

**CELSIUS FIRST NUMBER ONE SCHEME**

**ANNUAL REPORT**

**YEAR ENDED 5 APRIL 2022**

**SCHEME REGISTRATION NUMBER: 101297361**

**CELSIUS FIRST NUMBER ONE SCHEME**

**ANNUAL REPORT**

**5 APRIL 2022**

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**CELSIUS FIRST NUMBER ONE SCHEME**

**TRUSTEES AND PROFESSIONAL ADVISERS**

**5 APRIL 2022**

**PRINCIPAL EMPLOYER**

Celsius First Limited (in Administration from 2 March 2006 and dissolved 31 August 2010)

**TRUSTEES**

E W Hall

A H Murrell

S Markiewicz (deceased 22 October 2021)

R J ffitich

D W Jaeger

**INVESTMENT MANAGER**

Prudential Assurance Company Limited

Abbey Gardens

55 King's Road

Reading

Berks RG1 3AH

Prudential M&G (closed 21 April 2022)

Laurence Pountney Hill

London EC4R 0HH

**SCHEME ADMINISTRATORS**

C G Mercer

Colin Mercer Actuarial Services

14 Firway

Oaklands

Welwyn

Herts AL6 0RD

**INVESTMENT AND OTHER ADVISERS**

C G Mercer

Colin Mercer Actuarial Services

14 Firway

Oaklands

Welwyn

Herts AL6 0RD

**AUDITOR**

Hillier Hopkins LLP

Radius House

51 Clarendon Road

Watford

Herts WD17 1HP

**SOLICITORS**

Squire Patton Boggs (UK) LLP

7 Devonshire Square

Cutlers Gardens

London EC2M 4YH

**BANKERS**

Lloyds Bank Plc

Silver Street Branch

Enfield

PO Box 1000

BX1 1LT

## CELSIUS FIRST NUMBER ONE SCHEME

### TRUSTEES' REPORT 5 APRIL 2022

#### INTRODUCTION

The Trustees are pleased to present their report on the Scheme for the year ended 5 April 2022.

The Scheme is a money purchase scheme established by a Trust Deed dated 1 July 1980. The Scheme was approved by the Pension Schemes Office of the Inland Revenue as a retirement benefits scheme for the purposes of Chapter I Part XIV of the Income and Corporation Taxes Act 1988 with effect from 1 July 1980 and was treated as an "exempt approved scheme" for the purposes of Section 592 of that Act. In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Scheme became a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 with effect from 6 April 2006 and, to the Trustees' knowledge, there is no reason why the Scheme's registered status should be prejudiced or withdrawn. Further information about the Scheme was given in the explanatory booklet, which was issued to all members on joining.

On 2 March 2006 Celsius First Limited entered into administration. On 30 November 2007 a Deed of Amendment was signed enabling the Trustees to wind up the Scheme and on 2 July 2008 the Trustees passed a resolution to commence the process of winding up the Scheme.

#### CHANGES TO THE SCHEME

There were no changes to the Scheme during the year.

#### MEMBERSHIP

Details of the membership of the Scheme are given below:-

	2022	2021
Members with preserved benefits as at 6 April of the previous year	38	44
Reduced by: Retirements and commutations	(2)	(1)
Transfers out	(12)	(5)
	<hr/>	<hr/>
Deferred members as at 5 April	24	38
	<hr/> <hr/>	<hr/> <hr/>

#### TRUSTEES

In accordance with the Trust Deed, the Trustees were appointed by and may be dismissed by the Principal Employer, however following the Principal Employer entering administration a Deed has been agreed with the Administrators empowering the Trustees to make any changes to the procedures for appointing Trustees.

During the year the Trustees held three meetings.

#### FINANCIAL STATEMENTS

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

#### SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

The last Payment Schedule agreed with the Principal Employer related to the year ended 5 April 2006. The Trustees could not agree a new schedule with the Administrators and therefore the Administrators continued to pay contributions at the rates set out in the last agreed Payment Schedule.

Following the Principal Employer entering administration on 2 March 2006 all contributions to the Scheme ceased on 6 July 2007.

## CELSIUS FIRST NUMBER ONE SCHEME

### TRUSTEES' REPORT (continued)

5 APRIL 2022

#### INVESTMENT PRINCIPLES

The Trustees have established a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. A copy is available on request at the address given below.

#### REPORT ON INVESTMENT

The Prudential Assurance Company Limited declared a regular bonus for the year commencing 6 April 2022 of 1.5% (2021: 1.5%); this annual bonus, by increasing the unit price, enhances the value of the members' personal holdings.

An investment manager report from Prudential is included as an appendix to the financial statements.

#### FINANCIAL DEVELOPMENT

The Fund Account on page 12 shows that at 5 April 2022 the value of the fund had decreased from £2,299,836 to £1,370,095 mainly as a result of payments to leavers.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In discharging the above responsibilities, the Trustees are 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 Scheme will not be wound up.

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

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

The Trustees are responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the payment schedule. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

**CELSIUS FIRST NUMBER ONE SCHEME**

**TRUSTEES' REPORT (continued)  
5 APRIL 2022**

**COVID-19 AND OTHER MATTERS**

Since March 2020, Covid-19 and other, more recent, geopolitical and economic issues, such as the war in Ukraine, have had a profound effect on domestic and global economies, with disruption and volatility in the financial markets.

The Trustees, in conjunction with their advisors, monitor the situation closely and determine any actions that are considered to be necessary. This includes monitoring the Scheme's investment portfolio and the operational impact on the Scheme.

The extent of the impact on the Scheme's investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted.

**FURTHER INFORMATION**

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances, copies of the documents can be provided but a charge will be made for copies of the trust documents (deed and rules).

