

Canada Life UK Division Staff Pension Fund

Annual Report and Financial Statements
31 December 2024
Fund Registration Number 10167869

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Section 1 – Trustee and its Advisers

The Trustee

Trustee Company: Canada Life UK Staff Pension Trustee Limited

The Directors of the Board of the Trustee are set out below:

Company appointed

JE Occleshaw
TM Deeks
R Wisentaner
T Milner

Member nominated

R Helyer
K Austin

Secretary to the Trustee

V Melville, Hymans Robertson LLP (resigned 2 September 2024)
L Campbell, Hymans Robertson LLP (appointed 2 September 2024)

Advisers and Service Providers

The advisers and service providers to the Trustee are set out below:

Scheme Actuary

L McLaren, Hymans Robertson LLP

Auditor

Deloitte LLP

Legal Adviser

Eversheds LLP

Administrator

Hymans Robertson LLP

Investment Adviser

Hymans Robertson LLP

Investment Manager & Investment Custodian

Canada Life Limited (“CLL”)
Northern Trust (appointed 5 March 2024)

Death-in-Service Provider

Canada Life Limited

Bankers

Barclays Plc

Principal Employer

CLFIS (UK) Limited

Enquiries

Hymans Robertson LLP
20 Waterloo Street, Glasgow, G2 6DB
0141 566 7777
CanadaLifePensions@hymans.co.uk

Section 2 – Trustee Report

Introduction

The Trustee of Canada Life UK Division Staff Pension Fund (“the Fund”) is pleased to present its report together with the audited financial statements and actuarial statements of the Fund for the year ended 31 December 2024. The purpose of the report is to describe how the Fund and its investments have been managed during the year.

Management of the Fund

Constitution

The Fund was a hybrid scheme comprising of Defined Benefit (“DB”) and Defined Contribution (“DC”) sections until the assets of the DC section of the Fund were successfully transferred to the LifeSight Master Trust on 4 July 2019. The Fund is governed by a Trust Deed as amended from time to time and is administered by Hymans Robertson LLP in accordance with the establishing document and rules solely for the benefit of its members and other beneficiaries. The Fund is closed to new members.

The DB Section was closed to all future accrual as at 1 April 2016.

Following the transfer of member entitlements under the DC Section of the Fund to the LifeSight Master Trust in July 2019, no further member benefits remain in this section of the Fund. The DC section was closed and has been notified to The Pensions Regulator accordingly.

Trustee and Trustee Directors

The Trustee and Trustee Directors are shown on page 1.

Under the Trust Deed and Rules of the Fund, the Trustee is appointed and removed by Principal Employer, subject to the Member Nominated arrangements.

The power of appointing and removing the Trustee Directors is contained in the Articles of Association of Canada Life UK Staff Pension Trustee Limited, subject to the Member Nominated arrangements.

In accordance with The Pensions Act 2004 at least one third of the total number of Trustee Directors must be nominated by Fund members. The Member Nominated Trustee Directors are elected from the membership.

A Trustee Director can choose to retire from office at any time. A Member Nominated Trustee Director can only be removed with the agreement of all other Trustee Directors.

The Trustee has appointed professional advisers and other organisations to support it in delivering the Fund’s objectives. These individuals and organisations are listed on page 1. The Trustee has written agreements in place with each of them.

The Trustee met 13 (2023: 9) times during the year. These meetings consisted of 4 (2023: 4) Trustee meetings, 4 (2023: 4) Administration Working Group meetings, 2 (2023: 1) Guaranteed Minimum Pension equalisation subcommittee meeting and 3 (2023: Nil) Risk Management Function meetings. All decisions are taken by simple majority with the Chairman having the casting vote.

The exercise of powers and discretions is by majority. The quorum shall be not less than four Trustee Directors (at least 1 being a Member Nominated Trustee) present in person or by telephone or video conference.

The Trustee has delegated the day-to-day management and operation of the Fund’s affairs to professional organisations as set out on page 1. The Trustee has written agreements in place with each of them.

Trustee Report (continued)

Trustee and Trustee Directors (continued)

There were no other changes to the Fund in the year other than those already disclosed in the Trustee Report.

Financial Development of the Fund

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

The fund account shows that the net assets of the Fund decreased from £264,048,798 at 31 December 2023 to £238,111,529 at 31 December 2024. The decrease in net assets is accounted for by:

	2024	2023
	£000	£000
Member related income	710	332
Member related payments	(11,506)	(9,178)
Net withdrawals from dealings with members	(10,796)	(8,846)
Net returns on investments	(15,141)	8,600
Net decrease in fund	(25,937)	(246)
Net assets at start of year	264,049	264,295
Net assets at end of year	238,112	264,049

Pension Increases

Pensions in payment were increased with effect from 1 January 2024 in accordance with the Rules of the Fund. Pensions in excess of Guaranteed Minimum Pension (“GMP”) were increased at 5% (2023: 5%) for pensions accrued between 6 April 1997 and 5 April 2005, and 2.5% (2023: 5%) for pension accrued after 5 April 2005. Post 1988 GMPs were increased at 3% (2023: 3%) and Pre 1988 GMPs were not increased, both in accordance with the Fund Rules and statutory requirements. The Principal Employer did not approve the Trustee’s request for a discretionary pension increase at 1 January 2024 (2023: 5%) in respect of benefits accrued prior to 6 April 1997.

Deferred benefits are increased in line with legislation and the Fund Rules.

Transfer Values

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary benefits. All transfer values issued in 2024 allowed for GMP equalisation.

Members leaving service can normally transfer the value of their benefits under the Fund to another scheme that they join or to an insurance contract or personal pension.

Transfers into the Fund are only allowed in limited circumstances from the LifeSight Master Trust as detailed in the Transfer Deed dated 16 January 2018.

Trustee Report (continued)

Going concern

The Fund's financial statements have been prepared on the going concern basis. In making this assessment, the Trustee has assessed the ability of the Principal Employer to continue to meet its obligations to the Fund and for the Fund to meet its future obligations to pay member benefits as they fall due. The Trustee has reviewed information available to it from the Principal Employer and its advisors and, as a consequence, the Trustee believes the Fund is well positioned to manage its risks successfully. In the light of this the Trustee has a reasonable expectation that the Fund will continue in operational existence for the foreseeable future. Accordingly it continues to adopt the going concern basis in preparing the Fund's financial statements.

Contributions

No contributions were payable in accordance with the Schedule of Contributions certified by the Scheme Actuary on 21 November 2023. The signed Actuarial Certificate for this Schedule of Contributions can be located on page 34.

The new Schedule of Contributions signed as part of the 2022 actuarial valuation removed the need for any deficit reduction contributions to be paid and no deficit reduction contributions were paid in 2024.

The Principal Employer separately meets the expenses of operating the Fund (with the exception of investment expenses) and the cost of insuring death-in-service benefits.

The Principal Employer separately pays all levies including the Pension Protection Fund levies.

Recovery Plan

At the 31 December 2022 valuation date, the Fund was in surplus and no recovery plan was required. Therefore, no contributions were paid in 2024.

Actuarial Position

In respect of the DB section, the liabilities are considered by the Scheme Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the DB section and the level of contributions payable.

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Trustee Report (continued)

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”), the financial statements do not include liabilities in respect of promised retirement benefits.

