

COMET PENSION SCHEME

Report and Financial Statements for the year ended 31 March 2026

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 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

Annuity Provider: Canada Life Limited (From 9 December 2025)
Canada Life Place
Potters Bar
Hertfordshire EN6 5BA

COMET PENSION SCHEME

TRUSTEE AND ADVISERS (continued)

Consultants & Administrators:

XPS Administration Limited
Phoenix House
1 Station Hill
Reading RG1 1NB

Investment Governance Advisers:

IC Select Limited
92 Fountainbridge
Edinburgh EH3 9QA

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 2026

The Trustee presents to the members its annual report and financial statements for the year ended 31 March 2026.

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 and this work is expected to be completed by December 2026.

Pensions Schemes Act 1993 - SECTION 37

The High Court's June 2023 judgement in the Virgin Media case, upheld by the Court of Appeal in July 2024, could affect the validity of past amendments to contracted-out schemes under the Reference Scheme Test post-1997. Earlier in 2025 the Government announced that they would legislate to give affected pension schemes the ability to retrospectively obtain actuarial confirmation of historic benefit changes.

On 9 September 2025, the government published a proposed amendment to the Pension Schemes Bill that put in place the required legislation to resolve this issue.

On 29 April 2026, the Pension Schemes Bill received Royal Assent and the Trustee is taking appropriate action in relation to the Pension Schemes Bill Section 37 provisions.

COMET PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2026 (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 2025	2,281	2,328	4,609
Adjustment in respect of late notifications**	(28)	31	3
Retirements	(97)	97	-
Transfers out	(5)	-	(5)
Trivial commutations	(35)	(79)	(114)
Deceased	(7)	(40)	(47)
New spouse/dependants	-	17	17
Child pensions ceased	-	(4)	(4)
Number of members at 31 March 2026	2,109	2,350	4,459

* Included in the above pensioners are 246 (2025: 244) dependant pensioners.

** Adjustments result from the late notification of member changes.

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:

	2025	2026
	%	%
GMP accrued after 5 April 1988	1.7	3.0
Pension above GMP accrued before 6 April 2005	3.5	4.2
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

On 9 December 2025, the Trustee purchased a bulk annuity policy ("Buy-in Policy") with Canada Life. In exchange for a premium of £332 million, future benefit obligations for deferred and pensioner members were insured with Canada Life from 9 December 2025.

Securing the Buy-in Policy is an investment decision by the Trustee and the Scheme continues to be administered as normal by XPS Administration Limited.

In conjunction with the buy-in, the Company paid £3 million into an Escrow Arrangement in order to back-up the necessary cashflow through the buy-in to buy-out period.

The Trustee is on track to complete the Scheme buy-out by 31 December 2027.

COMET PENSION SCHEME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2026 (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 2025	339,071
Net withdrawals from dealings with members	(20,362)
Net returns on investments	<u>(12,999)</u>
Net assets at 31 March 2026	<u>305,710</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 2025 indicated that the funding level of the Scheme was 107% at that date. The funding level as at 31 March 2026 has since reduced. The most significant influence on the change in funding position between the two dates was the Scheme entering into a full buy-in with Canada Life on 9 December 2025 and paying the associated insurance premium. Since the Trustee secured a full buy-in with Canada Life, the majority of assets and the liabilities of the Scheme will now move in tandem with changes in financial market conditions. 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 November 2025. 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 September 2026 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 2026 (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:

Borough Hall
138 Cauldwell Street
Bedford MK42 9AB
Tel: 0800 011 3797
Contact: <https://www.moneyhelper.org.uk/en/contact-us>
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

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

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 2026 (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-pension-contact-details

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 2026

During the year, the Trustee 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 took responsibility for the day-to-day decisions relating to the portfolio under a full fiduciary management arrangement established in 2021. The Trustee ensured the investment manager and adviser have the appropriate knowledge and experience.

