

COMET PENSION SCHEME

Report and Financial Statements for the year ended 31 March 2025

Scheme Registration No: 10269876



XPS Administration is a trading name of XPS Administration Limited
Registered No. 9428346. Registered Office: Phoenix House, 1 Station Hill, Reading RG1 1NB

Part of XPS Group

COMET PENSION SCHEME

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COMET PENSION SCHEME

TRUSTEE AND ADVISERS

Trustee: Comet Trustee Company Limited

Company Secretary: Wayne Phelan

Trustee Directors: Ian Edwards – Chairman *
James Arnold
Jon Herzberg
Frederic Jaillard
Nicholas Marsh *
Victoria Milford
** Member Nominated*

Secretary to the Trustee: Vidett Ltd
Forbury Works
37-43 Blagrove Street
Reading RG1 1PZ

Scheme Actuary: Steve Leake
XPS Pensions Limited
Tempus Court
Onslow Street
Guildford GU1 4SS

Independent Auditor: BDO LLP
First Floor,
Bottle Works,
The Bar,
Guildford
Surrey GU1 4LP

Legal Advisers: Eversheds Sutherland Limited
Two New Bailey
6 Stanley Street
Salford M3 5GX

Bankers: Bank of Scotland plc
The Mound
Edinburgh EH1 1YZ

**Investment Manager and
Investment Consultants:** Schroders IS Limited
1 London Wall Place
London EC2Y 5AU

Custodians: CACEIS Bank
Broadwalk House
5 Appold Street
London EC2A 2DA

Consultants & Administrators: XPS Administration Limited
Phoenix House
1 Station Hill
Reading RG1 1NB

COMET PENSION SCHEME

TRUSTEE AND ADVISERS (continued)

Investment Governance Advisers:

IC Select Limited
14-18 Hill Street
Edinburgh EH2 3JZ

Principal Employer:

Darty Limited
4th Floor
Phoenix House
1 Station Hill
Reading RG1 1NB

Covenant Advisers:

Ernst & Young LLP
1 More London Place
London SE1 2AF

COMET PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustee presents to the members its annual report and financial statements for the year ended 31 March 2025.

Scheme Information

The Comet Pension Scheme is governed by the Consolidated Trust Deed and Rules, dated 15 January 2015, including subsequent amendments.

The Scheme provides defined benefit pensions. The Scheme has been closed to new members since 1 April 2004 and to future service accrual since 30 September 2007.

Trustee Directors, with the exception of Member-Nominated Trustee Directors, are appointed and removed from office by the Principal Employer in accordance with the Trust Deed. They have the responsibility for ensuring that the Scheme is properly run in accordance with its governing documents, and in the best interests of the members. During the year the Trustee met regularly to review the management of the Scheme and to monitor the performance of the investment managers, administrators and advisers.

Groupe Fnac SA declared its offer for Darty plc ("Darty") unconditional in all respects on 20 July 2016, and as a result the shares in Darty were de-listed from the London Stock Exchange. Darty (now Darty Limited) remains Comet Pension Scheme's Principal Employer. The ultimate parent company of both Darty and the Scheme trustee company, Comet Trustee Company Limited, is now Groupe Fnac SA.

GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. On 20 November 2020, the High Court also ruled that pension schemes will need to revisit individual transfer payments made since May 1990.

Under the rulings, pension schemes are required to backdate benefit and transfer out adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest, the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

The Trustee is working with an XPS GMP Project team to determine the amounts involved.

Pensions Schemes Act 1993 - SECTION 37

The Virgin Media Ltd v NTL Pension Trustees 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 in respect to benefits, to be altered where certain requirements were met (in particular Scheme Actuary certification). The court decision was upheld on appeal on 25 July 2024.

In welcome news to the pensions industry, the Government announced on the 5 June 2025 that they will "introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards". No timescales have yet been provided for when this will be implemented into legislation.

The Trustee has no reason to believe that there is a material impact on the financial statements. Having consulted with its advisors, the Trustee has determined that there is no immediate need for action, but the Trustee will continue to monitor developments. The conclusion has not changed following the latest developments.

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TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Membership

The following summarises the changes during the year to the number of members of the Scheme:

	Deferred Members	Pensioners	Total
Number of members at 31 March 2024	2,464	2,212	4,676
Adjustment in respect of late notifications	(71)	40	(31)
Retirements	(99)	99	-
Transfers out	(2)	-	(2)
Trivial commutations	(4)	(4)	(8)
Serious ill health lump sum	(1)	-	(1)
Deceased	(6)	(37)	(43)
New spouse/dependants	-	20	20
Child pensions ceased	-	(2)	(2)
Number of members at 31 March 2025	2,281	2,328	4,609

Note: Included in the above pensioners are 244 (2024: 229) dependant pensioners.

Pension increases

All pensions in payment were increased in accordance with the Rules of the Scheme. Statutory increases are applied to GMP earned after 5 April 1988. The remainder of a member's pension in payment increases in line with the cost of living, up to a maximum of 5% (if accrued before 6 April 2005) or 2.5% (if accrued on or after this date). The increases applied were as follows:

	2024	2025
	%	%
GMP accrued after 5 April 1988	3.0	1.7
Pension above GMP accrued before 6 April 2005	5.0	3.5
Pension accrued after 5 April 2005	2.5	2.5

Deferred pensions in excess of the GMP are increased annually in line with the cost of living, up to a maximum of 5%. There were no discretionary increases made during the year.

Transfer Values

Cash equivalents payable (transfer values to other approved pension arrangements) are calculated and verified as prescribed by Section 97 of the Pension Schemes Act 1993. No discretionary benefits are included.

Benefit/Scheme Changes

There were no substantive changes to the Scheme, or the benefits provided in the year to 31 March 2025.

COMET PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial Development of the Scheme

Changes in the Scheme's net assets during the year were as follows:

	£'000s
Net assets at 31 March 2024	379,883
Net withdrawals from dealings with members	(18,106)
Net returns on investments	<u>(22,706)</u>
Net assets at 31 March 2025	<u>339,071</u>

The financial statements for the year have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

Taxation Status

The Scheme is a registered pension scheme within the meaning of Section 153 of the Finance Act 2004.

Socially responsible investments

The Trustee has delegated responsibility for the selection, retention and realisation of investments to the investment managers (within certain guidelines and restrictions). The Trustee's policy is that the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments is left to the discretion of the active investment managers.

Going concern

The Trustee continues to monitor the latest financial market conditions and their effect on the Scheme's assets, technical provisions, and the employer covenant. At the date of signing these financial statements the Trustee believes that the Scheme is able to comfortably cover its outgoings until at least twelve months from signing.

The Scheme funding position carried out as at 31 March 2022 indicated that the funding level of the Scheme was 109% at that date. This has since improved to 115% as at 31 March 2024, reducing slightly to 113% as at 31 March 2025. Risks associated with movements in investment market prices and how they are mitigated are detailed in Note 17 to the financial statements.

The Trustee and the Principal Employer continue to work closely together and have had regular discussions on the Scheme, particularly in relation to funding, investments and employer covenant.

The latest independent review of the strength of the employer covenant was carried out by EY and presented to the Trustee in June 2024. EY's report concluded that the Covenant supporting the Scheme remains in the 'Tending To Strong' band, with a slight strengthening within the band due to improvements in the Scheme funding and in the financial flexibility of Groupe Fnac SA.

