Electronic Data Systems Retirement Plan

Annual Trustee Report and Financial Statements for the year ended 31 December 2023

Scheme Registration Number 10197407

Contents

01 Trustee and their Advisers

Trustee	DXC UK Trustee Limited Royal Pavilion Wellesley Road Aldershot Hampshire GU11 1PZ	
Employer Nominated Directors	Independent Trustee Limited	(Independent Director, represented by I M Pittaway)
	C Cetin	(Employer nominated director)
	G Dimmer	(Employer nominated director) (resigned 30/09/2023)
	A Haslam	(Employer nominated director))
	M Hume	(Employer nominated director) (formerly a Member nominated director, effective 1 July 2024)
	M Lewthwaite	(Employer nominated director)
	B Orr	(Employer nominated director)
	E Williams	(Employer nominated director) (appointed 1 July 2024)
Member Nominated Directors	G Barron	Member nominated director (appointed 1 July 2024)
	LA Flynn	(Member nominated director) (appointed 1 July 2024)
	V Mabon	(Member nominated director) (appointed 1 July 2024)
	R Makepeace	(Member nominated director) (resigned 14 June 2024)
	J McCallum	(Member nominated director) (resigned 14 June 2024)
	I E Wilson	Member nominated director (Chairman) (reappointed 1 July 2024)
Principal Employer	EntServ UK Ltd Royal Pavilion Wellesley Road Aldershot Hampshire GU11 1PZ	

Trustee and their Advisers
continued

Secretary to the Trustee	DXC UK Trustee Limited C/O Vicki Hayter XPS Pensions Group Phoenix House 1 Station Hill Reading RG1 1NB
Pension Administrator and Administration offices	EDS Pensions Administration EQ Paymaster Sutherland House Russell Way Crawley West Sussex RH10 1UH
Investment Advisors	Mercer 1 Christchurch Way Woking Surrey GU21 6JG
Legal Advisor	Sacker & Partners 20 Gresham Street London EC2V 7JE
Covenant Adviser	Cardano Orion House 5 Upper St Martin’s Lane London WC2H 9EA
AVC Managers	Utmost Life and Pensions Utmost House 6 Vale Avenue Tunbridge Wells TN1 1RG
	Aviva plc St Helen’s 1 Undershaft London EC3P 3DQ
	Mobius Life 20 Gresham St London EC2V 7JE

Trustee and their Advisers
continued

AVC Managers (continued)	Phoenix Life Lynch Wood Park Peterborough PE2 6FY
	Prudential Craigforth Stirling FK9 4UE
	Santander Group 2 Triton Square Regent's Place London NW1 3AN
Investment Managers	Aberdeen Standard Investment ("Abrdn") (removed 25 July 2023) Aberdeen, Bow Bells House 1 Bread St London EC4M 9HH
	Aegon (appointed 12 May 2023) Level 26 The Leadenhall Building 122 Leadenhall Street London EC3V 4AB.
	Ares Management Corporation (removed 11 May 2023) 6th Floor 10 New Burlington Street London W1S 3BE
	Aviva Asset Management (removed 30 June 2023) Saint Helen's 1 Undershaft London EC3P 3DQ
	CBRE Global Investors Managed Accounts Group 3rd Floor, One New Change London EC4M 9AF
	Coller Capital Park house 116 Park Street London W1K 6AF

Trustee and their Advisers
continued

Investment Managers (continued)	CQS (appointed 27 April 2023) 4th Floor One Strand London WC2N 5HR
	Goldman Sachs Asset Management Plumtree Court 25 Shoe Lane London, EC4A 4AU
	Highbridge Capital Management LLC (removed 26 October 2023) 5 Tudor Street 2nd Floor London, EC4Y 0JP
	Insight Investment 160 Queen Victoria Street London EC4V 4LA
	Schroders 1 London Wall Place London EC2Y 5AU
	Shenkman Capital Management Ltd 49 St James's Street London SW1A 1JT
	Twentyfour Asset Management (appointed 12 May 2023) 974 Pollokshaws Road Park Lane House Glasgow, Scotland G41 2HA
Custodian	BNY Mellon 1 Canada Square London E14 5AL

Trustee and their Advisers
continued

Banker	National Westminster Bank PLC 6 Coldharbour Lane Hayes Middlesex UB3 3EL
Independent Auditor	KPMG LLP 15 Canada Square London E14 5GL
Annuity Provider	Phoenix PO Box 30 Liverpool L69 3HS
	Prudential Annuities Contact Centre Lancing BN15 8GB

Enquiries

Enquiries about the Plan generally, or about an individual's entitlements to benefits, should be addressed to EDS Pensions Administration. Alternatively visit the member website where you can access key information including latest news, forms, newsletters, and contact information https://edspensions.co.uk/

02 Trustee's Report

02.01 Introduction

The Trustee of the Electronic Data Systems Retirement Plan (the Plan) is pleased to present its annual report on the operations of the Plan, together with the financial statements of the Plan, for the year ended 31 December 2023. The financial statements set out on page 29 to 47 have been prepared and audited in accordance with the regulations made under sections 41(1) and (6) of the Pensions Act 1995.

02.02 The Plan

The Plan is a defined benefit arrangement and provides retirement and death benefits for all eligible employees of the Principal Employer. It is established under and governed by a Definitive Trust Deed.

02.03 Trustee

The Trustee and its Directors are listed on page 1 of this report.

The power of removing and appointing the Trustee is exercised by deed and is vested in the Principal Employer.

The Trustee has made arrangements for the appointment of Member Nominated Trustee Directors in accordance with the provisions of the Pensions Act 2004 and Directors were appointed in accordance with these arrangements. In June 2017, the Trustee board was expanded to accommodate an additional Director appointed by the Principal Employer.

The Board is made up of 11 Directors as follows:

> 2 Member Nominated Directors from the Active, Deferred or Pensioner members of the Plan;

> 2 Member Nominated Directors from the Active, Deferred or Pensioner members of the DXC UK Pension Scheme;

> 6 Employer Nominated Directors; and

> 1 Independent Director.

In conjunction with DXC UK Trustee Limited, the Principal Employer decided there should continue to be 4 Member Directors, however, 2 are selected from the Plan's Active, Deferred and Pensioner members and 2 from the Electronic Data Systems 1994 Pension Scheme Active, Deferred and Pensioner members. The Term of appointment is 4 years and appointment is made via a selection panel.

Following the communication exercise and subsequent interviews, the Trustee decided to reappoint Ian Wilson and appoint Vicki Mabon, Lorri-Anne Flynn, and Gemma Barron, effective 1 July 2024.

02.04 Management of the Plan

The overall management of the Plan is vested in the Trustee. The Trustee Board of Directors met on four occasions during the year to review actuarial and investment activities and other matters affecting the Plan and its members. Management is further exercised by the Trustee through a number of committees, including investment, operations, risk and the exercise of discretions, which meet regularly throughout the year. Minutes of all meetings are recorded.

The Trustee uses the services of EQ Paymaster for the administration of the Plan and Vicki Hayter at XPS Pensions Group for all secretarial communications.

02.05 Pension Increases

In general pensions in payment in excess of the Guaranteed Minimum Pension were increased on 1 April 2023, by 3% (3% 2022) for pre 1997 accruals, 5% (1.2% 2022) for accrual between 1997 and 31 March 2006 and 2.5% (5% 2022) thereafter. Deferred pensions have been increased in line with statutory requirements.

02.06 Transfers out of the Plan

Transfer values paid during the year in respect of transfers to other pension schemes have been calculated and verified in accordance with the Pension Schemes Act 1993. No allowance is made in transfer values for any discretionary benefits.

02.07 Financial Development of the Plan

The Fund at 31 December 2023 stood at £2,799,266,000 (2022: £2,806,876,000), a decrease of £7,610,000 from the position at 31 December 2022. Further details of the financial development of the Plan may be found in the audited financial statements on pages 29 to 47.

02.08 Contingent Liability

On 26 October 2018, the High Court ruled that Guaranteed Minimum Pension (GMP) benefits provided to members of pension schemes must be recalculated to reflect equalisation requirements between 17 May 1990 and 6 April 1997. As a result of the ruling, the Trustee of the Plan will need to equalise GMPs between men and women.

At this point in time a method of equalisation for the Plan has not yet been agreed by the Trustee and the Company but both entities have received training on the requirements since the 20 November 2020 GMP Ruling and the Trustee is nearer its decision.

The Trustee has carried out initial liability estimates in relation to GMP equalisation which indicates a 1% increase in the overall Plan liabilities. As a result the expected backdated corrective payments are deemed not material to these financial statements. The Trustee will include the amounts once they can be reliably estimated or in the year of payment.

02.09 Membership

Changes in membership during the period are summarised as follows: -

	31 December 2023	31 December 2022
Salary link Members		
Salary link Deferred at 1 January	488	537
Retirements	(15)	(9)
Leavers opting for deferred pensions	(7)	(8)
Adjustment***	(16)	(32)
Contributing Members at 31 December	450	488
Deferred Pensioners		
Existing deferred pensioners at 1 January	7,359	7,614
Leavers opting for deferred pensions	7	8
Transfers out	(27)	(38)
Deaths	(29)	(22)
Retirements	(346)	(213)
Adjustment***	(52)	10
Deferred Pensioners at 31 December	6,912	7,359
Pensioners** (Includes Dependant Pensioners)		
Existing pensioners at 1 January	5,884	5,598
New Pensioners*	414	286
Deaths & ceased child's	(126)	(87)
Adjustment***	237	87
Pensioners at 31 December	6,409	5,884
Total Membership at 31 December	13,771	13,731

*includes dependent pensioners

**includes suspended pensions

*** The number of adjustments are in respect of late notifications and adjustments in the reporting period with effective dates that fall into the previous accounting period including correcting historical differences identified during the year.

The number of annuitants is 3 (2022:3).