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

The most recent complete actuarial valuation of the Fund was carried out at 31 December 2022.

The results of the latest actuarial valuation showed:

	31 December 2022
Market Value of Assets (A)	£264.3m
Technical Provisions (B)	£248.7m
Surplus (A-B)	£15.6m
Funding level (A/B)	106%

The formal actuarial certificate required by statute to be included in this Annual Report from the Scheme Actuary appears in Section 8.

The next Triennial valuation following this will be carried out at 31 December 2025.

The Technical Provisions are based on assumptions about various factors that will influence the Fund in the future, such as the levels of investment returns and inflation, when members will retire and how long members live.

The actuarial method used in the calculation of the Technical Provisions is the Projected Unit Method.

The significant actuarial assumptions used to calculate the Technical Provisions as at 31 December 2022 were:

Discount rate	BoE fixed-interest gilt yield curve + 1.6% until 31 Dec 2021, reducing linearly over the next 10 years to 0.5% p.a. from 31 Dec 2031.
Retail Price inflation (“RPI”)	Bank of England RPI Inflation curve
Consumer Price inflation (“CPI”)	RPI curve less 1% pre-2030 and RPI less 0% post-2030.
Post retirement mortality base table	Club Vita 2022 base tables, adjusted to ignore the effect of Covid-19.
Mortality improvement rate	CMI 2021 model with no weighting on 2020 and 2021 data, initial addition to improvements of 0.25%, long-term rate of improvement of 1.5% p.a.

Trustee Report (continued)

Fund Membership

The reconciliation of the Fund membership during the year ended 31 December 2024 is shown below:

Defined Benefit Section	Deferred	Pensioners	Total
As at 31 December 2023	863	890	1,753
Adjustments	(3)	1	(2)
As at 1 January 2024	860	891	1,751
New Beneficiary Pensioners	-	12	12
Retirements	(54)	54	-
Deaths	(2)	(30)	(32)
Transfers Out	(3)	-	(3)
Members as at 31 December 2024	801	927	1,728

Hybrid Section*	Deferred	Pensioners	Total
As at 31 December 2023	302	55	357
Adjustments	3	-	3
As at 1 January 2024	305	55	360
Retirements	(8)	8	-
Members as at 31 December 2024	297	63	360

	Deferred	Pensioners	Total
Total members as at 31 December 2023	1,165	945	2,110
Total members as at 31 December 2024	1,098	990	2,088

*Hybrid members refer to members who were still employed by Canada Life at 31 December 2016 when the Fund was closed to future accrual.

Included within pensioners are 128 (2023: 126) individuals receiving a pension upon death of their spouse who was a member of the Fund.

These membership figures do not include movements notified to the Administrator after the completion of the annual review.

The prior year adjustments relate to late notification/processing of leavers.

Trustee Report (continued)

Investment Policy

Investment Manager

The Trustee has delegated management of investments to the Investment Manager shown on page 1. This manager, who is regulated by the Financial Conduct Authority in the United Kingdom, manages the investments in line with the Investment Manager's Agreement which is designed to ensure that the objectives and policies captured in the Statement of Investment Principles ("SIP") are followed.

The Trustee has considered environmental, social and governance ("ESG") factors for investments (including but not limited to climate change) and has delegated to the investment Manager the responsibility for taking these considerations into account when assessing the financial potential and suitability of an investment and for exercising the rights (including voting rights) relating to the Fund's investments. This is actively monitored by the Trustee who works with and challenge the Investment Manager regarding compliance.

Investment Manager Fees

The Investment Manager is paid fees for its services. The fees are calculated as a percentage of the market value of the part of the Fund that it manages.

Custody of Fund Assets

The Trustee has appointed Canada Life Asset Management ("CLAM") as Custodian of the Fund's investments. For directly held securities, such as the bonds, gilts and cash, CLAM have appointed Royal Bank of Canada as sub-custodian. For the Open Ended Investment Companies ("OEICs") CLAM have appointed The Bank of New York Mellon Corp. as sub-custodian and for the property fund the sub-custodian is State Street Bank and Trust Company.

The Custodian is responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the Custodian's nominee company, Royal Bank of Canada, in line with common practice for pension scheme investments.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Fund's investments and believe them to be appropriate relative to the reasons for holding each class of investments. The investments of the Fund have been managed by the Trustee in conjunction with the Fund's Investment Manager.

Investment Strategy

The investment strategy adopted by the Fund is designed to provide adequate funds to cover future retirement benefits for members of the Fund. The Fund invests directly in fixed interest gilts, index linked gilts and corporate bonds. The Fund also invests indirectly in UK and global equities, property and cash through investments in pooled funds.

Overseas equities (and UK equities) will be underweight versus target as the property is sold down. Once the property is sold down, which is expected to be this year, the weightings will be in their expected ranges.

Trustee Report (continued)
Investment Performance

During 2024 the market value of the Fund (excluding inflows) decreased by £24.7m (2023: increased £3.3m) to £237.4m (2023: £262.1m). Adjusting for net inflows, this equated to a time-weighted gross investment loss of 5.9% (2023: return of 3.4%).

Longer term net performance of the Fund against its benchmark, and against the RPI for the year ended December 2024 is shown below:

	1 year %	3 years %	5 years %
Fund Investment Return	(5.9)	(34.6)	(21.2)
Benchmark Return	(6.4)	(35.2)	(22.9)
RPI	3.5	23.4	34.3

Asset Allocation (Excludes Other Investment Balances)

Valuation of Fund’s assets at year end (over 5%)	Market Value 2024 £000	% of Net Assets 2024	Market Value 2023 £000	% of Net Assets 2023
WS Canlife Global Equity G ACC	22,152	9.3	18,523	7.1

The asset mix of the funds as at 31 December 2024 and 31 December 2023 is set out below:

Growth Portfolio	Market Value 2024 £000	%	Market Value 2023 £000	%
UK Equities	9,793	26.1	9,203	24.6
Overseas Equities	22,152	59.0	18,523	49.6
Property	5,615	14.9	9,634	25.8
Total	37,560	100.0	37,360	100.0

Matching Portfolio	Market Value 2024 £000	%	Market Value 2023 £000	%
Index Linked Bonds	68,206	34.6	63,992	28.8
Fixed Interest Bonds	46,962	23.8	67,834	30.5
Corporate Bonds	79,590	40.3	87,706	39.4
Cash	2,527	1.3	2,886	1.3
Total	197,285	100.0	222,418	100.0

Trustee Report (continued)**Asset Allocation (Excludes Other Investment Balances) (continued)**

The asset class weighting and gross return achieved during 2024 and 2023 are shown as follows:

	2024 Average Portfolio Weight %	2024 Portfolio Return %	2023 Average Portfolio Weight %	2023 Portfolio Return %
UK Equity	3.9	6.8	5.5	9.6
Overseas Equity	8.2	20.0	10.8	9.5
Corporate Bonds	34.0	(4.2)	29.5	10.3
Property	2.9	(5.4)	4.0	(9.0)
Index Linked Gilts	31.7	(13.3)	23.0	(10.2)
Gilts	18.1	(9.3)	26.2	5.2
Cash	1.3	4.2	1.0	3.2
Total *	100.0	(5.8)	100.0	3.4

* Note totals may not sum due to rounding.