'The Pensions Regulator' guidance to Trustees has been made available to the Trustees at the address below.


The Trustees issued Privacy Notices to all members in May 2018 confirming compliance with the new General Data Protection Regulations applicable from 25 May 2018. The use of members data is for the purpose of pension's administration by the Trustees and regulated third party providers only.

Any queries about the Scheme, including requests from individuals for information about their benefits, should be sent to:-

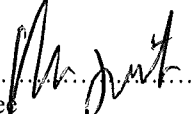
Mr R J ffitch  
202 Plomer Avenue  
Hoddesdon  
Herts  
EN11 9FS

email: celsiusfirsttrustees@hotmail.co.uk

Signed on behalf of the Trustees

  
.....  
Trustee

21ST OCTOBER 2022  
.....  
Date

  
.....  
Trustee

## CELSIUS FIRST NUMBER ONE SCHEME

### CHAIRMAN'S STATEMENT AND MONEY PURCHASE GOVERNANCE REPORT

5 APRIL 2022

This statement has been prepared by the Scheme's Trustees ("the Trustees") and reports on how the Trustees during the reporting period, 6 April 2021 to 5 April 2022, complied with the governance standards, introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015 and amended by The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 ("the Regulations").

This statement reports on how the Trustees comply with governance standards relating to defined contribution (DC) benefits, also commonly referred to as money purchase benefits.

The Scheme's DC benefits include normal contributions which are invested in Prudential Assurance's With Profit Investment Account and Prudential M&G's unitised Long Term Bond and Long Term Growth Passive Funds.

The Scheme closed to contributions with effect from 6 July 2007 and the Trustees intend to complete the winding up of the Scheme in the next 12 months following the signing off of this report.

Members also received individual letters in January 2022 detailing that value of the amounts held to their account and advising of the Trustees intention to wind up the Scheme.

#### DEFAULT ARRANGEMENT

Members of the Scheme who did not make an explicit choice regarding investing in the directly invested pooled Long Term Bond Fund and Long Term Growth Passive Fund with Prudential M&G, have their funds invested in the Prudential Assurance With Profits Investment Account.

The objective of this fund is to provide a regular investment growth as the fund provides a guaranteed annual reversionary bonus which once added cannot be taken away. The fund also provides for an additional bonus known as a terminal bonus which is paid on disinvestment, although this is not guaranteed.

Given the Scheme is winding-up, and the historic nature of these investments, the Trustees consider this approach remains in the best interest of members.

The principles noted above relating to the default arrangement were last reviewed by the Trustees in December 2018 and are due to be reviewed every three years thereafter.

#### PROCESSING SCHEME TRANSACTIONS

The Trustees have a duty to secure that core financial transactions relating to DC benefits (transfers out of the Scheme, investment switches within the Scheme and payments out of the Scheme) are processed promptly and accurately.

These transactions are undertaken on the Trustees' behalf by the Scheme administrator and its investment managers, the Prudential Assurance Company and Prudential M&G. The Trustees have reviewed the processes and controls implemented by those organisations and consider them to be suitably designed to achieve those objectives.

Given the limited numbers of core financial transactions which take place within the Scheme during any Scheme year the Trustees are able to monitor these on an individual basis.

During the year the Trustees have confirmed that all core financial transactions completed within the Scheme were processed promptly and accurately.

#### CHARGES AND TRANSACTION COSTS

Prudential With Profits Investment Account

The annual management charge applicable to the Prudential With Profit Investment Account is estimated at 0.65% although the charge is not guaranteed to remain at this level and may change in the future. The fund charge is allowed for in Prudential's bonus rates. The bonus rates also allow for charges taken to cover the cost of any guarantees.

Further details of Prudential's fund costs and bonus rates are included in the Appendix at the end of the Annual Report.

## CELSIUS FIRST NUMBER ONE SCHEME

### CHAIR'S STATEMENT - ANNUAL DC GOVERNANCE STATEMENT 5 APRIL 2022

- continued -

#### **COST & CHARGE ILLUSTRATIVE EXAMPLE**

The Trustees have produced an illustration in line with February 2018 guidance from the Department for Work & Pensions entitled "Cost and charge reporting: guidance for trustees and managers of occupational schemes". The illustration is set out below and is designed to cater for a representative cross-section of the members of the Scheme. For the illustration, the savings pot has been projected twice; firstly to allow for the assumed investment return gross of the costs and charges of the fund the member is invested in and then adjusted for the cumulative effect of the costs and charges of the fund.

To determine the parameters used in the illustration, the Trustees have analysed the membership data relevant to the reporting period of this statement and ensured that the illustration takes into account the following:

- The main fund available is the Prudential With Profit Investment Account
- Representative pot sizes - given the small number of members in the Scheme the median pot size of those held in the Prudential With Profit Investment Fund has been illustrated
- The approximate duration that the youngest member using the fund would take to reach normal retirement age.

The Trustees have determined not to include any illustrations for the Prudential M&G Long Term Bond Fund or Long Term Growth Passive Fund as it would be disproportionately burdensome given that each fund only has one member investing in those funds. These Funds were fully disinvested on 14 April 2022.

#### **Prudential With Profit Investment Account**

As the Scheme is in process of being wound up the Trustees do not consider it appropriate to provide projected fund values.



CELSIUS FIRST NUMBER ONE SCHEME

CHAIR'S STATEMENT - ANNUAL DC GOVERNANCE STATEMENT  
5 APRIL 2022

- continued -

**VALUE FOR MEMBERS**

The Trustees are required to assess the extent to which the charges and transaction costs borne by members represent value.