03 Compliance Statement

03.01 Taxation Status

HM Revenue & Customs has approved the Plan and members were contracted out of the additional component of the State Earnings Related Pension Scheme and State Second Pension until this ceased in April 2016. The Plan is a Registered Pension Scheme under the provisions of Schedule 36 of the Finance Act 2004. Accordingly under the provision of sections 186 and 187 of the Finance Act 2004 its income and investment gains are free of taxation.

03.02 Disputes

The Trustee has implemented the statutory Internal Disputes Resolution Procedure (IDRP) in accordance with the requirements of the 1995 Pensions Act to deal with any disputes about the Plan or its management. The IDRP should be followed before any dispute is put before the Pension Ombudsman (PO). A copy of the Plan's IDRP can be obtained from the Plan's administrator listed on page 2.

The Pension Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pensions Scheme made or referred to in accordance with that Act. The Pension Ombudsman may be contacted at:

10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487.

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

You can also submit a complaint form online: www.pensions-ombudsman.org.uk/our-service/make-a-complaint/

03.03 The Pensions Regulator

TPR is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties and in certain other circumstances. The Pensions Regulator may be contacted at:

Napier House, Trafalgar Place, Brighton, BN1 4DW

Tel: 0345 600 0707

Website: www.thepensionsregulator.gov.uk

03.04 The Pension Tracing Service

A register of occupational and personal pension schemes has been established to help trace pension rights earned with previous employers. The Scheme has been registered for this purpose and the appropriate levy paid. The Pension Tracing Service may be contacted at:

The Pension Tracing Service, The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU.

Tel: 0800 731 0193

Website: www.direct.gov.uk

03.05 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:

Holborn Centre, 120 Holborn, London, EC1N 2TD

Tel: 0800 011 3797

Email: pensions.enquiries@moneyhelper.org.uk

Website: www.moneyhelper.org.uk

04 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 Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 31 December 2020. This showed that on that date:

The value of the liabilities was:	**£4,316 million**
The value of the assets was:	**£4,711 million**
Funding Level	**109%**

The corresponding buyout deficit was £892 million.

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: set by reference to a fixed interest yield curve (as derived from Bank of England data) at the valuation date plus an addition of 1.395% per annum, tapering down linearly over a period of seven years from the valuation date to an addition of 0.8% per annum, with a constant addition of 0.8% per annum thereafter.

> Future Retail Price inflation: derived from the Bank of England fixed interest and index-linked gilt yield curves at the valuation date.

> Future Consumer Price inflation: derived from the assumption for future Retail Price inflation less 1% per annum up to 2030, with no deduction thereafter.

> Pension increases: derived from the future Retail Price inflation and future Consumer Price inflation assumptions allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

> Mortality: for the period in retirement, standard tables S3PXA with a scaling factor of 84% for male members and S3PFA with a scaling factor of 81% for female members. Future improvements calculated by reference to CMI2019 table with a scaling parameter of 7, initial addition parameter of 0.5% and assuming a long-term improvement rate of 1.5% p.a. for both males and females

The Trustee and Principal Employer put in place a Schedule of Contributions on 31 March 2022.

Report on Actuarial liabilities
continued

Recovery Plan Agreement

> Due to the Funding level of the Plan being above Technical Provisions, no recovery plan has been put in place.

Guarantee

> A legally enforceable guarantee was put in place, which would be called upon in the unlikely event of the sponsor no longer being able to make the agreed contributions into the Plan. In this event contributions would be made instead by the guarantor into the Plan up to the levels defined in the guarantee.

The Trustee are currently undertaking the Triennial Valuation as at 31 December 2023; results of which will be included in the next Trustee Report and Accounts.

The next actuarial valuation is due as at 31 December 2023 and is currently underway

05 Investment Report
(forms part of the Trustee's report)

05.01 Plan Structure

There have been some structural changes to the investment portfolio during the plan year:

- Updated the allowable ranges for the Return Seeking and Protection assets.
- Enhanced alignment of the investment portfolio to insurer pricing, including changes to the liability hedging approach and increased exposure to credit to better reflect the credit sensitivity of the potential insurers.
- Replacement of the Liability Driven Investment manager.

The Trustee also defined its approach to the governance of risks and opportunities relating to climate-related considerations and completed the Plan's first Taskforce for Climate-related Financial Disclosures report.

05.02 Summary of Plan Investment structure

The overall investment policy of the Plan is determined by the Trustee having taken advice from their advisers, Mercer Limited. The Trustee is responsible for determining the investment strategy and manager appointments after taking appropriate advice. The Trustee has delegated the day-to-day management of investment to professional investment managers. These managers undertake, within restrictions in the contractual documentation, the day-to-day management of the asset portfolio, including the full discretion for stock selection.

The Trustee has established an Investment Committee ("the Investment Committee"), a delegated committee of the Trustee, which has a remit to assist the Trustee in determining and monitoring how the Plans' assets are invested. Further details of the delegated powers of the Investment Committee are set out in the document "Investment Committee Terms of Reference".

The Trustee has produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995, the Occupational Pension Scheme's (Investment) Regulations 2005 and subsequent legislation. The SIP has been updated over the year to incorporate changes to the investment policy. Further details are outlined later in this report and a copy of this document is available online https://edspensions.co.uk/library/sips.

05.03 Employer Related Investments

Under the Pensions Act 1995 particular types of investment are classed as "employer-related investments". Under laws governing employer related investments (ERI) not more than 5% of the current value of Plan assets may be invested in ERI (subject to certain specific exceptions). In September 2010 the prohibition of Employer Related Investments was extended to cover pooled funds, excluding funds held in life wrappers.

The Trustee reviews its allocation to employer-related investments on an on-going basis and is satisfied that the proportion of the Plan's assets in employer-related investments does not exceed 5% of the market value of the Plan's assets as at 31 December 2023, and the Plan therefore complies with legislative requirements.

05.04 Market Background

Investment Markets[1]

The first quarter of 2023 started with optimism over declining inflation and a hope of an end to monetary tightening. The demise of SVB, the second largest US bank failure in history, and UBS's urgent takeover of Credit Suisse in March were the major events of the quarter that briefly rattled markets until calm returned towards quarter end. Developed market central banks continued raising rates through the quarter as overall growth momentum remained robust. Headline inflation continued to slow in major developed economies, except for the UK, but core inflation remained elevated.

The second quarter of 2023 saw the orderly resolution of the second largest bank failure in US history and further distress among US regional banks, yet ongoing economic resilience, declining inflation, an equity rally led by eight stocks, and increased geopolitical tensions, including an attempted coup in Russia. Developed market central bank actions were mixed over the quarter, with some deciding to pause hiking interest rates, and others continuing to increase the policy rate, but rhetoric remained hawkish. Headline inflation continued to slow and core inflation fell in most regions apart from the UK. Inflation expectations also continued to decline over the quarter.

Developed market central bank actions were mixed in Q3 2023, with some deciding to pause hiking interest rates, and others continuing to increase policy rates. Headline inflation continued to slow and core inflation fell in most regions. Inflation expectations also continued to decline over the quarter. US GDP growth estimates appear to have accelerated in the third quarter of 2023. China's economy grew largely due to favorable base effects, but overall the momentum has been weak, indicating subdued demand.

The fourth quarter of 2023 started off with low expectations owing to expectations of higher for longer long-term interest rates and renewed geopolitical tensions in the Middle East. Markets reached their lows near the end of October due to risk-off sentiment. However, in November, slowing inflation in the US and other regions raised hopes that interest rates may have peaked, thereby boosting investor confidence. Over the quarter, the US Federal Reserve kept rates unchanged preferring to shift towards a dovish tone. Inflation expectations also continued to decline over the quarter.

Equity Markets

At a global level, developed markets as measured by the FTSE World index, returned 17.2%. Meanwhile, a return of 2.9% was recorded by the FTSE All World Emerging Markets index.

At a regional level, European markets returned 15.7% as indicated by the FTSE World Europe ex UK index. At a country level, UK stocks as measured by the FTSE All Share index returned 7.9%. The FTSE USA index returned 19.9% while the FTSE Japan index returned 13.3%. The considerable outperformance of UK equities is attributed to the index's large exposure to oil, gas and basic materials.

[1] Statistics sourced from Refinitiv unless otherwise specified.

[2] Statistics sourced from MSCI Investment Property Database.

Equity market total return figures are in Sterling terms over the year to 31 December 2023.

Bonds

UK Government Bonds as measured by the FTSE Gilts All Stocks Index, returned 3.7%, while long dated issues as measured by the corresponding Over 15 Year Index had a return of 1.6% over the year. Yields at the longer end of the nominal yield curve rose less than the shorter end but this was offset by the duration impact on the longer-dated gilt returns. The yield for the FTSE Gilts All Stocks index rose over the year from 3.83% to 3.89% while the Over 15 Year index yield rose from 3.9% to 4.1%.

The FTSE All Stocks Index-Linked Gilts index returned 0.9% with the corresponding over 15-year index exhibiting a return of -4.3%. The combination of falling inflation expectations and increasing nominal yields led to a sharp rise in real yields and underperformance of index-linked gilts relative to nominal gilts.

Corporate debt as measured by the ICE Bank of America Merrill Lynch Sterling Non-Gilts index returned 8.6%.

Bond market total return figures are in Sterling terms over the year to 31 December 2023.

Property

Over year to 31st December 2023, the MSCI UK All Property Index returned -0.1% in Sterling terms. Within three main sectors of the UK Property market, retail and the industrial sector recorded positive returns of 1.0% and 5.1% respectively, while office sectors recorded negative returns of -11.9% over the year.

Currencies

Over the 12-month period to 31 December 2023, Sterling appreciated by 6.0% against the US Dollar from $1.20 to $1.27. Sterling appreciated by 13.2% against the Yen from ¥ 158.72 to ¥ 179.72. Sterling appreciated against the Euro by 2.4% from €1.13 to €1.15 per the same period.

