48%	0.002%
Aviva BlackRock UK Equity Index	0.48%	0.243%
Aviva BlackRock World (Ex UK) Equity Index	0.48%	0.037%
Aviva Cash	0.48%	0.001%
Aviva Stewardship	0.48%	0.081%

Trustee's Report

DC Governance Statement (continued)

* LGIM has provided transaction costs incurred by members at a fund level (based on the fund values at 31 March 2022). LGIM has calculated the transaction costs as the average cost incurred over the last financial year (1 April 2021 to 31 March 2022) as a necessary part of buying and selling each of the fund's underlying investments in order to achieve the investment objective.

** Transaction costs in the Aviva fund range is calculated using the slippage cost methodology except for the Cash fund.

The Trustee confirms that, taking account of the charges applicable and circumstances of the Plan, the funds made available to members during the year were suitable.

Transaction costs

Transaction costs are typically categorised as:

- Explicit costs which are directly observable and include broker commissions and taxes, or
- Implicit costs which cannot be observed in the same way but can also result in a reduction in the value of capital invested. Implicit costs include market impact or delay costs which can also result in a gain for the fund (i.e. negative transaction cost).

From 6 April 2015, trustee boards have been required (insofar as they are able) to assess transaction costs and report on them in the Chair's statement. LGIM and Aviva have provided the transaction costs in the table above as the Plan's fund managers and platform providers. Both providers have confirmed that no transaction costs are missing for this year's statement.

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 requires the Trustee to produce an illustration showing the compounding effect of costs and charges on DC funds and to include this in the annual Chair's statement. As a result the Trustee has set out an illustration in the appendix which shows the projected values based on two example members of the Plan (these are not actual members). The two examples show members at different ages, with different average pension savings and investing in a range of different investment options. The projections compare what the investments could grow to at age 65 before and after charges have been deducted.

Value for members assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustee undertook a value for members (VfM) assessment exercise in August 2022 which analysed the extent to which the charges and transaction costs set out above represent good value to members (i.e. the extent to which the charges and transaction costs provide good value in relation to the benefits and services provided). The Trustee undertook this exercise with assistance from its advisers.

Following previous VfM assessments, which identified that members in Section C would potentially receive better value and lower charges from an alternative pension arrangement, the Trustee's advisers sought terms from a number of providers on the market. Following a provider selection exercise, the Trustee selected the Fidelity Master Trust, which compared favourably against the incumbent provider, Aviva, in the areas of charges, business, administration, communication and investment. The Trustee decided to transfer the Section C policies away from the Plan to the Fidelity Master Trust. This was completed outside the reporting period on 20 June 2022.

The results of this VfM assessment are relevant to the reporting period 6 April 2021 to 5 April 2022, however the assessment reflects the changes made after which will have significantly impacted the results.

Trustee's Report

DC Governance Statement (continued)

In terms of the cost sharing between members and the employers:

- Members pay investment and administration related charges levied by Aviva (i.e. the annual management charges summarised above).
- The Employer or the Trustee pay for all other costs and charges incurred by the Plan (i.e. governance, management).
- The Employer/Trustee covers the fund charges for the LGIM funds within Section A.

The light-touch assessment process considered:

- The charges members were paying as at 5 April 2022 (with Aviva) and the new Fidelity fund charges from June 2022, in comparison to relevant market comparators.
- Transaction cost benchmarking again market comparators.
- The value to members of services/benefits which were paid by members in the Aviva, compared then to the new Fidelity Master Trust services/benefits.

As at 5 April 2022, the Trustee considered that members received fair value. This assessment applied to the now-closed Section C (members in Section A of the Plan do not bear any costs). The fair value rating was ascertained for the following reasons:

- The Section C fund charges were no longer viewed as competitive and could not be reduced by the provider;
- Transaction costs were deemed fair against market comparators;
- The services and benefits provided by the provider, Aviva, were sufficient but, again, not necessarily competitive against the charges and costs paid by members.

Following the transfer in June 2022 to Fidelity Master Trust, the Trustee was able to secure stronger levels of services and benefits for members to receive at a lower charge (with a global equity fund comparison of 0.30% p.a. total fund charge with Fidelity against the previous 0.48% p.a. fund charge with Aviva).

As a result, outside of the reporting period, the Trustee can conclude that these members receive good value for the services they pay for.

Trustee's knowledge and understanding (TKU)

The Plan's Trustee Directors are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Each Trustee Director must:

- Be conversant with the Plan's trust deed and rules and other documentation, as well as the Plan's statement of investment principles.
- Have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding and investment of the assets of occupational pension schemes.

The Trustee has a TKU process in place which enables the Trustee Directors, with the benefit of the advice available to them (through the Plan's actuaries, investment advisers, auditors and lawyers), to properly exercise their functions as Trustee Directors of the Plan.

The Trustee Directors have a good working knowledge of the Plan's governing documentation, including the Trust Deed and Rules, SIP, and other current documents and policies. There is easy access of the Plan's key documents via BoardEffect.

Trustee's Report

DC Governance Statement (continued)

The Chair is represented by a professional Trustee, Independent Trustee Services (ITS) Limited, who was appointed in May 2021 (and subsequently nominated Chair in June 2021).

The Trustee Directors also have sufficient knowledge and understanding of pensions law and regulation, and funding and investment principles.

There is in place an induction programme for new Trustee Directors and regular ongoing training for existing Trustee Directors.

- The induction programme includes ensuring completion of the Pensions Regulator's Trustee Toolkit within six months of appointment, access provided to Plan documents and a bespoke training session with the Trustee advisors to cover the specifics of the Plan. A new Trustee Director joined during the reporting period (in March 2022) and will commence their introductory training and the Regulator's Toolkit.
- There is a training log in place which is set up to meet the needs of the Trustee Directors to ensure their knowledge is up to date. The training log is monitored regularly to ensure that gaps in knowledge are picked up so that external specialist training can be arranged.
- The latest training programme was put in place by the Plan Secretary following the results of the latest trustee training and trustee effectiveness questionnaires completed by the individual Trustee Directors.

Over the reporting period, the Trustee Directors met all of the TKU requirements via the following activities and processes:

- A skills matrix, which is kept updated by the Plan Secretary. This was last updated in June 2021 and found there was a good spread of skills across the Board.
- Ad hoc training and webinars provided by the Plan's advisers and providers. For example, existing Directors attended a training covering investment startegy and portfolio construction process in May 2021, and a Risk transfer training in June 2021, both of which were provided by WTW.
- Updates on DC matters on an ad hoc basis by its advisers. Examples of topics covered over the reporting period were: introduction to the Pensions Regulator's new single Code of Practice, pension scams and simpler DC pension benefit statements.
- Nearly all Trustee Directors have completed the Pensions Regulator's TKU toolkit, except for the newest Director who joined in March 2022 and a further Trustee director who is in the process of completing the toolkit.

In addition, the Professional Trustee representatives have attended the following DC-related training sessions over the reporting period:

- Whistle-blowing (CCL Academy)
- DC issues (LCP, Barnett Waddingham and Pinsents)
- Transfers to DC Master Trust (Linklaters LLP)
- Diversity & Inclusion (Aon, WTW, Linklaters LLP and CMS)
- Single Code of Practice/good governance (Buck and WTW)
- ESG/Responsible Investment (LCP)

Trustee's Report

DC Governance Statement (continued)

A TKU analysis and Trustee effectiveness assessment was carried out over the reporting period, in April 2021. The next assessments will take place in mid-2023 due to recent changes to the Board.

The results of the Trustee effectiveness assessment were generally very positive, with minimal follow-up action required. The TKU analysis identified some gaps where there may be limitied knowledge or awareness and where Directors would benefit from further training in due course. As a result, a training programme was established which will cover various items over 2022, including Pensions and Trust Law, Data Protection and Cyber Security.

A Trustee Handbook is in place which outlines the Trustee's processes and procedures and a register detailing the powers in the Trust Deed and Rules, whether the powers are vested in the Company or the Trustee and, if the Trustee, whether these powers have been delegated. These documents will be updated as and when required.

The Trustee Directors are satisfied that they have met their knowledge and understanding duties during the 6 April 2021 to 5 April 2022 governance period.

Signed on behalf of the Trustee

On behalf of Independent Trustee Services Limited, Chair of the Trustee

ACNielsen (UK) Pension Plan

Date: 30/9/2022

Trustee's Report

DC Governance Statement (continued)

Appendix - Illustration of the effect of costs and charges on a member's pension pot

The illustration has been prepared in accordance with the relevant statutory guidance and reflects the impact of costs and charges for two typical examples of members within the Plan, using three funds. These three funds, as required in the latest statutory requirements, represent any default arrangements within the Section C/AVC arrangements (the LGIM ACN Lifestyle Strategy is not included within the illustrations as the members are not subject to any costs and charges), and the funds that have the highest and lowest total fund charges.. The example members are taken from Section C as members in this Section bear the costs and charges of their funds.