	Holding	Weight %
1	UK Treasury 4.125% 22/07/29	6.8
2	UK Treasury I/L Gilt 1.125% 22/11/37	5.8
3	UK Treasury I/L Gilt 4.125% 22/07/30	4.3
4	UK Treasury I/L Gilt 0.75% 22/03/34	4.2
5	UK Treasury I/L Gilt 0.625% 22/11/42	4.0
6	UK Treasury 4.25% 07/12/49	3.1
7	UK Treasury 2.5% 22/07/65	2.9
8	UK Treasury I/L Gilt 0.625% 22/03/45	2.2
9	UK Treasury I/L Gilt 0.25% 22/03/52	2.2
10	UK Treasury I/L Gilt 1.25% 22/11/55	2.1

Statement of Investment Principles ("SIP")

In accordance with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and subsequent regulations, the Trustee has prepared a SIP, which sets out the principles governing how investments are chosen. A copy can be found on the Fund's website at:

<https://www.canadalifepensions.co.uk/media/oarl1ek4/050324-canada-life-fs-soip.pdf> and is also available on request from the Fund's Administrator, whose contact address is Hymans Robertson LLP, 20 Waterloo Street, Glasgow, G2 6DB

Trustee Report (continued)

Environmental, Social and Ethical Considerations (“ESG”)

The Trustee acknowledges that an understanding of financially material considerations, including ESG factors (such as climate change) and risks related to these factors, can contribute to the identification of investment opportunities and financially material risks. As part of its delegated responsibilities, the Trustee expects the Fund's Investment Manager to take into account ESG considerations (including long-term risks posed by sustainability concerns including climate change risks) in the selection, retention and realisation of investments. Any decision should not apply personal, ethical or moral judgements to these issues, but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG-related risk and opportunities:

- The Trustee Directors will have periodic training on Responsible Investment to understand how ESG factors, including climate change, could impact the Fund's assets and liabilities.
- The Trustee will request the Fund's Investment Manager to provide their Responsible Investment policy and details of how they integrate ESG into their investment decision-making process on a regular basis. Should the Fund look to appoint a new manager, the Trustee will request this information as part of the selection process. All responses will be reviewed and monitored with input from their Investment Adviser.
- The Trustee will ensure investments align with the Responsible Investment policy. This requires managers to screen the investment universe and exclude issuers based on pertinent ESG factors. Managers will also integrate ESG factors and risks into their investment decision-making process, considering them at a portfolio level.
- The Trustee will regularly engage with managers on ESG factors. This includes quarterly monitoring to ensure continued alignment with Responsible Investment requirements and to encourage engagement with issuers to deliver positive impact on ESG factors.
- The Trustee annually reviews the carbon intensity of the portfolio and expects the carbon intensity of the overall portfolio to trend downwards. Where appropriate, the Trustee will engage with managers who have a relatively high carbon intensity portfolio.
- The Trustee annually reviews the portfolio exposure to the following sectors: gambling, pornography, alcohol, tobacco, controversial weapons and fossil fuels. Where appropriate the Trustee will engage with managers on the rationale for such investment.

Exercise of Voting Rights

The Trustee has delegated the exercise of voting rights to the Investment Manager on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value.

Accordingly, the manager has written guidelines of their process and practice in this regard in relation to the pooled funds in which the Trustee invest. The manager is encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies.

Employer-related investments

There were no direct or indirect Employer-related investments at 31 December 2024 (2023: £nil) or at any time during the year.

Trustee Report (continued)

Statement of Trustee's Responsibilities

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

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

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

The Trustee is also responsible for the maintenance and integrity of the Fund's website [Resources | Canada Life](#). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Trustee Responsibilities in Respect of Contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Fund by or on behalf of the Principal Employer of the Fund and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for adopting risk-based processes to monitor whether contributions are made to the Fund by the Principal Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule of Contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Trustee Report (continued)

Further Information

Internal Dispute Resolution (“IDR”) Procedures

It is a requirement of the Pensions Act 1995 that the Trustee of an occupational pension scheme must have IDR procedures in place for dealing with any disputes between the Trustee and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to the Secretary to the Trustee at the address below.

Contact for Further Information

Any enquiries or complaints about the Fund, including requests from individuals about their benefits or for a copy of Fund documentation, should be sent to the Secretary to the Trustee at the address on page 1.

The Money and Pensions Service (“MaPS”)

This service is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the Trustee. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the government and free to use.

The Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB
Tel: 0800 011 3797
www.moneyhelper.org.uk

The Pensions Ombudsman

Members have the right to refer a complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the events(s) the member is complaining about happened – or, if later, within three years of when they first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London
E14 4PU
Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
www.pensions-ombudsman.org.uk

Members can also submit a complaint form online:
www.pensions-ombudsman.org.uk/making-complaint

Trustee Report (continued)
Further Information (continued)
The Pensions Regulator (“TPR”)

TPR has the objectives of protecting the benefits of members, promoting good administration and reducing the risk of claims on the Pension Protection Fund. TPR has the power to investigate schemes, to take action to prevent wrongdoing in or maladministration of pension schemes and to act against the Principal Employer’s failing to abide by their pension obligations. TPR may be contacted at the following address:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
www.thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Schemes Registry has been replaced with the Pension Tracing Service and is now provided by the Department for Work and Pensions. Responsibility for compiling and maintaining the register of occupational pension schemes has been passed to TPR.

Contact details for the services are as follows:

The Pensions Service
Post Handling Site A
Wolverhampton
WV98 1AF
Tel: 0800 731 0175
www.gov.uk/find-pension-contact-details

Approval of the Report by the Trustee

The Investment Report, Report on Actuarial Liabilities and Implementation Statement included in this annual report and financial statements forms part of the Trustee report.

Signed for and on behalf of the Trustee of Canada Life UK Division Staff Pension Fund by:

John Beedshaw

Trustee Director

Richard Helyer

Trustee Director

25-Jul-2025 | 14:01 BST

Date

Section 3 – Independent Auditor's Report

Independent Auditor's Report to the Trustee of Canada Life UK Division Staff Pension Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Canada Life UK Division Staff Pension Fund ("the 'Fund'):

- show a true and fair view of the financial transactions of the Fund during the year ended 31 December 2024 and of the amount and disposition at that date of its assets and liabilities, other than the 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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.

We have audited the financial statements which comprise:

- the fund account;
- the statement of net assets; and
- the related notes 1 to 20.

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).

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 Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Report on the audit of the financial statements (continued)

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Trustee

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Trustee about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

Report on the audit of the financial statements (continued)**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Pension Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty. These included the Fund's regulatory requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the misappropriation of investment assets due to the significant size of investment transactions and balances. In response we have:

- obtained an understanding of the relevant controls over investment holdings and transactions;
- agreed investment holdings to independent confirmations; and
- agreed investment and cash reconciliations to independent sales and purchase reports and bank statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and the Trustee about concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- reading minutes of Trustee meetings.