The charges and transaction costs borne by members cover the costs of providing the investment management services. The costs of administration services and communications had been by a levy of 10% since 2013 which is deducted from a member's fund following disinvestment prior to drawing benefits or transferring out of the Scheme. The Members have been advised that this levy has increased to 12% effective from 1 October 2020.

Given the scale of the Scheme the Trustees have not carried out a detailed assessment of Value for Members (VFM) for the Scheme year ending 5 April 2022.

The Trustees recognise that low cost does not necessarily mean better value and have considered the nature of the investment funds offered, the performance of the investment funds and the range and quality of communication materials. Given that the management charge of 0.65% of assets incurred on the Prudential With Profit Investment Account is lower than the maximum allowed of 0.75% the Trustees are satisfied that the Scheme's DC arrangements offer reasonable value for members given that there are few options available to them given the size and nature of the Scheme.

The nature of the with-profits funds, which comprise most of the funds held on a DC basis in the Scheme, mean there is little scope for the Trustees to make further changes to increase value without impacting guarantee terms or potentially incurring market value reductions.

**TRUSTEE KNOWLEDGE AND UNDERSTANDING**

The Trustees must be conversant with the Scheme's main documents and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of Scheme assets to enable them to properly exercise their functions as Trustees.

The Trustees comprise four Trustees, two of whom were nominated by the principal employer, and two Trustees appointed in accordance with a Deed agreed with the Administrators in 2006.

The Trustees are conversant with the definitive trust deed and rules and the internal disputes resolution procedure.

The Trustees use the Pensions Regulator's Trustee Toolkit and use self-assessment to identify knowledge gaps. In addition the Trustees supplement their training with matters such as attending seminars and reading pensions-related articles. The Trustees have also received training on the governance requirements surrounding DC pension arrangements and the increased disclosure requirements, including the requirement to provide cost illustrations, for DC arrangements.

The Trustees consult externally with Prudential and professional advisers as and when required, for example on governance and legal matters.

The Trustees have assessed their combined knowledge, skills and understanding and consider it, together with the advice which is available to them from Prudential, Colin Mercer Actuarial Services and Squire Patton Boggs, enables them to properly exercise their Trustee functions in relation to the Scheme's DC arrangements.

Signed by the Chair on behalf of the Trustees:



.....  
A.H. Murrell (Chair)

Date: 21st October 2022

## CELSIUS FIRST NUMBER ONE SCHEME

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CELSIUS FIRST NUMBER ONE SCHEME

#### Opinion

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

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 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 Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

As described in note 1 the Trustees have formally triggered the winding up of the Scheme. Accordingly the financial statements have been prepared on a cessation basis and we concur with this assessment. No adjustments are required to the financial statements.

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

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## CELSIUS FIRST NUMBER ONE SCHEME

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CELSIUS FIRST NUMBER ONE SCHEME (continued)

#### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 3, the Scheme's Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- the nature of the industry and sector, control environment and investment performance;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Scheme and management. We consider the results of our enquiries of management and Trustees about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Scheme's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Scheme for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Scheme operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Pensions Act 1995, and relevant tax legislation.

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


CELSIUS FIRST NUMBER ONE SCHEME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CELSIUS FIRST NUMBER ONE SCHEME (continued)

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

**Use of our report**

This report is made solely to the Scheme's Trustees, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP

2 November 2022  
.....  
Date

**CELSIUS FIRST NUMBER ONE SCHEME**

**INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEES OF THE  
CELSIUS FIRST NUMBER ONE SCHEME**

**Statement about contributions payable under the schedule of contributions**

We have examined the summary of contributions to the Celsius First Number One Scheme (the 'Scheme') for the year ended 5 April 2022 which is set out in the Trustees' Report on page 2.

In our opinion contributions for the year ended 5 April 2022 as reported in the summary of contributions and payable under the Scheme Rules have in all material respects been paid at least in accordance with the Scheme Rules.

**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 relevant requirements. This includes an examination on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Scheme Rules.

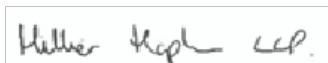
**Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 3, the Scheme's Trustees are responsible for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Scheme Rules.

It is our responsibility to provide a statement about contributions payable under the Scheme Rules and to report our opinion to you.

**Use of our statement**

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



.....  
Hillier Hopkins LLP  
Chartered Accountants  
Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Hertfordshire  
WD17 1HP

2 November 2022  
.....  
Date

**CELSIUS FIRST NUMBER ONE SCHEME**

**FUND ACCOUNT  
YEAR ENDED 5 APRIL 2022**

	Notes	2022	2021
		£	£
<b>CONTRIBUTIONS AND BENEFITS</b>			
Benefits paid or payable	4	(135,667)	(48,729)
Payments to leavers	5	(719,140)	(257,618)
Administrative expenses	6	(56,890)	(51,109)
		<hr/>	<hr/>
		(911,697)	(357,456)
		<hr/>	<hr/>
<b>NET WITHDRAWALS FROM DEALINGS WITH MEMBERS</b>		(911,697)	(357,456)
<b>RETURNS ON INVESTMENTS</b>			
Change in market value of investments	8	(18,044)	272,587
		<hr/>	<hr/>
		(18,044)	272,587
		<hr/>	<hr/>
<b>NET DECREASE IN SCHEME DURING THE YEAR</b>		(929,741)	(84,869)
<b>NET ASSETS OF THE SCHEME AT 6 APRIL 2021</b>		2,299,836	2,299,836
		<hr/>	<hr/>
<b>NET ASSETS OF THE SCHEME AT 5 APRIL 2022</b>		1,370,095	2,299,836
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 19 form part of the financial statements.