The illustrations below show the projected fund values based on certain assumptions before and after charges so that the potential impact of charges is clearly shown. Members should be aware that these are simply illustrations, and so the actual fund values and implication of charges for an individual member are likely to differ due to personal details, investment choices and actual performance of the funds. This means that the information contained in this Appendix is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

Example Member	Projection period (years)	Aviva Cash Fund		Aviva UK Equity Index Fund		Aviva Over 5 Year Index-Linked Gilt Index	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member	1	£2,460	£2,450	£2,560	£2,550	£2,480	£2,460
	3	£2,390	£2,350	£2,690	£2,640	£2,430	£2,390
	5	£2,320	£2,260	£2,830	£2,740	£2,380	£2,320
	10	£2,150	£2,050	£3,200	£3,000	£2,260	£2,150
	15	£1,990	£1,850	£3,620	£3,290	£2,150	£2,000
	20	£1,850	£1,670	£4,100	£3,610	£2,050	£1,860
	25	£1,710	£1,520	£4,630	£3,960	£1,950	£1,720
	30	£1,590	£1,370	£5,240	£4,340	£1,850	£1,600
	32	£1,540	£1,320	£5,510	£4,500	£1,810	£1,550
Average member	1	£19,700	£19,600	£20,500	£20,370	£19,800	£19,700
	3	£19,110	£18,830	£21,540	£21,130	£19,410	£19,130
	5	£18,540	£18,090	£22,630	£21,920	£19,020	£18,560
	10	£17,190	£16,370	£25,600	£24,030	£18,090	£17,230
	15	£15,940	£14,810	£28,970	£26,350	£17,200	£15,990
	20	£14,780	£13,400	£32,770	£28,880	£16,360	£14,840
	21	£14,560	£13,130	£33,590	£29,420	£16,190	£14,620

Trustee's Report

DC Governance Statement (continued)

Notes:

1. Projected pension account values are shown in today's terms.
2. Contributions and costs/charges are shown as a monetary amount and reductions are made halfway through the year.
3. Investment returns and costs/charges as a percentage reduction per annum are assumed to be deducted at the end of the year.
4. Charges and costs are deducted before applying investment returns.
5. Switching costs are not considered in the lifestyle strategy.
6. Inflation is assumed to be 2.5% each year.
7. No additional contributions are assumed.
8. Values shown are estimates and are not guaranteed.
9. The real projected growth rates for each fund are as follows:
   - Aviva Cash Fund – -1.5%
   - Aviva UK Equity Index Fund – 2.5%
   - Aviva Over 5 Year Index-Linked Gilt Index – -1%
10. Transactions costs and other charges have been provided by Aviva and cover the period from 1 April 2018 to 31 March 2022. Transaction costs have been averaged by WTW using a time-based approach.
11. Example members
    - Youngest member: age 33, total contribution: nil, starting fund value: £2,500.
    - Average/typical member: age 44, total contribution: nil, starting fund value: £20,000.

Trustee’s Report

Implementation Statement

Scheme Year ending 5 April 2022

1. Introduction

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of the ACNielsen (UK) Pension Plan (“the Trustee of the Plan”) covering the plan year (“the year”) to 5 April 2022.

The purpose of this statement is to:

- Detail any reviews of the Plan’s Statement of Investment Principles (“SIP”) that the Trustee has undertaken, and any changes made to the SIP over the year as a result of the review.
- Set out the extent to which, in the opinion of the Trustee, the Plan’s SIP required under section 35 of the Pensions Act 1995 has been followed during the Plan Year; including policies on engagement and voting.

The Plan makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact. The Trustee confirms that the investments which the Plan holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

In order to ensure that investment policies set out in the SIP are undertaken only by persons or organisations with the skills, information and resources necessary to take them effectively, the Trustee delegates some responsibilities. In particular, the Trustee has appointed a Fiduciary Manager, Towers Watson Limited, to manage the Plan’s DB assets on a discretionary basis. For the DC assets, the Trustee delegates security selection to Asset Managers who they appoint. The Fiduciary Manager’s discretion is subject to guidelines and restrictions set by the Trustee. The Asset Managers of the DC assets are governed by fund management agreements. So far as is practicable, the Fiduciary Manager considers the policies and principles set out in the Trustee’s SIP.

A copy of this implementation statement has been made available on the following website: https://www.acnielsenpensionplan.co.uk/

2. Review of and Changes to the SIP

The SIP was reviewed in the plan year and the changes detailed below were made. The versions in place were dated:

1. December 2019
2. August 2020, which incorporated new regulatory requirements effective as at 1 October 2020
3. June 2021

The SIP was updated as at June 2021 in relation to the change in investment strategy to reflect the Trustee’s decision to reduce the target return (from gilts +2.6% pa to gilts +2.0% pa to reduce risk).

For the purpose of assessing how the Plan’s SIP has been followed, the remainder of this statement specifically focusses on the SIP agreed in June 2021. All elements that were included in the previously agreed SIP (dated August 2020) remained in the June 2021 SIP.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP

SIP Section 1: Introduction

Under the Pensions Act 1995 (as amended), trustees are required to prepare a statement of the principles governing investment decisions. The SIP (dated June 2021) contains that statement, as drawn up by the Trustees of the Plan, and describes the investment principles pursued by the Trustees. The Plan's SIP is divided into two main sections: one (Section 3) relating to the Defined Benefit ("DB") Section and the other (Section 4) relating to the Defined Contribution ("DC") Sections. We focus on these two sections separately as well as considering other aspects of the SIP.

The introductory section of the SIP also details how the Trustee has consulted A.C.Nielsen Company Limited ("the Employer") on the principles set out in the SIP and will consult the Employer on any changes to it. However, noting the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

Before drawing up the SIP, the Trustee obtained and considered written advice from the Plan's DB Fiduciary Manager (WTW) and DC investment consultant (WTW). The Trustee also sets out that it will review the document regularly, at least every three years, and without delay following a significant change in investment policy.

SIP Section 2: Division of Responsibilities

This section of the SIP focuses on the roles and responsibilities of the various key stakeholders involved in managing the Plan's assets. Here we look specifically at the Trustee, fiduciary manager, and underlying asset manager responsibilities.

Trustee's Roles and Responsibilities

The Trustee is responsible for setting the overall strategic direction of the investment objectives and policy. Including setting a long-term target and return that the Fiduciary Manager can implement for the DB Section. The Trustee has had a set of guidelines and investment objectives in place over the year for the Fiduciary Manager to meet.

The Trustee delegates responsibility for certain tasks to the Fiduciary Manager in the DB Section and Asset Managers in the DC Section. The Trustee then spends time monitoring these providers on an ongoing basis.

Finally, the Trustee responsibility involves engagement with the Employer.

Fiduciary Manager Responsibilities (DB Section)

Throughout the year, the Fiduciary Manager regularly monitored the performance of the Plan's investment managers. Performance was monitored relative to an appropriate market benchmark where one was available, or an appropriate return objective where a market benchmark was not available. In addition, the Fiduciary Manager assessed the performance of the Plan's investment managers relative to peers and in the context of the prevailing market environment. Throughout the year, the Fiduciary Manager and Trustee focussed their assessment of investment manager performance on the long-term consistent with the Trustee's position as a long-term investor.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Fiduciary Manager Responsibilities (DB Section) (continued)

On a forward-looking basis, past performance is only one input into the Fiduciary Manager's assessment of an investment manager, which relies predominantly on research views based on a range of qualitative and quantitative factors, including the consideration of Sustainable Investment, or Environment Social and Governance factors as outlined below. Whilst there were some changes to the underlying investment managers, no managers were terminated based on short-term performance alone. Consistent with the Plan's long investment time horizon, the Trustee seeks to be a long-term investor and the Fiduciary Manager has appointed managers (in most cases) with the expectation of a long-term relationship. This in turn allows investment managers to take a longer-term approach to investing, including engagement with issuers of debt and equity, with a view to improving investment outcomes over the long term.

The Trustee received quarterly monitoring reports from the Fiduciary Manager. Performance shown in these reports is based on performance reporting provided by the Plan's Independent Performance Measurer, State Street. These reports are included for scrutiny and discussion at the Trustee's quarterly meetings. The reports include details of short-, medium- and longer-term performance relative to benchmarks/targets for all funds as well as commentary on an exceptions basis regarding performance with significant deviation from benchmark/target. Throughout the year, the Trustee used these reports as an input into its ongoing assessment of the Fiduciary Manager's performance. Similar to the approach taken with the Plan's underlying investment managers, the Trustee appointed the Fiduciary Manager with the expectation of a long-term relationship and therefore takes a long-term approach to its assessment of the Fiduciary Manager's performance.

Underlying Investment Managers' Responsibilities

The Trustee has delegated investment manager selection, de-selection and the ongoing management of relationships with asset managers to the Fiduciary Manager within Investment Guidelines set by the Trustee. The Trustee considers the Fiduciary Manager's performance in carrying out these responsibilities as part of its ongoing oversight of the Fiduciary Manager. The Trustee expects the Fiduciary Manager to ensure that, the portfolio, in aggregate, is consistent with the policies set out in this statement, in particular those required under regulation 2(3)(b) of the Occupational Pension Schemes (Investment) Regulations (2005).

As part of its manager selection and ongoing oversight processes, the Fiduciary Manager considers the level of fees and the type of fee structures used by each manager (including a consideration of the alignment of interests created by certain fee structures). The Fiduciary Manager considers a number of factors including the asset class / investment strategy, the way in which the strategy is implemented (e.g., active management or passive benchmark tracking), and fee benchmarking relative to peers. The majority of the Plan's investment managers were paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. The exceptions to this were in the areas of hedge funds and private markets where part of the manager's remuneration was based on its performance over an appropriate time horizon. The use of performance fees for these types of investments (where manager skill is a key driver of expected returns) is quite common. The Trustee and Fiduciary Manager recognise the incentives created by such fee structures and are comfortable with them given the highly active nature of these individual strategies, and in the context of the Plan's wider investment portfolio where the aggregate use of these fee structures is limited.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Underlying Investment Managers' Responsibilities (continued)

During the year, the Fiduciary Manager reviewed and reported to the Trustee on the total fees and costs incurred by the Plan through its investments. As part of its review and reporting on the Plan's costs, the Fiduciary Manager also reported to the Trustee on the costs associated with portfolio turnover, including a consideration of whether experienced turnover within investment strategies was consistent with the individual manager's expectations and within the Fiduciary Manager's expectations given its knowledge and understanding of the asset class and peers.

The Fiduciary Manager is also responsible for managing the sustainability of the portfolio and how Environmental, Social and Governance ("ESG") factors are allowed for in the portfolio.

Consistent with the Trustee's view that ESG factors can have a significant impact on investment returns, particularly over the long-term, the Fiduciary Manager believes that sustainable investment forms the cornerstone of successful long-term investment and has fully embedded the consideration of ESG factors in its processes.

The Fiduciary Manager's process for selecting, monitoring and de-selecting managers explicitly and formally includes an assessment of a manager's approach to sustainable investment (recognising that the degree to which these factors are relevant to any given strategy is a function of time horizon, investment style, philosophy and exposures). Where ESG factors are considered to be particularly influential to outcomes, the Fiduciary Manager engages with investment managers to improve their processes.