Use of our report

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



Deloitte LLP

Statutory Auditor

Reading, United Kingdom

Date: 25-Jul-2025 | 13:44 BST

Section 4 – Financial Statements

Fund Account for year ended 31 December 2024

		2024	2023
	Note	£000	£000
CONTRIBUTIONS AND BENEFITS			
Transfers in	5	534	332
Other income	6	176	-
		<u>710</u>	<u>332</u>
Benefits paid or payable	7	(10,259)	(8,606)
Payments to and on account of leavers	8	(1,246)	(570)
Administrative expenses	9	(1)	(2)
		<u>(11,506)</u>	<u>(9,178)</u>
Net withdrawals from dealings with members		(10,796)	(8,846)
RETURNS ON INVESTMENTS			
Investment income	11	6,585	6,419
Change in market value of investments	13.1	(21,505)	2,375
Investment management expenses	12	(221)	(194)
Net returns on investments		<u>(15,141)</u>	<u>8,600</u>
Net decrease in the fund during the year		(25,937)	(246)
Net assets of the Fund at the start of the year		264,049	264,295
Net assets of the Fund at the end of the year		<u>238,112</u>	<u>264,049</u>

The notes on pages 19 to 31 form part of these financial statements.

Statement of Net Assets (available for benefits) as at 31 December 2024

		2024	2023
	Note	£000	£000
Investment assets	13.1		
Bonds		194,757	219,532
Pooled investment vehicles		39,500	39,567
Cash		588	679
Other investment balances		2,580	2,360
Total investments assets		237,425	262,138
Current assets	15	912	2,054
Current liabilities	16	(225)	(143)
Net assets of the Fund at the end of the year		238,112	264,049

The notes on pages 19 to 31 form part of these financial statements.

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 4 and 5 and in the Scheme Actuary’s certificates in Section 8 on page 34 of these financial statements and should be read in conjunction therewith.

Signed for and on behalf of the Trustee of Canada Life UK Division Staff Pension Fund by

John Beedeshaw

Trustee Director

Richard Helyer

Trustee Director

25-Jul-2025 | 14:01 BST

Date

Section 5 – Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2024

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 (FRS 102) – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (Revised 2018) 'the SORP'.

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Fund has adequate resources to realise its assets and meet pension payments in the normal course of affairs (i.e. to continue to operate) for at least the next twelve months. This assessment, together with income and capital growth from its assets, gives the Trustee confidence to prepare the financial statements on a going concern basis.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Canada Life UK Division Staff Pension Fund is a Defined Benefit occupational pension scheme established under trust under English Law.

The address of the Fund's principal office is Canada Life Place, Potters Bar, Hertfordshire, United Kingdom, EN6 5BA.

3 ACCOUNTING POLICIES

The principal accounting policies applied to the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Transfers in

Individual transfers from other schemes are accounted for when member liability is accepted which is normally when the transfer amount is received.

3.2 Benefits paid or payable

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

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

3.3 Payments to and on account of leavers

Individual transfers to other schemes are accounted for when member liability is discharged which is normally when the transfer amount is paid.

3.4 Administrative expenses

Administrative expenses are accounted for on an accruals basis.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3 ACCOUNTING POLICIES (continued)****3.5 Other income and payments**

Other income and payments are accounted for on an accruals basis.

3.6 Investment income

Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales of bonds.

Income arising from the underlying investments of the pooled investment vehicles, which is reinvested within the pooled investment vehicles, is reflected in the unit price. Such income is reported within the change in market value.

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

All investment income is stated inclusive of any related recoverable taxation but net of any irrecoverable tax, including overseas withholding taxes and the costs of collection.

3.7 Change in market value of investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds where income is reinvested within the fund without issue of further units, change in market value also includes such income.

3.8 Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Fund such as fees, commissions, stamp duty and other fees.

3.9 Investment management expenses

Investment management fees are accounted for on an accruals basis.

3.10 Investments

Investment assets are included in the financial statements at fair value. The methods of determining fair value for the principal classes of investment are:

Bonds are valued on a clean basis which excludes the value of interest accruing from the previous interest payment date and the valuation date. Accrued interest is accounted for within investment income and other investment balances.

Pooled investment vehicles which are traded on an active market are included at quoted price, which is usually bid price.

Pooled investment vehicles which are unquoted or not actively traded are stated at bid price or single price where there is no bid/offer spread as provided by the Investment Manager at the year end.

Accrued investment income is accounted for within other investment balances.

3.11 Accounting estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the financial statements for the year ended 31 December 2024 (continued)**3 ACCOUNTING POLICIES (continued)****3.12 Functional and presentational currency**

The Fund's functional and presentational currency are Pounds Sterling (GBP).

4 CONTRIBUTIONS

At the 31 December 2022, the Fund was in surplus and the new Schedule of Contributions, stating no contributions are payable, was signed off before 30 November 2023. Therefore, no contributions were received in 2024.

5 TRANSFERS IN

	2024	2023
	£000	£000
Individual transfers in from other schemes	534	332

6 OTHER INCOME

	2024	2023
	£000	£000
Claims on insurance policies	176	-

7 BENEFITS PAID OR PAYABLE

	2024	2023
	£000	£000
Pensions	8,015	7,038
Commutations and lump sum retirement benefits	2,100	1,546
Purchase of annuity	64	-
Lump sum death benefit	79	22
Refunds on death	1	-
	10,259	8,606

8 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2024	2023
	£000	£000
Individual transfers to other schemes	1,246	570

Notes to the financial statements for the year ended 31 December 2024 (continued)

9 ADMINISTRATIVE EXPENSES

	2024	2023
	£000	£000
Bank charges	1	2

All other administrative expenses are paid directly by the Principal Employer.

10 TAX

The Fund is a registered pension scheme in accordance with the Finance Act 2004. This means that the contributions paid by both the Principal Employer and the members qualify for full tax relief, and are exempt from income tax and capital gains tax except for withholding tax on overseas investment income.

11 INVESTMENT INCOME

	2024	2023
	£000	£000
Income from bonds	6,497	6,273
Interest on cash deposits	88	146
	6,585	6,419

12 INVESTMENT MANAGEMENT EXPENSES

	2024	2023
	£000	£000
Administration, management and custody	221	194

Notes to the financial statements for the year ended 31 December 2024 (continued)**13 INVESTMENTS****13.1 INVESTMENT RECONCILIATION**

	<i>Opening value</i>	<i>Purchase cost</i>	<i>Sales proceeds</i>	<i>Change in market value</i>	<i>Closing value</i>
	£000	£000	£000	£000	£000
Bonds	219,532	75,522	(74,869)	(25,428)	194,757
Pooled investment vehicles	39,567	10,162	(14,152)	3,923	39,500
	259,099	85,684	(89,021)	(21,505)	234,257
Cash	679				588
Other investment balances	2,360				2,580
TOTAL NET INVESTMENTS	262,138				237,425

The change in the 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.

Transaction costs

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Transaction costs include costs charged to the Fund such as fees, commissions and stamp duty. During the year an amount of £10k (2023: £6k) was charged to the Fund through transaction costs for safe custody fees.

In addition to the direct transaction costs above, indirect costs are incurred through the bid-offer spread on pooled investment vehicles. It is not possible for the Trustee to quantify these indirect costs.