The Trustee continues to regularly monitor the employer covenant utilising information provided by the Principal Employer and through calls with the Deputy Group CFO. The next full report from EY is due to be tabled at the October Trustee's meeting.

The Trustee concludes that the Scheme retains sufficient liquidity that the going concern basis remains appropriate for the foreseeable future and at the very least for the next twelve months.

Rights attaching to investments

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers.

COMET PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Enquiries

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustee

c/o XPS Administration Limited
PO Box 562
Middlesbrough TS1 9JA
Email: CometAdmin@xpsgroup.com

MoneyHelper

MoneyHelper provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service. MoneyHelper can be contacted at:

MoneyHelper
Bedford Borough Hall
138 Cauldwell Street
Bedford MK42 9AP
Tel: 0800 011 3797
Email: pensions.enquiries@moneyhelper.org.uk
Website: www.moneyhelper.org.uk

Pensions Ombudsman

If you have a complaint concerning your Scheme pension arrangements, you should first make a formal complaint to the Scheme Trustee. Complaints should be addressed to the Scheme Trustee at the address above under Enquiries.

If you are unhappy with the response, you can refer your 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 event(s) you are complaining about happened – or, if later, within three years of when you 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
Website: www.pensions-ombudsman.org.uk

The Pensions Regulator (TPR)

The Pensions Regulator can intervene if they consider that a scheme's trustee, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Telecom House
125-135 Preston Road
Brighton BN1 6AF
Tel: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The Pension Scheme Registry

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 10269876. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

Pension Tracing Service
The Pension Service
Post Handling Site A
Wolverhampton WV98 1AF
Tel: 0800 731 0193
Website: www.gov.uk/find-lost-pension

Data Protection

For the purpose of administering the Scheme and paying benefits under it, the Trustee and Employer each have a legal obligation and a legitimate interest in processing data relating to members and beneficiaries who may benefit as a result of their membership of the Scheme. This may include passing such data to the Scheme's employer, prospective employers, administrators, auditors, investment managers, lawyers and medical advisers and any other such third parties as may be necessary for the operation of the Scheme. The Trustee and Employer are for these purposes Data Controllers under the Act.

COMET PENSION SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustee has continued to manage the investments in accordance with the agreed investment strategy as set out in the Statement of Investment Principles. The Scheme's investment manager takes responsibility for the day-to-day decisions relating to the portfolio under a full fiduciary management arrangement established in 2021. The Trustee has taken steps to ensure the investment manager and adviser has the appropriate knowledge and experience.

Implementation statement

The Implementation Statement is included on page 35 and is also available on www.comet-pensions.co.uk.

Statement of Investment Principles

In accordance with the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles, which sets out its policy on investment issues, including risks, diversification of investments and details of the key elements of the investment arrangements of the Scheme.

The Statement of Investment Principles ("SIP") sets out how the Scheme takes into account financially material considerations, including Environmental, Social and Governance ("ESG") factors, in its investment decision making process.

Copies of the statement are available on the pension website, www.comet-pensions.co.uk.

Investment Manager Arrangements

The Trustee has entered into an Investment Management Agreement with Schroders Solutions Investments Limited ('Schroders Solutions') as the investment manager of the portfolio of the Scheme's assets and investments.

The Trustee has chosen to implement its investment strategy through Schroders Solutions' Fiduciary Management service, an implemented solution which allows trustees to retain ownership of those decisions which have the greatest importance to the Scheme's investment strategy – framing objectives, allocations to on-risk/off-risk assets, risk tolerance – whilst delegating other decisions to Schroders Solutions.

In addition, the Trustee has appointed CACEIS as custodian of the Scheme's assets.

Liability Hedging Assets (LHA)

The LHA are invested in a portfolio of directly held gilts, which is expected to move closely in line with the rise and fall in liability values, thus providing a degree of protection to the Scheme's funding position.

The LHA also contain OTC derivatives, which extend the liability matching provided by the gilts to changes in interest rate and inflation expectations.

Cashflow Matching Credit Assets (CMCA)

The CMCA are invested in high quality investment grade credit to efficiently match a proportion of the Scheme's liability cashflows.

COMET PENSION SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Growth Assets (GA)

The GA hold a diverse portfolio of assets that are expected, in the longer term, to exceed the growth in the value of the Scheme's liabilities. The objective for the GA is to achieve a return of at least 4.125% per annum in excess of the return of cash, after the deduction of fees, over rolling three year periods.

During the year, the GA have been invested in a diversified portfolio of equities; global government, high yield, and emerging market bonds; and alternative assets such as hedge funds and leveraged loans.

The following table shows the asset class restrictions of the GA as well as the asset allocation as a proportion of the GA at the current and prior year end:

Asset Class	Min (%)	Max (%)	31 March 2024 (%)	31 March 2025 (%)
Equities	25	65	47.3	47.1
Property	-	10	5.6	6.7
Return Seeking Credit	-	35	17.6	18.1
Commodities	-	15	1.1	1.9
Alternatives	-	30	17.0	17.8
Cash & Sovereign Bonds	-	40	11.4	8.5
Total			<u>100.0</u>	<u>100.0</u>

Please note clean prices have been used where applicable. All restrictions are expressed as a proportion of the Growth Assets. Currency hedging is not included in the figures above.

Investment Performance

Performance of the Scheme's assets against the objectives is shown below:

Portfolio Section	1 Year %	3 Year %	Since Inception %
Growth Assets	4.8	3.8	3.3
Objective	9.1	8.2	7.4
Relative	(4.3)	(4.4)	(4.1)
Total Portfolio	(6.1)	(12.1)	(9.9)
Objective	(3.9)	(9.7)	(7.8)
Relative	(2.2)	(2.4)	(2.1)

Past performance is not a guide to future returns. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested.

Performance is shown net of fees to the extent that fees are paid from assets. 5-Year performance is not available due to the strategy inception date being 01/07/2021 under the current full fiduciary management arrangement with the investment manager.

Employer Related Investments

There were no employer related investments during the year (2024: Nil).

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Corporate Governance and Stewardship

The Trustee and investment manager have agreed, and will maintain, formal agreements setting out the scope of the investment manager's activities, charging basis and other relevant matters. The investment manager has been provided with a copy of the SIP and is required to exercise its powers with a view to giving effect to the principles contained therein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

The Trustee has appointed the investment manager to implement the Scheme's investment strategy. The investment manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the underlying managers.

The investment manager is appointed to carry out its role on an ongoing basis. The Trustee periodically reviews the overall value-for-money of using Schroders Solutions, and information in relation to costs associated with investing is included in the quarterly monitoring report. The Trustee is satisfied that these arrangements incentivise the investment manager:

- to align its investment strategy and decisions with the Trustee's investment policies, such as their return target and the restrictions detailed in the Investment Management Agreement, and
- to assess and make decisions based on the medium-to long-term financial and non-financial performance of issuers of debt or equity, and to engage with such issuers to improve this medium to long-term performance. The success of such engagement will contribute to the Scheme's performance, which is measured relative to the Trustee's long-term performance objectives.

The Scheme's investments are generally made via pooled investment funds, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes (such as capital structure) or other financially material considerations, is delegated to the underlying managers.