On 9 December 2025, the Trustee entered into a buy-in arrangement with Canada Life Limited, with the remaining assets being used for the ongoing running of the Scheme.

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.

At the year end, the Scheme's asset allocation was in line with the updated SIP, which was signed in January 2026.

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

Investment Manager Arrangements

The Trustees have 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 Trustees have chosen to implement their 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 Trustees have appointed CACEIS as custodian of the Scheme's assets.

Growth Assets (GA)

During the year, the GA has been invested in a portfolio of cash pooled investment vehicle funds.

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 2026 (%)	31 March 2025 (%)
Equities	n/a	n/a	-	47.1
Property	n/a	n/a	-	6.7
Return Seeking Credit	n/a	n/a	-	18.0
Commodities	n/a	n/a	-	1.9
Alternatives	n/a	n/a	96.9	17.8
Cash & Sovereign Bonds	n/a	n/a	3.1	8.5
			100.0	100.0

All restrictions are expressed as a proportion of the Growth Assets.

COMET PENSION SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Investment Performance

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

Portfolio Section	1 %	Year 3 %	Year Since Inception %
Growth Assets	9.1	8.3	4.5
Objective	8.2	8.9	7.6
Relative	0.9	(0.6)	(3.1)
Total Portfolio	4.7	(0.5)	(7.0)
Objective	4.1	(1.1)	(5.4)
Relative	0.6	0.6	(1.6)

Growth assets were held until November 2025 when the Scheme invested in the bulk annuity policy with Canada Life Limited.

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.

Employer Related Investments

There were no employer related investments during the year (2025: Nil).

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.

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Corporate Governance and Stewardship (continued)

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.

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.

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Market background

Having ended 2025 at, or near, all-time highs, global equities fell over the opening quarter of 2026 due to a combination of weakness in US technology stocks and risk aversion caused by the Middle East conflict. Non-US equities significantly outperformed the US market over the 12 months boosted by a weaker US dollar, attractive valuations, and some rotation away from major technology stocks. These trends contributed to strong gains in the UK, Asia including Japan, and in emerging markets which were driven by the technology-oriented indices of Korea and Taiwan.

For the first half of the period, performance leadership was concentrated in technology and growth-oriented sectors, although subsequently within technology, software stocks weakened due to the threat of disruption by (AI). Energy stocks were the standout performers during the first quarter of 2026 as integrated producers, refiners and infrastructure companies all benefited from higher oil prices triggered by the Middle East conflict.

Global government bond markets exhibited mixed performance before war in the Middle East triggered a significant sell-off across all major sovereign markets in March, as the energy price shock and the potential lead through into inflation saw markets pricing in interest rate hikes, where previously rate cuts had been discounted.

The 10-year US Treasury yield fell from 4.22% to 3.95%. Although Fed officials had issued cautious guidance on monetary policy for 2025, weaker labour market data over the summer months heralded consecutive interest rate cuts in September, October and December.

Germany's 10-year bond yield rose as the European Central Bank (ECB) indicated the programme of interest rate cuts had run its course by the summer.

The Bank of England reduced interest rates by 0.25% on three occasions with the 10-year gilt yield declining from 4.48% to 4.23% in response to moderating inflation and weaker economic growth.

In the commercial property market, while concerns over the economic outlook heightened in late 2025, underlying real estate market fundamentals remained robust. Globally, real estate transaction volumes improved, driven by an increase in US activity. Divergence across regions and sectors remains, but capital value improvements are now evident across a broader range of markets.

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 2025. On this date the position of the Scheme was as follows:

	2025 £'m
The value of the technical provisions was	317.4
The value of the total assets was	339.1

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 1.0% 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 S4PMA with a scaling factor of 116% for male members; and S4PFA with a scaling factor of 115% for female members. For dependants, standard tables S4DMA with a scaling factor of 106% for male members; and S4DFA with a scaling factor of 113% for female members. Future projections are in line with the CMI_2023 model applied from 2017 with a core smoothing parameter of 7.0, a long-term rate of improvement of 1.95% per annum for males and 1.50% per annum for females, an initial addition of 0.2%, 2020 and 2021 weighting parameters of 0% and 2022 and 2023 weighting parameters of 20%.