13.2 POOLED INVESTMENT VEHICLES ("PIV")

The holdings of PIVs are analysed below:

	2024	2023
	£000	£000
Equity fund	31,946	27,726
Property funds	5,615	9,634
Cash funds	1,939	2,207
	39,500	39,567

The legal nature of the Fund's pooled arrangements is:

	2024	2023
	£000	£000
Open ended investment company	33,885	29,933
Unitised insurance policies	5,615	9,634
	39,500	39,567

Notes to the financial statements for the year ended 31 December 2024 (continued)

13.3 CASH AND OTHER NET INVESTMENT BALANCES

	2024	2023
	£000	£000
Cash	588	679
Dividends and withholding tax	2,580	2,360
	<u>3,168</u>	<u>3,039</u>

13.4 CONCENTRATION OF INVESTMENTS

The following investments, excluding UK Government securities, account for more than 5% of the net assets of the Fund.

	2024	%	2023	%
	£000		£000	
Canada Life Global Equity Fund	22,153	9.3	18,523	7.0

Notes to the financial statements for the year ended 31 December 2024 (continued)**13.5 INVESTMENTS FAIR VALUE HIERARCHY**

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

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable (i.e. developed for the asset or liability, either directly or indirectly).
Level 3	Inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

As at 31 December 2024	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Bonds	-	194,757	-	194,757
Pooled investment vehicles	-	33,885	5,615	39,500
Cash	588	-	-	588
Other investment balances	2,580	-	-	2,580
	3,168	228,642	5,615	237,425

As at 31 December 2023	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Bonds	-	219,532	-	219,532
Pooled investment vehicles	-	29,933	9,634	39,567
Cash	679	-	-	679
Other investment balances	2,360	-	-	2,360
	3,039	249,465	9,634	262,138

Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the investment assets are included in Level 3.

Valuation techniques in determining fair value are described in note 3.11.

Notes to the financial statements for the year ended 31 December 2024 (continued)

13.6 INVESTMENT RISKS

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

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

The Fund is subject to credit risk via its directly held bonds. In addition, the Fund's investments in managed funds are directly exposed to credit risk. The Fund is also indirectly exposed to credit risks arising on some of the instruments held in the managed funds.

In order to minimise the credit risk with the Fund's cash holdings, cash is held with financial institutions which as a minimum are investment grade credit rated.

The Trustee manages the credit risk in the Fund by constructing a diverse portfolio of investments across markets and issuers.

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.

The Fund is subject to indirect currency risk because some of its investments are held overseas within a managed fund.

- **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.

The Fund is subject to interest rate risk because some of its investments are held in directly held bonds as well as the Fund's direct and indirect cash holdings.

In an effort to mitigate the risk within the Fund, the Matching portfolio aims to provide a better match to the interest rate and inflation sensitivities of the liabilities as measured by the technical provisions.

- **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.

Other price risk arises indirectly principally in relation to the return seeking portfolio – the Growth portfolio – of the Fund which includes equities and investment properties held in managed funds.

The information about exposures and mitigation of different risks apply at both the current and previous year end.

The Trustee manages other price risk within the Fund by constructing a diverse portfolio of investments across various markets.

The Fund has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee Report. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Fund's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Investment Manager and monitored by the Trustee by regular reviews of the investment portfolios.

Notes to the financial statements for the year ended 31 December 2024 (continued)

13.6 INVESTMENT RISKS (continued)

Further information on the Trustee's approach to risk management and the Fund's exposures to credit and market risks are set out below.

The following table illustrates the extent to which the section's investments are subject to the below risks:

	Market value 2024 (£000)	Market value 2023 (£000)	Credit Risk	Currency risk	Interest rate risk	Other price risk
Growth Portfolio						
UK equities	9,793	9,203	No	No	No	Yes
Overseas equities	22,152	18,523	No	Yes	No	Yes
Property	5,615	9,634	Yes	No	Yes	Yes
Matching Portfolio						
Index Linked Bonds	68,206	63,992	Yes	No	Yes	No
Government Bonds	46,962	67,834	Yes	No	Yes	No
Corporate Bonds	79,590	87,706	Yes	No	Yes	No
Cash	2,527	2,886	Yes	No	Yes	No
Total	234,845	259,778				

The legal nature of the Fund's pooled arrangements is analysed in note 13.2 on page 23.

The investment strategy adopted by the Fund on behalf of the members is designed to provide adequate funds to cover future retirement benefits for members of the Fund. The Fund invests in United Kingdom (UK) and overseas assets and by holding units in the managed funds of CLL. This ensures the portfolio is reasonably balanced. The composition of the portfolio is closely controlled by the Investment Department of CLL and is reviewed semi-annually by the Trustee.

The Trustee determines its investment strategy after taking advice from the Fund's professional Investment Adviser. The Fund has exposure to these risks because of the investments it makes in following the investment strategies set out below.

During the reporting year, the percentage of assets between the Growth and Matching Portfolio was 15% Growth Portfolio and 85% Matching Portfolio. Within each portfolio, a target range is set as per the below table. If these targets deviate outside of target ranges, following advice received from the Investment Advisor, the Trustee will instruct the Investment Manager to rebalance the portfolio. The Trustee will indicate in the instruction a time frame for completing their instructions.

- The Growth Portfolio objective is to provide good long-term returns, to outperform the liabilities and help eliminate the deficit. Any monies required to pay benefits can be taken from this portfolio.
- The Matching portfolio objective is to provide a better match to the interest rate and inflation sensitivities of the liabilities as measured by the Technical Provisions. The target hedge ratio is 90% of interest rates and 100% of inflation as measured using the Technical Provisions as at 31 December 2019. The actual hedge ratio will be dependent on market conditions, cashflows and the changes to the Technical Provisions. Any monies that require investing from the Fund bank account (after allowing for benefit payments) are invested in this portfolio.

Notes to the financial statements for the year ended 31 December 2024 (continued)**13.6 INVESTMENT RISKS (continued)****Investment Strategy**

Growth Portfolio	
UK Equities	25-35%
Overseas Equities	65-75%
Property	0-20%

Matching Portfolio	
Index Linked Bonds	25-35%
Fixed Interest Bonds	60-80%
Cash	0-10%

Within these asset classes the following guidelines apply:

Growth Portfolio:**UK Equities**

Investments in equities will be made through a diversified managed fund or combination of managed funds. No single equity position will represent more than 7% (or 110% of the weighting of that equity within the FTSE All Share Index if greater) of the Fund's total equity component as measured by market value, unless approved by the Trustee.

Overseas Equities

Investments in equities will be made through a diversified managed fund or combination of managed funds. No single equity position will represent more than 7% of the Funds total equity component as measured by market value, unless approved by the Trustee. No more than 75% of the total value of overseas equities will be invested in any single foreign country.

Property

Property equity investments will be made through open-ended or closed pooled funds.

Further restrictions apply to ensure that the Fund is invested in a prudently diversified manner.

- The Investment Manager is restricted from investing in hedge funds and using derivative instruments.
- The Investment Manager is not permitted to take an action that will deliberately move the asset allocation outside of the ranges quoted above unless sanctioned by the Trustee.
- If the assets move outside of the ranges quoted above due to market movements, the Investment Manager should take corrective action within 3 months to address the situation.

Note the property fund is expected to close during 2025. The progress of sales of the underlying property holdings is regularly reported by the Investment Manager.

Matching Portfolio:

Investments will be made directly into index-linked gilts, fixed interest gilts or sterling denominated investment grade credit.