The Trustee has delegated responsibility for monitoring and voting on decisions relating to their underlying manager holdings to the investment manager. The investment manager has in place a voting policy which sets out how it will aim to vote at a general meeting of a pooled fund. For any special resolutions or extraordinary general meetings, the proposed votes of the investment manager are subject to additional sign-off by the appropriate representative from the investment manager.

The investment manager undertakes regular reviews of all underlying managers. These reviews incorporate benchmarking of performance and fees, with some managers on performance-related fees as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. The investment manager reviews the governance structures of underlying managers, as well as assessing whether their fees, expenses (and any other charges) are in line with industry peers at inception and from time to time whilst invested.

Where it can be determined, the investment manager assesses whether underlying manager remuneration arrangements are aligned with the Trustee's objectives. The method and time horizon for evaluating and remunerating underlying managers is determined by criteria set by the investment manager, as detailed above.

The Trustee acknowledges the inherent potential for conflicts of interest which exist as part of ongoing investment management business activities. As an FCA regulated firm, the investment manager is required to prevent or manage conflicts of interest. Where underlying managers are also regulated, they are likely to be subject to such requirements to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The investment manager directly monitors these as part of their regulatory filings (where available), the investment manager also monitors this as part of ongoing review. The Investment Manager's Conflict of Interest policy is available publicly here: <https://www.schroders.com/en/identification-and-management-of-conflicts-of-interest/>.

The investment manager oversees the turnover costs incurred by underlying managers as part of its ongoing monitoring process and evaluates such costs to determine if they are in line with peer groups and the investment manager's expectations. Where there are material deviations the investment manager engages with underlying managers to understand the rationale for such deviations and take appropriate action.

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financially material investment considerations

The Trustee's policy is to delegate consideration of financially material factors, including environmental, social and governance factors ("ESG") to the investment manager who considers these when constructing the portfolio, including looking at underlying managers. All references to ESG relate to financial factors only. As part of its ongoing monitoring, the Trustee reviews some key metrics on a regular basis that are provided by the investment manager covering ESG which enable them to engage with the investment manager and understand the impact of ESG on the portfolio.

ESG factors and stewardship are considered, in the context of long-term performance, by the investment manager as part of the manager selection criteria. This review occurs before they are approved for investment in the portfolio. Once an underlying manager is appointed, the investment manager monitors the ESG implementation and ongoing compliance with other factors, such as stewardship, as a part of overall engagement.

Non-financial matters

The Trustee does not at present take into account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold. At this time the Trustee has no plans to seek the views of the membership on such non-financial and/or ethical considerations.

Market background

The 12-month period was dominated first by changing expectations over when major central banks might be able to cut interest rates, and then by what Donald Trump's re-election as US President would mean for markets.

At the start of the period, softer-than-expected US inflation data in late 2023 reinforced the market's view that the Federal Reserve (Fed) would move towards cuts early in 2024. However, as 2024 progressed, inflation proved to be stickier than expected and markets were forced to push back both the timing and extent of US rate cuts.

Some weaker employment data in early summer led to fears that the Fed may have left it too late to cut rates, prompting worries about economic slowdown or even recession. The Fed responded in September with a 50 basis point (bps) cut to interest rates, larger than the typical 25 bps move.

It was a similar situation for the eurozone and UK, with higher-than-expected inflation resulting in the dialling back of expectations around policy easing. Both central banks did cut interest rates during the period.

In emerging markets, soft economic data from China continued to suggest a lacklustre economic recovery from the Covid-induced slowdown of prior years. The ongoing real estate crisis continued to weigh on sentiment. The Chinese authorities responded with a package of stimulus measures in September 2024.

November brought the much-anticipated US presidential election. While the polls had been close, the result was a clean sweep for the Republicans with Donald Trump taking the presidency.

The US economy continued to avoid recession but inflation proved stubbornly high. The Fed cut interest rates in November but signalled fewer cuts than anticipated in 2025. Attention also began to shift to the likely inflationary impact of some of Trump's stated policy priorities.

In particular, trade tariffs drew focus at the end of the period. President Trump announced tariffs on certain countries (notably Mexico and Canada) and on some goods (cars, steel, aluminium). As the period under review came to a close, investors were awaiting 2 April, dubbed "Liberation Day", and the announcement of a broader swathe of tariffs.

Global equity markets notched up gains over the 12-month period. The MSCI World index returned 7.0% (in US dollars). Overall, shares were supported by hopes that the US economy would achieve a soft economic landing and by expectations of further interest rate cuts. Resilient corporate earnings in several sectors also supported shares.

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Market background

However, enthusiasm around new technologies and artificial intelligence (AI) began to wane following news in January 2025 that China's DeepSeek had created a new low-cost AI model. That cast some doubts about the likely returns to be made on large scale AI investment and contributed to the volatility in markets.

Emerging markets slightly outperformed their developed market counterparts. The MSCI EM index returned 8.1% (in US dollars). Chinese shares performed strongly after the announcement of stimulus measures in September.

In fixed income, yields rose across most major government bond markets over the 12-month period. Although softer inflation data over the summer months boosted expectations of interest rate cuts, particularly in the US, the November elections were the catalyst for a sell-off.

The 10-year US Treasury yield declined from 4.38% to 4.25% in the period. Weaker labour market data prompted the Federal Reserve (Fed) to sanction interest rate cuts in September and November although Fed officials issued more cautious guidance for 2025. Subsequently, the Trump administration's proposals for extensive trade tariffs fuelled fears of an economic slowdown.

Germany's 10-year Bund yield rose from 2.40% to 2.73%. The European Central Bank was the first major central bank to cut interest rates in 2024, as eurozone economic growth stagnated. In March 2025, the German parliament approved plans from the new Chancellor to raise borrowing limits.

Despite the Bank of England reducing interest rates by 0.25% in August, November and February, the 10-year UK gilt yield rose as the new Labour government announced a £28 billion annual increase in borrowing in the autumn. Japanese government bond yields rose significantly as the Bank of Japan abandoned its negative interest rate policy.

The US dollar recorded a 38-year high against the yen in June, before weakening as the interest rate differential between the US and Japan narrowed. Overall, the US dollar index rose sharply after the November elections before giving up these gains on concerns over the impact of trade tariffs.

COMET PENSION SCHEME

REPORT ON ACTUARIAL LIABILITIES

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

The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2022. On this date the position of the Scheme was as follows:

	2022 £'m
The value of the technical provisions was	518.1
The value of the assets (excluding AVCs) was	566.5
The value of the total assets was	570.6

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

Method

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

Significant actuarial assumptions

Discount interest rate: rates set by reference to a gilt yield curve plus an addition of 1.2% per annum.

Future Retail Price inflation: rates derived from an RPI gilt curve.

Pension increases: derived from the term dependent rates for future retail price inflation and consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Scheme's rules using the Black-Scholes stochastic model with inflation volatility of 1.5% per annum at each term.

Mortality: for the period in retirement, standard tables S3PMA with a scaling factor of 115% for male members; and S3PFA with a scaling factor of 112% for female members. Future projections are in line with the CMI_2021 model applied from 2013 with a core smoothing parameter of 7.0, a long term rate of improvement of 1.5% per annum, an initial addition of 0.2% and default 2020 and 2021 weighting parameters of 0%.

