

**CELSIUS FIRST NUMBER ONE SCHEME**

**ANNUAL REPORT**

**EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

**SCHEME REGISTRATION NUMBER: 101297361**

**CELSIUS FIRST NUMBER ONE SCHEME**

**ANNUAL REPORT  
5 OCTOBER 2023**

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**CELSIUS FIRST NUMBER ONE SCHEME**

**TRUSTEES AND PROFESSIONAL ADVISERS  
EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

**PRINCIPAL EMPLOYER**

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

**TRUSTEES**

E W Hall

A H Murrell

R J ffitch

D W Jaeger

**INVESTMENT MANAGER**

Prudential Assurance Company Limited (closed 22 August 2023)

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 EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023

#### INTRODUCTION

The Trustees are pleased to present their report on the Scheme for the eighteen month period from 6 April 2022 to 5 October 2023.

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2006 and, to the Trustees' knowledge, there is no reason why the Scheme's registered status should be prejudiced or withdrawn.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 period.

#### MEMBERSHIP

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

	2023	2022
Members with preserved benefits as at 6 April of the previous year	24	38
Reduced by: Retirements and commutations	(2)	(2)
Transfers out	(22)	(12)
	<hr/>	<hr/>
Deferred members as at 5 October (end of the accounting period)	-	24
	<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 period the Trustees held nine 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 PERIOD

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) EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

#### **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 2023 of 2.0% (2022: 1.5%); this annual bonus, by increasing the unit price, enhanced 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 9 shows that at 5 October 2023 the value of the fund had decreased from £1,370,095 to £nil 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 period and of the amount and disposition at the end of the period of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period; 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)  
EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

**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, monitored the situation closely and determined any actions that were considered to be necessary. This included monitoring the Scheme's investment portfolio and the operational impact on the Scheme.

**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

..... 24.1.24 .....  
Date

  
.....  
Trustee



## 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 eighteen month period from 6 April 2022 to 5 October 2023 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 eighteen month period from 6 April 2022 to 5 October 2023, 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 period;
- 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*

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

.....31.1.24.....  
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 eighteen month period from 6 April 2022 to 5 October 2023 which is set out in the Trustees' Report on page 2.

In our opinion contributions for the eighteen month period from 6 April 2022 to 5 October 2023 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*

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

.....31.1.24.....  
Date

**CELSIUS FIRST NUMBER ONE SCHEME**

**FUND ACCOUNT  
EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

	Notes	2023		Year ended 5 April 2022	
		£	£	£	£
<b>CONTRIBUTIONS AND BENEFITS</b>					
Benefits paid or payable	4	(57,384)		(135,667)	
Payments to leavers	5	(1,245,626)		(719,140)	
Administrative expenses	6	(127,219)		(56,890)	
			<u>(1,430,219)</u>		<u>(911,697)</u>
<b>NET WITHDRAWALS FROM DEALINGS WITH MEMBERS</b>			<u>(1,430,219)</u>		<u>(911,697)</u>
<b>RETURNS ON INVESTMENTS</b>					
Change in market value of investments	8	60,134		(18,044)	
			<u>60,134</u>		<u>(18,044)</u>
<b>NET DECREASE IN SCHEME DURING THE PERIOD/YEAR</b>			<u>(1,370,095)</u>		<u>(929,741)</u>
<b>NET ASSETS OF THE SCHEME AT 6 APRIL 2022</b>			1,370,095		2,299,836
<b>NET ASSETS OF THE SCHEME AT 5 OCTOBER 2023</b>			<u>-</u>		<u>1,370,095</u>

The notes on pages 11 to 16 form part of the financial statements.

**CELSIUS FIRST NUMBER ONE SCHEME**

**STATEMENT OF NET ASSETS  
AS AT 5 OCTOBER 2023**

	Notes	2023 £	5 April 2022 £
<b>Investment assets</b>			
Pooled investment vehicles	9	-	5,388
Insurance policy	10	-	490,899
<b>Total net investments</b>	8	-	496,287
<b>Current assets</b>	14	<b>53,595</b>	886,195
<b>Current liabilities</b>	15	<b>(53,595)</b>	(12,387)
<b>NET ASSETS OF THE SCHEME AT 5 OCTOBER 2023</b>		-	1,370,095

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 period.

Signed on behalf of the Trustees

.....  
Trustee

24.1.24  
.....  
Date

.....  
Trustee

The notes on pages 11 to 16 form part of the financial statements.