The policies and processes described above have impacted the Plan's investments in numerous ways. Some examples of this are outlined below:

- Through its investment in the Partners Fund, amongst other positive-impact assets, the Plan has exposure to:
    - Industrial sized greenhouses in the UK. This investment aims to provide a controlled environment to produce crops utilising waste energy from a nearby industrial unit. This generates returns through a government tariff (Renewable Heat Incentive) and rental income from growers wishing to use the space.
    - UK Forest sequestration which invests in the planting of trees/forests in the north of England and Scotland with the intention of locking away carbon in the long term. In turn, this investment generates returns through land value enhancement as well as grants provided by the government.
- Through the Core Diversified Fund (CDF), the Plan accessed a multi-factor ESG equities strategy which allocates to stocks based on four fundamentals whilst being optimised to satisfy tracking error as well as ESG criteria. The strategy includes an explicit sustainability consideration such that the overall ESG score of the portfolio is targeting to be better, by approximately 20%, than its market capitalisation comparator and have improved metrics relating to carbon footprint, water usage, energy consumption and waste generation. Over 2021 the CDF's investment in this strategy had the following positive impacts when compared to its market capitalisation index including reduced CO_2 emissions, reduced electricity consumption; reduced water consumption and reduced waste generation.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Provider – Defined Contribution Section

The Provider responsibilities of both Aviva and LGIM in respect to Section A and C of the Plan were complied with during the year. This include providing the Trustee with quarterly statements of the assets and factsheets on the underlying funds, ensuring that the underlying funds are priced correctly, and reviewing the continued structural suitability of the underlying funds.

Investment objectives are implemented through the investment management agreements in place with the Plan's investment managers. There were no changes to the investment managers employed to manage the Plan's assets during the year.

Global DB Custodian and Performance Measurer Responsibilities

The Trustee appoints a custodian and independent performance measurer. The Scheme appoints StateStreet for this who provide safe keeping of the Scheme's assets. Also, the assess returns of the portfolio, separately from the Fiduciary Manager, to provide transparency and robustness to performance reporting.

Scheme Actuary

The Scheme Actuary considers the triennial actuarial valuation (next one due over 2021) to help determine appropriate contributions which help meet the strategic objectives in the SIP. Also the Scheme Actuary provides cashflow data in order to build a portfolio of assets that protect against interest rate and inflation movement in the liabilities.

SIP Section 3: Defined Benefit Section

Plan Investment Objective

This section specifies the current long-term investment objective of the Trustee for the Plan (100% funded on a gilts basis by the year 2027) noting that the Trustee will review this objective regularly and amend as appropriate.

Investment Strategy

The Trustee has received advice to determine an appropriate investment strategy for the Plan. The investment strategy was formally reviewed as at August 2021, following the 2021 triennial actuarial valuation. The Trustee monitors progress relative to its objectives on a quarterly basis.

The investment strategy makes use of two key types of investments:

a. a range of instruments that provide a broad match to changes in liability values

b. a diversified range of return-seeking assets

The balance within and between the investments will be determined from time to time with regard to maximising the chance of achieving the Plan's investment objective. The Plan will hold assets in cash and other money market instruments from time-to-time set at a level suitable to ensure the ability to meet benefit payments and capital requirements in the portfolio.

The Trustee monitored the liability profile of the Plan and considers, in conjunction with the Fiduciary Manager and the Plan Actuary, the appropriateness of its investment strategy as part of the quarterly monitoring.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Investment Strategy (continued)

Throughout the year, implementation of the Plan's strategy including the realisation of investments was delegated to the Fiduciary Manager who managed the balance of the investments to achieve the strategic objectives. The Fiduciary Manager acts within guidelines set by the Trustee including asset allocation, manager and geographical diversification, and foreign currency exposure. These guidelines were updated during Q1 2022 to reflect the Trustee's decision to reduce the target return (from gilts +2.0% pa to gilts +1.4% pa to reduce risk). The Fiduciary Manager is required to report any breach of these guidelines to the Trustee. No breaches were reported during the year. The Trustee considers that the balance of investments held and the approach to managing risk is in the best interests of members in order to mitigate downside risk to the funding position of the Plan whilst helping the Plan to achieve its ultimate objective over an appropriate time horizon.

In order to ensure appropriate incentivisation and alignment of decision-making between the Trustee and the Fiduciary Manager, the Fiduciary Manager is subject to a number of obligations set out in its contractual arrangements with the Trustee. The Fiduciary Manager is aware of, and gives effect to, the principles set out in the Trustee's SIP. The Fiduciary Manager acted in accordance with these obligations throughout the year.

The Trustee's investment strategy seeks to outperform a benchmark based on a projection of the Plan's liability cashflows. The liability benchmark is updated following each actuarial valuation, and when there is any significant change to the structure of the Plan's liabilities. The benchmark was last updated following the actuarial valuation in 2021.

The Fiduciary Manager monitored and reviewed the Plan's investments and managers on a regular basis to ensure that the investment strategy remained consistent with the Plan's objectives. On a quarterly basis, the Trustee reviewed the Plan's asset allocation, funding position and progress relative to the journey plan (the projected path to achieve the Plan's objective), and measures of the expected return and risk of the Plan's portfolio to ensure that these remained broadly consistent with the Plan's objectives.

The Trustee's policy is that there will be sufficient investments in liquid or readily realisable assets to meet cashflow requirements in foreseeable circumstances so that, where possible, the realisation of assets will not disrupt the Plan's overall investments. The Fiduciary Manager, in conjunction with the Plan's administrators, will ensure sufficient cash and liquid assets are available to meet benefit and other payment obligations.

Other Investment Matters

The Trustee has put in place a risk management framework which seeks to identify, manage and monitor risks which could negatively impact the Plan's ability to meet its funding objectives. This framework incorporates funding, covenant and investment factors and is ultimately used to form the Plan's investment strategy. In relation to investment factors, the Trustee has identified a number of risks which it seeks to manage and monitor, in conjunction with the Fiduciary Manager. Solvency and mismatch risk, investment manager risk, liquidity risk, and interest rate and inflation risks have been discussed above in the relevant sections on investment strategy and investment managers. The Fiduciary Manager reported to the Trustee on each of these risks in quarterly meeting papers which were discussed at the Trustee's quarterly meetings.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Other Investment Matters (continued)

The Trustee recognises a number of risks involved in the investment of the Plan's assets and, where applicable, monitors these risks in conjunction with the Fiduciary Manager:

- **Solvency risk and mismatch risk**: the Trustee measures the risk quarterly by considering the expected development of the assets relative to the liabilities. The risk is managed through the development of a portfolio aligned with the target return to meet the investment objective.
- **Investment manager risk**: is measured by considering deviations in risk and return versus expectations of the investment objectives of the manager. To manage the risk, the Plan has a portfolio that is diversification across investment managers. The Fiduciary Manager also reviews ongoing qualitative assessments of the investment managers to ensure they're meeting their objectives.
- **Liquidity risk**: is measured by the Fiduciary Manager to ensure sufficient cashflow is available over various periods. Also, the risk of insufficient cashflow is managed by the Fiduciary Manager assessing the Plan's cashflow requirements, in conjunction with the Trustee's administrators, and ensuring that the Plan's assets are sufficiently liquid.
- **Currency risk**: is measured by the Fiduciary Manager to assess the level of exposure to non-Sterling denominated assets. Where there is material non-Sterling exposure, the Fiduciary Manager reduces the risk by investing a proportion of the Plan's assets in currency hedged pooled funds.
- **Custodial risk**: is addressed through investment in pooled vehicles, with the investment managers responsible for selection of suitable custodians. In addition, restrictions are applied as to who can authorise transfers of cash and the accounts to which transfers can be made.
- **Political risk**: is measured by the level of concentration in any one market with the Fiduciary Manager ensuring risks are balanced looking through a number of lenses and that the assets are suitably diversified.
- **Employer risk**: is measured by receiving regular financial updates from the Employer and periodic independent covenant assessments. The Trustees aim to reduce the risk over time through an agreed contribution and funding schedule.

Company Level Engagement and Rights Attached to Investments (including voting):

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the Fiduciary Manager, and in turn to the Plan's investment managers. The day-to-day integration of ESG considerations and stewardship activities (including voting and engagement) are delegated to the Plan's investment managers.

Through the engagement undertaken by the Fiduciary Manager, the Trustee expects investment managers to sign up to local Stewardship Codes and to act as responsible stewards of capital as applicable to their mandates. The Fiduciary Manager considers the investment managers' policies and activities in relation to ESG and stewardship both at the appointment of a new manager and on an ongoing basis. The Fiduciary Manager engages with managers to improve their practices and may terminate a manager's appointment if they fail to demonstrate an acceptable level of practice in these areas. However, no managers were terminated on these grounds during the year.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Company Level Engagement and Rights Attached to Investments (including voting): (continued)

The Plan is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was only requested from the Plan's equity managers as here there is a right to vote as an ultimate owner of a stock. Responses received are provided in the table below.

The Plan's equity holdings are invested across seven pooled funds (which are accessed via multi asset pooled fund of funds):

- Towers Watson Investment Management (TWIM) Global Equity Focus Fund - an active global equity fund managed by the Fiduciary Manager which invests in number of underlying managers
- Manager B – an active emerging markets equity fund
- Manager C – a passive global equity fund focussed on equity related to prime properties
- Manager D – a passive global equity fund focusses on equity related to infrastructure companies
- Manager E – a passive global equity fund
- Manager F – an active China equity fund

As outlined above, the Plan is invested in both active and passive equity funds. For the active funds, the Trustee has decided not to publicly disclose investment manager names. This decision relates to the underlying investment managers in the TWIM and Manager B. Given the nature of these investments, the Trustee believes that publicly disclosing the names of the Plan's investment managers could impact the investment manager's ability to generate the best investment outcome for the Plan and ultimately, the Plan's members.

The Fiduciary Manager views Manager B's approach to sustainable investment as acceptable. Over the year, Manager B has made improvements to its practices relating to ESG integration and engagement by upgrading its third-party research provider to Sustainalytics, developing a Stewardship Policy and enhancing its ESG Policy. The Fiduciary Manager continues to engage for further improvement.

The Fiduciary Manager's view is that Manager C, D, E and F continue to demonstrate good/leading practice vs. peers, in particular in their willingness to take visible stances on topics they believe important. This is supported by an effective approach to conflict management, high transparency and effective communications. The Fiduciary Manager continues to engage with these managers on the level of stewardship team resourcing, in particular given breadth/depth of coverage and rapid growth in assets under management, as well as pushing for better/more effective fixed income engagement.