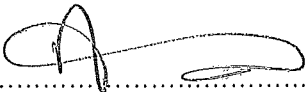
CELSIUS FIRST NUMBER ONE SCHEME

STATEMENT OF NET ASSETS  
AS AT 5 APRIL 2022


	Notes	2022 £	2021 £
<b>Investment assets</b>			
Pooled investment vehicles	9	5,388	5,506
Insurance policy	10	490,899	2,297,054
<b>Total net investments</b>	8	<u>496,287</u>	<u>2,302,560</u>
<b>Current assets</b>	14	886,195	5,995
<b>Current liabilities</b>	15	(12,387)	(8,719)
<b>NET ASSETS OF THE SCHEME AT 5 APRIL 2022</b>		<u><u>1,370,095</u></u>	<u><u>2,299,836</u></u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take into account obligations to pay pensions and benefits which fall due after the end of the year.

Signed on behalf of the Trustees

  
.....  
Trustee

21st OCTOBER 2022  
.....  
Date

  
.....  
Trustee

The notes on pages 14 to 19 form part of the financial statements.

## CELSIUS FIRST NUMBER ONE SCHEME

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2022

#### 1. BASIS OF PREPARATION

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

As disclosed in the Trustees’ Report the Trustees formally triggered the winding up of the Scheme. Consequently, the financial statements have been prepared on a cessation basis.

#### 2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

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

#### 3. ACCOUNTING POLICIES

The principal accounting policies of the Scheme are as follows:

##### **Payments to members**

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

Individual transfers out of the Scheme 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.

##### **Change in market value**

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**

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

With profit insurance policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.

##### **Currency**

The Scheme functional and presentation currency is pounds sterling.



**CELSIUS FIRST NUMBER ONE SCHEME**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 5 APRIL 2022**

**4. BENEFITS PAID AND PAYABLE**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Purchases of residual pensions	<b>101,750</b>	36,547
Commutations and lump sums on retirement	<b>33,917</b>	12,182
	<b>135,667</b>	48,729
	<b>135,667</b>	48,729

**5. PAYMENTS TO AND ON ACCOUNT OF LEAVERS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Transfers to other pension arrangements	<b>719,140</b>	257,618
	<b>719,140</b>	257,618

**6. ADMINISTRATIVE EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Administration expenses	<b>30,444</b>	25,296
Trustee fees	<b>14,595</b>	15,606
Trustee indemnity insurance	<b>898</b>	767
Consultancy fees	<b>4,593</b>	3,200
Audit fees	<b>6,360</b>	6,240
	<b>56,890</b>	51,109
	<b>56,890</b>	51,109

The administration levy deducted from members' units disinvested during the year amounted to £241,259 (2021 : £35,026).

**7. TAXATION**

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

**CELSIUS FIRST NUMBER ONE SCHEME**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 5 APRIL 2022**

**8. RECONCILIATION OF INVESTMENTS**

The movements in the investments during the year were as follows:

	Value at 6 April 2021 £	Purchases £	Disposal proceeds £	Change in market value £	Value at 5 April 2022 £
Pooled investment vehicles	5,506	-	-	(118)	5,388
Insurance policy	2,297,054	-	(1,788,229)	(17,926)	490,899
	<u>2,302,560</u>	<u>-</u>	<u>(1,788,229)</u>	<u>(18,044)</u>	<u>496,287</u>

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect transaction costs are not separately provided to the Scheme.

The investments are allocated to members and Trustees as follows:

	2022 £	2021 £
Members	496,287	2,302,560
Trustees	-	-
	<u>496,287</u>	<u>2,302,560</u>

When members units are disinvested they are subject to an administration levy which is allocated to the Trustees to pay the Scheme's administration expenses.

Investments purchased by the Scheme are allocated to provide benefits to individuals on whose behalf the corresponding contributions were paid. Contributions are invested in the Prudential With Profits Fund, the Prudential M&G Long Term Bond and Long Term Growth Passive Funds and are held by the investment managers in units on a pooled basis for the Trustees. The Scheme administrator allocates investment units to Members.

**9. POOLED INVESTMENT VEHICLES**

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

	2022 £	2021 £
Prudential M&G Long Term Bond Fund	3,292	3,581
Long Term Growth Passive Fund	2,096	1,925
	<u>5,388</u>	<u>5,506</u>

The underlying assets of these funds comprise equities, bonds, property and other types of investment.

**CELSIUS FIRST NUMBER ONE SCHEME**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 5 APRIL 2022**

**10. INSURANCE POLICY**

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

	<b>2022</b>	<b>2021</b>
	£	£
Prudential With Profits Fund	<b>490,899</b>	2,297,054

The unit price at which units may be bought or cancelled is changed on a daily basis by way of reversionary bonus additions as determined by the Prudential. The sum realised on cancellation of units may be increased by a terminal bonus and/or reduced by a market value reduction applied at the discretion of the Prudential.

**11. CONCENTRATION OF INVESTMENTS**

The following investment exceeds 5% of the total value of the net assets of the Scheme:

	<b>2022</b>		<b>2021</b>
	£	%	£
		%	%
Prudential With Profits Fund	<b>490,899</b>	<b>35.83</b>	2,297,054
			99.88

**12. FAIR VALUE DETERMINATION**

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

- Level 1      The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2      When quoted prices are unavailable, use direct or indirect observable market data.
- Level 3      Where a quoted price or direct or indirect observable market data is not available, the fair value is determined using unobservable data (ie for which market data is unavailable) for the asset or liability.