Cash commutation: at retirement, members commute 85% of the maximum permitted tax free cash lump sum on terms available at 31 March 2022. For subsequent annual updates, it is assumed that at retirement, members commute 85% of the maximum permitted tax free cash lump sum on terms available at the date of the update.

Transfer values: at retirement, 20% of members are assumed to take a transfer value.

Work has commenced on the actuarial valuation as at 31 March 2025.

ACTUARY’S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Actuary’s certification of schedule of contributions

Comet Pension Scheme (the “Scheme”)

Adequacy of rates of contributions

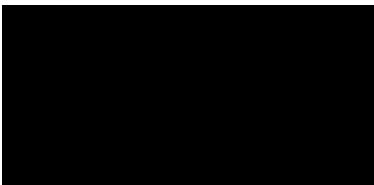
1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2022 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 18 January 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme’s liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature



Date

9 April 2024

Name

Steve Leake

Qualification

Fellow of the Institute
and Faculty of Actuaries

Address

XPS Pensions Limited
Tempus Court
Onslow Street
Guildford
Surrey
GU1 4SS

Employer

XPS Pensions

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Trustees' responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ('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 scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in 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 these responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

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 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.

Trustees' responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for preparing, and from time to time reviewing and if necessary, revising, a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of employers 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 that fall due to be paid are paid into the Scheme in accordance with the schedule of contributions. 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 to members.

Ian Edwards
.....

Trustee Director

3 October 2025
.....

Date

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE COMET PENSION SCHEME

Opinion on the financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements of Comet Pension Scheme ('the Scheme') for the year ended 31 March 2025 which comprise the Fund Account, Statement of Net Assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice – *Financial Reports of Pension Schemes* (revised 2018).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE COMET PENSION SCHEME (continued)

Responsibilities of the 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 show a true and fair view, and for such internal control as the Trustee 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 Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to wind up the Scheme 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.

Extent to which the audit was 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:

- Obtaining an understanding of the Scheme's legal and regulatory frameworks, focusing on those which we determine to be the most significant, and how the Scheme complies with these.
- Enquiring of the Trustee, and where appropriate, the administrators or consultants as to whether:
 - the Scheme is in compliance with laws and regulations that have a material effect on the financial statements;
 - they have knowledge of any actual, suspected or alleged fraud;
 - any reports have been made to the Pensions Regulator.

Based on our understanding of the Scheme, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Acts 1995 and 2004 and those that relate to the reporting framework (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 and the Statement of Recommended Practice 'Financial Reports of Pensions Schemes' 2018 ('The SORP'); and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls by the Trustee and those involved in the preparation of the financial statements and underlying accounting records. We determined that the principal risk was related to the posting of inappropriate journals, which may act to conceal fraudulent activity.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE COMET PENSION SCHEME (continued)

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

Audit procedures performed to respond to the identified risks included, but were not limited to, the following:

- Testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Enquiring of management and those charged with governance with regard to actual and potential litigation and claims.
- Reviewing the disclosures in the financial statements and testing to supporting documentation to assess compliance with relevant laws and regulations, as detailed above.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing any significant correspondence with the Pensions Regulator.
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Evaluating the design and implementation of control associated with the journal entry process.

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

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



BDO LLP

Statutory Auditor
Guildford
United Kingdom

Date: 03 October 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COMET PENSION SCHEME

FUND ACCOUNT

For the year ended 31 March 2025

	Note	2025 £'000s	2024 £'000s
CONTRIBUTIONS AND BENEFITS			
Transfers In	4	142	
Other income	5	4	-
		<u>146</u>	<u>-</u>
Benefits paid or payable	6	(16,199)	(13,912)
Payments to and on account of leavers	7	(373)	(4,585)
Administrative expenses	8	<u>(1,680)</u>	<u>(1,151)</u>
		<u>(18,252)</u>	<u>(19,648)</u>
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		<u>(18,106)</u>	<u>(19,648)</u>
RETURNS ON INVESTMENTS			
Investment income	9	14,101	16,191
Change in market value of investments	11	(35,933)	(15,065)
Investment management expenses	10	<u>(874)</u>	<u>(314)</u>
NET (DEFICIT) / RETURN ON INVESTMENTS		<u>(22,706)</u>	<u>812</u>
NET DECREASE IN THE FUND FOR THE YEAR		(40,812)	(18,836)
OPENING NET ASSETS		<u>379,883</u>	<u>398,719</u>
CLOSING NET ASSETS		<u>339,071</u>	<u>379,883</u>

The notes on pages 22 to 32 form part of these financial statements.

COMET PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 31 March 2025

	Note	2025 £'000s	2024 £'000s
INVESTMENT ASSETS			
Bonds	11	183,992	151,436
Pooled investment vehicles	12	158,563	193,498
Derivatives	13	13,658	25,952
Cash deposits	11	2,671	33,821
Other investment balances	14	612	2,347
		<u>359,496</u>	<u>407,054</u>
INVESTMENT LIABILITIES			
Derivatives	13	<u>(19,497)</u>	<u>(28,133)</u>
TOTAL NET INVESTMENTS		339,999	378,921
CURRENT ASSETS	18	75	1,570
CURRENT LIABILITIES	19	<u>(1,003)</u>	<u>(608)</u>
CLOSING NET ASSETS		<u>339,071</u>	<u>379,883</u>

The notes on pages 22 to 32 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 14 of the Annual Report and these financial statements should be read in conjunction with this report.

Signed on behalf of the Trustee:

Ian Edwards

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Trustee Director

3 October 2025

.....

Date

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pensions 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 (2018) Financial Reports of Pension Schemes.

The financial statements have been prepared on the going concern basis. As noted in the Trustee's Report on page 6, the Trustee of the Scheme has made an assessment on going concern and given the funding position and the support from the Principal Employer, the Trustee concludes that the Scheme retains sufficient liquidity that the going concern basis remains appropriate for the foreseeable future and at the very least for the next twelve months.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is: XPS Administration Limited, PO Box 562, Middlesbrough, TS1 9JA.

3. ACCOUNTING POLICIES

(a) **Accounting Convention**

The financial statements are prepared on an accruals basis.

(b) **Contributions**

Employer other contributions are accounted for in accordance with the agreement under which they are paid.

(c) **Payments to Members**

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

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

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

(d) **Expenses**

The administration expenses are met by the Scheme and are accounted for on an accruals basis.

(e) **Investment Income**

Income from bonds and other interest receivable is taken into account on an accruals basis.

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

Income arising on the underlying investments of accumulation funds is reflected within the change in market value.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

3. ACCOUNTING POLICIES (continued)

(f) Investments

Investments are included at fair value as follows:

Quoted securities in active markets are usually valued at the current bid prices at the reporting date.

Accrued interest is excluded from the market value of fixed income securities and is included in investment income receivable.

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

Swaps are valued based on the present value of future cash flows arising from the swap, determined using discounted cash flow models and market data at the reporting date.

Options are valued at fair value using pricing models and relevant market data at the year-end date.

Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

(g) Foreign Currency Translation

Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction. Monetary items denominated in foreign currencies are translated into sterling using the closing exchange rates at the year-end. Gain or losses on overseas transactions are recognised as investment income.

(h) Currency

The Scheme's functional and presentation currency is Pound Sterling (GBP), and all amounts are round to the nearest thousand (£'000s).