The Trustee delegates the exercise of voting rights to its investment managers. Voting activity is undertaken in line with the voting policy of the investment manager. The Fiduciary Manager has assessed the investment manager's voting policy as part of its overall assessment of the investment manager's capabilities. The Fiduciary Manager considered the policy to be appropriate, and consistent with the Trustee's policies and objectives and ultimately, therefore in the best financial interests of the members. Additional oversight on the implementation of this policy is provided through the Fiduciary Manager's partnership with EOS at Federated Hermes (see below). The Trustee has identified key ESG risks for the Plan as climate change action and human and labour rights and therefore selected votes on these topics as the most significant for the Plan.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Voting Table – Significant Votes Cast

Some examples of significant votes are provided in the table below. Where managers have provided multiple examples of what they deem to be "significant votes", three are shown below.

Towers Watson Partners Fund

Voting activity	Number of votes eligible to cast:	7410
	Percentage of eligible votes cast:	99.1%
	Percentage of votes with management:	90.5%
	Percentage of votes against management:	8.5%
	Percentage of votes abstained from:	1.0%
Most significant votes cast	**Company**	**Amazon**
	Size of holdings	0.6%
	Resolution	Report on the impacts of plastic packaging
	Vote Cast	For
	Rationale for voting decision	Promotes transparency around environmental issues
	Outcome of vote	We consider ESG factors to be a major factor influencing the long-term predictability and sustainability of a company's revenue and earnings growth.
	Company	**Facebook, Inc**
	Size of holdings	0.8%
	Resolution	Approve Recapitalization Plan for all Stock to Have One-vote per Share
	Vote Cast	For
	Rationale for voting decision	We believe that there should be alignment between economic and voting ownership. While management argues that it continues to have long-term shareholders' interests in mind, we would rather see the board amend the capital structure to reflect such alignment.
	Outcome of vote	Failed Response - We continue to push for better alignment between economic and voting ownership. We believe that continuing engagement and proxy votes are needed to convey to the board this important issue.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Towers Watson Partners Fund

<table>
<tr><td rowspan="6"></td><td>Company</td><td>Prosus</td></tr>
<tr><td>Size of holdings</td><td>0.1%</td></tr>
<tr><td>Resolution</td><td>To approve the directors remuneration report</td></tr>
<tr><td>Vote Cast</td><td>Against Management</td></tr>
<tr><td>Rationale for voting decision</td><td>We had previously engaged with the company on their remuneration policy (as reported on in previous submissions). We voted against the proposal as it was noted that our inputs from these prior engagements were not considered.</td></tr>
<tr><td>Outcome of vote</td><td>Material issue – alignment with shareholder interest.</td></tr>
<tr><td>Use of proxy voting</td><td colspan="2">For the Towers Watson Partners Fund, the equity exposure comes from four main areas:
• Our global equity portfolio where EOS provides voting recommendation to enhance engagement and help achieve responsible ownership. EOS's voting recommendations are informed by its extensive research and experience in the area of stewardship as well as its long-term engagement activities with companies. The underlying managers must provide an explanation and note their rationale when they choose to vote differently to the recommendation. The underlying managers in this portfolio use ISS's 'ProxyExchange' electronic voting platform to facilitate voting.
• Our China equity manager uses Glass Lewis service where they have created a bespoke policy
• Our emerging markets equity managers use ISS, Glass Lewis, SES and Broadridge Proxy Edge platforms for information and to facilitate voting.
• Our long-short equity managers use ISS to provide corporate research and to facilitate the voting process.</td></tr>
</table>

Trustee’s Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Towers Watson Core Diversified Fund

Voting activity	Number of votes eligible to cast:	4006
	Percentage of eligible votes cast:	92.2%
	Percentage of votes with management:	86.0%
	Percentage of votes against management:	13.3%
	Percentage of votes abstained from:	0.8%
Most significant votes cast	**Company**	**Goodman Group** Underlying investment manager: Active Chinese Equity
	Size of holdings	0.13%
	Resolution	Advisory Vote to Ratify Named Executive Officers' Compensation
	Vote Cast	Against
	Rationale for voting decision	This item does not merit support as SSGA has concerns with the proposed remuneration structure for senior executives at the company.
	Outcome of vote	**58% For, 42% Against** Response Where appropriate we will contact the company to explain our voting rationale and conduct further engagement.
	Company	**Sydney Airport** Underlying investment manager: Passive real assets
	Size of holdings	0.11%
	Resolution	Approve Grant of 407,727 Rights to Geoff Culbert
	Vote cast	Against – vote was not communicated with management in advance
	Rationale for voting decision	Concerns about remuneration committee performance
	Outcome of vote	For

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Towers Watson Core Diversified Fund

	Company	**AusNet Services Ltd.** Underlying investment manager: Passive real assets
	Size of holdings	0.05%
	Resolution	Elect Robert Milliner as Director
	Vote Cast	Against – vote was not communicated with management in advance
	Rationale for voting decision	Concerns related to approach to board gender diversity
	Outcome of vote	For
Use of proxy voting	For the CDF, through our equity and listed real asset strategies, we work with EOS to provide corporate engagement and voting recommendation services to enhance the efforts of the underlying managers where possible. The underlying manager must provide an explanation and note their rationale when they choose to vote differently to the recommendation. The underlying mangers also use ISS facilitate voting and provide research. Our China equity manager uses Glass Lewis service where they have created a bespoke policy.	

Industry Wide/Public Policy Engagement:

As mentioned in the SIP, the Fiduciary Manager has partnered with EOS at Federated Hermes (EOS) for a number of years to enhance its stewardship activities. One element of this partnership is undertaking public policy engagement on behalf of its clients (including the Trustee). This public policy and market best practice engagement is done with legislators, regulators, industry bodies and other standard-setters to shape capital markets and the environment in which companies and their investors operate, a key element of which is risk related to climate change. The Fiduciary Manager represents client policies/sentiment to EOS via the Client Advisory Council, of which its Head of Stewardship currently chairs. It applies EOS' services, from public policy engagement to corporate voting and engagement, to several of its funds. Some highlights from EOS' activities over 2021:

Engagements with over 1,200 companies on a total of 4,154 issues and objectives representing assets under advice of $1.64tn.

64 responses to consultations or proactive equivalents and 71 discussions with relevant regulators and stakeholders.

Voting recommendations in relation to over 128,000 resolutions, with over 20,000 being against management.

Active participation in a number of stewardship initiatives including Climate Action 100+, PRI, Investor Alliance for Human Rights and the International Corporate Governance Network.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Industry Wide/Public Policy Engagement: (continued)

The Fiduciary Manager is also engaged in a number of industry wide initiatives and collaborative engagements including:

- Becoming a signatory to the 2020 UK Stewardship Code in the first wave;
- Co-founding the Net Zero Investment Consultants Initiative with eleven other investment consultants in 2021, with a commitment across its global Investment business
- Joining the Net Zero Asset Managers Initiative in 2021, committing 100% of its discretionary assets
- Being a signatory of the Principles for Responsible Investment (PRI) and active member of their Stewardship Advisory Committee;
- Being a member of and contributor to the Institutional Investors Group on Climate Change (IIGCC), Asian Investors Group on Climate Change (AIGCC), and Australasian Investors Group on Climate Change (IGCC);
- Founding the Coalition for Climate Resilient Investment (with the World Economic Forum);
- Co-founding the Investment Consultants Sustainability Working Group;
- Continuing to lead collaboration through the Thinking Ahead Institute and Willis Research Network.

SIP Section 4: Defined Contribution Section

Plan Objectives

This section of the SIP specifies the Plan objectives of the DC Sections. The Trustee seek to provide retirement benefits to the members of the Plan, while considering the differing personal preferences and needs of its membership. The Trustee has not made changes to its DC Section Plan objectives but will review these objectives regularly and amend as appropriate.

Long-Term Defined Contribution Investment Policy

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Trustee manages investment risks, taking into account the Plan's strategic investment objectives. These investment objectives are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by quarterly reviews of the investment portfolio.

The Trustee has received advice to determine whether the default lifestyle of Section A (Old Money Purchase Section), the ACNielsen LGIM Lifestyle Strategy, remained appropriate to its membership. The review was completed on 31 May 2022 (outside the statement period). The review found that the current annuity-targeting design of the lifestyle strategy remained appropriate for the Section A membership, acknowledging that the majority of members reaching retirement will have fund values that are less than the value of the DB underpin which was the basis of the current strategy design. However, there was a recommendation to review the global equity fund that forms the growth phase, to potentially limit UK exposure and consider integrating ESG considerations into the design. Further information will be provided in the next Statement.

The Trustee regularly monitors the performance of the default arrangement and will formally review both this and the strategy at least every three years. The next review is scheduled for May 2025 or immediately following any significant change in the investment policy of the Plan's membership profile.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Arrangement with Investment Managers

The Trustee monitors the fund range performance of the Section C and the additional voluntary contributions (AVC) arrangement with Aviva on a quarterly basis. Performance is measured against the relevant benchmarks set out in the SIP. As the majority of funds are passive, their benchmarks are the relevant indices for the asset classes/geographical areas represented. For active funds, the benchmarks have been agreed after receiving advice from the Trustee's professional advisers.

The Plan's DC investment manager has been provided with a copy of the Plan's SIP dated June 2021 and have been asked to confirm whether they believe that there is any misalignment of the assets they manage on behalf of the Plan with those policies in the SIP that are relevant to the fund in question.

The Trustees appointed the Plan's investment manager with an expectation of a long-term partnership. Over the Plan year to 5 April 2022, there were no new investment manager appointments or terminations by the Trustee.

During the Plan year, the majority of funds performed in line with their benchmarks. The Trustee accepts that there may be deviations from benchmarks from time to time and provided these are over short periods of time will not normally take any action. WTW as the appointed investment advisor will update the Trustee in between the quarterly meetings if a particular issue arises with one of the funds made available within the AVC policy.