05.05 Investment Policies and Objectives

The primary objective of the Plan is to provide, on a defined benefits basis, pension and lump sum benefits for members on their retirement, or benefits on death, before or after retirement, for their dependants. There are also defined contribution (DC) benefits arising from member and employer payments of Additional Voluntary Contributions (AVCs).

When designing the investment arrangements, the Trustee considers the requirements of legislation, the funding objectives for the Plan and their views on the strength of the Sponsor covenant.

05.06 Financially and Non-Financially Material Matters in the Selection, Retention and Realisation of Investments, the Exercising of Rights Attached to Investments and Engagement Activities

The Trustee regularly reviews the liquidity of the Plan's assets to ensure that it has sufficient cash available to meet outgoings as they fall due. The Trustee is comfortable in taking a modest degree of liquidity risk in the investment strategy where assets are expected to generae relatively secure income to help meet cash-flow requirements.

The Trustee believes that good stewardship and environmental, social and governance ("ESG") factors may have a material impact on investment returns, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustee's policy is that it has given appointed investment managers full discretion when evaluating ESG issues, including climate change, and in exercising voting rights and stewardship obligations attached to the Plans' relevant investments.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes when appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis and engagement with managers on their ESG policies and integration into investment processes are raised.

With the exception of the physical credit holdings the Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in the future. For the physical credit holdings it has agreed guidelines with the investment manager which aim to reduce the carbon exposure of the investments over time.

The Trustee does not explicitly consult member views when making decisions in relation to the selection, retention and realisation of investments.

05.07 Code of Best Practice

The principles set out in the Code of Best Practice are high level principles which aid trustees in their investment and governance decision making. While they are voluntary, pension scheme trustees are expected to consider their applicability to their own pension scheme and report on a 'comply or explain' basis how they have used them.

The principles emphasise the essential of investment governance, notably the importance of effective decision making, clear investment objectives and focus on the nature of each Plan's liabilities. The principles require that trustees include a statement of the Plan's policy on responsible ownership in the Statement of Investment Principles and report periodically to members on the discharge of these responsibilities.

The Trustee considers that its investment policies and their implementation are in keeping with these principles.

05.08 Investment Strategy and Implementation

The Trustee has agreed a Journey Plan for the Plan, taking into account an Integrated Risk Management ("IRM") framework, having taken advice from its covenant, actuarial and investment advisers.

Underpinning the Journey Plan is the objective of achieving full funding on a solvency basis by the end of 2027 (if not before). The investments include Return-Seeking assets alongside Protection assets (credit exposure and liability hedging) to deliver returns over this period in a risk-controlled way. The illiquid Return-Seeking assets are in the process of being liquidated and the proceeds are to be invested in more liquid alternatives to provide flexibility should the Trustee decide to undertake a liability risk transfer exercise..

05.09 Deployment of Assets

The investment managers and providers are regulated by the relevant regulatory body in their home jurisdiction.

As at 31 December 2023, the Plan's assets were managed by Coller Capital, CBRE, CQS, Shenkman, ICG, Insight, Schroders, Goldman Sachs, Aegon and TwentyFour.

The following table sets out the tolerance range around the target investment strategy as at 31 December 2023.

Asset Allocation	31 Dec 2023
Illiquid and Restricted Liquidity Assets	5.0% - 20.0%
Liquid Return Seeking Assets	0.0% - 16.0%*
Investment Grade Credit (physical or credit derivatives backed by gilts/cash also used for LDI)	50.0% - 70.0%
LDI / Cash	14.0% - 45.0%*
Total	100.0%

* Allocation will be built up over time as the Illiquid and Restricted Liquidity assets are redeemed. The proceeds will be invested in Liquid Return Seeking assets and LDI/Cash. Illiquid and Restricted Liquidity assets include private equity, property, secured finance and opportunistic credit, all of which are being sold down over time.

As at 31 December 2023, the Trustee has assumed that the Plan's actual allocation is synonymous with the Strategic Asset Allocation as the Plan made changes to the investment manager structure that resulted in the suspension of the Strategic Asset Allocation.

The following mandates were implemented over the year: Insight LDI, TwentyFour and Aegon Asset-Backed Securities and CQS Multi-Asset Credit.

The following mandates were terminated over the year: ASI Long Lease Property, HighBridge Opportunistic Credit, Aviva Long Lease Property, Shenkman Multi Asset Credit, Schroders LDI and Ares Secured Finance.

05.10 Asset Allocation

The Trustee invests in segregated portfolios, pooled investment vehicles and derivative contracts. The Trustee has authorised the use of derivatives by the investment managers for efficient portfolio management purposes including to reduce certain investment risks such as interest rate risk and inflation risk.

The following table provides more detail on the distribution of assets as at 31 December 2023.

Manager	Mandate	Actual Asset Allocation			
		Start of Year (£m)	End of Year (£m)	Start of Year (%)	End of Year (%)
Illiquid and Restricted Liquidity Assets		**1,051.4**	**247.4**	**38.0**	**9.2**
Coller Capital	Private Equity	5.4	3.3	0.2	0.1
CBRE Global Investors	Property & Long Lease Property	45.3	7.4	1.6	0.3
Ares Management Corporation*	Secured Finance	103.5	3.1	3.8	0.1
Intermediate Capital Group plc	Secured Finance	129.7	41.7	4.7	1.6
Schroders	Secured Finance	323.1	43.3	11.7	1.6
Goldman Sachs Asset Management	Private Debt	98.5	96.9	3.5	3.6
Shenkman Capital Management Ltd	Opportunistic Credit	132.2	51.7	4.8	1.9
HighBridge Capital Management	Opportunistic Credit	45.0	-	1.6	-
Intermediate Capital Group plc	Opportunistic Credit	60.8	-	2.2	-
Aberdeen Standard Investment (“ASI”)	Long Lease Property	74.4	-	2.7	-
Aviva Asset Management	Long Lease Property	33.5	-	1.2	-
Liquid Return Seeking Assets		**0.0**	**324.2**	**0.4**	**12.2**
Shenkman Capital Management Ltd	Multi-Asset Credit	0.0	-	0.4	-
CQS	Multi-Asset Credit	-	71.7	-	2.7
TwentyFour Asset Management	Asset-Backed Securities	-	126.3	-	4.8
Aegon Asset Management	Asset-Backed Securities	-	126.2	-	4.7
Investment Grade Credit		**389.5**	**1,493.8**	**14.2**	**56.3**

Insight Investment	Buy and Maintain Credit	389.5	802.1	14.2	30.3
Insight CDS exposure	Credit	-	691.7	-	26.0
LDI/Cash		1,315.6	590.7	47.4	22.3
Insight Investment**	LDI	-	1,237.0	-	46.5
CDS offset in the LDI portfolio***	Credit	-	(688.9)	-	(25.9)
Schroders*	Residual LDI	1,124.6	4.3	40.9	0.2
Insight Investment (Externally managed Cash)	Liquidity Fund	22.5	33.5	0.8	1.3
Internally managed (Custodian)	Cash	13.9	3.2	0.5	0.1
Cash in transit****		154.6	1.6	5.2	0.1
Total		2,756.5	2,656.1	100.0	100.0

Source: BNY Mellon, Investment managers, EQ and Mercer.
Valuations are based on Bid Prices where available otherwise mid/single price values are used. Total Values for Total Plan do not consider the Trustee Bank Account balances.
**Mandate fully redeemed, residual value held back.*

*** Insight LDI allocation includes FX hedging.*

****The CDS exposure is backed by gilts and cash held in the LDI portfolio.*

*****Highbridge OC and Ares SF had the first tranche of redemption as at 31 December 2022, the cash proceeds of c.£15m and c.£129m, respectively, will settle over H2 2023. We have accounted for this as 'cash in transit' for purposes of year end disclosures.*

Cash in transit from Shenkman MAC redemption, as at 31 December 2023.

In addition to the above assets, the Plan held a balance in the Trustee Bank Account (c. £103.7m including cash allocated for investment in January) and Additional Voluntary Contributions with Mobius Life (c. £33.5m) as at 31 December 2023.

The actual allocations will vary from the strategic allocation above due to market price movements.

05.11 Review of Investment Performance

	Last Year		Last 3 Years		Last 5 Years	
Manager – Mandate	**Fund (%)**	**B'mark (%)**	**Fund (% p.a.)**	**B'mark (% p.a.)**	**Fund (% p.a.)**	**B'mark (% p.a.)**
Coller – Private Equity	(6.3)	19.1	18.2	12.0	10.4	15.0
CBRE - Property & Long Lease Property*	(12.4)	(12.4)	-	-	-	-

Ares – Secured Finance	2.9	5.0	0.2	5.0	-	-
ICG – Secured Finance	5.0	5.0	1.4	5.0	-	-
Schroders – Secured Finance	8.3	5.0	2.9	5.0	-	-
Goldman Sachs – Private Debt	(2.1)	5.0	8.0	5.0	-	-
Shenkman – Opportunistic Credit	4.3	8.8	6.8	6.0	-	-
Insight – Buy and Maintain	11.5	11.5	(12.0)	(12.0)	-	-
Schroders – LDI*	(7.1)	(7.1)	(53.8)	(53.8)		
Insight – External Cash*	4.4	4.4	1.9	1.9	1.1	1.1
Total	6.4	6.2	(17.3)	(15.1)	(4.8)	(3.7)

Figures shown are gross of fees and based on performance provided by BNY Mellon
Total Plan performance includes terminated mandates.
ABS Mandate for TwentyFour and Aegon, Multi Asset Credit Mandate for CQS and LDI Mandate for Insight was implemented during 2023 so performance not yet available for time periods shown.
**Assumes Benchmark Performance equal to Fund Performance..*

05.12 Manager Arrangements Policies

A. How the arrangements with the Manager incentives them to align its investment strategy and decisions with the trustees' policies

Managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class they are selected to manage. As part of this, the Trustee undertakes due diligence ahead of investing to ensure it is aware of the:

- underlying assets held and how they will allocate between them;
- risks associated with the underlying mix of assets and the steps the Manager takes to mitigate them;
- expected return targeted by the Managers and details around realisation of the investment; and
- impact of financial and non-financial factors, including but not limited to ESG factors and climate change, on the investment over the long term.