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>2022</b>
	£	£	£	<b>Total</b>
				£
Pooled investment vehicles	-	<b>5,388</b>	-	<b>5,388</b>
Insurance policy	-	-	<b>490,899</b>	<b>490,899</b>
	-	<b>5,388</b>	<b>490,899</b>	<b>496,287</b>
	Level 1	Level 2	Level 3	2021
	£	£	£	Total
				£
Pooled investment vehicles	-	5,506	-	5,506
Insurance policy	-	-	2,297,054	2,297,054
	-	5,506	2,297,054	2,302,560

## CELSIUS FIRST NUMBER ONE SCHEME

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2022

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

The Trustees determine their investment strategy after taking advice from a professional investment advisor. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management and the Scheme's exposures to credit and market risks is set out below.

##### a) Investment strategy

The Trustees' objective, prior to the Scheme entering wind up, had been to make available to members of the Scheme an appropriate range of investment options designed to generate income and capital growth, which together with the contributions from members and employer, will provide a retirement amount with which the member can either purchase a pension annuity or other type of retirement product. The SIP outlines the investment objectives and strategy for the assets of the Scheme.

The investment funds offered to members are white label funds provided by Prudential Assurance Company and Prudential M&G as follows:

- With profits
- Long term bond
- Long term growth passive

The Trustees have an investment management agreement in place with Prudential Assurance Company and Prudential M&G which set out guidelines for the underlying investments held by the funds. The day to day management of the underlying investments of the funds is the responsibility of Prudential Assurance Company and Prudential M&G, including the direct management of credit and market risk.

The Trustees monitor the underlying risk by regular review of Prudential Assurance Company and Prudential M&G.

##### b) Credit risk

The Scheme is subject to direct credit risk in relation to Prudential Assurance Company and Prudential M&G through its holding in unit linked insurance funds provided by Prudential Assurance Company and Prudential M&G.

## CELSIUS FIRST NUMBER ONE SCHEME

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2022

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

Prudential Assurance Company and Prudential M&G are regulated by the Financial Conduct Authority and maintain separate funds for their policy holders. The Trustees monitor the creditworthiness of Prudential Assurance Company and Prudential M&G by reviewing published credit ratings. Prudential Assurance Company and Prudential M&G invest all the Scheme's funds in their own investment unit linked funds and they do not use other investment funds or reinsurance arrangements. In the event of default by Prudential Assurance Company or Prudential M&G the Scheme is protected by the Financial Services Compensation Scheme.

The Scheme is also subject to indirect credit and market risk arising from the underlying investments held in the white label funds. Member level risk exposures will be dependent on the funds invested in by members.

#### c) Market risk

The Scheme is subject to indirect foreign exchange, interest rate and other price risks arising from the underlying financial instruments held in the funds managed by Prudential Assurance Company and Prudential M&G.

#### 14. CURRENT ASSETS

	2022 £	2021 £
Balance at bank	885,464	5,340
Prepaid expenses	731	655
	<hr/>	<hr/>
	<b>886,195</b>	<b>5,995</b>
	<hr/> <hr/>	<hr/> <hr/>

Included within the balance at bank is £939,030 (2021 : £48,709) which are disinvested members benefits which have yet to be paid out to be transferred to the respective members personal pensions. The prepaid expenses are not allocated to members.

#### 15. CURRENT LIABILITIES

	2022 £	2021 £
Accrued expenses payable	12,387	8,719
	<hr/>	<hr/>

The accrued expenses are not allocated to members.

#### 16. EMPLOYER RELATED INVESTMENTS

There were no employer related investments within the meaning of Section 40 (2) of the Pensions Act 1995.

#### 17. RELATED PARTY TRANSACTIONS

The Trustees have received fees and expenses, relating to the management of the Scheme amounting to £14,595 (2021: £15,606). Administration expenses includes £23,715 (2021: £24,726) paid to one Trustee in respect of administrative services and expenses provided to the Scheme.

# Investment Report

## With-Profits Investment Account/Bond (incorporating the 2022 bonus declaration)

This document gives you information about the current and historic bonus rates for the With-Profits Investment Account/Bond. You can request bonus rates and historical rates for all products by contacting us and we'll be able to answer any questions you may have.

The Prudential Assurance Company Limited With-Profits Fund is one of the largest and financially strongest with-profits funds in the UK. The Fund consists mainly of with-profits business, but it also contains a significant amount of non-profits business. Further details can be found in our Principles and Practices of Financial Management (PPFM).

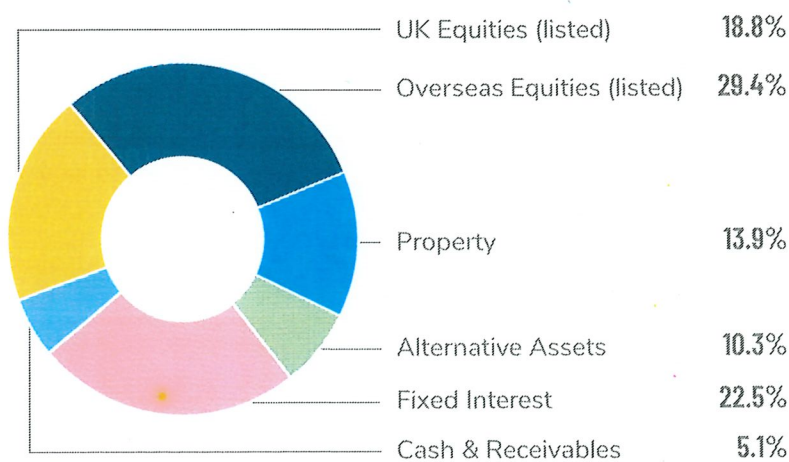
The total level of assets backing the with-profits business in the Fund was £126.5bn at 31 December 2021.

The Fund continues to be managed for the long-term benefit of our customers and shareholders.