The Trustee reviews the costs incurred in managing the Plan's assets regularly, which includes the costs associated with portfolio turnover, as part of their annual assessment of the costs and charges incurred within the Plan (including the annual Value for Members assessment). The Value for Members assessment undertaken in June 2021 showed that the annual management charges for Section C and AVCs were higher than for similar arrangements within the market. In the previous year, the Trustee had approached the provider to review its current terms. In the 2022 Plan Year, the Trustee undertook a provider review, following which it was decided Section C would close and the members in this Section would be transferred out to the Fidelity Master Trust (following a provider selection exercise). The charges in the new arrangement were lower and provided members with better services (the receiving provider agreed to cover transaction costs as part of this process). The transfer to Master Trust was completed on 20 June 2022. The remaining money purchase arrangements are:

- Section A – where charges and costs are covered by the Trustee/Company.
- AVCs for the DB section – where members cover the charges and costs.

Corporate Governance and Socially Responsible Investments

The Trustee takes a pragmatic approach to ESG considerations which is reflected in the SIP.

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the underlying investment managers. The Trustee recognises that long-term sustainability issues, including climate change, may have an impact on investment risk and outcomes. At the present time the strategy is to invest predominately in the passive funds which do not take account of ESG considerations in the selection, retention and realisation of investments.

However, the Trustee recognises that some members may wish to invest in accordance with responsible investment principles, and hence the Aviva Stewardship fund is available in the self-select range of AVCs for the DB Section.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Risk Management

The Trustee has developed and maintained a risk register as part of a framework for assessing DC investment risks. The risk register is reviewed regularly.

The DC specific risks described in the SIP (and how the Trustee endeavours to mitigate these risks) are set out below. The investment strategy reviews take into account of the overall balance of these risks.

- **Capital risk**: the risk that the value of the investment will fall in value over any period of time. The Trustee has made available a cash fund for the purpose of managing this risk.
- **Inflation risk**: the risk that the contributions fail to provide an adequate amount of benefit. This could be by failing to achieve an adequate amount of return in excess of price inflation commensurate with the term of investment. The Trustee has made available equity funds for the purpose of managing this risk.
- **Manager risk**: Addressed through ongoing monitoring of the managers as set out in the SIP
- **Pension conversion risk**: the risk that the value of a member's account does not reflect how they may take their benefits at retirement. The Trustee has made available a range of investments for the purpose of enabling members to manage this risk.
- **Currency risk**: where members invest in funds with an exposure to overseas securities, there will be an element of currency risk as these securities are converted back into Sterling. The global equity funds offered by the Trustee employ currency hedging on the overseas equity allocations.
- **Liquidity risk**: the risk that assets are not easily realisable such that cash is not readily available to meet cash flow requirements. The Trustee has had regard to this in selecting appropriate funds and in designing the default strategies.

New Money Purchase Section (Section C) – Now Closed

This section was available for those members whose offer of employment was made after 1 January 2004 and was closed with effect from 1 October 2011. This section did not have a default arrangement in place while it was open as it was not a requirement to provide one.

This Section was wound up in June 2022 following a review of the arrangement by the Trustee. The aim of the review was to improve the value provided by Section C. It was determined that value would be improved by transferring members out to a master trust with Fidelity.

Old Money Purchase Section (Section A)

This section was only available for members whose offer of employment was made prior to 1 January 2004. This section closed to new contributions from 1 April 2016. The only investment option for this Section is the ACNielsen LGIM Lifestyle Strategy, therefore also making it a default investment strategy. The Lifestyle and default was designed to meet the needs of the membership of this Section, as determined by the Trustee's assessment of the likely risk tolerance, retirement objectives and overall purpose of the Section. The Lifestyle de-risks into annuity-targeting funds that provide greater protection against volatility as members approach retirement, in expectation that the majority or all of the Section's benefits will be required to secure a pension though the Defined Benefit section.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

AVC Arrangements (Section B)

AVCs are invested with Aviva, which includes a number of lifetime investment programmes, such as the 5 Year Cash Lifetime Programme (which was designed for members expecting to take all of their AVCs as cash).

Voting and Engagement

The DC funds are predominantly passively managed in pooled funds (with LGIM and Aviva). As a result, the Trustee's direct influence on the fund manager's voting policy is limited by the pooled nature of these investments. The Trustee has therefore chosen to adopt an approach to ESG that is consistent with the opportunities and constraints of this position. This is reflected in the SIP.

The Trustee has delegated all voting and engagement activities to the underlying managers, but nevertheless expects effective activities in these areas to form part of their processes. The Trustee has reviewed the underlying investment managers' stewardship policies (made available at the following link https://www.lgim.com/uk/en/capabilities/corporate-governance/ and https://www.aviva.co.uk/services/about-our-business/about-us/our-approach-to-responsible-investing/).

When reviewing the LGIM's and Aviva's stewardship approach the Trustee found that:

1. During 2020 LGIM voted on over 180,200 proposals in over 15,400 company meetings. LGIM has implemented their own custom policies, and rely on the service of ISS, their proxy advisor. LGIM does not automatically follow recommendations of proxy advisers and has put in place a custom voting policy, which requires companies, amongst other things, to have a higher level of independence and diversity on the board, or to provide more in-depth disclosure regarding executive compensation.
2. Aviva voted on 50,918 resolutions at 4,636 meeting in 2021. Aviva has a multi-manager team which is responsible for monitoring all of the funds and fund managers on Aviva's investment platforms. It analyses and selects the fund managers using a 5P process: Parent, Product, Process, People, and Performance. It incorporates ESG considerations into its analysis in each of these areas. For BlackRock index tracking funds, Aviva has moved away from insured funds to tax transparent funds that are administered by Aviva Investors. This enabled Aviva Investors to take on the responsibility for the voting rights for the investments held.
3. The voting decisions of Aviva are based off their Engagement and Voting Policy which is updated on approximately a three-year cycle basis and updated subject to Board approval. In 2021, Aviva extended their pilot with the investor opinion tool Tumelo, and now a selection of pension savers whose workplace pension is with Aviva have the option to voice their opinion on several issues such as climate change ahead of the company's AGM. Their opinions are collected through the platform, anonymised and sent back to the fund manager, which incorporates them into its decision-making framework.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Voting

The table below sets out the relevant voting activities, including any votes cast on the Trustee's behalf and examples of votes cast that the underlying managers deem to be significant. The voting statistics covers equity funds available under the Plan for the year ending 31 March 2022.

Fund name	Voting activity	Example of one of the most significant votes cast during the period
Aviva BlackRock (30:70) Currency Hedged Global Equity Index Fund	**Number of eligible meeting where the provider was able to vote: 2,559** **Percentage of resolutions that were voted on: 94.2%** **Percentage of votes cast which were with a Board's proposal: 74.3%** **Percentage of votes cast which were against a Board's proposal: 23.7%**	**Company:** AstraZeneca PLC **Resolution:** 7. Approve Remuneration Policy **How provider voted:** Against proposal **Rationale:** Vote against reflected concern over significant increases to variable pay for second consecutive year – rationale for doing so was not sufficient. This is in relation to the CEO and LTIP bonus rate increases.
Aviva BlackRock World (Ex-UK) Equity Index Fund	**Number of eligible meeting where the provider was able to vote: 2,129** **Percentage of resolutions that were voted on: 92.4%** **Percentage of votes cast which were with a Board's proposal: 66.2%** **Percentage of votes cast which were against a Board's proposal: 31.6%**	**Company:** Microsoft Corporation **Resolution:** 6. Report on Effectiveness of Workplace Sexual Harassment Policies **How provider voted:** For proposal **Rationale:** As the company faces potential controversies related to workplace sexual harassment and gender discrimination. This is a risk area for the sector and the company that is key for talent attraction and retention.
Aviva BlackRock UK Equity Index Fund	**Number of eligible meeting where the provider was able to vote: 770** **Percentage of resolutions that were voted on: 99.4%** **Percentage of votes cast which were with a Board's proposal: 92.8%** **Percentage of votes cast which were against a Board's proposal: 6.0%**	**Company:** Anglo American PLC **Resolution:** 1. Approve Matters Relating to the Demerger of Thungela Resources Limited **How provider voted:** For proposal **Rationale:** The vote was to demerge the Company's thermal coal operations in South Africa, to operate as a separate independent entity, under the name Thungela Resources Ltd. Aviva supported the demerger as forms part of Anglo American's strategy to continue reducing its thermal coal production footprint and overall trajectory towards those products that enable a low carbon economy
Aviva Stewardship Fund	**Number of eligible meeting where the provider was able to vote: 55** **Percentage of resolutions that were voted on: 99.6%** **Percentage of votes cast which were with a Board's proposal: 97.0%** **Percentage of votes cast which were against a Board's proposal: 2.2%**	**Company:** Tesco Plc **Resolution:** 2. Approve Remuneration Report **How provider voted:** Against proposal **Rationale:** The 2022 LTIP awards will be made at 300% and 275% of salary for the CEO and CFO, respectively. Aviva thinks it is too early for any increases in pay / LTIPs to be happening, Management have only just set out strategy so have not delivered at this juncture, and Aviva does not understand why the CEO's salary is higher than the previous CEO's salary as this is his first role as a public company CEO. Further the company has been making disposals.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Voting (continued)

LGIM Global Equity Market Weights 30:70 Index 75% Currency Hedged	**Number of eligible meeting where the provider was able to vote: 7,142** **Percentage of resolutions that were voted on: 99.9%** **Percentage of votes cast which were with a Board's proposal: 82.0%** **Percentage of votes cast which were against a Board's proposal: 16.9%**	**Company:** Apple Inc. **Resolution:** 9. Report on Civil Rights Audit **How provider voted:** For proposal **Rationale:** A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.

(The percentage difference following for and after votes is in respect of abstaining from votes.)

Engagement

LGIM's Investment Stewardship team held 312 meetings/calls and 461 written engagements in respect of 571 companies during 2021. As in the previous year, climate change was the most frequently discussed engagement topic (246 times), and the UK was the biggest engagement market (240). The most frequently engaged companies were BP (8 engagements), along with Mizuho Financial Group, Mitsubishi UFJ Financial, Tesco and ExxonMobil (jointly 6).