Cash commutation: at retirement, members commute 85% of the maximum permitted tax-free cash lump sum on terms available at 31 March 2025. 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, 5% of members are assumed to take a transfer value, with transfer values assumed to be calculated in line with the cash equivalent transfer value basis in force at the valuation date, updated for market conditions at the calculation date.

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 2025 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 1 June 2026.

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

02 June 2026

Steve Leake

Name

Steve Leake

Qualification

Fellow of the Institute
and Faculty of Actuaries

Address

XPS Group
Tempus Court
Onslow Street
Guildford
Surrey
GU1 4SS

Employer

XPS Group

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Trustee's 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 Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the 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 Trustee is 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 Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has 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.

Trustee's responsibilities in respect of contributions

The Trustee is 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 active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received 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 Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Ian Edwards

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Trustee Director

24 September 2026

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Date

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

Report on the audit of the financial statements

Opinion

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 2026 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 2026 which comprise of the following:

- Fund Account
- Statement of Net Assets (available for benefits)
- Notes to the financial statements
- 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Scheme's ability to continue as a going concern.

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

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

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.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee 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 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.

However, the primary responsibility for the prevention and detection of fraud rests with the Trustee and scheme management.

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;
 - there are any litigations or claims against the Scheme; and
 - any reports have been made to the Pensions Regulator.

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

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

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')). We also 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.

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 the Trustee 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 the Trustee.
- 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 controls associated with the journal entry process.

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 the Scheme's Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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BDO LLP

Statutory Auditor

Guildford

United Kingdom

24 September 2026

Date:

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 2026

	Note	2026 £'000s	2025 £'000s
CONTRIBUTIONS AND BENEFITS			
Transfers In	4	172	142
Other income	5	<u>3</u>	<u>4</u>
		<u>175</u>	<u>146</u>
Benefits paid or payable	6	(17,554)	(16,199)
Payments to and on account of leavers	7	(159)	(373)
Administrative expenses	8	<u>(2,824)</u>	<u>(1,680)</u>
		<u>(20,537)</u>	<u>(18,252)</u>
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		<u>(20,362)</u>	<u>(18,106)</u>
RETURNS ON INVESTMENTS			
Investment income	9	5,511	14,101
Change in market value of investments	11	(17,914)	(35,933)
Investment management expenses	10	<u>(596)</u>	<u>(874)</u>
NET RETURN ON INVESTMENTS		<u>(12,999)</u>	<u>(22,706)</u>
NET DECREASE IN THE FUND FOR THE YEAR		(33,361)	(40,812)
OPENING NET ASSETS		<u>339,071</u>	<u>379,883</u>
CLOSING NET ASSETS		<u>305,710</u>	<u>339,071</u>

The notes on pages 21 to 32 form part of these financial statements.

COMET PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 31 March 2026

	Note	2026 £'000s	2025 £'000s
INVESTMENT ASSETS			
Bonds	11	-	183,992
Pooled investment vehicles	12	3,789	158,563
Derivatives	13	-	13,658
Cash deposits	11	6	2,671
Insurance policies	14	300,600	-
Other investment balances	15	-	612
		<u>304,395</u>	<u>359,496</u>
INVESTMENT LIABILITIES			
Derivatives	13	-	(19,497)
TOTAL NET INVESTMENTS		304,395	339,999
CURRENT ASSETS	19	3,558	75
CURRENT LIABILITIES	20	<u>(2,243)</u>	<u>(1,003)</u>
CLOSING NET ASSETS		<u>305,710</u>	<u>339,071</u>

The notes on pages 21 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 13 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

24 September 2026

.....