(i) Critical Accounting

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Trustee confirms that no judgements have had a significant effect on amounts recognised in the financial statements.

4. TRANSFERS IN

	2025 £'000s	2024 £'000s
Group transfers in	142	-

The above amount was transferred in from the Standard Life Master Trust and relates to members AVCs. It forms part of the retirement benefits paid.

5. OTHER INCOME

	2025 £'000s	2024 £'000s
Transfer calculation fees	1	-
Compensation	3	-
	4	-

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

6. BENEFITS PAID OR PAYABLE	2025 £'000s	2024 £'000s
Pensions	12,009	10,949
Commutation of pensions and lump sum retirement benefits	4,128	2,952
Lump sum death benefits	60	11
Annual allowance	2	-
	<u>16,199</u>	<u>13,912</u>
7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS	2025 £'000s	2024 £'000s
Individual transfers out to other schemes	373	616
Group AVC transfer out to Master Trust	-	3,969
	<u>373</u>	<u>4,585</u>
8. ADMINISTRATIVE EXPENSES	2025 £'000s	2024 £'000s
Administration	458	346
Actuarial and consultancy fees	642	415
Legal fees	189	196
Trustee and secretarial fees & expenses	163	70
Trustee indemnity insurance	30	-
Other professional fees	73	4
Investment advice	19	19
Audit fees	38	39
Levies	32	62
Other fees	36	-
	<u>1,680</u>	<u>1,151</u>
<p>The Trustee and secretarial fees & expenses figure includes £39k of Trustee fees covering the year, as well as an additional £39k of Trustee fees covering the prior year.</p> <p>In accordance with the Schedule of Contributions certified by the Scheme actuary on 24 January 2023, from 1 April 2023 until 30 June 2026, all expenses will be paid from the assets of the Scheme.</p> <p>In accordance with the Schedule of Contributions certified by the Scheme actuary on 9 April 2024 all expenses will continue to be paid from the assets of the Scheme from 1 April 2024 until 30 June 2026.</p>		
9. INVESTMENT INCOME	2025 £'000s	2024 £'000s
Income from bonds	2,716	1,553
Income from pooled investment vehicles	16,803	17,815
Interest on cash deposits	261	540
Swap income paid	(5,679)	(3,717)
	<u>14,101</u>	<u>16,191</u>
10. INVESTMENT MANAGEMENT EXPENSES	2025 £'000s	2024 £'000s
Investment fees - management & custody	922	314
Investment fee rebates	(48)	-

874

314

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

11. RECONCILIATION OF INVESTMENTS

	Value at 31.03.2024	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 31.03.2025
	£'000s	£'000s	£'000s	£'000s	£'000s
Bonds	151,436	179,919	(129,644)	(17,719)	183,992
Pooled investment vehicles	193,498	58,597	(85,864)	(7,668)	158,563
Derivatives	(2,181)	20,306	(13,415)	(10,549)	(5,839)
	342,753	258,822	(228,923)	(35,936)	336,716
Cash deposits	33,821			3	2,671
Other investment balances	2,347			-	612
	378,921			(35,933)	339,999

Transaction costs are included in the cost of purchases and deducted from sale proceeds.

Direct transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty. There were no direct transaction costs incurred during the year (2024: Nil).

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

Changes in market value of cash deposits relates to gains and losses on foreign currencies held by the Scheme.

12. POOLED INVESTMENT VEHICLES

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

	2025 £'000s	2024 £'000s
Bond funds	79,030	96,027
Hedge funds	2,616	13,810
Diversified funds	9,378	6,718
Commodities	1,163	-
Property funds	7,929	8,523
Equity funds	55,101	68,126
Cash funds	3,345	294
	158,563	193,498

At the year-end, the Scheme had an undrawn commitment of £4,004 (2024: £20,550), relating to Equitix Fund VI.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

13. DERIVATIVES

Objectives and policies

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the Scheme as follows.

Swaps – the Trustee’s aim is to match as far as possible the fixed income portfolio and the scheme’s long-term liabilities, in particular in relation to their sensitivities to interest rate movements. Due to the lack of available long dated bonds the Trustee has entered into OTC interest rate swaps during the year that extend the duration of the fixed income portfolio to better match the long-term liabilities of the Scheme.

Options – the Trustee wants to benefit from the potentially greater returns available from investing in equities but wishes to minimise the risk of loss of value through adverse equity price movements. During the year the Scheme held a number of equity option contracts that protect it from falls in value in the main markets in which the Scheme invests.

Forward foreign exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

At the year-end the Scheme held the following derivatives:

	2025 Asset £'000s	2025 Liability £'000s	2024 Asset £'000s	2024 Liability £'000s
Swaps	11,216	17,809	15,602	20,979
Options	2,404	1,609	10,210	7,050
Forward foreign exchange contracts	38	79	140	104
	<u>13,658</u>	<u>19,497</u>	<u>25,952</u>	<u>28,133</u>
	<u>(5,839)</u>		<u>(2,181)</u>	

Swaps

Nature	Expiration	Notional principal £'000s	Asset £'000s	Liability £'000s
Interest rate swaps (OTC)	1 to 15 years	70,750	9,839	8,289
Inflation swaps (OTC)	1 to 8 years	10,156	1,377	-
Total return swaps (OTC)	Up to 1 year	44,045	-	9,520
Total 2025			<u>11,216</u>	<u>17,809</u>
Total 2024			<u>15,602</u>	<u>20,979</u>

At the year-end the Scheme held £1,523k (2024: £2,996K) of collateral belonging to the counterparty. This collateral is not reported within the Scheme’s net assets.

At the year-end the Scheme posted £17,757K (2024: £5,974k) of UK Government gilts as collateral belonging to the Scheme.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

13. DERIVATIVES (continued)

Options

Type	Expiration	Underlying Investment	No of outstanding contracts	Asset £'000s	Liability £'000s
Call	12 months	NKY Index	4	160	62
Put	12 months	NKY Index	2	-	61
Call	12 months	SPX Index	18	1,590	966
Put	12 Months	SPX Index	5	-	190
Call	12 months	SX5E Index	6	456	201
Put	12 months	SX5E Index	3	-	48
Call	12 months	FTSE Index	4	198	67
Put	12 months	FTSE Index	2	-	14
Total 2025				2,404	1,609
Total 2024				10,210	7,050

Forward Foreign Exchange

Contract	Settlement Date	Currency bought	Currency sold	Asset £'000s	Liability £'000s
Forward OTC	Under 1 month	£21,283,627	\$27,583,423	11	76
Forward OTC	Under 1 month	£5,801,313	€6,891,381	27	-
Forward OTC	Under 1 month	£509,349	¥98,460,742	-	3
Total 2025				38	79
Total 2024				140	104

14. OTHER INVESTMENT BALANCES

	2025 £'000s	2024 £'000s
Dividends and interest receivable	612	378
Cash in transit	-	1,969
	612	2,347

15. FAIR VALUE DETERMINATION

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

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

15. FAIR VALUE DETERMINATION (continued)

At 31 March 2025				
	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Bonds	183,992	-	-	183,992
Pooled investment vehicles	28,815	113,652	16,096	158,563
Derivatives	-	(5,839)	-	(5,839)
Cash	2,671	-	-	2,671
Other investment balances	612	-	-	612
	<u>216,090</u>	<u>107,813</u>	<u>16,096</u>	<u>339,999</u>

At 31 March 2024				
	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Bonds	151,436	-	-	151,436
Pooled investment vehicles	30,557	145,849	17,092	193,498
Derivatives	-	(2,181)	-	(2,181)
AVC investments	-	-	-	-
Cash	33,821	-	-	33,821
Other investment balances	2,347	-	-	2,347
	<u>218,161</u>	<u>143,668</u>	<u>17,092</u>	<u>378,921</u>

16. INVESTMENT RISK DISCLOSURES

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

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

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

- Currency risk: this is the risk that the fair value 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 Trustee determines its investment strategy after taking advice from its professional investment consultant. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreement in place with the Scheme's investment manager and monitored by the Trustee by regular reviews of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

16. INVESTMENT RISK DISCLOSURES (continued)

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include the AVC investments as these were transferred out of the Scheme.