The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Fund's strategic investment objectives. These investment objectives and risk limits are implemented through the Investment Management Agreements in place with the Fund's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Notes to the financial statements for the year ended 31 December 2024 (continued)

14 CURRENT ASSETS

	2024	2023
	Total	Total
	£000	£000
Cash balances	898	1,930
Due from the Principal Employer	-	95
Sundry debtors	14	29
	<u>912</u>	<u>2,054</u>

15 CURRENT LIABILITIES

	2024	2023
	Total	Total
	£000	£000
Accrued benefits	95	21
PAYE due to HMRC	129	106
Accrued investment management expenses	1	16
	<u>225</u>	<u>143</u>

16 RELATED PARTY TRANSACTIONS

Related party transactions and balance comprise:

Key management personnel

Fees and expenses were paid to Trustee Directors in the amount of £36,023 (2023: £26,250) by the Principal Employer.

The membership status of the Trustee Directors at the year end is as below:

K Austin	pensioner (2023: pensioner)
TM Deeks	pensioner (2023: pensioner)
R Helyer	pensioner (2023: pensioner)
T Milner	non-member (2023: non-member)
JE Occleshaw	deferred (2023: deferred)
R Wisentaner	non-member (2023: non-member)

Notes to the financial statements for the year ended 31 December 2024 (continued)**16 RELATED PARTY TRANSACTIONS (continued)****Principal Employer and other related parties**

The Principal Employer meets all administrative expenses of the Fund except for those in Note 9.

Investments are managed by Canada Life Limited, a related party of the Fund.

As at 31 December 2020 the DB Section of the Fund owed Canada Life Limited £95,728 due to overpaid group life contributions. The amount of £95,728 was paid back to the Principal Employer on 5 August 2021 and again on 23 December 2021 as a result of a clerical error. As this was reimbursed twice it is due from the Principal Employer. This was reimbursed back to the Scheme on 9 December 2024.

CLFIS (UK) Limited is the Principal Employer of the Fund. In addition, the Trustee has a guarantee from the holding company, The Canada Life Group (UK) Limited, to provide further protection to members of the Fund.

Life assurance covering death in service for Fund members is effected through an insurance policy with Canada Life Limited.

17 CONTINGENCIES AND COMMITMENTS

In the opinion of the Trustee, other than the GMP equalisation issue and Virgin Media Case described below in Notes 19 and 20 respectively, the Fund had no other contingent assets and liabilities as at 31 December 2024 (2023: £nil).

18 EMPLOYER-RELATED INVESTMENTS

There were no direct or indirect Employer-related investments at 31 December 2024 (2023: £nil) or at any time during the year.

19 GMP EQUALISATION

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. The Trustee has reviewed, with its advisers, the implication of this ruling on the Fund for pensioner members and communicated the outcome of this review for affected pensioner members in November and December 2024. The Trustee is continuing to review the impact for deferred members.

There has been a further High Court judgement in relation to the equalisation of GMP benefits. This judgement focused on the GMP treatment of historic transfers out of members, an issue which had not been addressed in the 2018 GMP ruling. There was a subsequent High Court judgement on 20 November 2020 in relation to historic transfer values paid from May 1990 to assess if any top-up payment is required to the receiving scheme, to reflect the member's right to equalised GMP benefits. The impact of this court case is also being considered by the Trustee. It is not possible to estimate the cost of any rectification adjustments at this time.

The Trustee is continuing to receive advice on how to deal with GMP equalisation and will communicate how it proposes to deal with this issue as soon as it can. GMP equalisation will be complex and may take a number of years to complete. The impact of any change is, for the vast majority of members, expected to be small.

Notes to the financial statements for the year ended 31 December 2024 (continued)**20 VIRGIN MEDIA CASE**

The Virgin Media Ltd v NTL Pension Trustees II decision (the “**Virgin Media Decision**”), handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes to be amended or altered (in respect of certain benefits) where particular requirements were met. The Scheme Actuary, at the time of the amendment or alteration, could confirm in writing whether those requirements were met.

This decision was appealed to the Court of Appeal, and, in July 2024, the Court of Appeal upheld the decision of the High Court.

On 5 June 2025, the Department for Work and Pensions noted that the Virgin Media Decision had led to increased uncertainty in the pensions industry and confirmed that it would introduce legislation to allow pension schemes to retrospectively obtain written actuarial confirmation that the necessary standards were met at the time the alteration or amendment was made (if required and if possible).

The Trustee continues to monitor the position and will consider the possible implications, if any, for the Fund with its advisers and what steps, if any, it wishes to take in due course taking into account the Government's decision to introduce new legislation.

Section 6 – Independent Auditor's Statement about Contributions

Independent Auditor's Statement about Contributions to the Trustee of Canada Life UK Division Staff Pension Fund

We have examined the Summary of Contributions to the Canada Life UK Division Staff Pension Fund for the Fund year ended 31 December 2024 to which this statement is attached.

In our opinion, contributions for the Fund year ended 31 December 2024 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 21 November 2023.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustee and the Auditor

As explained more fully in the Statement of Trustee's Responsibilities on page 11, the Fund's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Fund by the Principal Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedule of Contributions and to report our opinion to you.

Use of our report

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



Deloitte LLP

Statutory Auditor

Reading, United Kingdom

Date 25-Jul-2025 | 13:44 BST

Section 7 – Summary of Contributions

Trustee’s Summary of Contributions Payable under the Schedule in respect of the Fund year ended 31 December 2024

The preparation of the Summary of Contributions is the responsibility of the Trustee. It sets out the Principal Employer’s contributions payable to the Fund under the Schedule of Contributions certified by the Scheme Actuary on 21 November 2023 in respect of the Fund year ended 31 December 2024.

The Fund auditor reports on these contributions payable under the Schedule in the Auditor’s Statement about Contributions.

Summary of Contributions payable in the year

During the year, no contributions were payable to the Fund.

Signed for and on behalf of the Trustee of Canada Life UK Division Staff Pension Fund by:

John Beekshaw

Trustee Director

Richard Helyer

Trustee Director

25-Jul-2025 | 14:01 BST

Date

Section 8 – Actuarial Statement & Certificate

Canada Life UK Division Staff Pension Fund Schedule of Contributions – Actuarial Certificate


Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective on 31 December 2022 can be expected to continue to be met during the five-year period covered by this schedule.

Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated November 2023.

Please note that the adequacy of contributions statement in this certificate relates to the Fund's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the Fund's full liabilities with annuities if the Fund were to wind up.

Signature	
Date	21-Nov-2023 11:03 GMT
Name	Laura McLaren
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	One London Wall, London EC2Y 5EA

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Section 9 – Implementation Statement (Forming part of the Trustee Report)

Canada Life UK Division Staff Pension Fund Engagement Policy Implementation Statement (“EPIS”)

The following pages contain the Implementation Statement for the Canada Life UK Division Staff Pension Fund at 31 December 2024.

Canada Life UK Division Staff Pension Fund Implementation Statement for the year ending 31 December 2024

**Statement of Compliance with the Trustee of the Canada Life UK Division Staff Pension Fund
Stewardship Policy for the year ending 31 December 2024**

Introduction

Canada Life UK Staff Pension Trustee Limited, in its capacity as Trustee of the Canada Life UK Division Staff Pension Fund (the “Fund”), has prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation, and with those of the Pensions Regulator’s General Code of Practice. It sets out how the Trustee has complied with the Stewardship Policy contained in its Statement of Investment Principles (“SIP”) during the period 1 January 2024 to 31 December 2024.