Should a Manager make changes to any of these factors, the Trustee will assess their impact and (where no longer aligned) consider what action to take.

The Trustee will also look to Mercer, where appropriate, for their forward-looking assessment of the Managers' ability to outperform over a full market cycle. Mercer's views assist the Trustee in their ongoing monitoring of the Managers and are used in decisions around there selection and retention.

Where the Trustee invests in pooled investment vehicles, it accepts that they have no ability to specify the risk profile and return targets of the Managers, but appropriate mandates can be selected to align with the overall investment strategy.

B. How the arrangements incentivises the Manager to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer

The Trustee aims to meet with each Manager as deemed appropriate, to discuss performance and other investment related matters (including integration of ESG and climate change into the investment process and voting and engagement activities). As part of this, the Trustee will challenge decisions that appear out of line with the Plans stated objectives and/or policies.

To assist with this, the Trustee consider Mercer's assessment of how each Manager embeds ESG considerations into its investment process and explores how it aligns with its responsible investment policy.

Each Manager is aware that their ongoing appointment is based on their success in delivering the mandate for which they are appointed over the long term. Consistent periods of underperformance could lead to a Manager being terminated.Each Manager is aware that their ongoing appointment is based on their success in delivering the mandate for which they are appointed over the long term. Consistent periods of underperformance could lead to a Manager being terminated.

C. How the method (and time horizon) of the evaluation of the Manager's performance and the remuneration for asset management are in line with the policy of the Trustee

The Trustee reviews the performance of the Managers on a regular basis versus agreed benchmarks and targets, over multiple time periods, with an emphasis on the long-term.

The majority of the Managers are remunerated by way of a fee calculated as a percentage of assets under management. The Trustee is also happy to consider paying a performance related fee where it believes it makes sense to do so.

D. How the Trustee monitors portfolio turnover costs and how they define and monitor it

The Trustee monitors portfolio turnover costs with each Manager on an annual basis in absolute terms and relative to what might be reasonably expected given the respective managers' underlying asset class(es) and investment style.

E. Duration of arrangement with Managers

As the Trustee is a long-term investor, it does not expect to make changes to the Managers on a frequent basis.

Where the Plans invest in an open-ended vehicle, or holds a segregated mandate, with a Manager the Trustee expects to retain them unless:

- There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;
- The Manager appointed has been reviewed and the Trustee has decided to terminate the mandate.

For investment in a closed-ended vehicle with a Manager, the Plan is invested for the lifetime of the strategy (which are disclosed to the Trustee at point of investment).

In broad terms, in relation to climate-risk management the Schemes' investment managers are responsible for:

- identifying, assessing and managing climate-related risks and opportunities in relation to the Schemes' investments, in line with the investment management arrangements agreed with the Trustee;
- exercising rights (including voting rights) attaching to the Schemes' investments, and undertaking engagement activities in respect of those investments, in relation to climate-related risks and opportunities in a way that in the view of the Trustee seeks to improve long-term financial outcomes for the Schemes' members; and
- providing information to the Schemes' advisers on climate-related metrics in relation to the Schemes' investments, as agreed from time to time, and using their influence with investee companies and other parties to improve the quality and availability of these metrics over time.

05.13 Custodial Arrangements

The custodian is responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments.

The Plan's custodian is BNY Mellon for directly held (i.e. segregated) assets. The Trustee is responsible for ensuring the Plan's assets continue to be securely held. The Trustee reviews the custodian arrangements from time to time and the Plan auditor is authorised to make whatever investigations it deems are necessary as part of the annual audit procedure.

For the Plan's pooled fund investments, the Trustee has no direct ownership of the underlying assets of the pooled funds. The safekeeping of the assets within the pooled funds is performed by custodian banks specifically appointed, by the investment managers, to undertake this function.

Equiniti has been appointed by the Trustee as administrator of Trustee bank account of the Plan and are responsible for the safekeeping of these holdings.

05.14 Bases of Investment Managers' Fees

The fees of the investment managers are based on the market value of the total funds under their control, with performance related fees for Coller Capital.

05.15 Taskforce for Climate Related Financial Disclosures

The Pension Schemes Act 2021 introduced legislation requiring trustees of occupational pension schemes to ensure that there are effective governance arrangements in place with respect to the effects of climate change. These regulations set out how schemes should review their exposure to climate change risk and determine how their investments might contribute to climate change. Further, the regulation requires that trustees must develop a strategy and target for managing the scheme's exposure to climate-related risk. For schemes in scope of the regulations, trustees are required to document their compliance with the regulations in an annual disclosure called a Taskforce for Climate Related Financial Disclosures ("TCFD") report.

The TCFD recommends a framework for disclosing how climate-related risks and opportunities are measured, monitored and managed by companies, asset managers and asset owners. The framework aims to improve climate-related data quality, increase the focus on climate change, enable more informed decision making and provide a consistent framework for comparison. The Trustee's TCFD report will be found at https://edspensions.co.uk/library.

06 Statement of Trustee Responsibilities

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, are the responsibility of the Trustee. Pension Scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

(i) show a true and fair view of the financial transactions of the plan during the Plan year and of the amount and disposition at the end of the Plan year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and

(ii) contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for:

> assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

> using the going concern basis of accounting unless it either intends to wind up Plan, or has no realistic alternative but to do so; and

> making available each year, commonly in the form of a Trustee's annual report, information about the Plan prescribed by pensions legislation, which it should ensure is fair and impartial.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities.

The Trustee is also responsible for the maintenance and integrity of the Plan and financial information included on the Plan's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Trustee

Ian Wilson

Trustee Director Date 24/7/2024

07 Independent Auditor's Report to the Trustee

Opinion

We have audited the financial statements of the Electronic Data Systems Retirement Plan ("the Plan") for the year ended 31 December 2023 which comprise the *Fund Account and the Statement of Net Assets (available for benefits)* and related notes, including the accounting policies in note 10.03.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Plan in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustee has prepared the financial statements on the going concern basis as it does not intend to wind up the Plan, and as it has concluded that the Plan's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Plan and analysed how those risks might affect the Plan's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for the going concern period.

Independent auditor's report to the Trustee
continued

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Plan will continue in operation.

Fraud and breaches of laws and regulations – ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustee as to the Plan's high-level policies and procedures to prevent and detect fraud as well as enquiring whether it has knowledge of any actual, suspected or alleged fraud.
- Reading Trustee's Board, Investment minutes and the Plan's breach log.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the Trustee (or its delegates including the Plan administrators) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as the valuation of investments. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustee; there are no subjective issues or judgements required.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared and unusual journals to cash.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and its delegates (as required by auditing standards), and discussed with the Trustee and its delegates the policies and procedures regarding compliance with laws and regulations.

As the Plan is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Plan's procedures for complying with regulatory requirements and reading the minutes of Trustee meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Plan is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Plan is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Plan's registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, recognising the financial and regulated nature of the Plan's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and its delegates and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the Schedule of Contributions in our statement about contributions on page 50 of the annual report.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustee is responsible for the other information, which comprises the Trustee's report (including the report on actuarial liabilities and the summary of contributions), the Implementation Statement, the TCFD Report and the actuarial certification of the schedule of contributions. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Trustee's responsibilities

As explained more fully in its statement set out on page 24, the Plan Trustee is responsible for: supervising the preparation of financial statements which show a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Plan'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 it either intends to wind up the Plan, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it 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 Plan Trustee, for our audit work, for this report, or for the opinions we have formed.

Gemma Broom **Date** 26 July 2024

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square

London

E14 5GL

08 Fund Account for the year ended 31 December 2023

	Note	2023 *£'000*	2022 *£'000*
Contributions and benefits			
Employer contributions		373	639
Total contributions	10.04	373	639
Benefits payable	10.05	(93,190)	(83,317)
Payments to and on account of leavers	10.06	(9,334)	(15,723)
Administrative expenses	10.07	(7,307)	(5,385)
		(109,831)	(104,425)
Net withdrawals from dealings with members		(109,458)	(103,786)
Returns on investments			
Investment income	10.08	54,967	69,857
(Loss)/Gain on foreign exchange transactions		(596)	3,979
Change in market value of investments	10.09	49,517	(2,066,923)
Investment management fees		(2,040)	(11,642)
Net returns on investments		101,848	(2,004,729)
Net decrease during the year		(7,610)	(2,108,515)
Net assets of the Plan brought forward at 1 January		2,806,876	4,915,391
Net assets of the Plan carried forward at 31 December		2,799,266	2,806,876

The notes on pages 31 to 47 form part of these financial statements.

09 Statement of Net Assets available for benefits
as at 31 December 2023

	Note	2023 £'000	2022 £'000
Investments			
Investment assets	10.09		
Bonds		4,127,540	3,456,664
Pooled investment vehicles		613,314	1,067,083
Derivatives		25,076	7,199
Reverse repurchase agreements		1,348,698	1,234,301
AVC investments		34,633	34,316
Cash		43,009	63,634
Cash in transit		4,831	154,635
Other investment balances		15,305	11,610
		6,212,406	6,029,442
Investment liabilities	10.09		
Derivatives		(8,961)	(24,613)
Repurchase agreements		(2,396,140)	(2,260,871)
Obligation to return bonds		(1,116,428)	(949,494)
Other investment balances		-	(61)
		(3,521,529)	(3,235,039)
Total investments		2,690,877	2,794,403
Current assets	10.17	109,959	14,806
Current liabilities	10.18	(1,570)	(2,333)
Net assets of the Plan at 31 December		2,799,266	2,806,876

The notes on pages 31 to 47 form part of these financial statements.

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposition of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the in the Report on Actuarial Liabilities included on pages 11 and 12, and these financial statements should be read in conjunction with that report.