## CELSIUS FIRST NUMBER ONE SCHEME

### NOTES TO THE FINANCIAL STATEMENTS EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023

#### 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 period, including profits and losses realised on sales of investments during the period.

##### **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)  
EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

**4. BENEFITS PAID AND PAYABLE**

	2023 £	2022 £
Purchases of residual pensions	-	101,750
Commutations and lump sums on retirement	57,384	33,917
	<hr/>	<hr/>
	57,384	135,667
	<hr/>	<hr/>

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

	2023 £	2022 £
Transfers to other pension arrangements	1,245,626	719,140
	<hr/>	<hr/>

**6. ADMINISTRATIVE EXPENSES**

	2023 £	2022 £
Administration expenses	87,638	30,444
Trustee fees	28,104	14,595
Trustee indemnity insurance	1,753	898
Consultancy fees	2,824	4,593
Audit fees	6,900	6,360
	<hr/>	<hr/>
	127,219	56,890
	<hr/>	<hr/>

Administration expenses includes £12,180 paid to the administrator to settle any final administration, trustees and winding up fees

The administration levy deducted from members' units disinvested during the period amounted to £54,447 (2022 : £241,259).

**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)  
EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

**8. RECONCILIATION OF INVESTMENTS**

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

	Value at 6 April 2022 £	Purchases £	Disposal proceeds £	Change in market value £	Value at 5 October 2023 £
Pooled investment vehicles	5,388	-	(5,222)	(166)	-
Insurance policy	490,899	-	(551,199)	60,300	-
	<u>496,287</u>	<u>-</u>	<u>(556,421)</u>	<u>60,134</u>	<u>-</u>

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

The investments were allocated to members and Trustees as follows:

	2023 £	2022 £
Members	-	496,287
Trustees	-	-
	<u>-</u>	<u>496,287</u>

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

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

**9. POOLED INVESTMENT VEHICLES**

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

	2023 £	2022 £
Prudential M&G Long Term Bond Fund	-	3,292
Long Term Growth Passive Fund	-	2,096
	<u>-</u>	<u>5,388</u>

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



## CELSIUS FIRST NUMBER ONE SCHEME

### NOTES TO THE FINANCIAL STATEMENTS (continued) EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023

#### 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 determined their investment strategy after taking advice from a professional investment advisor. The Scheme had exposure to these risks because of the investments it made in following the investment strategy set out below. The Trustees managed investment risks, including credit risk and market risk, within agreed risk limits which were set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits were 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, would provide a retirement amount with which the member could either purchase a pension annuity or other type of retirement product. The SIP outlined the investment objectives and strategy for the assets of the Scheme.

The investment funds offered to members were 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 had 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 was the responsibility of Prudential Assurance Company and Prudential M&G, including the direct management of credit and market risk.

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

##### b) Credit risk

The Scheme was 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)  
EIGHTEEN MONTH PERIOD FROM 6 APRIL 2022 TO 5 OCTOBER 2023**

**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 monitored the creditworthiness of Prudential Assurance Company and Prudential M&G by reviewing published credit ratings. Prudential Assurance Company and Prudential M&G invested all the Scheme's funds in their own investment unit linked funds and they did not use other investment funds or reinsurance arrangements. In the event of default by Prudential Assurance Company or Prudential M&G the Scheme was protected by the Financial Services Compensation Scheme.

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

**e) Market risk**

The Scheme was 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**

	2023 £	2022 £
Balance at bank	53,595	885,464
Prepaid expenses	-	731
	53,595	886,195
	53,595	886,195

Included within the balance at bank is £40,415 (2022 : £939,030) which were disinvested members benefits which had yet to be paid out as retirement benefits or transferred to the respective members personal pensions. The prepaid expenses were not allocated to members.

**15. CURRENT LIABILITIES**

	2023 £	2022 £
Transfer payable	40,415	-
Accrued expenses	13,180	12,387
	53,595	12,387
	53,595	12,387

The accrued expenses were 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 £28,104 (2022: £14,595). Administration expenses includes £60,421 (2022: £23,715) paid to one Trustee in respect of administrative services and reimbursement of Scheme expenses.



This information is not approved for use with employees.