Investment strategy

The Trustee's long-term objective for the Scheme is to target an investment return objective of approximately 1.5% per annum (net of fees) in excess of the returns on the Liability Benchmark Portfolio ("LBP").

In addition to framing the investment objective, the Trustee is responsible for setting the split of assets between return-seeking assets (known as the Growth Assets) and liability-matching assets (known as the Liability Hedging Assets).

Based on consideration of the Scheme's liabilities and the desired investment objective, the Trustee has adopted a 35% Growth Assets/50% Liability Hedging Assets/15% Cashflow Matching Credit Assets split. The investment manager has discretion to implement the Trustee's investment strategy to meet the objective.

Credit risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, OTC derivatives and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustee's policy for managing credit risk is detailed in the Statement of Investment Principles.

The Scheme holds £184m (2024: £151.4m) in directly held bonds, -£5.8m (2024: -£2.2m) in OTC derivatives and £2.7m (2024: £35.8m) in directly held cash balances. The Scheme also holds £82.4m (2024: £95.5m) bonds and cash through underlying pooled fund investments.

Credit risk arising on derivatives held directly depends on whether the derivative is exchange traded or over the counter (OTC). The Scheme holds OTC derivative contracts which are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. Credit risk for OTC derivative contracts is mitigated by placing restrictions on Schroders Solutions which ensure that new contracts are only entered into with counterparties that are investment grade. The credit risk in respect of OTC swaps is further reduced by collateral arrangements.

Credit risk arising on bonds held directly is mitigated by Schroders Solutions choosing to only invest in government bonds, where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

Directly held cash balances are at financial institutions which are at least investment grade credit rated. This is the position at the year-end.

In all above instances, "investment grade" is defined as being rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

Indirect credit risk arises in relation to underlying investments held in bond and cash pooled investment vehicles. This risk is mitigated by the Trustee mandating Schroders Solutions that the underlying investment in sub-investment grade debt may not exceed 20% of the GA.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustee monitors the investment strategy adopted by Schroders Solutions to ensure that the arrangement remains diversified.

Direct credit risk arises in respect of pooled investment vehicles. The Scheme's GA is invested across a large number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

16. INVESTMENT RISK DISCLOSURES (continued)

Credit risk (continued)

The direct credit risk associated with these managers is also mitigated by:

- the regulatory environments in which those managers operate;
- diversification amongst a large number of pooled arrangements; and
- due diligence checks by Schroders Solutions on the appointment of new pooled managers, and monitoring on an ongoing basis for any changes to the operating environment of each manager.

Legal structure of pooled investment vehicles	31 March 2025 £'000s	31 March 2024 £'000s
Exchange Traded Fund (ETF)	22,865	29,656
Investment Company with Variable Capital (ICVC)	7,437	9,904
Limited Liability Company	-	4,716
Exchange Traded Commodities (ETC)	1,163	900
Mutual Fund	31,798	43,355
Open Ended Investment Company (OEIC)	69,672	86,931
Société d'Investissement à Capital Variable (SICAV)	11,278	7,573
Unit Trust	7,135	4,547
Cayman Islands Exempted Company	820	-
Limited Partnership	5,561	5,916
Common Fund for Investment (FCP)	835	-
Total	158,564	193,498

Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles. The Trustee's policy for managing this risk is detailed in the Statement of Investment Principles.

Currency risk is mitigated by delegating management of currency exposures at total portfolio level to Schroders Solutions. Schroders Solutions implement currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX forward contracts.

Net of currency hedging, 3.8% of the Scheme's holdings were exposed to overseas currencies as at year-end (2024: 3.6%).

Interest rate risk

The Scheme's assets are subject to interest rate risk because some of the Scheme's investments are held in bonds, interest/inflation rate swaps for the purpose of liability hedging. Under this strategy if interest rates fall the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise these investments will fall in value as will actuarial liabilities because of an increase in the discount rate. At the year-end, the assets subject to interest rate risk comprised of:

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

16. INVESTMENT RISK DISCLOSURES (continued)

Interest rate risk (continued)

£'000s	2025	2024
Direct		
Bonds	183,992	151,436
Swaps	(6,593)	(5,377)
Indirect		
Bond PIV	79,030	95,221
Cash PIV	3,345	294

Please note clean values have been used where applicable.

Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which may include various asset classes (i.e. alternatives, bonds, equities, cash and investment properties) held in pooled vehicles. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

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

£'000s	2025	2024
Direct		
S&P/Call Equity Options	796	3,160
Indirect		
Equity PIVs	55,101	67,226
Property PIVs	7,929	8,523
Commodities PIVs	1,163	1,698
Alternatives PIVs	11,993	20,536

Please note clean values have been used where applicable.

17. CONCENTRATION OF INVESTMENTS

Except for Government securities, the following investments represented over 5% of the net assets of the Scheme:

	2025		2024	
	£'000s	%	£'000s	%
Insight Investment Maturing Buy & Maintain Bond Fund 2026-2030 Class B GBP Inc	41,882	12.4	41,767	11.0
BNY Mellon (Schroders Solutions) Global Equity Fund	27,684	8.2	39,087	10.3
Insight Investment Maturing Buy & Maintain Bond Fund 2021-2025 Class B GBP Inc	n/a	<5%	23,759	6.3

18. CURRENT ASSETS

	2025	2024
	£'000s	£'000s
Bank balance	75	1,570

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

19. CURRENT LIABILITIES

	2025 £'000s	2024 £'000s
Unpaid benefits	404	184
Accrued expenses	405	283
Tax payable	194	141
	<u>1,003</u>	<u>608</u>

20. RELATED PARTIES

Benefit payments to Trustee Directors, I R M Edwards and J Herzberg, are included within pension payments. The amount of these benefits is calculated on the same basis as pensions to other members of the Scheme in accordance with the Trust Deed and Rules.

N Marsh and V Milford, Trustee Directors, are deferred members of the Scheme. The amount of their benefits is calculated on the same basis as other members of the Scheme in accordance with the Trust Deed and Rules.

The Chairman receives a fee from the Principal Employer and since October 2014 the Company has also paid fees to the other Trustee Directors, excluding F Jaillard. A total of £39,000 p.a. (2024: £39,000) is paid for their services.

Trustee fees and expenses, together with secretarial fees from Vidett, were paid in the amount of £163k by the Scheme. This amount includes £39k of Trustee fees covering the year, as well as an additional £39k of Trustee fees covering the prior year. These fees have been paid by the Company and are due to be reimbursed by the Scheme. At the year-end, a creditor balance of £86k (2024: £11k) is due to be paid.