These financial statements were approved by DXC UK Trustee Limited (registered Number 2847817):

Ian Wilson

Trustee Director

Date 24/7/2024

10 Notes to the financial statements

10.01 Basis of Preparation

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

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Plan has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next twelve months.

The Trustee has considered the funding level of the Plan as well as closely monitoring the strength of the sponsoring employer EntServ UK Limited and the ultimate parent DXC Technology Company. As part of the 2020 actuarial valuation DXC Technology Company has also issued a parent guarantee of £400m to the Plan.

Based on its assessment the Trustee is confident that the Plan will have sufficient funds to continue to meet is liabilities as they fall due for at least 12 months from the date of approval of this financial statements and therefore, have prepared the financial statements on a going concern basis.

10.02 Identification of the financial statements

The Plan is established as a trust under English Law. The address for enquiries to the Plan is included in the Trustee's Report.

10.03 Accounting Policies

The principal accounting policies adopted by the Trustee of the Plan are as follows: -

3.1 Contributions and Other Income

Contributions and other income are accounted for as follows: -

> Members' normal and additional voluntary contributions: - as and when they are deducted from the related salary.

> Employers' contributions, deficit funding contributions, strain protocol funding contributions and augmentation contributions, to augment members' benefits: - in accordance with the Schedule of contributions or agreement between the Trustee and the related employer.

> Other income is accounted for when due.

3.2 Individual Transfers

Individual transfers to and from the Plan during the year are included in the financial statements when the member liability is discharged /accepted.

3.3 Bulk Transfers

Bulk transfers to and from the Plan during the year are included in the financial statements once the transfer has been agreed. If the transfer value has not been determined by the time the accounts for the year have been finalised, an accrual will be made.

3.4 Benefits and Expenses

Retirement benefits, death benefits and expenses incurred are accounted for when due. Where there is a choice, 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, they are accounted for on the date of retirement or leaving.

3.5 Investments

Investments are included at fair value.

The majority of listed investments are stated at the bid price or the last traded price, depending on the convention of the stock exchange on which they are quoted, at the date of the Statement of Net Assets.

Bonds are stated at their clean prices. Accrued income is accounted for within investment income.

Re-hypothecated bonds are included at the negative quoted price.

Pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager. LP PIVs are valued based on the latest information available from State Street.

Gains and losses arising on the valuation of investments are included as part of the change in market value of investments. Gains and losses on foreign exchange transactions and futures contracts are dealt with in the Fund Account as part of Returns on Investments.

The Limited Partnership pooled funds are included at the latest available fair value produced by State Street, this may not be as at the Plan's year end date. This is due to a time lag in valuation information being produced to State Street from the pooled manager.

Funds invested by members to secure additional benefits are included in the Statement of Net Assets as AVC investments and stated at the value as advised by the provider.

Annuities purchased in the name of the Trustee which fully provide the pension benefits for certain members are not included in these Financial Statements as the Trustee deems them not to be material and therefore are excluded. The value of the annuity income received in the year is £5,028 (2021: £5,028).

Repurchase agreements (repo) – the Plan continues to recognise and value the securities that are delivered out as collateral and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.

Reverse repurchase agreements (reverse repo) – the Plan does not recognise the securities as collateral in its financial statements. The Plan does recognise the cash delivered to the counterparty as a receivable in the financial statements.

3.6 Derivatives

Derivatives are stated at fair value.

3.7 Forward Contracts

Where forward sales or purchases of foreign currency have been made as a hedge against exposure on foreign currency investments, held or expected to be acquired, any unrealised profit or loss at the year end, measured by the difference between the spot rate and the contract rate, is included in the Fund Account as part of Returns on Investments. Realised gains or losses on forward contracts maturing during the year are included in the net movement of investments within the same category.

Forward foreign exchange contracts outstanding at year end are stated at fair value which is determined as the gain or loss that would arise from closing out the contract at the reporting date by entering an equal and opposite contract at that date.

3.8 Swaps

The fair value of the interest rate swaps and currency swaps is calculated using pricing models based on the market price of comparable instruments at the year-end date, if they are publicly traded. Interest is accrued monthly on a basis consistent with the terms of the contract. The amounts included in change in market value are the realised gains and losses on closed contracts and the unrealised gains and losses on open contracts. Net receipts or payments on swap contracts are either reported in investment income (where the economic purpose relates to income) or change in market value (where the economic purpose relates to assets).

3.9 Investment Income

Income from bonds is accounted for on an accruals basis.

Dividend income from quoted securities is accounted for when the security is quoted ex-dividend.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested in the pooled investment vehicles is reflected in the unit price.

Such income is reported within the change in market value. All other income arising from pooled investment vehicles is taken into account on an accruals basis.

Foreign income is converted into sterling at the rate ruling at the date of transaction. Foreign income due at the year-end and foreign currency assets and liabilities are converted at the exchange rates ruling at the year-end. The investment managers have taken appropriate action to safeguard against adverse exchange rate fluctuations.

3.10 Management Expenses

All professional and administration fees and expenses are borne by the Plan.

The fees of the Investment Managers are based on the market value of the total funds under their control, with performance related fees for River and Mercantile.

3.11 Foreign Currencies

Amounts denominated in foreign currencies at the year-end are translated into sterling at the rates of exchange ruling at the year-end date. Gains and losses on foreign currency transactions are dealt with in the Fund Account as part of Returns on Investments.

The functional and presentational currency of the Plan is pounds sterling.

3.12 Taxation

The Plan is a Registered Pension Scheme under the provisions of Schedule 36 of the Finance Act 2004. Accordingly under the provisions of sections 186 and 187 of the Finance Act 2004 its income and investment gains are free of taxation. However, income from a trading activity is not investment income and so will be assessed to tax in the normal way.

10.04 Contributions receivable

	2023	2022
	£'000	*£'000*
Employers Contributions	373	639

The Employer Additional contributions of £373,000 (2021: £639,000) is for funding strain costs for benefit enhancements.

10.05 Benefits Payable

	2023	2022
	£'000	*£'000*
Pensions	74,306	69,549
Commutations and lump sums on retirement	18,216	12,690
Annuity purchases	21	-
Lump sum death benefits	463	235
Ex Gratia payments	3	-
Taxation where annual allowance exceeded	181	843
	93,190	83,317

10.06 Payments to and on Account of Leavers

	2023	2022
	£'000	*£'000*
Individual transfers to other schemes	9,334	15,723

10.07 Administrative Expenses

	2023 £'000	2022 £'000
Administration	2,054	1,046
Actuarial and consultancy	1,904	1,173
Legal	320	161
Audit	56	138
Investment consultancy	2,306	2,321
Other advisory	242	169
PPF Levy	176	216
Independent Trustee fees	33	31
Trustee fees and expenses	203	126
Other expenses	13	4
	7,307	5,385

10.08 Investment Income

	2023 £'000	2022 £'000
Income from bonds	59,250	36,031
Dividends from equities	-	183
Income/(interest) from swaps	1,957	(266)
Income from pooled investment vehicles	20,995	52,432
Interest on cash deposits	1,996	1,271
Annuity income	5	5
Interest payable repos	(29,236)	(19,799)
	54,967	69,857

10.09 Investment Reconciliation

	Value at 1 January 2023	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 31 December 2023
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Bonds	3,456,664	6,777,256	(6,156,825)	50,445	4,127,540
Pooled investment vehicles	1,067,083	2,010,166	(2,475,265)	11,330	613,314
Derivatives	(17,414)	3,485,460	(3,435,759)	(16,172)	16,115
AVC investments	34,316	386	(3,983)	3,914	34,633
	4,540,649	12,273,268	(12,071,832)	49,517	4,791,602
Cash	63,634				43,009
Cash in transit	154,635				4,831
Repurchase agreements (net)	(1,026,570)				(1,047,442)
Obligations to return bonds	(949,494)				(1,116,428)
Other investment balances	11,549				15,305
Total investments	2,794,403			49,517	2,690,877

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Plan such as fees, commission and stamp duty and these costs are attributable to the key asset classes as follows:

	Commission	Taxes and Fees	2023 Total	2022 Total
	£'000	*£'000*	*£'000*	*£'000*
Equities	-	-	-	-
Other	-	-	-	-
	-	-	-	-
2022	-	-	-	

Indirect transaction costs are also borne by the Plan in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating bid/offer spread of these investments and are not separately reported.

10.10 Pooled investment vehicles

	2023	2022
	£'000	*£'000*
Alternative funds	557,721	868,824
Property funds	7,420	153,204
Cash funds	44,829	39,644
Private Equity fund	3,344	5,411
	613,314	1,067,083

The Plan is the sole investor in the Property fund held by CBRE. The assets underlying these PIV's are:

	2023	2022
	£'000	*£'000*
Property	7,420	45,314

10.11 Derivatives

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the Plan. Summarised details of the derivatives held at the year-end are set out below:

	2023 Assets *£'000*	2023 Liabilities *£'000*	2022 Assets *£'000*	2022 Liabilities *£'000*
Swaps	11,271	(8,851)	6,002	(18,367)
Forward FX contracts	13,805	(110)	1,197	(6,246)
	25,076	(8,961)	7,199	(24,613)

Swaps

Contract	Expiration	Notional Amounts £'000	Asset value *£'000*	Liability value *£'000*
Interest Rate Swap	4 to 12 years	353,800	3,020	(1,287)
Interest Rate Swap	17 to 29 years	285,100	7,169	(7,564)
Credit Default Swap	2033	838,221	1,082	-
2023			11,271	(8,851)
2022			6,002	(18,367)

At the year end the Plan held collateral of £17.7m held in respect of swaps.