Overall, the Trustee is satisfied that:

- The Fund’s investments have been managed in accordance with the Stewardship Policy during the period;
- The Fund’s investments have been managed in accordance with the remainder of the SIP; and
- The provisions of the SIP remain suitable for the Fund’s members.

Statement of Investment Principles

The SIP sets out the principles and practices the Trustee follows when governing the Fund’s investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustee’s approach to responsible investing (including climate change).

The Trustee reviewed and updated the SIP during the period, making the following changes:

- The name of the Principal Employer was changed to CLFIS (U.K.) Limited from Canada Life Limited (“CLL”).
- Inclusion of Other Risks including political risk and geographic risk under the Investment Risk Measurement and Management section.
- The target strategic asset allocation in the matching assets portfolio was adjusted.

During the period, the Trustee also requested additional updates to be made to the SIP which is currently being finalised. These include an update to reflect the change in custodian from RBC Investor and Treasury Services to Northern Trust and an introduction of an Investment Policy Implementation Document (the “IPID”) which covers details of the underlying assets.

The SIP is next scheduled for review no later than March 2027, or following a significant change to the investment strategy.

The Trustee has prepared this Implementation Statement on the basis of the SIP in force throughout the period, with reporting within this document in line with the SIP applicable at the relevant time.

The Fund’s SIP can be consulted online at [Statement of Investment Principles | Canada Life](#).

Investment governance

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement (and/or benefits on death, or before or after retirement, for their dependants) on a defined benefits basis.

The Trustee has overall responsibility for how the Fund's investments are governed and managed, in accordance with the Fund's Trust Deed and Rules, as well as trust law, pensions law and pension regulations.

The Trustee has set objectives for the Fund's Investment Consultant (Hymans Robertson LLP) designed to align with the Trustee's own objectives and investment strategy as set out in the SIP.

The Trustee has undertaken training during the last year to ensure that its knowledge of investment matters remains up to date.

Date	Topic	Aim	Trainer
15 February 2024 Meeting	Cyber security	This session reminded the Trustee of cyber security and its relevance to protecting Fund data and ensuring the Trustee's adherence to current data protection legislation.	Eversheds
	General Code	The Trustee received an overview of the final General Code (which sets out in detail what The Pensions Regulator expects from a scheme that is required to maintain an effective system of governance) and its requirements, with reference to a high level 'gap analysis' for the Fund.	Hymans Robertson LLP
11 March 2024 Strategy Day	Setting long-term strategy	The Trustee reviewed the factors to consider when setting the Fund's long-term objectives and strategy, looking in particular at risk-transfer vs. run-off.	Hymans Robertson LLP
22 May 2024 Meeting	Training on the hedging strategy	This session provided information on the hedging strategy	Hymans Robertson LLP

		adopted by the Trustee. This covered the basic principles, some of the associated risks, and observations made through the market volatility in October 2022.	
11 September 2024 Meeting	Updates to UK DB pensions legislation	The Trustee received an update on changes to the UK DB pensions regulatory environment. This includes the DB funding code (published July 2024 and effective for valuations from September 2024) and progress on other consultations.	Hymans Robertson LLP

Stewardship Policy

The Stewardship Policy sets out how the Trustee will behave as an active owner of the Fund's assets, which includes the Trustee's approach to:

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustee monitors and engages with its Investment Manager and any other stakeholders.

The Stewardship Policy is reviewed in line with the Fund's SIP.

The Trustee monitors its compliance with the Stewardship Policy on a periodic basis and is satisfied that it has complied with the Fund's Stewardship Policy over the last scheme year.

Voting activity

The Fund's assets are held in a policy issued by CLL and managed by Canada Life Asset Management Limited ("CLAM")¹, in line with the Fund's strategic asset allocation. The Trustee has access to the relevant portfolio managers appointed by CLAM across a range of asset classes.

Sustainability and stewardship considerations form a part of CLAM's holistic investment decision-making process. This process involves balancing financially material sustainability factors and financial factors and takes both current and future needs into account.

As such, CLAM exercises its voting rights and utilises engagement – where relevant and appropriate - to promote business models necessary to sustaining value over the long term.

Footnote:

¹ Canada Life Asset Management is the brand for investment management activities undertaken by Canada Life Asset Management Limited, Canada Life Limited and Canada Life European Real Estate Limited.

The Trustee has delegated voting and engagement activity in respect of the underlying assets to CLAM. The Trustee believes it is important that, as the Fund's Investment Manager, CLAM takes an active role in the supervision of the companies in which it invests, both by voting at shareholder meetings and engaging with management on issues which can make a difference to either the attractiveness of the investments or their associated risks.

The CLAM Voting Policy provides direction in determining the circumstances in which it may be appropriate to vote against management (deemed to be significant votes), setting out preferences in matters such as board remuneration, board structure, and shareholder-promoted votes relating to financially material sustainability issues.

CLAM reviews its Engagement Policy on a periodic basis, including in the financial year under review, to reflect its approach and tools. It considers the insights delivered by external third-party providers, including Sustainalytics and the proxy advice services of Institutional Shareholder Services.

More about CLAM's approach to voting can be found in its Voting Policy and Stewardship Report, both of which are available on its website: <https://www.canadalifeassetmanagement.co.uk/responsible-investing/policies-reports/>.

During the period, CLAM has reported on how votes were cast in respect of the relevant investments in which the funds are invested as set out below:

	UK Equity Fund	Global Equity Fund
Proportion of Fund assets	4.1%	9.3%
No. of meetings eligible to vote at during the year	54	93
No. of resolutions eligible to vote on during the year	1,047	1,574
% of resolutions voted	100%	98%
% of resolutions voted with management	100%	87%
% of resolutions voted against management	0%	13%
% of resolutions abstained	0%	0.2%
% of meetings with at least one vote against management	0%	52%

CLAM publicly publishes summaries of the number of meetings at which it voted, resolutions and votes for/against/unvoted and provides the reason for votes against management on a given date. Voting information can be found at: [VDS Dashboard \(issgovernance.com\)](https://issgovernance.com).

CLAM has reported on the most significant votes cast within the portfolio it manages in which the Trustee has funds invested. CLAM was asked to explain the reasons why votes were significant, the size of the position in the portfolio, how it voted, any engagement undertaken with the company, and the outcome of the vote. From the manager reports, the following stewardship activities have been identified as being relevant to the Fund:

Reactive selection - Equities engagement case study on environmental risks associated with mine tailings disposal

The issue: This case study relates to a US-listed mining company held in CLAM's funds, with strengths in mining for copper and gold.

This company the subject of this case study has exposure to markets CLAM perceives as having growth potential, and CLAM believes that it was favourably valued at acquisition. However, the holding was identified as being the subject of a high controversy rating by Sustainalytics. This means that the identified event could have a high impact on the environment and society, which in turn poses risks to the company itself. These risks related to one of its mines located in Indonesia. Such a rating is of concern to CLAM as an investor because, where substantiated, it may point to a company that is less resilient than its financial reporting suggests, thereby weakening the investment case. Unmanaged controversies may, over the long term, lead to adverse human and environmental impacts, sanctions from governmental bodies, litigation, and adverse publicity.