### Fund Management and Asset Allocation

M&G Treasury & Investment Office (T&IO), are our in-house asset-allocation experts in the UK. They select a wide range of assets to hold in the With-Profits Fund, in line with the Fund's objective. The aim is to maximise long-term investment returns while maintaining the financial security of the Fund.

At 31 December 2021, the main asset pool within The Prudential Assurance Company Limited With-Profits Fund had the following asset allocation:



Source: T&IO.

The "Alternative Assets" category includes non-listed equities, investments in specialist vehicles and private assets which give an exposure similar to those of the listed equity markets.

We regularly review asset allocations and they may vary from time to time, but they will, at all times, be consistent with the Fund's objectives.

Past performance isn't a guide to future performance and the rate of future bonuses can't be guaranteed. Final bonus may vary and isn't guaranteed.



## Converting returns into bonuses

In setting bonuses, our objectives are:

- To give each with-profits policyholder a return on their payments which reflect the earnings of the underlying investments whilst smoothing the peaks and troughs of investment performance; and
- To ensure that with-profits policyholders receive a fair share of the profits distributed from the PAC With-Profits Fund by way of bonus additions to their policies.

The table opposite shows average overall yields which combine previously declared regular bonus and final bonus applicable to funds withdrawn to provide benefits from 6 April 2022 until further notice.

Our Final Bonus rates include, where applicable, additional money we are sharing with some of our With-Profits customers at this bonus declaration, which is further to the additional money we shared in 2020. Your Final Bonus isn't guaranteed. There's a chance we might have to take back this extra money. You can find out more on our website at: [pru.co.uk/aboutadditionalsurplus](http://pru.co.uk/aboutadditionalsurplus)

In particular, the yields include the regular bonus of 1.50% per year which will increase the members' investment accounts on a daily basis from 6 April 2022 until further notice.

The average overall yield is based on a scale that varies according to when each contribution was paid and the date each contribution is cashed in. This is shown as a % per year compounded for a range of durations resulting from the 2022 bonus declaration.

Date of Premium Payment	Average overall yield % per year (including final bonus)
6/4/2022 onwards	3.60
6/4/2021- 5/4/2022	6.65
6/4/2020- 5/4/2021	10.35
6/4/2019- 5/4/2020	6.55
6/4/2018 - 5/4/2019	6.35
6/4/2017 - 5/4/2018	5.45
6/4/2016 - 5/4/2017	6.20
6/4/2015 - 5/4/2016	6.60
6/4/2014 - 5/4/2015	6.55
6/4/2013 - 5/4/2014	6.60
6/4/2012 - 5/4/2013	6.80
6/4/2011 - 5/4/2012	6.80
6/4/2010 - 5/4/2011	6.80
6/4/2009 - 5/4/2010	7.40
6/4/2008 - 5/4/2009	7.30
6/4/2007 - 5/4/2008	5.75
6/4/2006 - 5/4/2007	5.80
6/4/2005 - 5/4/2006	6.25
6/4/2004 - 5/4/2005	6.90
6/4/2003 - 5/4/2004	7.20
6/4/2002 - 5/4/2003	7.30
6/4/2001 - 5/4/2002	6.54
6/4/2000 - 5/4/2001	6.11
6/4/1999 - 5/4/2000	6.18
6/4/1998 - 5/4/1999	6.44
6/4/1997 - 5/4/1998	6.61
6/4/1996 - 5/4/1997	7.05
6/4/1995 - 5/4/1996	7.35
6/4/1994 - 5/4/1995	7.62
6/4/1993 - 5/4/1994	7.61
6/4/1992 - 5/4/1993	8.02
6/4/1991 - 5/4/1992	8.03
6/4/1990 - 5/4/1991	8.18
6/4/1989 - 5/4/1990	7.80
6/4/1988 - 5/4/1989	8.18
6/4/1987 - 5/4/1988	8.20

With-profits investment account/bond are currently subject to a fund charge of 0.65% per year although the charge is not guaranteed to remain at this level and may change in the future.

The fund charge is allowed for in the bonus rates above. The bonus rates also allow for charges taken to cover the cost of any guarantees.

If money invested in the PAC With-Profits Fund is taken out at any time except on death or normal retirement date, the amount paid out may be reduced to reflect the current market value of the underlying assets. This is known as a Market Value Reduction.

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This information is not approved for use with employees.

## 2022 Bonus Rates

### With-Profits Investment Account/Bond

This document gives you information about the current and historic bonus rates for the With-Profits Investment Account or Bond. You can request bonus rates and historical rates for all products by contacting us and we'll be able to answer any questions you may have.

The tables show overall yields which combine previously declared regular bonus and final bonus applicable to funds withdrawn to provide benefits from 6 April 2022 until further notice. In particular, the yields include the regular bonus of 1.50% per year which will increase the members' investment accounts on a daily basis from 6 April 2022 until further notice.

Our Final Bonus rates include, where applicable, additional money we are sharing with some of our With-Profits customers at this bonus declaration, which is further to the additional money we shared in 2020. Your Final Bonus isn't guaranteed. There's a chance we might have to take back this extra money. You can find out more on our website at: [pru.co.uk/aboutadditionalssurplus](http://pru.co.uk/aboutadditionalssurplus)

The overall yield is based on a scale that varies according to when each contribution was paid and the date each contribution is cashed in. This is shown as a % per year compounded for a range of contributions dates resulting from the 2022 bonus declaration.

With-profits investments are currently subject to a fund charge of 0.65% per year although the charge isn't guaranteed to remain at this level and may change in the future.

The fund charge is allowed for in the bonus rates opposite. The bonus rates also allow for charges taken to cover the cost of any guarantees.