Forward FX contracts

Contract	Settlement Date	Currency bought		Currency sold		Asset value £000	Liability value £000
Insight							
Forward OTC	3 months	GBP	424,736,950	USD	523,962,000	13,772	-
Forward OTC	3 months	USD	8,904,591	GBP	7,093,703	-	(110)
Forward OTC	3 months	EUR	7,560,922	GBP	6.535,189	33	-
2023						13,805	(110)
2022						1,197	(6,246)

10.12 AVC Investments

Members are entitled to make additional voluntary contributions. These are invested separately from the Scheme. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. Where valuations as at 31 December 2023 are not available these have been included at the last available valuation adjusted for known transactions. The aggregate amounts of AVC funds are as follows: -

	2023	2022
	£'000	*£'000*
Prudential Assurance Company – with profits cash accumulation	1,105	1,113
Mobius Life – unitised fund	33,520	33,189
Santander – cash accounts	8	14
	34,633	34,316

10.13 Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	2023 Total
	£'000	*£'000*	*£'000*	*£'000*
Bonds	-	4,127,540	-	4,127,540
Pooled investment vehicles	-	472,619	140,695	613,314
Derivatives	-	16,115	-	16,115
Repurchase agreements	-	(1,047,442)	-	(1,047,442)
AVC investments	1,105	33,528	-	34,633
Cash	43,009	-	-	43,009
Cash in transit	4,831	-	-	4,831
Obligation to return bonds	-	(1,116,428)	-	(1,116,428)
Other investment balances	15,305	-	-	15,305
	64,250	2,485,932	140,695	2,690,877

	Level 1	Level 2	Level 3	2022 Total
	£'000	*£'000*	*£'000*	*£'000*
Bonds	-	3,456,664	-	3,456,664
Pooled investment vehicles	-	566,819	500,264	1,067,083
Derivatives	-	(17,414)	-	(17,414)
Repurchase agreements (net)	-	(1,026,570)	-	(1,026,570)
AVC investments	1,113	33,203	-	34,316
Cash	63,634	-	-	63,634
Cash in transit	154,635	-	-	154,635
Obligation to return bonds	-	(949,494)	-	(949,494)
Other investment balances	11,549	-	-	11,549
	230,931	2,063,208	500,264	2,794,403

10.14 Investment Risk Disclosures

Investment Risks

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

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

Market risk: this comprises the following elements:

- 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 of currency risk) whether those changes are caused by factors specific to the individual financial instrument of its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines the investment strategy after taking advice from a professional investment advisor. The Plan has exposure to these risks because of the investments it makes to implement the investment strategy described in the investment report accompanying the Report and Accounts. The Trustee manages investment risks, including credit risk and market risk, within the agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolios.

Further information on the Trustee's approach to risk management and the Plan's exposures to credit and market risks are set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Plan.

(i) Credit Risk

The Plan is subject to direct credit risk as it invests in bonds, derivatives, holds cash balances and participates in stock lending activities. The Plan also invests in pooled investment vehicles ("PIVs") and is therefore directly exposed to credit risk in relation to the instruments it holds in the PIVs and is indirectly exposed to the credit risks arising on the financial instruments held by the PIVs.

Analysis of direct credit risk is as follows:

31 Dec 2023 (£m)	Investment grade	Non-investment grade	Unrated	Total
Bonds	4,127.5	-	-	4,127.5
Derivatives	2.4	-	13.7	16.1
Cash	47.8	-	-	47.8
Repos	(1,047.4)	-	-	(1,047.4)
Obligation to return bonds	(1,116.4)	-	-	(1,116.4)
PIVs	-	-	613.3	613.3
Total	2,013.9	-	627.0	2,640.9

Source: BNYM Mellon, Investment Managers and Mercer.
Valuations are based on Bid prices where available otherwise mid/single price values are used.

31 Dec 2022 (£m)	Investment grade	Non-investment grade	Unrated	Total
Bonds	3,456.7	-	-	3,456.7
Derivatives	-	-	(17.4)	(17.4)
Cash	63.6	-	-	63.6
Cash in transit	154.6	-	-	154.6
Repos (net)	(1,026.6)	-	-	(1,026.6)
Obligations to return bonds	(949.5)	-	-	(949.5)
PIVs	-	-	1,067.1	1,067.1
Total	1,698.8	-	1,049.7	2,748.5

Source: Investment Managers and Mercer.

The value of assets exposed directly to credit risk at year end was £2.7bn (prior year: £2.7bn).

The value of assets invested in pooled funds and exposed to credit risk at year end was £0.6bn (prior year: £1.1bn).

The Plan is subject to indirect credit risk due to bonds, OTC derivatives, repurchase agreements and cash held within pooled investment vehicles. The value of assets exposed indirectly to credit risk as a result of this at year end was £0.6bn (prior year: £0.9bn). This value includes pooled investment vehicles that have only a partial allocation to these asset classes. Some of the pooled investment vehicles may also undertake stock lending which will also introduce indirect credit risk.

In respect of the Trustee approach to managing credit risk arising from the various asset classes, we note the following positions at year end:

- The credit risk from Sovereign Government bonds held directly or indirectly is considered to be minimal. These assets are primarily held for risk management purposes.
- The credit risk from corporate (investment grade) bonds held directly or indirectly is mitigated by investing in a diversified mix of (predominantly) investment grade rated bonds. These assets are held for income and return generating as well as risk management purposes, and the expected return from these assets is considered appropriate for the associated risk.
- The credit risk from corporate (sub-investment grade) and other bonds held directly or indirectly is mitigated via diversification to minimise the impact of default by any one issuer. These assets are held for return generating purposes, and the expected return from these assets is considered appropriate for the associated risk.
- OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The credit risk for OTC swaps and/or repurchase agreements is reduced by collateral arrangements. Credit risk also arises on forward currency contracts. There are no collateral arrangements for these contracts but all counterparties are required to be at least investment grade.
- The credit risk associated with direct cash balances held by the Plan's custodian is mitigated by the use of regular sweeps and invested into a liquidity fund or other pooled funds. Some of the investment managers will hold direct cash with other counterparties, where they are responsible for the selection and monitoring of the counterparties.
- Pooled liquidity funds will invest with a diversified range of institutions, which are at least investment grade credit rated, to mitigate credit risk.
- A summary of the pooled investment vehicles by type of arrangement is shown overleaf.

Investment Type	31 Dec 2023 (£m)	31 Dec 2022 (£m)
Unit Linked Insurance Contracts	-	74.4
Authorised Unit Trusts	-	33.5
Close Ended Private Market Vehicle	3.3	5.4
Exempted Limited Partnership	95.0	619.5
Exempt Unauthorized Unit Trust	7.4	45.3
Open Ended Investment Companies	429.3	214.4
Shares Of Limited Liability Partnerships	78.3	74.6
Total	613.3	1,067.1

Source: Investment Managers and Mercer.

- Direct credit risk arising from pooled investment vehicles (e.g. due to being unrated) is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the assets of the pooled manager, the regulatory environment in which the pooled fund manager operates and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks before appointing new pooled investment managers.

In addition, as the Plan holds assets on a segregated basis, the Trustee is also exposed to direct credit risk from the appointed custodian. This is mitigated by the ring-fencing of the Plan's segregated assets from those of the custodian and other clients.

(ii) Currency risk

The Plan is subject to direct currency risk because segregated investments totalling c.£802.1m (2022: c.£404.1m) are held, or have exposure to, in non-sterling currencies. Additionally, a total of c.£152.0m (2022: c.£348.5m) are held in pooled investment vehicles, denominated in a non-sterling currency.

The Plan is subject to indirect currency risk because some of its pooled investments are held in overseas markets. The Trustee manages the risk of overseas currency exposure through a currency hedging policy managed by Insight.

The figures provided in the table below reflect the currency exposure within the Plan's segregated portfolios, before allowing for any currency hedging through the Insight currency hedging mandate (described below) or undertaken by Insight as part of their management of the buy and maintain credit mandate. The table does not include pooled fund exposures.

Currency	31 Dec 2023 (£m)	31 Dec 2022 (£m)
US Dollar	98.6	101.2
Euro	-	-
Other	-	-

Source: Investment Managers and Mercer.

To limit currency risk, the Trustee have adopted a currency hedging policy. As at 31 December 2023, the Insight currency hedge mandate was partially hedging the Plan's Coller Private Equity mandate and fully hedging Goldman Sachs Private Debt.

The Plan had varying degrees of indirect currency risk at the year end through its pooled investments. The Trustee do not hedge these exposures as any currency decisions are at the discretion of the investment manager.

(iii) Interest rate risk

The Plan is subject to interest rate risk through its direct holdings in bonds, swaps, fixed income futures and fixed income options, and the indirect holdings in pooled bonds funds.

The exposure at year end was:

	31 Dec 2023 (£m)	31 Dec 2022 (£m)
Direct		
Bonds	4,127.5	3,456.7
Obligation to return bonds	(1,116.4)	(949.5)
Swaps	2.4	(12.4)
Repos (net)	(1,047.4)	(1,026.6)
Indirect		
Alternative PIVs	557.7	868.8
Cash and Liquidity PIVs	44.8	39.6
Total	**2,568.6**	**2,376.6**

Source: Investment Managers and Mercer.

The Plan holds cash, both directly and via its pooled fund holdings. These holdings are all very short dated and do not have material exposure to interest rate risk, so have been excluded from the tables above.

(iv) Other price risk

Other price risk arises principally in relation to the Plan's return seeking assets, which includes directly held equities, and also pooled fund investments in equities, property, alternatives (e.g. secured finance), and private equity.

The Plan manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

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

	31 Dec 2023 (£m)	31 Dec 2022 (£m)
Indirect		
Property PIVs	7.4	153.2
Private Equity Funds	3.3	5.4
Alternative Funds	557.7	868.8
Total	568.4	1,027.4

Source: Investment Managers and Mercer.