In mid-2021, LGIM announced the results of its fourth Climate Impact Pledge engagement programme, with positive results across most regions and sectors, with Europe leading in the analysis. The fifth cycle of company meetings aimed to target influential companies that are not yet meeting best practice in terms of emission reduction targets, governance and climate change policies. In 2021, following engagements with BP, LGIM were pleased to learn about the recent strengthening of BP's climate targets (announced in February 2022), along with the commitment to become a net-zero company by 2050. LGIM also opposed the election of 370 directors globally due to concerns about board diversity. During 2021, Aviva undertook 2,408 company engagements, including 1,014 substantial interactions. Aviva draws up engagement plans annually, with progress reviewed and assessed quarterly.

Aviva uses an ESG proprietary ESG scoring tool (ESG Elements) and sector-specific research to help identify areas of greatest concern and overlay considerations, such as the size of Aviva's holding, thematic priorities, AGM-related priorities and event-triggered engagement. For active holdings, engagement is undertaken in close cooperation with the investment teams, who often lead on engagement meetings and the key conclusions from company engagements are fed back to fund managers through various forums. Over the past year, Aviva has achieved 401 engagement successes where there were changes in corporate behaviours in line with a prior engagement ask.

One example of company engagements during 2021 was a case study on social engagement with Rio Tinto on its social licence to operate. Rio Tinto is a mining company involved in the destruction of the ancient Aboriginal Juukan Gorge in Australia in May 2020 to expand an iron ore mine. Aviva met Rio Tinto's chair several times to express the need for radical improvements in its approach towards cultural heritage and community relations, the risk of operational disruptions from community backlash. Aviva also raised Rio Tinto's approach to climate change and other governance-related issues (i.e., renumeration, etc.). Rio Tinto has made efforts to strengthen its internal practices, policies and governance to justify its social licence to operate. For example, it has launched an Indigenous Advisory Group (which was an Aviva request). The company appears to be committing to review and redefine its approach in relation to the mining industry. Aviva will continue to press Rio Tinto in any gaps.

Trustee's Report

Implementation Statement (continued)

3. Adherence to the SIP (continued)

Conclusion

The Trustee considers that all SIP policies and principles were adhered to during the year.

Trustee's Report

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), are the responsibility of the trustees. Pension scheme regulations require, and the trustee is responsible for ensuring, that those financial statements:

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

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

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

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

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time revising a schedule of contributions showing the rates of contributions payable towards the Plan by or on behalf of the employer and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received and for adopting risk-based processes to monitor whether contributions are made to the Plan by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee is responsible for the maintenance and integrity of the financial information of the Plan included on the Plan's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Trustee's Report

Compliance Matters

Constitution

The Plan was established on 6 April 1997 and is currently governed by the Third Definitive Trust Deed and Rules dated 24 July 2008, as amended by subsequent deeds.

Taxation status

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Plan became a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 with effect from 6 April 2006.

Pension increases

For GMP earned between 6 April 1988 and 5 April 1997, post 5 April 1997 and post 5 April 2005 member benefits, the Plan Rules state that pensions in payment are increased on 6 April each year by reference to the increase in the Consumer Prices Index (CPI) at the previous September. The September 2020 CPI was 0.5% so the pensions in payment were increased by 0.5% for GMP benefits and 0.5% for post 5 April 1997 and post 5 April post 2005 benefits.

For all other members, the Plan Rules include provisions which allow the Company to award discretionary increases on certain elements of pensions in payment, typically elements that do not receive statutory increases. No discretionary pension increases were awarded in the year to 5 April 2022.

Deferred pensions were increased in accordance with statutory requirements.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner prescribed by regulations under Section 94(1) of the Pension Schemes Act 1993. No allowance is made in the calculation of transfer values for discretionary pension increases.

Refunds to the employer

No refunds have been made to the employer during the year.

The Pensions Regulator

The statutory body that regulates occupational pension schemes is the Pensions Regulator ("TPR"). TPR can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Telephone: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

Trustee's Report

Compliance Matters (continued)

GDPR

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. The Trustee has communicated with members on this matter.

From 1 January 2021, the UK GDPR came into effect which will run alongside the Data Protection Act (DPA) 2018, and the EU GDPR to which all EU nations remain subject and this includes where Capita operate 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.

MoneyHelper

The Money and Pensions Service (MaPS) was created in 2019 as a single body to bring together the services previously delivered by The Pensions Advisory Service (TPAS), the Money Advice Service and Pension Wise providing information to the public on matters relating to workplace and personal pensions. With effect from 30 June 2021 MaPS has been re-branded as MoneyHelper but still offers all the same services

Telephone: 0800 011 3797

Email: pensions.enquiries@moneyhelper.org.uk

Website: https://www.moneyhelper.org.uk

Internal Dispute Resolution Procedures (IDRP)

It is a requirement of the Pensions Act 1995 that the Trustees of all occupational pension schemes must have Internal Dispute Resolution Procedures (IDRP) in place for dealings with any disputes between the trustees and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to the Secretary to the Trustee of the ACNielsen (UK) Pension Plan, c/o Mrs Sue Kettle, Capita, Hartshead House, 2 Cutlers Gate, Sheffield, S4 7TL.

Pensions Ombudsman

The Pensions Ombudsman is an independent voluntary organisation which gives free help and advice to members and beneficiaries of occupational pension schemes in resolving difficulties with scheme trustees or administrators. The Pensions Ombudsman can be contacted at:

10 South Colonnade

Canary Wharf

London E14 4PU

Telephone: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Trustee's Report

Compliance Matters (continued)

Pension Protection Fund

The Pension Protection Fund ("PPF") was set up with effect from 6 April 2005. The PPF's main function is to provide compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer, and where there are insufficient assets in the pension scheme to cover the PPF level of compensation. The PPF is funded by annual levies on all eligible defined benefit schemes.

The PPF levy consists of two parts: a Plan based levy based on the Plan's PPF liabilities, and a risk-based levy based on the level of underfunding in the Plan and the risk of the sponsoring employer becoming insolvent. The total levy which the PPF expects to raise in respect of UK pension schemes in the 2021/22 levy year is estimated at £520 million.

Contact for Further Information

Any enquiries or complaints about the Plan, including requests from individuals for information about their benefits or Plan documentation, should be sent to:

Trustee of the ACNielsen (UK) Pension Plan
c/o Sue Kettle
Capita Pension Solutions Limited
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

Email: Nielsen@capita.co.uk

Signed on behalf of the ACNielsen (UK) Pension Plan, in their capacity as Trustee Directors of ACNielsen (UK) Pension Plan Trust Limited, by:

....

Trustee Director

....

Trustee Director

Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 5 April 2021.

	Actuarial Valuation 5 April 2021	Actuarial Valuation 5 April 2018
The value of the Technical Provisions was:	£324.4 million	£270.1 million
The value of the assets at that date was:	£297.1 million	£217.6 million

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

Method

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

Significant actuarial assumptions

Discount interest rate: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank or England data) at the valuation date plus an addition of 0.5% per annum.

Future Retail Price inflation: term dependent rates derived from the Bank of England fixed interest and index-linked gilt curves at the valuation date.

Future Consumer Price inflation: term dependent rates derived from the assumption for future retail price inflation less an adjustment equal to 0.9% per annum.

Pension increases: derived from the term dependent rates for future consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

Pay increases: general pay increases of 1.5% per annum above term dependent rates for the future retail price inflation (NB not a significant assumption if few active members).

Mortality: for the period in retirement, standard tables SIPMA with a scaling factor of 98% for male active members, 103% for male deferred members and 99% for male pensioner members and S1PFA with a scaling factor of 103% for female active members, 107% for female deferred members and 111% for female pensioner members.

Actuary’s Certification of the Schedule of Contributions

Name of scheme: **ACNielsen (UK) Pension Plan**

Adequacy of Rates of Contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 5 April 2021 to be met by the end of the period specified in the recovery plan dated 29 April 2022.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 29 April 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 Plan’s liabilities by the purchase of annuities, if the Plan were to be wound up.

Signed

Stephen Aries
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW company

Watson House
London Road
Reigate
Surrey RH2 9PQ

Date 29 April 2022

Actuary's Certification of Technical Provisions

Name of Plan: **ACNielsen (UK) Pension Plan**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Plan's technical provisions as at 5 April 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 Plan and set out in the Statement of Funding Principles dated 29 April 2022.

Signed Stephen Aries

Stephen Aries
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW company

Watson House
London Road
Reigate
Surrey RH2 9PQ

Date 29 April 2022

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan

Opinion

We have audited the financial statements of the ACNielsen (UK) Pension Plan (the 'Plan') for the year ended 5 April 2022, which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 5 April 2022 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 Regulations 3 and 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 Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Plan including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Plan's financial resources or ability to continue operations over the going concern period.

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

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan (continued)

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.

The responsibilities of the Trustee with respect to going concern are described in the 'Responsibilities of trustee for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Trustee for the financial statements

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of 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 Plan'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 wind up the Plan, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Plan and determined that the most significant are the Pensions Act 1995 and 2004 and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP").

  In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Plan operates.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee.
- We assessed the susceptibility of the Plan's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to the risk of management override of controls through posting inappropriate journal entries to manipulate results and net assets for the year.
- Our audit procedures involved:
  - journal entry testing, with a focus on large manual journals to unusual account codes, including:
    - manual journals with unusual account combinations such as those between the Fund Account and the Statement of Net Assets,
    - journals posted to suspense accounts, and,
    - journals with a blank description
  - obtaining independent confirmations of material investment valuations and cash balances at the year end.

  In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

  These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent Auditor's Report to the Trustee of ACNielsen (UK) Pension Plan (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of Plans of a similar size and complexity, appropriate to their role within the team. The engagement team are required to complete mandatory pensions sector training on an annual basis, thus ensuring they have sufficient knowledge and of the sector the underlying applicable legislation and related guidance.

Use of our report

This report is made solely to the Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 30/9/2022

Independent Auditor's Statement about Contributions to the Trustee of ACNielsen (UK) Pension Plan

We have examined the summary of contributions to the ACNielsen (UK) Pension Plan (the 'Plan') in respect of the Plan year ended 5 April 2022 which is set out in the trustee's report on 6.

In our opinion, contributions for the Plan year ended 5 April 2022 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 Plan actuary on 3 July 2019.

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 Plan and the timing of those payments under the Schedule of contributions.