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS

Statement about contributions

We have examined the Summary of contributions to Comet Pension Scheme ('the Scheme') for the Scheme year ended 31 March 2025 to which this report is attached on page 34.

our opinion, contributions for the year ended 31 March 2025 as reported in the Summary of contributions and payable under the Schedules of Contributions has in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 24 January 2023 and 9 April 2024.

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

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 16, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer. The Trustee is also responsible for keeping records in respect of contributions received and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedules of Contributions.

Auditor's responsibilities for the preparation of a statement about contributions

It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions and to report our opinion to you.

Use of our Report

This statement is made solely to the Scheme's Trustee 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 audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's statement 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 Trustee for our audit work, for this statement, or for the opinions we have formed.

DocuSigned by:

6D984F7FE0924BD...

BDO LLP

Statutory Auditor
Guildford
United Kingdom

Date 03 October 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COMET PENSION SCHEME

SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

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

	£'000s
Employer expense contributions	-
Reconciliation to the financial statements:	
Contributions paid under the Schedule of Contributions	-

This summary was approved by the Trustee on:

Ian Edwards
.....
Trustee Director

3 October 2025
.....
Date

IMPLEMENTATION STATEMENT

1. Introduction

The Trustee is required to make publicly available online a statement ("the Implementation Statement") covering the Comet Pension Scheme (the 'Scheme') in relation to the Scheme's Statement of Investment Principles (the "SIP").

A copy of the current SIP signed and dated December 2023 can be found here: [COMET PENSION SCHEME](#)

This Implementation Statement covers the period from 1 April 2024 to 31 March 2025 (the "Scheme Year"). It sets out:

- How the Trustee's policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year

The latest guidance ("the **Guidance**") from the Department for Work and Pensions ('DWP') aims to encourage the Trustee of the Scheme to properly exercise its stewardship policy including both voting and engagement which is documented in the Scheme's SIP. With the help of the Scheme's Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP's statutory guidance.

The Trustee uses the Fiduciary Management service of Schroders IS Limited as its Investment Manager and Adviser (referred to as the '**Fiduciary Manager**' in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as '**Underlying Investment Managers**') to manage part of the Scheme's assets, and investments with these managers are generally made via pooled funds, where the Scheme's investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website: [Useful Documents and Forms | Comet Pension Scheme](#)

2. How the Trustee's policies on stewardship have been followed over the Scheme Year

As described in the SIP, the Trustee's approach to stewardship is to delegate the voting and engagement activities to the Fiduciary Manager. The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

The Fiduciary Manager aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Fiduciary Manager has chosen **Climate Change, Natural Capital & Biodiversity, and Human Rights** as its focus for the stewardship activities it performs on behalf of the Scheme. The Trustee expects that the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. Therefore, the Trustee has aligned its stewardship priorities with the Fiduciary Manager's.

The Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as *"the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society."* Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates and the FM Annual ESG Report during the Scheme Year. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. In addition, the quarterly report also includes stewardship activities including both voting and engagement the Fiduciary Manager carried out on behalf of the Trustee. The FM Annual ESG Report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the stewardship policy outlined in the SIP has been implemented well over the year, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Scheme Year. Examples of how this has been evidenced include:

- The Fiduciary Manager continue to integrate ESG and climate factors via MSCI and SustainEx scores and apply exclusions to our core equity offerings during the security selection process as per the Schroders Group criteria which includes UNGC Global Norms Violators, controversial weapons, thermal coal, oil and gas production, oil and gas refining, and exposure to commodity-driven deforestation. This ensures a closer alignment of the Scheme's investments with the Trustee's stewardship priorities, as these excluded investments are generally viewed as causing significant harm to People or Planet.
- ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth and LDI portfolios.
- Working with the core active credit manager to enhance their mandate to have a specific climate transition focus. This involves the introduction of a net zero target at the strategy level.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.
- The Fiduciary Manager carried out regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- In addition to regular reporting, the Fiduciary Manager have developed our ESG reporting to include voting and engagement examples to the Trustee, facilitating a more regular review throughout the year of the

Fiduciary Manager and Underlying Investment Managers' stewardship activities. In addition, the quarterly ESG reporting also includes "spotlight" pages to provide Trustee with ESG related hot topics and educational material such as ESG integration of asset classes.

- Development of biodiversity metric NatCapEx to be used as an engagement tool and to provide a greater understanding of exposure to nature related risks.
- Regular ESG reporting is provided at quarterly meetings, where Trustees have continued to monitor changes in metrics. Engagement on the Scheme Portfolio metrics is ongoing.
- Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustee's behalf during the Scheme Year within the growth asset portfolio, Cashflow Matching Credit Portfolio and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme remains robust following the events during the Gilt Crisis of Autumn 2022. Moreover, the Fiduciary Manager provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.
- The Fiduciary Manager (FM) should explain the process for monitoring the success of bringing proxy voting in-house. Schroders confirmed that there is a greater ability to influence votes in line with the engagement priorities outlined in this document. As a result, where the influence is greater, the voting will be more closely aligned with the priorities of the pension scheme.
- Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.

3. Voting During the Scheme Year

The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustee, in line with the Trustee's stewardship policy.

Voting by the Fiduciary Manager

Over the year to 31 March 2025, regarding clients' pooled fund investments¹, the Fiduciary Manager voted on 78 resolutions across 13 meetings. The Fiduciary Manager voted against management on 0 resolutions (0% of total resolutions) and abstained on 11² resolutions (14.1% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

Voting by the Underlying Investment Managers

Most Significant Votes

The following criteria must be met for a vote to be considered 'significant':

1. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity Fund**
2. Must be defined as significant by the Fiduciary Manager; and
3. Must relate to the Trustee's stewardship priority themes

The **BNY Mellon (Schroder Solutions) Global Equity Fund** constitutes a significant proportion of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particular significance for the Scheme.

From 1 January 2024, the proxy voting responsibilities for this fund moved to Schroders' Active Ownership team which ensures that the voting policy is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities. The Fiduciary Manager believes that all resolutions voted against the board's recommendations should be classified as a significant vote. Generally, the Fiduciary Manager does not communicate their voting intentions to companies regarding shareholder resolutions, however in some circumstances Schroders will publish their voting intentions on their Active Ownership Blog³. Regarding next steps after a vote, in the instance that votes are successful, the Schroders team will typically monitor progress closely and look to take further action at the next AGM should no progress be made.

Of the votes that satisfy the above criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as 'most significant votes', and as per DWP guidance, the Trustee has communicated this definition of 'most significant votes' to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

¹The voting statistics provided pertain to the Fiduciary Manager's Model Growth portfolio and may not fully reflect the pooled fund investments held by the scheme.

²The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.