Date

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2026

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.

Income arising from annuity insurance policies is included in investment income on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

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.

Annuity insurance policies in the name of the Scheme have been valued by the Scheme Actuary at the present value of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

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

	2026 £'000s	2025 £'000s
Group transfers in	<u>172</u>	<u>142</u>

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.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

5. OTHER INCOME	2026 £'000s	2025 £'000s
Transfer calculation fees	1	1
Compensation	2	3
	<u>3</u>	<u>4</u>
6. BENEFITS PAID OR PAYABLE	2026 £'000s	2025 £'000s
Pensions	13,322	12,009
Commutation of pensions and lump sum retirement benefits	4,199	4,128
Lump sum death benefits	33	60
Annual allowance	-	2
	<u>17,554</u>	<u>16,199</u>
7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS	2026 £'000s	2025 £'000s
Individual transfers out to other schemes	<u>159</u>	<u>373</u>
8. ADMINISTRATIVE EXPENSES	2026 £'000s	2025 £'000s
Administration	619	458
Actuarial and consultancy fees	1,319	642
Legal fees	375	189
Trustee and secretarial fees & expenses	151	163
Trustee indemnity insurance	60	30
Other professional fees	137	73
Investment advice	91	19
Audit fees	29	38
Levies	38	32
Other fees	5	36
	<u>2,824</u>	<u>1,680</u>

The Trustee and secretarial fees & expenses figure includes £39k of Trustee fees covering the year (2025: £39k).

In accordance with the Schedule of Contributions certified by the Scheme actuary on 9 December 2025, all expenses are paid from the assets of the Scheme provided that there are sufficient realisable assets in the Scheme.

A revised Schedule of Contributions was certified by the Scheme Actuary on 2 June 2026, which covers the period from 1 June 2026 to 1 June 2031. According to the Schedule, all expenses will continue to be paid from the assets of the Scheme provided that there are sufficient realisable assets in the Scheme.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

9. INVESTMENT INCOME	2026 £'000s	2025 £'000s
Income from bonds	1,492	2,716
Income from pooled investment vehicles	11,994	16,803
Interest on cash deposits	172	261
Swap income paid	(12,443)	(5,679)
Annuity income	3,219	-
Gains on foreign exchange	1,077	-
	<u>5,511</u>	<u>14,101</u>

On 9 December 2025, the Scheme purchased an annuity policy with Canada Life for £332m and annuity income was received for two months of the Scheme year.

10. INVESTMENT MANAGEMENT EXPENSES	2026 £'000s	2025 £'000s
Investment fees - management & custody	597	922
Investment fee rebates	<u>(1)</u>	<u>(48)</u>
	<u>596</u>	<u>874</u>

11. RECONCILIATION OF INVESTMENTS

	Value at 31.03.2025 £'000s	Purchases at cost and derivative payments £'000s	Sales proceeds and derivative receipts £'000s	Change in market value £'000s	Value at 31.03.2026 £'000s
Bonds	183,992	444,522	(635,250)	6,736	-
Pooled investment vehicles	158,563	44,796	(196,557)	(3,013)	3,789
Derivatives	(5,839)	3,008	(7,335)	10,166	-
Insurance policies	-	332,403	-	(31,803)	300,600
	<u>336,716</u>	<u>824,729</u>	<u>(839,142)</u>	<u>(17,914)</u>	<u>304,389</u>
Cash deposits	2,671			-	6
Other investment balances	<u>612</u>			<u>-</u>	<u>-</u>
	<u>339,999</u>			<u>(17,914)</u>	<u>304,395</u>

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 (2025: 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.