Respective responsibilities of trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 42, the 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 Plan 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 statement

This statement is made solely to the trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustee as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 30/9/2022

Fund Account

For the year ended 5 April 2022

	Note	Defined benefit section 2022 £	Defined contribution section 2022 £	Total 2022 £	Total 2021 £
Contributions and benefits					
Employer contributions	5	6,661,996	-	6,661,996	48,602,603
		6,661,996	**-**	**6,661,996**	48,602,603
Benefits paid or payable	6	(6,829,661)	(30,619)	(6,860,280)	(7,567,870)
Payments to and on account of leavers	7	(1,363,903)	(264,123)	(1,628,026)	(2,940,811)
Administration expenses	8	(1,478,316)	-	(1,478,316)	(1,048,445)
		(9,671,880)	**(294,742)**	**(9,966,622)**	(11,557,126)
Net (withdrawals)/additions from dealings with members		**(3,009,884)**	**(294,742)**	**(3,304,626)**	37,045,477
Returns on investments					
Investment income	9	16,865,465	**-**	16,865,465	7,893,954
Change in market value of investments	10	(14,610,366)	3,195,815	(11,414,551)	12,796,194
Investment management expenses	12	(185,020)	-	(185,020)	(177,979)
Net returns on investments		**2,070,079**	**3,195,815**	**5,265,894**	20,512,169
Net increase in the fund during the year		(939,805)	2,901,073	**1,961,268**	57,557,646
Inter section transfer		621,523	(621,523)	**-**	-
Net assets of the Plan at start of year		263,185,513	33,890,984	297,076,497	239,518,851
Net assets of the Plan at end of year		**262,867,231**	**36,170,534**	**299,037,765**	297,076,497

The accompanying notes on pages 56 to 70 form an integral part of these financial statements.

Statement of Net Assets available for Benefits

As at 5 April 2022

	Note	Defined benefit section 2022 £	Defined contribution section 2022 £	Total 2022 £	Total 2021 £
Investment assets:					
Pooled investment vehicles	14	267,218,525	34,781,287	**301,999,812**	255,323,785
AVC investments	10	265,134	1,318,101	**1,583,235**	1,568,124
Other investments – cash in transit		-	-	**-**	40,000,000
Total		**267,483,659**	**36,099,388**	**303,583,047**	296,891,909
Investment liabilities:					
Other investments – amounts due to Broker		(4,606,193)	-	**(4,606,193)**	-
		(4,606,193)	**-**	**(4,606,193)**	**-**
Total net investments		**262,877,466**	**36,099,388**	**298,976,854**	**296,891,909**
Current assets	18	744,396	177,872	**922,268**	1,120,912
Current liabilities	19	(754,631)	(106,726)	**(861,357)**	(936,324)
Net assets of the Plan at end of year		**262,867,231**	**36,170,534**	**299,037,765**	297,076,497

The financial statements summarise the transactions of the Plan 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 Plan year. The actuarial position of the Plan, which takes into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on page 46 and these financial statements should be read in conjunction with this report.

The accompanying notes on pages 56 to 70 form an integral part of these financial statements.

The financial statements on pages 54 to 70 were approved on behalf of ACNielsen (UK) Pension Plan Trust Limited on 30/9/2022 **2022.**

Signed on behalf of the ACNielsen (UK) Pension Plan Trust Limited.

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Trustee Director

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Trustee Director

Notes to the Financial Statements

1. Identification of the financial statements

The ACNielsen (UK) Pension Plan, registration number 10226893, is a trust scheme established under English Law, administered under a Definitive Trust Deed and Rules and closed to future accrual. The address for enquiries to the Plan is included in the Trustee Report.

2. Basis of preparation

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

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

3. Accounting policies

The principal accounting policies of the Plan are as follows:

Contributions

Employer deficit funding and additional contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the employer and Trustee.

Payments to members

Benefits and any associated taxation 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.

Individual transfers out of the Plan are accounted for when member liability is discharged, which is normally when the transfer amount is paid.

Expenses

Expenses are accounted for on an accruals basis.

Investment income

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

Income from pooled investment vehicles which distribute income is accounted for when declared by the fund manager. Investment income, which is not distributed, arising from the underlying investment of pooled investment vehicles is reinvested and reflected in the unit price. It is reported within the change in market value.

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

Notes to the Financial Statements

3. Accounting policies (continued)

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

Presentation currency

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

Annuity policies

Under FRS 102 annuity policies are reported at the value of the related obligation to pay future benefits funded by the annuity policy.

The Trustee has determined that there are no material annuity policies held in the name of the Trustee.

Notes to the Financial Statements

4. Comparative disclosures for the Fund Account and Statement of Net Assets

Fund Account

	Note	Defined benefit section 2021 £	Defined contribution section 2021 £	Total 2021 £
Contributions and benefits				
Employer contributions	5	48,602,603	-	48,602,603
		48,602,603	**-**	**48,602,603**
Benefits paid or payable	6	(7,562,279)	(5,591)	(7,567,870)
Payments to and on account of leavers	7	(2,054,653)	(886,158)	(2,940,811)
Administration expenses	8	(1,048,445)	-	(1,048,445)
		(10,665,377)	**(891,749)**	**(11,557,126)**
Net additions/(withdrawals) from dealings with members		**37,937,226**	**(891,749)**	**37,045,477**
Returns on investments				
Investment income	9	7,893,954	**-**	7,893,954
Change in market value of investments	10	3,383,069	9,413,125	12,796,194
Investment management expenses	12	(177,979)	-	(177,979)
Net returns on investments		**11,099,044**	**9,413,125**	**20,512,169**
Net increase in the fund during the year		49,036,270	8,521,376	**57,557,646**
Inter section transfer		778,805	(778,805)	**-**
Net assets of the Plan at start of year		213,370,438	26,148,413	239,518,851
Net assets of the Plan at end of year		**263,185,513**	**33,890,984**	**297,076,497**

Notes to the Financial Statements

4. Comparative disclosures for the Fund Account and Statement of Net Assets (continued)

Statement of Net Assets available for Benefits

	Note	Defined benefit section 2021 £	Defined contribution section 2021 £	Total 2021 £
Investment assets:				
Pooled investment vehicles	14	222,796,569	32,527,216	**255,323,785**
AVC investments	10	270,163	1,297,961	**1,568,124**
Other investments – cash in transit		40,000,000	-	**40,000,000**
Total		**263,066,732**	**33,825,177**	**296,891,909**
Current assets	18	841,540	279,372	**1,120,912**
Current liabilities	19	(722,759)	(213,565)	**(936,324)**
Net assets of the Plan at end of year		**263,185,513**	**33,890,984**	**297,076,497**

5. Contributions

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
Employer contributions			
Deficit funding	5,181,996	-	5,181,996
Additional	1,480,000	-	1,480,000
	6,661,996	**-**	**6,661,996**

	2021 £	2021 £	2021 £
Employer contributions			
Deficit funding	5,122,603	-	5,122,603
Additional	43,480,000	-	43,480,000
	48,602,603	-	48,602,603

Contributions have been received in accordance with the Schedule of Contributions certified by the Plan actuary on 3 July 2019.

The Plan was closed to the accrual of future benefits with effect from 1 April 2016.

Deficit funding contributions are to improve the Plan’s funding position in accordance with the recommendations of the Actuary. The Schedule of Contributions certified by the Actuary on 3 July 2019 states that the deficit funding contributions would be £5,002,392 a year, subject to the annual inflation adjustment from 1 April 2020, payable by monthly instalments.

The most recent Schedule of Contributions, effective 29 April 2022, states that the deficit funding contributions would be £431,833 a month between April 2021 and March 2022 and then £3,671,472 a year, subject to the annual inflation adjustment from 1 April 2023, payable by monthly instalments from April 2022 to May 2028.

The Employer is also required to pay £40,000 per month for administration expenses.

Additional contributions of £1,000,000 a year are payable from 2020 to 2025. A further additional contribution of £42,000,000 was received in February 2021 following the removal of the employers guarantee arrangement.

Notes to the Financial Statements

6. Benefits paid or payable

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
Pensions	5,757,768	-	5,757,768
Commutations of pensions and lump sum retirement benefits	732,278	30,619	762,897
Lump sum death benefits	144,431	-	144,431
Open market options	195,184	-	195,184
	6,829,661	**30,619**	**6,860,280**

	2021 £	2021 £	2021 £
Pensions	5,616,445	-	5,616,445
Commutations of pensions and lump sum retirement benefits	1,935,469	5,591	1,941,060
Lump sum death benefits	-	-	-
Open market options	10,365	-	10,365
	7,562,279	5,591	7,567,870

7. Payments to and on account of leavers

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
Individual transfers to other schemes	**1,363,903**	**264,123**	**1,628,026**

	2021 £	2021 £	2021 £
Individual transfers to other schemes	2,054,653	886,158	2,940,811

Notes to the Financial Statements

8. Administration expenses

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
External actuarial, consultancy & administration	1,405,333	-	1,405,333
Audit fees	21,913	-	21,913
Legal fees	39,251	-	39,251
Miscellaneous	11,819	-	11,819
	1,478,316	**-**	**1,478,316**

	2021 £	2021 £	2021 £
External actuarial, consultancy & administration	983,966	-	983,966
Audit fees	17,632	-	17,632
Legal fees	11,763	-	11,763
Miscellaneous	35,084	-	35,084
	1,048,445	-	1,048,445

All other costs of administration are borne by the Employer.