³Schroders Active Ownership Blog - <https://www.schroders.com/en-us/us/individual/insights/active-ownership-blog-2024-voting-season-spotlight/>

CLIMATE CHANGE – At the Equinor ASA annual general meeting on 15 May 2024, Schroders voted for a shareholder resolution asking the Board to update its strategy and capital expenditure plan, considering the company's commitment to support the goals of the Paris Agreement and the Norwegian Government's expectations for the company to align with the Paris Agreement. The resolution also requests the updated plan to "specify how any plans for new oil and gas reserve development are consistent with the Paris Agreement goals". This vote was against management, which stated in its response that its energy transition plan demonstrates a business model and strategy that are already aligned with the Paris Agreement's most ambitious 1.5°C goal. Schroders acknowledge the company is leading on decarbonisation action relative to its sector. Nonetheless, they believe this resolution will encourage the company to produce more complete disclosures and provide further evidence to its claims that the strategy is already aligned with the Paris Agreement goals. This resolution could help shareholders to better assess how the company is addressing climate-related risks and potential costs to the business from climate transition trends. Schroders believe that by disclosing this information, Equinor will provide greater transparency to investors on the alignment between its commitments and implementation of its strategy. This vote against management was unsuccessful as the shareholders' proposal was not adopted. The resolution was filed by the Climate Action 100+ group, which Schroders are a part of, and the direct filers will continue dialogue with Equinor.

NATURAL CAPITAL AND BIODIVERSITY - At the General Motors Company annual general meeting (AGM) on 4 June 2024, Schroders voted for a shareholder resolution asking the company to "disclose the company's policies on the use of deep-sea mined minerals in its production and supply chains". This vote was against management which affirmed in its AGM proxy statement that it has not invested in deep-sea mineral extraction and does not currently use, nor does it have plans to use, deep-sea minerals in its supply chain. However, the company has also stated that it is "working with third parties to make science-based evaluations and support the creation of a single common standard that establishes a deep-sea extraction framework so data-driven decisions can be made". The company does not include a clear commitment to limit and avoid the conversion of ecosystems in its responsible sourcing policy. Thus, Schroders agree with the proponents that this lack of clarity in the company's position could expose the company to reputational and regulatory risk including financial risk. While Schroders agree with the company that it is prudent for it to monitor the development of alternative value chains considering the consumer and regulatory pressure towards a fast Electric Vehicle transition, Schroders do not believe that this resolution dictates the company's position on DSM but encourages it to be candid with stakeholders about their position and how their sourcing of minerals properly considers the financial risks associated with conversion of marine habitats. This vote was unsuccessful as the shareholders' proposal was not adopted. Schroders plan to continue engagement with the company on this topic.

HUMAN RIGHTS – At the JP Morgan Chase & Co. annual general meeting (AGM) on 21 May 2024, Schroders voted for a shareholder resolution asking the company to produce a report "outlining the effectiveness of JPMorgan Chase & Co.'s policies, practices, and performance indicators in respecting internationally recognised human rights standards for Indigenous Peoples' rights in its existing and proposed general corporate and project financing." Schroders believe that the requested report would benefit shareholders as they seek to understand how the company manages relations with its stakeholders, and the associated regulatory, reputational, and financial risks. Although the company provides explanation on the frameworks it uses to identify and manage environmental and social (E&S) risks, an assessment of how effective these practices are would allow shareholders to better understand their robustness, and the company's ability to mitigate any risks which may have financial implications. This vote against management was unsuccessful and Schroders intend to engage with JP Morgan on the topic raised in this resolution as well as others over the coming year.

COMET PENSION SCHEME

Summary Voting Statistics

Only the Scheme's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 31 March 2025 for the most material funds held on behalf of the Trustee that had voting rights during the period.

Equity Funds	BNY Mellon (Schroder Solutions) Global Equity Fund	Morant Wright Fuji Yield Japanese Fund	FSSA All China Fund	Redwheel TM UK Equity Income Fund
Total meetings eligible to vote	727.0	59	83	33
Total resolutions eligible to vote	9,450	747	759	603
Of resolutions eligible to vote, % of resolutions voted on	96%	100%	100%	100%
Of voted resolutions, % vote with management	86%	85%	94%	98%
Of voted resolutions, % vote against management	14%	15%	6%	2%
Of voted resolutions, % abstained	0%	0%	0%	<1%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	12%	N/A	7%	3%

Note:

- Schroders Investment Management (when exercising voting rights for the BNY Mellon fund) use Glass Lewis ("GL") for proxy voting services and receive ISS's Benchmark research. Alongside ISS's research, Schroders receives recommendations from GL in line with their own bespoke guidelines. This is complemented with analysis by their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Morant Wright do not subscribe to any shareholder advisory services, and their portfolio managers are directly responsible for proxy voting decisions.
- FSSA uses Glass Lewis as their proxy voting advisor, and Redwheel uses ISS.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- A new equity fund, **Redwheel TM UK Equity Income fund**, held at the Scheme Year-end, was introduced into the Growth portfolio in July 2024 although the voting data is for 12 months period to 31 March 2025, sourced from the investment manager per PLSA guidance.

COMET PENSION SCHEME

Alternative Funds	Lumyna Marshall Wace - TOPS (Market Neutral) Fund	Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund	North Rock Fund	JP Morgan Europe Equity Absolute Alpha Fund	BlackRock Systematic Total Alpha Fund
Total meetings eligible to vote	<i>Data not provided</i>	<i>Data not provided</i>	364	156	1,988
Total resolutions eligible to vote	6,297	2,509	<i>Data not provided</i>	2,616	18,845
Of resolutions eligible to vote, % of resolutions voted on	98%	97%	100%	97%	99%
Of voted resolutions, % vote with management	75%	57%	100%	93%	92%
Of voted resolutions, % vote against management	12%	9%	0%	6%	7%
Of voted resolutions, % abstained	12%	33%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	9%	6%	0%	1%	0%

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services. JP Morgan uses ISS for proxy voting services. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS).
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.
- Two new liquid alternative funds, **JP Morgan European Equity Absolute Alpha** and **BlackRock Systematic Total Alpha**, held at the Scheme Year-end, were introduced into the Growth portfolio in October 2024. The guidance is to include the data for the 12-month period to the Scheme year end and therefore the voting stats reported in this statement are for the year to 31 March 2025.

The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities determined during the Scheme Year, hence the Trustee believes that it has satisfactorily implemented the Stewardship Policy stated in the Scheme's SIP.

Appendix 1 – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Underlying Investment Managers of the Scheme's actively managed holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf https://mybrand.schroders.com/m/75fa1cd8dd188c3b/original/613798_SC_Listed-Assets-Blueprint-Report-Digital_16_9_V12.pdf
Morant Wright	voting_policy_2023_0.pdf
FSSA	https://www.fssaim.com/uk/en/private/sustainability/our-approach-to-sustainability.html
Redwheel	https://www.redwheel.com/uk/en/institutional/?kurtosys_download=17626
Lumyna Marshall Wace	https://cdn.mwam.com/download/MW_Engagement_Policy_Jan_2022.pdf
JP Morgan	https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf Engagement-and-proxy-voting-statement.pdf
BlackRock	https://www.blackrock.com/corporate/literature/publication/black-rock-active-investment-stewardship-engagement-and-voting-guidelines.pdf
SCOR	SCOR IP_Engagement Policy_052024_EN_0.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf
Neuberger Berman	https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&name=Stewardship%20and%20Engagement%20Policy
Oaktree	https://www.oaktreecapital.com/docs/default-source/default-document-library/esg-policy-2024.pdf
CBRE	https://www.cbreim.com/-/media/project/cbre/bussectors/cbreim/home/about-us/sustainability/cbreim-global-esg-policy.pdf
Insight	https://www.insightinvestment.com/investing-responsibly/