On 9 December 2025, the Trustee purchased a buy-in policy with Canada Life Limited. In preparation for this, all bonds and derivatives were disinvested, as well as the majority of pooled investment vehicles.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

12. POOLED INVESTMENT VEHICLES

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

	2026 £'000s	2025 £'000s
Bond funds	-	79,030
Hedge funds	-	2,616
Diversified funds	3,676	9,378
Commodities	-	1,163
Property funds	-	7,929
Equity funds	-	55,101
Cash funds	113	3,345
	<u>3,789</u>	<u>158,563</u>

At the year-end, the Scheme had an undrawn commitment of £4,004 (2025: £4,004), relating to Equitix Fund VI.

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:

	2026 Asset £'000s	2026 Liability £'000s	2025 Asset £'000s	2025 Liability £'000s
Swaps	-	-	11,216	17,809
Options	-	-	2,404	1,609
Forward foreign exchange contracts	-	-	38	79
	<u>-</u>	<u>-</u>	<u>13,658</u>	<u>19,497</u>
	<u>-</u>		<u>(5,839)</u>	

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

13. DERIVATIVES (continued)

Swaps

Nature	Asset £'000s	Liability £'000s
Total 2026	-	-
Total 2025	11,216	17,809

At the year end the Scheme did not hold any derivative financial instruments. Therefore, no collateral was held or posted.

In the prior year, the Scheme held £1,523k of collateral belonging to the counterparty. This collateral was not reported within the Scheme's net assets.

In the prior year, the Scheme posted £17,757K of UK Government gilts as collateral belonging to the Scheme.

Options

Type	Asset £'000s	Liability £'000s
Total 2026	-	-
Total 2025	2,404	1,609

Forward Foreign Exchange

Contract	Asset £'000s	Liability £'000s
Total 2026	-	-
Total 2025	38	79

14. INSURANCE POLICIES

During the year ended 31 March 2026 the Trustee purchased a buy-in policy with Canada Life Limited covering all the members of the Scheme.

	2026 £'000s	2025 £'000s
Canada Life	300,600	-

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

14. INSURANCE POLICIES (continued)

A summary of the key assumptions used to value the insured annuity policies as 31 March 2026 are summarised below.

	31 March 2026
Discount rate – post-retirement	Moody's Gilt yield curve + 1.00% per annum
Price inflation – RPI	Moody's Implied RPI gilt curve
Price inflation – CPI	Pre February 2030: RPI less 0.75% per annum Post 28 February 2030: RPI
Post-retirement mortality	Base Table 1st life: 116% (M) / 115% (F) S4PA 2nd life: 106% (M) / 113% (F) S4DA Future Improvements CMI 2023 model with a long term rate of improvement of 1.95% (M) / 1.50% (F), an initial addition of 0.2%, and weight parameters of 0% for 2020 and 2021, and 20% for 2022 and 2023

15. OTHER INVESTMENT BALANCES

	2026 £'000s	2025 £'000s
Dividends and interest receivable	-	612

16. 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:

	At 31 March 2026			
	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Pooled investment vehicles	113	-	3,676	3,789
Insurance Policies	-	-	300,600	300,600
Cash	6	-	-	6
	<u>119</u>	<u>-</u>	<u>304,276</u>	<u>304,395</u>

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

16. 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>

17. 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.

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

Following the full buy-in with Canada Life Limited on 9 December 2025, the investment objective is to hold excess cash, cash funds, and/or UK Government securities in the short term.

Based on consideration of the Scheme's liabilities and the desired investment objective, the Trustees have adopted a 0% Growth Assets / 100% Cash Assets split. The Investment Manager has discretion to implement the Trustees' investment strategy to meet the objective, as described below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

17. INVESTMENT RISK DISCLOSURES (continued)

Credit risk

The Scheme is subject to credit risk because the Scheme 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 Trustees' policy for managing credit risk is detailed in the Statement of Investment Principles.

The Scheme also holds £113k cash through underlying pooled fund investments.

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.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustees monitor 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 number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc.).