All past performance shown isn't a guide to future performance and the rate of future bonuses can't be guaranteed. Final bonus may vary and isn't guaranteed.

Date of Premium Payment	Overall yield % per year (including final bonus)
06/04/2022 onwards	3.60
06/04/2021– 05/04/2022	6.65
06/04/2020– 05/04/2021	10.35
06/04/2019– 05/04/2020	6.55
06/04/2018 - 05/04/2019	6.35
06/04/2017 - 05/04/2018	5.45
06/04/2016 - 05/04/2017	6.20
06/04/2015 - 05/04/2016	6.60
06/04/2014 - 05/04/2015	6.55
06/04/2013 - 05/04/2014	6.60
06/04/2012 - 05/04/2013	6.80
06/04/2011 – 05/04/2012	6.80
06/04/2010 – 05/04/2011	6.80
06/04/2009 – 05/04/2010	7.40
06/04/2008 – 05/04/2009	7.30
06/04/2007 – 05/04/2008	5.75
06/04/2006 – 05/04/2007	5.80
06/04/2005 – 05/04/2006	6.25
06/04/2004 – 05/04/2005	6.90
06/04/2003 – 05/04/2004	7.20
06/04/2002 – 05/04/2003	7.30
06/04/2001 – 05/04/2002	6.54
06/04/2000 – 05/04/2001	6.11
06/04/1999 – 05/04/2000	6.18
06/04/1998 – 05/04/1999	6.44
06/04/1997 – 05/04/1998	6.61
06/04/1996 – 05/04/1997	7.05
06/04/1995 – 05/04/1996	7.35
06/04/1994 – 05/04/1995	7.62
06/04/1993 – 05/04/1994	7.61
06/04/1992 – 05/04/1993	8.02
06/04/1991 – 05/04/1992	8.03
06/04/1990 – 05/04/1991	8.18
06/04/1989 – 05/04/1990	7.80
06/04/1988 – 05/04/1989	8.18
06/04/1987 – 05/04/1988	8.20



## Historic Bonus Rates

Year of Declaration	Period bonuses applicable	Regular Bonus %	Average Overall Bonus Yields <sup>(2)</sup>		
			1 Year %	5 Years %	10 Years %
2022	06/04/22 onwards	1.50	6.65	5.45	6.80
2021	06/04/21 - 05/04/22	1.50	6.35	4.70	6.10
2020	06/04/20 - 05/04/21	1.75	5.00	6.55	6.75
2019	06/04/19 - 05/04/20	1.75	2.10	5.45	7.00
2018	06/04/18 - 05/04/19	1.75	2.85	6.75	7.70
2017	06/04/17 - 05/04/18	1.75	2.85	6.50	5.25
2016	06/04/16 - 05/04/17	2.00	3.30	5.75	4.80
2015	06/04/15 - 05/04/16	2.25	5.60	6.40	5.65
2014	06/04/14 - 05/04/15	2.25	6.00	7.20	6.65
2013	06/04/13 - 05/04/14	2.25	5.65	6.85	6.85
2012	06/04/12 - 05/04/13	2.75	4.65	4.60	7.20
2011	06/04/11 - 05/04/12	3.25	7.10	4.70	5.90
2010	06/04/10 - 05/04/11	3.25	7.10	4.30	4.75
2009	06/04/09 - 05/04/10	3.25	4.25	6.35	4.90
2008 <sup>(1)</sup>	13/11/08 - 05/04/09	3.75	6.10	8.60	6.40
2008	06/04/08 - 12/11/08	3.75	7.10	10.05	7.15
2007	06/04/07 - 05/04/08	3.50	7.50	9.85	7.40
2006	06/04/06 - 05/04/07	3.50	7.85	6.45	7.70
2005	06/04/05 - 05/04/06	3.50	6.60	5.30	7.60
2004	06/04/04 - 05/04/05	3.50	6.35	5.05	7.95
2003	06/04/03 - 05/04/04	3.75	5.10	5.60	8.35
2002 <sup>(1)</sup>	03/12/02 - 05/04/03	4.75	5.50	6.10	9.60
2002 <sup>(1)</sup>	05/09/02 - 02/12/02	4.75	5.50	7.15	10.45
2002	06/04/02 - 04/09/02	4.75	7.25	8.30	11.05
2001	06/04/01 - 05/04/02	5.25	8.35	11.30	12.10
2000	06/04/00 - 05/04/01	5.50	8.75	13.00	12.90
1999	06/04/99 - 05/04/00	6.00	9.50	12.50	12.00
1998	06/04/98 - 05/04/99	6.50	10.25	12.25	12.25
1997	06/04/97 - 05/04/98	7.00	10.00	11.75	12.25
1996	06/04/96 - 05/04/97	7.25	9.75	11.75	N/A
1995	06/04/95 - 05/04/96	7.75	9.75	11.50	N/A
1994	06/04/94 - 05/04/95	8.50	10.25	13.25	N/A
1993	06/04/93 - 05/04/94	9.50	10.75	14.25	N/A
1992	06/04/92 - 05/04/93	10.50	12.50	16.50	N/A
1991	06/04/91 - 05/04/92	11.25	14.25	N/A	N/A
1990 <sup>(1)</sup>	21/05/90 - 05/04/91	12.25	16.50	N/A	N/A
1990	06/04/90 - 20/05/90	12.00	16.50	N/A	N/A
1989 <sup>(2)</sup>	01/02/90 - 05/04/90	12.00	17.37	N/A	N/A
1989	01/05/89 - 31/01/90	11.50	17.37	N/A	N/A
1988	01/05/88 - 30/04/89	11.50	17.90	N/A	N/A

<sup>(1)</sup> A Interim Bonus Declaration

<sup>(2)</sup> Yields (% per year compounded) are for single premiums, ignoring explicit charges, for exact durations as shown. Overall yields are made up of the Regular Bonus plus any Final Bonus that may be payable. Final bonus has been set to bring the value of a typical fund up to the required yield for a particular deposit. These yields vary by duration of deposit. Yields for durations other than 1, 5 and 10 years are available.