9. Investment income

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
Annuity income	24,162	-	24,162
Income from pooled investment vehicles	16,841,303	-	16,841,303
Profit/(loss) on foreign exchange	-	-	-
	16,865,465	**-**	**16,865,465**

	2021 £	2021 £	2021 £
Annuity income	24,162	-	24,162
Income from pooled investment vehicles	7,869,794	-	7,869,794
Profit/(loss) on foreign exchange	(2)	-	(2)
	7,893,954	-	7,893,954

Notes to the Financial Statements

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

	Value at 6 April 2021 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 5 April 2022 £
Defined Benefit Section					
Pooled investment vehicles	222,796,569	119,456,183	(60,419,808)	(14,614,419)	**267,218,525**
AVC investments	270,163	-	(9,082)	4,053	**265,134**
	223,066,732	119,456,183	(60,428,890)	(14,610,366)	**267,483,659**
Other investments – cash in transit	40,000,000				-
Other investments – amounts due to brokers	-				(4,606,193)
	263,066,732				**262,877,466**

	Value at 6 April 2021 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 5 April 2022 £
Defined Contribution Section					
Pooled investment vehicles	32,527,216	657,914	(1,515,700)	3,111,857	**34,781,287**
AVC investments	1,297,961	-	(63,818)	83,958	**1,318,101**
	33,825,177	657,914	(1,579,518)	3,195,815	**36,099,388**

AVC investments

The Trustee holds assets invested separately from the main fund in the form of insurance policies securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement made up to 5 April confirming the amounts held to their account and the movements in the year. The aggregate amounts of AVC investments are as follows:

Defined Benefit Section	**2022 £**	**2021 £**
Aviva	**265,134**	270,163

Defined Contribution Section	**2022 £**	**2021 £**
Aviva	**1,318,101**	1,297,961

Notes to the Financial Statements

10. Reconciliation of investments held at the beginning and end of the year (continued)

Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Direct transaction costs include costs charged to the Plan such as fees, commissions and stamp duty. There were no such costs incurred during the year.

In addition to the transaction costs described above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect transaction costs are not separately provided to the Plan.

Defined Contribution Section

For the Defined Contribution section, investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustee. The Plan administrator allocates investment units to members.

The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting. Members receive an annual statement confirming contributions paid on their behalf and the value of their money purchase rights.

11. Concentration of investments

The following DB section investments were valued in excess of 5% of the net assets of the Plan at 5 April 2022.

	£	**2022 %**
WTW – Sterling Z Shares	76,969,620	**25.7**
WTW – Core Diversified Fund	41,560,518	**13.9**
Insight – Fiduciary Leveraged Long Fixed Fund	23,290,346	**7.8**
Insight – Fiduciary Leveraged Short Real Fund	20,133,777	**6.7**
Insight – Liquidity Fund	85,454,145	**28.6**

The following DC section investments were valued in excess of 5% of the net assets of the Plan at 5 April 2022.

	£	**2022 %**
Legal & General – Global Equity MW (30:70) Index Fund	25,359,526	**8.5**

12. Investment management expenses

	2022 Defined benefit section £	**2022 Defined contribution section £**	**2022 Total £**
Administration, management and custody	**185,020**	**-**	**185,020**

	2021 £	**2021 £**	**2021 £**
Administration, management and custody	177,979	-	177,979

Notes to the Financial Statements

13. Taxation

The Plan 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.

14. Pooled investment vehicles

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

Defined Benefit Section	**2022 £**	**2021 £**
Multi-asset Fund (WTW)	118,530,138	111,324,988
Insight Downside Risk Hedge	290,406	453,145
LDI Funds (Insight)	148,397,981	108,395,384
Sterling Liquidity	-	2,623,052
	267,218,525	222,796,569

Defined Contribution Section	**2022 £**	**2021 £**
UK Equities	1,446,373	1,347,440
Overseas Equities	4,908,184	4,644,996
Fixed Interest Bonds	618,092	733,228
Index-Linked Gilts	910,975	782,277
Global Equity MW (30:70) Ind Fund	25,359,526	23,834,230
Pre-Retirement Infl Link Fund	1,538,137	1,185,045
	34,781,287	32,527,216

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

15. Fair value determination

The fair value of financial instruments has been disclosed 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 assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable (i.e. developed) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Notes to the Financial Statements

15. Fair value determination (continued)

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

As at 5 April 2022	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Defined Benefit Section				
Pooled investment vehicles	-	148,688,387	118,530,138	267,218,525
AVC investments	-	265,134	-	265,134
Other investments	-	(4,606,193)	-	(4,606,193)
	-	**144,347,328**	**118,530,138**	**262,877,466**
Defined Contribution Section				
Pooled investment vehicles	-	34,781,287	-	34,781,287
AVC investments	-	1,318,101	-	1,318,101
	-	**36,099,388**	**-**	**36,099,388**

As at 5 April 2021	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Defined Benefit Section				
Pooled investment vehicles	-	111,471,581	111,324,988	222,796,569
AVC investments	-	270,163	-	270,163
Other investments	-	40,000,000	-	40,000,000
	-	151,741,744	111,324,988	263,066,732
Defined Contribution Section				
Pooled investment vehicles	-	32,527,216	-	32,527,216
AVC investments	-	1,297,961	-	1,297,961
	-	33,825,177	-	33,825,177

Notes to the Financial Statements

16. Investment risk disclosures

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

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

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

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

The Trustees determine their investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees delegate the management of investment risks to the Plan's Fiduciary Manager, including credit risk and market risk, within agreed guidelines which are set taking into account the Plan's strategic investment objectives. These investment objectives and guidelines are monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include any legacy insurance policies nor AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Defined Benefit Section

The investment objectives are:

- The acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from the Employer, the cost of current and future benefits which the Plan provides.
- To limit the risk of the assets failing to meet the liabilities, both over the long-term and on a shorter-term basis.
- To minimise the long-term costs of the Plan by maximising the return on the assets whilst having regard to the objective shown under the point above.

The Trustees set the investment strategy taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

The current strategy is to target a return of 2.0% pa above gilt based liabilities which corresponds approximately to a benchmark allocation of:

Asset class	Benchmark weight (%)
Multi-asset funds (return-seeking assets)	40.5
Liability driven investments & cash (matching assets)	59.5
	100.0

Notes to the Financial Statements

16. Investment risk disclosures (continued)

Credit risk

The Plan invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Plan is also indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Credit risk arising on derivatives (which are used in the pooled LDI funds in which the Plan invests) depends on whether the derivative is exchange traded or over the counter (“OTC”). OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements.

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

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

Currency risk

The Plan has an allocation to overseas assets through the multi-asset funds of Towers Watson Investment Management. However, the currency risks are mitigated through a degree of currency hedging, which is subject to the managers’ discretion.

Interest rate risk

The Plan is subject to interest rate risk because some of the Plan’s investments are held in bonds and interest rate swaps, through the pooled investment vehicles, and cash. The Trustees have set a return target which broadly corresponds to a benchmark allocation in these assets of 59.5% of the total investment portfolio, as part of their LDI investment strategy. Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. At the year-end the LDI and cash portfolios represented approximately 55.5% of the total investment portfolio. The Plan also has additional exposure to bonds through pooled investments within the return-seeking allocation.

Other price risk

Other price risk arises principally in relation to the Plan’s multi-asset return-seeking portfolio. The Plan’s return target corresponds to an asset allocation of 40.5 of investments being held in return-seeking investments. At year end the allocation to return-seeking investments represents 44.4% of the total investment portfolio.

The Plan manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Notes to the Financial Statements

16. Investment risk disclosures (continued)

Defined Contribution Section

The Trustee seeks to offer members funds that acquire secure assets of appropriate liquidity and diversification, which will generate income and capital growth which will provide a fund at retirement with which to provide retirement benefits (be that by purchase of a pension annuity or by some other means – income drawdown for example).

The investment funds offered to members are provided by Legal & General Investment Management ("LGIM") and Aviva. Full details of the investment funds are contained in the Plan's Statement of Investment Principles (SIP) which is included with this report.

The risks disclosed here relate to the DC sections' investments as a whole. Members in the Plan's new Money Purchase section (held with Aviva) are able to choose their own investments from the range of funds offered by the Trustees and therefore may face a different profile of risks from their individual choices compared with the DC sections' investments as a whole. There is only one investment option available in the old Money Purchase section (held with LGIM).

Credit risk

The Plan is subject to direct credit risk through its holding in pooled investment vehicles (accessed through insurance funds) provided by LGIM and Aviva. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager/provider, the regulatory environments in which the pooled managers/providers operate and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and monitor them (with assistance from their investment adviser).

Market risk

The Plan is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds.

Fund	Exposed to:	Currency Risk	Interest rate risk	Other price risk
Equity funds		✓	-	✓
Bond funds		✓	✓	-

17. Employer related investment

There have been no employer related investments within the meaning of Section 40 of the Pensions Act 1995 during the year ended 5 April 2022.

Notes to the Financial Statements

18. Current assets

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
Debtors and prepayments	56,360	111,101	167,461
Cash balances	687,929	66,771	754,700
Cash deposits held with the Plan Administrator	107	-	107
	744,396	**177,872**	**922,268**

	2021 £	2021 £	2021 £
Debtors and prepayments	177,324	43,229	220,553
Cash balances	664,109	236,143	900,252
Cash deposits held with the Plan Administrator	107	-	107
	841,540	279,372	1,120,912

19. Current liabilities

	2022 Defined benefit section £	2022 Defined contribution section £	2022 Total £
Benefits payable	164,014	20	164,034
Accrued expenses	473,261	-	473,261
State scheme premiums	7,922	9,160	17,082
Tax due to HMRC	68,005	10,240	78,245
Other creditors	41,429	87,306	128,735
	754,631	**106,726**	**861,357**

	2021 £	2021 £	2021 £
Benefits payable	5,151	20	5,171
Accrued expenses	594,983	-	594,983
State scheme premiums	7,922	9,160	17,082
Tax due to HMRC	73,274	10,240	83,514
Other creditors	41,429	194,145	235,574
	722,759	213,565	936,324

20. Related party transactions

Richard Cowdrey, Michael Watkins, and Jocelyn Colyer, who were Directors of the Trustee Company during the Plan year were members of the Plan during the Plan year, accruing benefits in line with the Trust Deed and Rules..

Certain administration expenses are borne by the Principal Employer. At the year-end a balance of £9,308 (2021: £9,308) was owed by the Principal Employer to the Plan in respect of historical administration fees paid from the Plan.

Notes to the Financial Statements

20. Related party transactions (continued)

Administration expenses are paid initially by the employer and the recharged to the Plan. During the year £1,544,059 was recharged (2021: £1,218,044). At the year-end £444,628 was due from the Plan to the employer (2021: £566,413).

21. Contingent liabilities

As explained on page 5 of the Trustee's report, 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.

The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis the trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member.

The Trustee of the Plan is aware that the issue will affect the Plan and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

Based on an initial assessment of the likely backdated amounts and related interest the trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.