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10.15 Concentration of investments

	2023 Market Value *£'000*	2023 % of Net Assets	2022 Market Value *£'000*	2022 % of Net Assets
Schroders Opportunistic Fund	n/a	n/a	323,074	11.5

10.16 Repurchase agreements

At the year end amounts payable under repurchase agreements amounted to £2,396,140,000 (2022: £2,260,871,000) and amounts receivable under reverse repurchase agreements amounted to £1,348,699,000 (2022: £1,234,301,000). At the year-end £1,053,518,000 of bonds reported in Plan assets are held by counterparties under repurchase agreements.

10.17 Current Assets

	2023	2022
	£'000	*£'000*
Cash at bank	103,507	8,870
Pensions paid in advance	6,344	5,770
HMRC – Reg 8 Tax	79	79
Prepayments	29	87
	109,959	14,806

10.18 Current Liabilities

	2023	2022
	£'000	*£'000*
Unpaid benefits	(572)	(407)
State Scheme Premiums	(17)	(17)
Expense creditors	(981)	(923)
HMRC - PAYE	-	(986)
	(1,570)	(2,333)

10.19 Employer Related Investments

During the year to 31 December 2023, there were no investments held by the Scheme's segregated accounts in Entserv or related companies. The investment management agreements prohibit such investments, except held within pooled vehicles. During the year within the HP CCF Fund there were employer related investments, these were of less than 5%, within the meaning of Section 40 of the Pensions Act 1995.

10.20 Related Party Transactions

The following Trustee Directors, M Lewthwaite, M Hume and L Flynn are pensioner members and receive pensions from the Plan. These transactions are in accordance with the rules of the Plan.

The Trustee Directors were paid £236,000 for fees and expenses during the year (2022: £157,000) of which £9,000 were outstanding as at 31 December 2023 (2022: £8,000).

10.21 Capital Commitments

At the year end the Plan had capital commitments with Coller amounting to c. $2m (2022: $2.0m) and with Goldman Sachs amounting to c. $13.8m (2022: $20.86m).

10.22 Contingent Liability

On 26 October 2018, the High Court ruled that Guaranteed Minimum Pension (GMP) benefits provided to members of pension schemes must be recalculated to reflect equalisation requirements between 17 May 1990 and 6 April 1997. As a result of the ruling, the Trustee of the Plan will need to equalise GMPs between men and women.

At this point in time a method of equalisation for the Plan has not yet been agreed by the Trustee and the Company but both entities have received training on the requirements since the 20 November 2020 GMP Ruling.

The Trustee has carried out initial liability estimates in relation to GMP equalisation which indicates a 1% increase in the overall Plan liabilities. As a result the expected backdated corrective payments are deemed not material to these financial statements. The Trustee will include the amounts once they can be reliably estimated or in the year of payment.

11 Summary of Contributions

During the year ended 31 December 2023 the contributions payable to the Plan under the Schedule of Contributions certified by the Actuary on 31 March 2022 were as follows:

	2023
	£'000
Employers Contributions	
Additional	373
Total contributions payable under the Schedule of Contributions as reported on by the Plan Auditor and reported in the financial statements	373

These financial statements were approved by DXC UK Trustee Limited (registered Number 2847817):

Ian Wilson
Trustee Director   Date 24/7/2024

12 Statement of Trustee’s Responsibilities in respect of Contributions

The Plan’s Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Plan’s Trustee is also responsible for keeping records of contributions received in respect of any active member of the Plan and for monitoring that contributions are made to the Plan in accordance with the schedule.

13 Independent Auditor's Statement about Contributions

Statement about contributions

We have examined the summary of contributions payable under the Schedule of Contributions to the Electronic Data Systems Retirement Plan in respect of the Plan year ended 31 December 2023 which is set out on page 48.

In our opinion contributions for the Plan year ended 31 December 2023 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid from at least in accordance with the Schedule of Contributions certified by the actuary 31 March 2022.

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

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 49, the Plan's Trustee are 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 Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions.

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

The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Plan's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee, for our work, for this statement, or for the opinions we have formed.

Gemma Broom
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date 26 July 2024

Appendix A
Actuarial Certification

Schedule of contributions

Electronic Data Systems Retirement Plan (the "Plan")

This schedule has been prepared by DXC UK Trustee Limited (the "Trustee") as Trustee of the Electronic Data Systems Retirement Plan (the "Plan") in March 2022 for the purposes of the actuarial valuation as at 31 December 2020 after obtaining the advice of Ben Bramhall, the actuary to the Plan. This schedule has been agreed by EntServ UK Limited (the "Employer"), as the Principal Employer to the Plan, on behalf of the participating employers (together the "Employers").

This schedule sets out the contributions the Employers must pay and the dates these contributions must be paid to the Plan. This schedule covers contributions payable in the period from 1 April 2022 to 31 March 2027.

Contributions to be paid by the Plan's active members

The Plan closed to future accrual on 30 November 2017. Therefore member contributions are no longer payable.

Contributions to be paid by the Employers

Future accrual

The Plan closed to future accrual on 30 November 2017. Therefore, Employer contributions towards the future accrual of benefits are no longer payable.

Shortfall in funding

No contributions are due in the period covered by the schedule in relation to Recovery Plan contributions.

Strain Protocol

The Employers will pay contributions to the Plan in respect of any funding strain resulting from a transaction or augmentation as follows:

Category	Contributions	Due Payment Dates
In respect of members transferring into the Plan as the result of a Contract entered into by any of the Employers	The difference in value between: > benefits granted on the Technical Provisions basis at that time; and > transfer value(s) received.	The additional contribution will be payable in equal annual amounts over the period of the Contract. The first instalment will be due on or before the later of: i. the date 30 days after the Plan's actuary has notified the amount of the strain to the Trustee and the Employer; and ii. 30 June following the date on which the Employer has entered into the Contract. Further instalments will be due on or before 30 June in each year thereafter for the duration of the Contract.
In respect of members transferring out of the Plan	The difference in value between: > any transfer value paid; and	On or before the later of:

Appendix A continued

	> any associated share of the Plan's assets on the Technical Provisions basis at that time (subject to this not being greater than the value of the respective past service liabilities on the same basis).	i. the date 30 days after the Plan's actuary has notified the amount of the strain to the Trustee and the Employer; and ii. 30 June following the date members transfer out of the Plan.
Cost of enhancement of benefits on early retirement or any other event	As calculated by the Plan's actuary on the Technical Provisions basis at that time.	On or before the later of: i. the date 30 days after the Plan's actuary has notified the amount of the strain to the Trustee and the Employer; and ii. 30 June following the date of the enhancement.

Notes

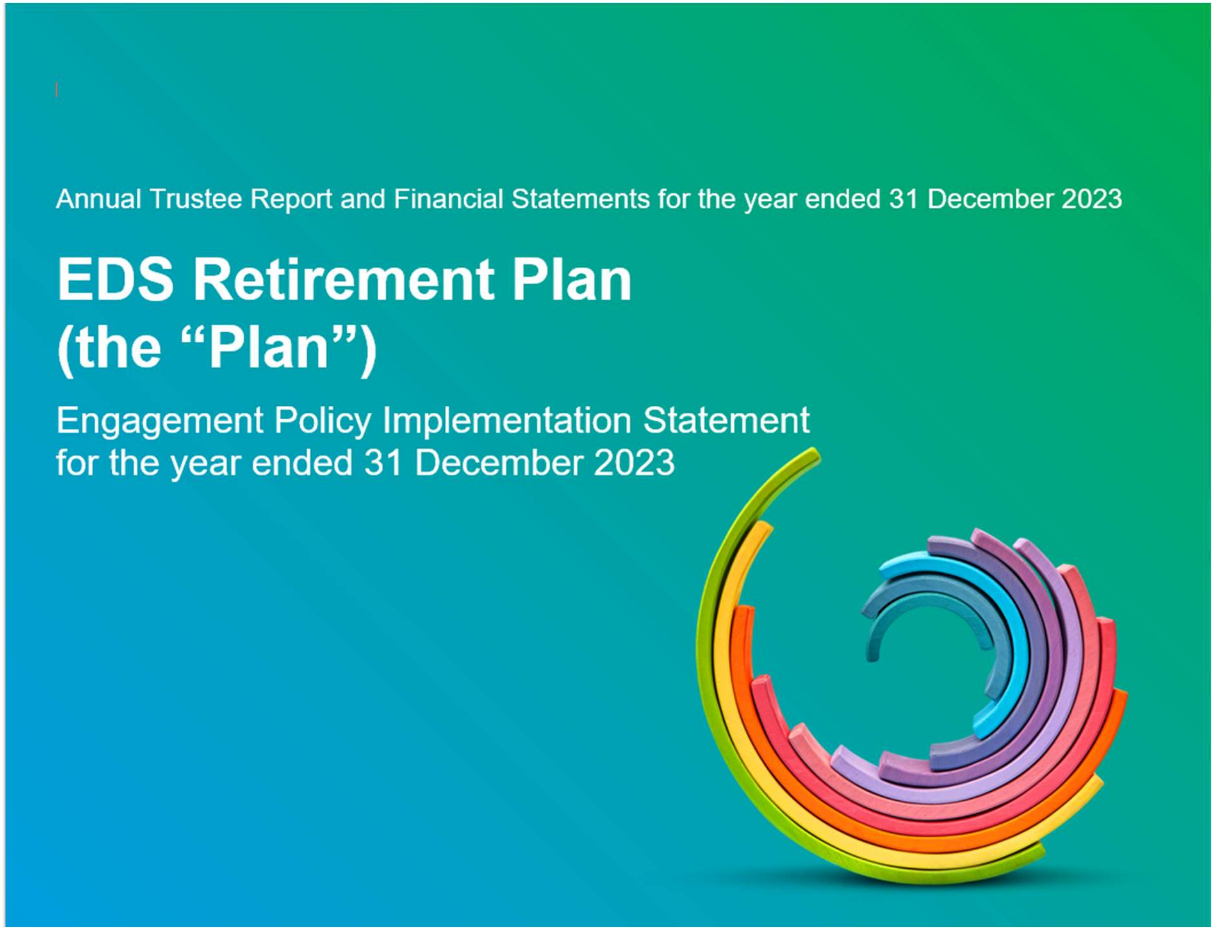
1. The Employer will pay additional amounts equal to the ongoing PPF Levies. Such payments by the Employer will be made on or before 30 June following the date when the Trustee pays each PPF Levy, with the first payment due under this schedule on or before 30 June 2022 in relation to PPF Levies paid by the Trustee since 30 June 2021. All other ongoing expenses associated with the operation of the Plan will be met from the Plan's assets, other than expenses incurred in relation to Employer initiated projects for which the cost will be met by the Employer.
2. Any additional funding required under the Strain Protocol will be assessed on a basis consistent with the Statement of Funding Principles in place at the time.
3. Payments will be monitored against the amounts and dates on this schedule. Any amount unpaid must be treated as a debt due to the Trustee from the Employer.
4. Nothing in this schedule shall prevent any Employer paying contributions in addition to those payable in accordance with this schedule and contributions may be paid in advance of a due date. In particular, contributions payable in respect of individual augmentations or general benefit improvements are to be paid in addition to those set out in this schedule.