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 2026 £'000s	31 March 2025 £'000s
Exchange Traded Fund (ETF)	-	22,865
Investment Company with Variable Capital (ICVC)	880	7,437
Exchange Traded Commodities (ETC)	-	1,163
Mutual Fund	-	31,798
Open Ended Investment Company (OEIC)	-	69,672
Société d'Investissement à Capital Variable (SICAV)	-	11,278
Unit Trust	113	7,135
Cayman Islands Exempted Company	-	820
Limited Partnership	2,796	5,561
Common Fund for Investment (FCP)	-	835
Total	3,789	158,564

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

17. INVESTMENT RISK DISCLOSURES (continued)

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 Trustees' 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, 0.0% of the Scheme's holdings were exposed to overseas currencies as at year-end (2025: 3.8%).

Interest rate risk

The Scheme's assets are subject to interest rate risk because some of the Scheme's investments are held in bonds, and cash pooled investment vehicle funds.

At the year-end, the assets subject to interest rate risk comprised of:

£'000s	2026	2025
Direct		
Bonds	-	183,992
Swaps	-	(6,593)
Indirect		
Bond PIV	-	79,030
Cash PIV	113	3,345

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) 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	2026	2025
Direct		
S&P/Call Equity Options	-	796
Indirect		
Equity PIVs	-	55,101
Property PIVs	-	7,929
Commodities PIVs	-	1,163
Alternatives PIVs	3,676	11,993

Please note clean values have been used where applicable.

COMET PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

18. CONCENTRATION OF INVESTMENTS

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

	2026		2025	
	£'000s	%	£'000s	%
Insight Investment Maturing Buy & Maintain Bond				
Fund 2026-2030 Class B GBP Inc	n/a	n/a	41,882	12.4
BNY Mellon (Schroders Solutions) Global Equity Fund	n/a	n/a	27,684	8.2
Insurance policy	300,600	98.3	n/a	n/a

19. CURRENT ASSETS

	2026	2025
	£'000s	£'000s
Bank balance	3,265	75
Annuities receivable	293	-
	<u>3,558</u>	<u>75</u>

20. CURRENT LIABILITIES

	2026	2025
	£'000s	£'000s
Unpaid benefits	242	404
Accrued expenses	548	405
Tax payable	223	194
Annuities received in advance	1,230	-
	<u>2,243</u>	<u>1,003</u>

Annuities received in advance represent the amount received from Canada Life in advance to fund the monthly pension payroll payments relating to months subsequent to the reporting period. Annuities receivable represents amounts due from Canada Life in respect of individual benefits paid by the Scheme, which are subsequently reimbursed.

21. 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. (2025: £39,000) is paid for their services.

Trustee fees and expenses, together with secretarial fees from Vidett, were paid in the amount of £151k by the Scheme. This amount includes £39k of Trustee fees covering the year. These fees are paid by the Company and reimbursed by the Scheme. At the year-end, a creditor balance of £6.5k (2025: £86k) was due to be paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

22. SUBSEQUENT EVENTS

After the year end, a schedule of contributions was certified by the Scheme Actuary on 2 June 2026.

On 9 June 2026, the Scheme's holding in the Equitix Fund VI was disposed of which realised proceeds of £1,996,238 and the cost of the sale was £31,120. The Trustee is also actively looking to dispose of the Scheme's holding in the Leadenhall Life Fund.

The Trustee is on track to complete the buy-out with Canada Life Limited in December 2027.

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS

Statement about contributions

We have examined the Summary of Contributions to Comet Pension Scheme ('the Scheme') for the year ended 31 March 2026 on page 34.

In our opinion, contributions for the year ended 31 March 2026, as reported in the Summary of Contributions and payable under the Schedules of Contributions, have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 9 April 2024 and 9 December 2025.

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 Schedule of Contributions.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 15, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedules of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active members of the Scheme 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 them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, for our audit work, for this statement, or for the opinions we have formed.