The relevant yields for claims occurring are those as declared at the 2022 declaration. The yields for other years are historical and no longer apply for claims. They are given for information only. Final bonus may vary and isn't guaranteed.

If money invested in The Prudential Assurance Company Limited (PAC) With-Profits Fund is taken out at any time except on death or normal retirement date, the amount paid out may be reduced to reflect the current market value of the underlying assets. This is known as a Market Value Reduction.

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# Annual Scheme Report

## Frigoscandia Limited Number One Scheme

Report for the Year Ending 5 April 2022

### Introduction

The Scheme invests in pooled pensions fund units provided by Prudential Pensions Limited (PPL), a wholly owned subsidiary within M&G plc. The units held by the pension fund are part of an agreement between the Trustees and Prudential Pensions Limited, which is in the form of an Insurance Policy. The policy itself is the 'asset' that the Trustees own, and the units within the funds provide an easy method of valuation of the policy. These units can be bought and sold on a daily basis and the underlying assets are invested in marketable securities and in the case of the property holding, commercial property. Total discretion for the day-to-day management of the assets has been delegated to M&G Investment Management Limited, the fund management company owned by M&G plc.

M&G Investments Pooled Pensions invests the assets of the Scheme in the M&G PP Long Term Growth Passive Fund and the M&G PP Long-Term Bond Fund.

### Investment Distribution/Strategy

The following table provides a breakdown of the Scheme assets at the beginning and end of the period.

Asset Distribution (By Fund)	05/04/22 %	05/04/21 %
Long Term Growth Passive	38.9	34.97.2
Long-Term Bond	61.1	65.03
<i>Total</i>	100.0	100.0

Source: M&G, Bid price basis

### Review of Investment Markets

Global stockmarkets made solid progress for much of the period under review, underpinned by robust corporate earnings growth as companies recovered from the pandemic. Despite short-term setbacks caused by the emergence of new variants, the world started to learn to live with Covid-19. However, as economic activity picked up, so did inflation, driven by supply chain bottlenecks, labour shortages and higher input costs, and major central banks pivoted to a more hawkish stance in the fourth quarter of 2021.

After starting the year near record highs, global stockmarkets weakened sharply over the first quarter of 2022. Accelerating inflation led to speculation that central banks would need to be more aggressive in raising rates, and Russia's invasion of Ukraine caused shockwaves well beyond Europe. Commodity prices soared as sanctions threatened to further disrupt supply: Russia is a major producer of oil, gas and several base metals, while Russia and Ukraine together account for a third of the world's wheat exports.

In the UK, the FTSE 100 rallied strongly over the 12 months, helped by its significant holdings of oil companies and miners, although the domestically focused FTSE 250 was flat. US stocks also delivered double-digit gains, due in part to a strong dollar, but European shares disappointed with Germany's mighty manufacturers facing the possibility of gas rationing. Elsewhere, commodity exporters, such as Australia and Brazil, rallied, but Chinese equities slumped.

Global bonds suffered steep declines as inflation hit multi-year highs and central banks tightened monetary policy. The Bank of England increased the base rate three times, taking it to 0.75%, while the US Federal Reserve raised rates for the first time since 2018 and forecast six additional rate hikes in 2022 plus a further three in 2023. In late March, the US yield curve briefly inverted – such an occurrence is usually regarded as heralding a recession.

UK commercial property delivered positive returns. Continuing demand for industrials led the sector to deliver record performance during the period, with retail seeing a marked recovery, primarily driven by retail warehouses. Demand for office space and particularly prime assets gained traction, as workers returned to offices, with undersupply allowing prime vacancy rates to stabilise.

# Annual Scheme Report

## Performance

Investment returns as at the year end for these funds are shown in the table below.

Fund	Benchmark	Performance to 05/04/22 (Annualised) %		
		1 year	3 years	5 years
M&G PP Long-Term Growth Passive Fund		8.9	7.8	6.9
	<i>Mix of FTSE &amp; MSCI Regional Indices</i>	8.6	8.3	7.4
M&G PP Long Term Bond Fund		-8.1	1.4	1.9
	<i>50% FTSE &gt;15 Years Gilt Index and 50% iBoxx £ &gt;15 Years Non-Gilt Index</i>	-8.3	1.0	-

Source: M&G. Percentage change in bid prices. Returns shown are net of fees. Past performance is not a guide to the future. The value of units can go down as well as up and you may not get your money back. The value of overseas investments may be affected by currency exchange rates.

- The **M&G PP Long-Term Growth Passive Fund** invests, via other M&G PP funds, in the shares of companies around the world against a benchmark of 40% UK and 60% overseas (in fixed proportions). It is a “fund of funds” and both the proportions invested in each region and investments in each region are passively managed except for emerging markets which are actively managed. The split between the UK and overseas regions may be reviewed from time to time. Derivative instruments may be used for efficient portfolio management.
- The **M&G PP Long Term Bond Fund** invests, via other M&G PP funds, in long-dated bonds split equally between UK Government gilts and corporate bonds. It is a “fund of funds” with the gilts component passively managed. The actively managed corporate bonds are mainly high quality sterling issues, but may include limited amounts of high yield and hedged non-sterling bonds. The split between government and corporate bonds may be reviewed from time to time. Derivative instruments may be used for efficient portfolio management.

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