The focus of this rating was on the high volume of mining waste or 'tailings' disposed of in local watercourses, along with concerns around human health in local communities surrounding the mine.

Activity: The relevant portfolio manager and CLAM's Senior Research and Strategy Manager engaged with the company on these issues, selecting a video conference with the investor relations team as the best method to obtain the required information.

- **Tailings disposal:** The company's position was that given the geographic location of the mine, there are no practicable alternatives to riverine disposal of tailings, with other alternatives having material downsides associated with them. The company sets high standards in tailings disposal, including discharging into a designated area which is managed by a significant number of levees to contain the tailings, provide flood protection, and manage sediment. They also monitor and regulate the acidity of the water.
- **Public health:** The company also provided CLAM with details of a multi-year, third party, human health assessment of the mine's activities on the local population. The report (commissioned by the company) did not evidence any impact on human health resulting from the mine's activities, beyond a small risk of lead exposure associated with the frequent consumption of a clam species in large amounts. The company has, as a result, instigated education initiatives in the local population regarding this risk. In addition, the company has committed to co-operating with the local health authority to tackle local health issues, addressing issues such as malaria, clean water, maternal health, and malnutrition prevention initiatives.

Outcome: CLAM's engagement with the company gave them reassurance that it had identified relevant potential risks and impacts, and that it was taking proportionate steps, through actions such as commissioning independent reports and acting on recommendations, to tackle the potential environmental and public health impacts of the mine. CLAM's current investment view as at 31 December 2024 is that of 'hold'. This case study displays how engagement can be a useful research input and inform CLAM's view of the risks and opportunities associated with investments.

Collaborative engagement case study – Vattenfall

The issue: Vattenfall is a state-owned utility company in Sweden that has ambitious targets to become fossil-fuel-free by 2040. Its government ownership and leading position in the Swedish utilities market creates a positive investment case and strong credit rating. Using CLAM's internal climate risk assessment, CLAM sees it as a leader in its sector – a view verified by the exploratory bottom-up climate modelling CLAM carried out on the power generation sector in 2023.

Notwithstanding this, it's still a carbon-intensive holding and, relatively, a material contributor to the emissions generated in the portfolio. As a result, during 2023, the company was selected for

engagement through CLAM's engagement and prioritisation framework, under the climate thematic workstream.

Activity: During 2024, another virtual meeting was arranged with the investor relations team to build on the engagement CLAM reported on last year. Subsequently, to provide further details, a series of emails also followed.

Mirroring the engagement in 2023, the conversation extended to: (i) again, a focus on Vattenfall's near-term targets and how its net zero goal would be achieved by 2040; (ii) fossil fuel phase out plans, particularly within their own generation activities and increasing the share of fossil fuel-free electricity sales; and (iii) customer education and partnerships. Vattenfall and CLAM further discussed the issuer's reduction levers and plans on achieving near-term goals, including the phase out of fossil fuels and customer partnerships.

Outcome: Overall, the engagement proved to be another useful dialogue with the company, providing a broad overview on their strategy, including more detail on their plans to reduce scope 3 emissions and their sustainable procurement strategy.

Selected voting activity – US based tech firms – Social issue

The issue: During 2024, there was a notable increase in shareholder resolutions being tabled at companies in relation to safeguards around the use of artificial intelligence (AI) and generative artificial intelligence (gAI). These covered a range of issues including (i) steps technology companies are taking to mitigate the risks to vulnerable customers (particularly children) of their activities including advertising and use of algorithms to deliver content, (ii) apply adequate controls and processes around misinformation and disinformation, and (iii) to source data to build generative AI models responsibly to avoid risks to privacy of customers and copyright in respect of underlying material used to train models.

Typically, the shareholders putting forward the proposals were seeking reports to be prepared at a reasonable cost and not seeking disclosure of proprietary information which could cause competitive harm or disclosure of information that might create legal risks.

In accordance with the guidance with CLAM's voting policy, CLAM looks carefully at shareholder resolutions seeking to improve reporting of sustainability risks and enhance the protection and relationship of the company with customers, regulators and other stakeholders, where in the interests of long-term investors.

CLAM believes effective relations with customers and regulators may promote business models that sustain value over the long term and controversies associated with failing to meet the expectations of these stakeholders can erode value. This new and emerging area potentially increases the relevant company's exposure to reputational risks, litigation and regulatory risk, so a clearly articulated approach is useful to frame the discussion with regulators and reduce litigation risk arising from a lack of transparency about how AI is being used and developed in the affected businesses. CLAM relies on disclosure from the companies that it invests in to identify, assess, and manage the risks and opportunities associated with those investments in order to preserve long-term value for its clients, shareholders, and other stakeholders. Through transparent disclosure, CLAM is then able to identify more precisely good practice and monitor risks. This is the lens CLAM uses to determine where to vote against management and where not to.

Activity: During 2024, when CLAM considered existing disclosure to be sufficient to evaluate the risks, CLAM voted against shareholder resolutions and with management. Conversely, where CLAM considers that greater disclosure would improve its understanding of the risks, it voted against

management. This is an evolving area, where regulators, laws and company policies are struggling to keep pace with the issues. It therefore presents significant reputable and legal risk to the companies involved. Better reporting may lead to improved practice (to the extent there are issues that require further mitigation) or support management’s view (to the extent there are no issues). Either way, CLAM views these as potential ways to preserve value for its clients.

Outcome: Over the year, some of these shareholder resolutions garnered significant support. CLAM hopes that it can encourage companies to tackle financially material sustainability issues and disclose around these important evolving topics in order to preserve shareholder value.

Engagement activity

The Trustee meets with the Investment Manager on a bi-annual basis where stewardship issues are discussed in further detail. Over the last 12 months, the Trustee has met CLAM twice. The Trustee has discussed the following issues over the course of the year.

Date	Subject discussed	Outcome
22 May 2024	Performance overview of the investment portfolio, update on the property fund distribution and an update on the new custodian.	The Trustee was satisfied that the Fund complied with the Trustee’s investment strategy.
4 December 2024	Performance overview of the investment portfolio, update on the property fund distribution and how CLAM considers financially material sustainability-related factors in its investment process as a feature in, but not overriding, the core investment objective.	The Trustee was satisfied that the Fund complied with the Trustee’s investment strategy.

The Trustee received reporting on CLAM’s engagement activity.

The main methods of engagement were investment manager attendance at Trustee meetings.

Summary

Based on the activity over the year by the Trustee and its service providers, the Trustee is of the opinion that the Stewardship Policy was implemented effectively in practice.

The Trustee notes that the Investment Manager was able to disclose evidence of voting and engagement activity at a firm level.

The Trustee, along with its Investment Consultant, has developed a separate Responsible Investment Policy which covers all aspects of Responsible Investment including stewardship. This policy goes into greater detail than the Stewardship Policy in the SIP.

The Trustee acknowledges that stewardship may be less applicable to certain asset classes and were encouraged that, across asset classes, portfolio managers were incorporating responsible investment considerations in their investment processes.

The Trustee and its Investment Consultant remain satisfied that the responsible investment policies of the Investment Manager and, where appropriate, its voting policies remain suitable for the Fund.

Prepared by:

Trustee of the Canada Life UK Division Staff Pension Fund

July 2025