BDO LLP

Statutory Auditor
Guildford
United Kingdom

Date 24 September 2026

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 Schedules of Contributions were as follows:

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

This summary was approved by the Trustee on:

Ian Edwards

.....

Trustee Director

24 September 2026

.....

Date

Comet Pension Scheme

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").

The SIP was amended once during the Scheme year ending 31 March 2026, and the changes made were predominantly to update the SIP to allow for the completion of a bulk annuity (buy-in) transaction with Canada Life ("the insurer") which was carried out in December 2025. This SIP came into force from January 2026.

A copy of the current SIP signed and dated 6 February 2026 can be found here:

<https://www.comet-pensions.co.uk/library/File/Statement-of-Investment-Principles-January-2026.pdf>

This Implementation Statement covers the period from 1 April 2025 to 31 March 2026 (the "Scheme Year"). It sets out how the Trustee's policies on stewardship have been followed over 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 their 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 their 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.

Due to the buy-in which was completed during the Scheme Year, the assets remaining with the Fiduciary Manager as at 31 March 2026 were as follows:

Asset Class	Fund	Value (£)	Proportion of assets
Cash	Blackrock Sterling Liquidity	£0.15m	3.0%
Cash	Directly held	£0.05m	0.1%
Insurance Linked Securities	Leadenhall Life	£0.88m	23.2%
Infrastructure	Equitix VI	£2.80m	73.7%

Source: Fiduciary Manager, Underlying Investment Managers, 31 March 2026.

The nature of the assets remaining with the Fiduciary Manager are either cash assets or illiquid assets which are in the process of being realised ahead of any transition to a full buy-out and wind-up of the Scheme which might occur. The Scheme does not hold any investments with voting rights attached. Therefore, there is no voting summary shown in this Implementation Statement.

A copy of this Implementation Statement is available on the following website:

<https://www.comet-pensions.co.uk>

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

During the Scheme Year, the Trustee carried out an exercise to secure the Scheme's benefits with an insurer. As part of the exercise, the Trustee selected Canada Life as the insurer to carry out a buy-in transaction with, which the Trustee believed would lead to better security of Scheme's members' benefits being paid going forward. Given the nature of the remaining assets which were set out in the previous section, voting and engagement are irrelevant hence there is limited scope for the Trustee to exercise its stewardship policy.

The Trustee's policy as set out in the SIP regarding Corporate Governance and Stewardship is as follows:

In relation to the annuity asset, corporate governance and stewardship are the responsibility of the provider.

In relation to any assets remaining in the Scheme's investment portfolio, 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 this 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 in relation to any assets remaining in the Scheme's investment portfolio, which are primarily held in cash, cash funds and/or short-dated gilts, together with a residual allocation remaining in illiquid assets. The Investment Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the Underlying Investment 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. The Trustee is satisfied that these arrangements incentivise the Investment Manager:

- *to align its investment strategy and decisions with the Trustees' investment policies; and*
- *to assess and make decisions based on the medium to long-term financial and non-financial performance of issuers of debt, and, where possible, to engage with such issuers to improve this medium to long-term performance.*

The Trustee notes that the scope for such engagement is likely to be extremely limited, and that, given the absence of equity holdings there is no scope for voting.

The Investment Manager undertakes regular reviews of all Underlying Investment 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 Investment 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 Investment Manager remuneration arrangements are aligned with the Trustee's objectives. The method and time horizon for evaluating and remunerating Underlying Investment 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 Investment 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) and the Investment Manager also monitors this as part of ongoing reviews. The Investment Manager's Conflict of Interest policy was shared with the Trustee.

The Investment Manager oversees the turnover costs incurred by Underlying Investment 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 Investment Managers to understand the rationale for such deviations and take appropriate action.

Given the policy as set out above and the investment strategy of the Scheme during the Scheme Year, the Trustee believes that it has acted in accordance with the DWP Guidance and successfully followed the stewardship policy in the SIP over the Scheme Year.