# Investment Report

## With-Profits Investment Account/Bond (incorporating the 2023 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).

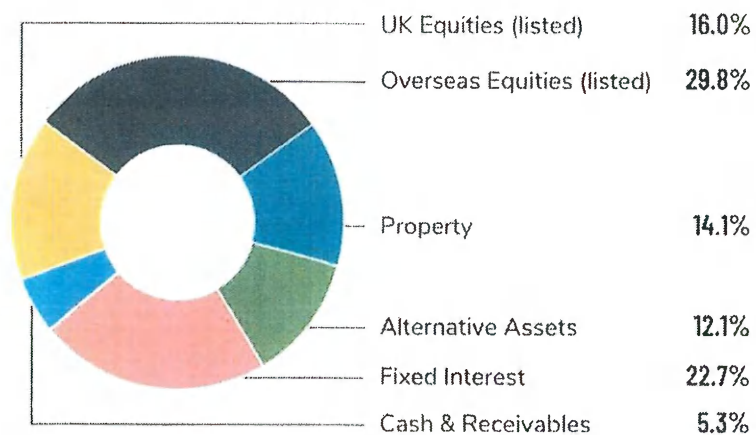
The total level of assets backing the with-profits business in the Fund was £117.6bn at 31 December 2022.

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), is our in-house asset-allocation expert. It selects a wide range of assets to hold in the With-Profits Fund, in line with the Fund's objective. The aim of the Fund is to maximise investment returns while maintaining an acceptable level of risk for the Fund.

At 31 December 2022, 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.

**We can't predict the future. Past performance isn't a guide to future performance. Final bonus may vary and isn't guaranteed.**

## Converting returns into bonuses

In setting bonuses, our objectives are:

- To give each with-profits customer 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 customers 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 2023 until further notice.

We're delighted to have additional money in our With-Profits Sub Fund to share with some of our With-Profits customers at this bonus declaration. Because of this, we've increased the unsmoothed value of their plans by 1.25%. This is the third time in four years that we've shared additional money, and the total amount shared now stands at £3.5bn.

The additional money we've shared at this declaration, which is further to the additional money we shared in 2020 and 2022, is reflected in our final bonuses from this year. 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/aboutadditional surplus](http://pru.co.uk/aboutadditional surplus)

In particular, the yields include the regular bonus of 2.00% per year which will increase the members' investment accounts on a daily basis from 6 April 2023 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 2023 bonus declaration.

Date of Premium Payment	Average overall yield % per year (including final bonus)
6/4/2023 onwards	4.85
6/4/2022 – 5/4/2023	4.85
6/4/2021 – 5/4/2022	3.95
6/4/2020 – 5/4/2021	7.25
6/4/2019 – 5/4/2020	5.20
6/4/2018 – 5/4/2019	5.25
6/4/2017 – 5/4/2018	4.70
6/4/2016 – 5/4/2017	5.45
6/4/2015 – 5/4/2016	5.90
6/4/2014 – 5/4/2015	5.90
6/4/2013 – 5/4/2014	6.05
6/4/2012 – 5/4/2013	6.30
6/4/2011 – 5/4/2012	6.35
6/4/2010 – 5/4/2011	6.35
6/4/2009 – 5/4/2010	6.95
6/4/2008 – 5/4/2009	6.90
6/4/2007 – 5/4/2008	5.45
6/4/2006 – 5/4/2007	5.55
6/4/2005 – 5/4/2006	5.95
6/4/2004 – 5/4/2005	6.60
6/4/2003 – 5/4/2004	6.90
6/4/2002 – 5/4/2003	6.99
6/4/2001 – 5/4/2002	6.30
6/4/2000 – 5/4/2001	5.90
6/4/1999 – 5/4/2000	5.97
6/4/1998 – 5/4/1999	6.23
6/4/1997 – 5/4/1998	6.41
6/4/1996 – 5/4/1997	6.83
6/4/1995 – 5/4/1996	7.12
6/4/1994 – 5/4/1995	7.40
6/4/1993 – 5/4/1994	7.40
6/4/1992 – 5/4/1993	7.80
6/4/1991 – 5/4/1992	7.81
6/4/1990 – 5/4/1991	7.96
6/4/1989 – 5/4/1990	7.61
6/4/1988 – 5/4/1989	7.97
6/4/1987 – 5/4/1988	8.00

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.

If you'd like a copy of the full terms and conditions please write to Prudential, Lancing BN15 8GB.

You can also visit: [pru.co.uk/existing-customers](http://pru.co.uk/existing-customers)

[pru.co.uk](http://pru.co.uk)

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