Signed on behalf of DXC UK Trustee Limited **Date** 31 March 2022

Signed on behalf of EntServ UK Limited **Date** 31 March 2022

Actuary to the Plan **Date** 31 March 2022

Appendix B – Annual Engagement Policy Implementation Statement (forming part of the Trustee's Report)



Appendix B continued

Contents

Section 1:

Introduction

This statement sets out how, and the extent to which, the Plan's Voting and Engagement Policy in the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year running from 1 January to 31 December 2023 (the "Plan Year"). This statement has been produced in accordance with the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investments and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The Trustee keeps its policies within the SIP under regular review, subject to full review at least triennially and a high level review annually. The SIP was last amended during the Plan Year in November 2023.

Sections 2.1 and 2.2 of this statement set out the investment objectives of the Plan and changes which have been made to the Engagement Policy during the Plan Year, respectively.

The latest copy of the SIP containing the Engagement Policy is available at (https://www.edspensions.co.uk/library/sips).

Section 3 of this statement provides some highlights of the activity undertaken by the Trustee in relation to Responsible Investment and Environmental, Social and Governance ("ESG") over the Plan Year.

Sections 4 and 5 include information on the engagement and key voting activities of the underlying investment managers of the Plan, and also sets out how the Plan's engagement and voting policy has been followed during the Plan Year in respect of the Plan's assets. **The Trustee can confirm that all policies in the SIP on voting and engagement in relation to the Plan's assets have been followed during the Plan Year**

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Section 2:

Statement of Investment Principles

2.1 Investment Objectives of the Plan

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set. As set out in the SIP, the primary objective of the Plan is to provide, on a defined benefits ("DB") basis, pension and lump sum benefits for members on their retirement, or benefits on death, before or after retirement, for their dependents.

There are also Additional Voluntary Contributions ("AVCs") but these are not considered to be significant relative to the defined benefit section.

2.2 Review of the SIP

During the year, the Trustee reviewed and amended the Plan's SIP, taking formal advice from its Investment Consultant (Mercer Limited ("Mercer")). The SIP was reviewed a number of times, over the year to 31 December 2023 with the main changes summarised below:

Date	Summary of changes
Q1 2023 (March 2023)	The SIP reflected the change to the allowable ranges for the Return Seeking and Protection assets and also made it clear which assets are classified within these elements.
Q3 2023 (August 2023)	The SIP reflected the strategic decision to not pursue structured equity, to have a higher allocation to liquid multi-asset credit instead (increasing from 10% to 16%) and for the credit exposure to have a split of 40% / 60% between physical and synthetic credit exposure. Additionally, the liability hedging was revised to confirm that the target is to be 100% hedged.
Q4 2023 (November 2023)	The SIP reflected the increase to exposure to credit to better reflect the credit sensitivity of the potential insurers and thereby reduce the variability in the buy-out pricing from an investment perspective. The ranges and naming in the asset allocation table were also updated to reflect the redemptions from the illiquid assets.

Appendix B continued

Section 3:

Environmental, Social and Governance ("ESG")

Policy

The Plan's SIP includes the policy of the Trustee on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out the beliefs of the Trustee on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

The Trustee believes that good stewardship and ESG factors may have a material impact on investment returns, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. This policy is subject to review by the Trustee at least once a year and more frequently as required.

How has this policy been met over the Plan Year?

The Trustee continues to build up its understanding of ESG factors, stewardship, climate change and ethical investing. The Trustee has also sought the views of the Sponsor as part of developing their policy on ESG and engagement.

The Trustee's policy is that it has given appointed investment managers full discretion when evaluating ESG issues, including climate change, and in exercising voting rights and stewardship obligations attached to the Plan's relevant investments.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes when appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis and engagement with managers on their ESG policies and integration into investment processes is raised.

During the Plan Year, the first annual TCFD report was produced, covering the Plan Year 1 January 2022 – 31 December 2022. The Investment Committee reviewed the exposure of the Plan's assets to climate risk by analysing various metrics including the exposure to absolute emissions and carbon footprint. The Investment Committee also reviewed the progression of an emissions reductions target set by the Trustee on the Plan's buy & maintain credit portfolio (the target is to have a 27% fall in Weighted Average Carbon Intensity, based on scope 1 & 2 emissions, by 2025 relative to 2022). The results will be used in the Trustee's second annual TCFD report.

Section 4:

Engagement Activity

The Plan's investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and ESG-specific) from its investment consultant. Changes in the investment consultant's ESG ratings of strategies are discussed, and where appropriate, questions are raised with the managers as part of the Trustee's ongoing schedule of meetings with them. The investment performance report includes how each investment manager is delivering against their specific mandates.

The Trustee engaged with its buy & maintain credit manager, Insight, over the year on climate change and the risk and opportunities associated with climate change. During the engagement the investment guidelines that the manager must adhere to were amended to include annual maximum scope 1& 2 WACI (weight average carbon intensity) emission targets that are aligned with achieving net zero by 2050. Additionally targets to increase the portfolio's exposure to companies that have committed to achieve net zero by 2050 were also introduced. These portfolio guidelines will ensure that the Plan continues to make progress on its decarbonisation targets, bothover the short and long term.

The Trustee has requested key engagement activities from its investment managers during the Plan Year to provide disclosure on the approach to stewardship. The information received is summarised in the Voting and Engagement section that follows.

The Plan's investment managers engaged with companies over the year on a wide range of different issues including ESG factors. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy (i.e. those linked to the Paris Agreement).

Appendix B continued

Section 5:

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

Policy

During the year, there were no changes to the voting process, however the Plan had no exposure to listed equities over the Plan Year. The Plan's investment managers are primarily fixed income based where there is no voting activity within the assets.

If equities were held, the policy of the Trustee is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the investment managers. Investment managers are expected to provide voting summary reporting on a regular basis where applicable, at least annually.

Further details are set out in Section 4.2 of the SIP. In addition, it is the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

The buy & maintain credit allocation is the largest single exposure within the Plan where engagement is possible. Engagement examples from Insight, who manage the buy & maintain credit mandate for the Plan, are presented below.

Appendix B continued

Engagement examples – Insight

Name of entity	Medtronic plc – Q4 2023	Citigroup - Q3 2023	Barclays PLC - Q1 2023, Q2, 2023 & Q3 2023
Topic for this engagement	Social - Human capital management (e.g. inclusion and diversity, employee terms, safety)	Environment - Climate change	Environment - Climate change
Rationale for the engagement	Medtronic plc (MDT) is one of the global leaders in the medical device industry, participating in several high-tech segments of the market from cardiovascular, medical surgical, diabetes to neuroscience. This engagement was an ESG deep dive into product safety and quality concerns that have contributed to their Prime ESG rating falling to a 5 towards the beginning of the quarter.	Citi is a US diversified financial services company that serves consumer and corporate customers. Citi scores highest amongst its US peers in terms of ESG and may be considered progressive on ESG matters in its home market. It has improved on its social score given improvements to its ESG-linked remuneration and diversity since their responses to Insight's counterparty engagement questionnaire.	Barclays is a UK-based bank that operates globally. This engagement was identified as part of Insight's counterparty engagement programme. With growing operations in the US, the political environment related to ESG is directly impacting the bank. The latest engagement sought to discuss the bank's sustainable finance framework and the feedback they have provided, given some elements of their environmental programme lags behind their peers.
Engagement activity	Insight have had previous engagements with MDT but were approached by MDT's investor relations team and ESG analyst for a private meeting to discuss issues relating to quality and safety and supply chain management. MDT was rated an ESG 5 for weak scores relating to product safety and quality owing to product recalls that MSCI flagged as severe controversies. MDT reiterated that quality-related metrics are embedded in their employee incentive plans all the way up to their CEO. They prioritise quality and patient safety, with the goal of zero product recalls but, given the nature of their products and devices, this is not very aspirational given the business they operate in. They have been investing in this area by bringing in new leadership over recent years who have strengthened their enterprise quality strategy	Citi has been a first mover in reporting financed emissions for key material sectors. It has set absolute targets to reduce emissions and intensity targets for specific sectors, though Insight have requested clarification around their rationale for setting intensity targets. It is the first US bank to announce a partial coal phase-out and confirmed plans to reduce its credit exposure to such companies by 50% by 2023 and to 0% by 2030. At present, it still finances the development of new mines (e.g., Glencore, Adani). Citi has in place, some of the strongest requirements for customers relating to biodiversity in the US tied to membership and certification requirements for those wishing to become / remain clients of Citi. It has one of the largest commitments of $1tr by 2030 to sustainable financing. This is largely resulting from its issuance of impact bonds. Insight provided recommendations to improve	Barclays' sustainable finance framework was updated in 2022 when the target was revised from $150bn to $1tr. However, they have yet to set accredited science-based targets. Barclays continue to engage with Science Based Targets initiative (SBTi), but they are prioritising Net Zero Banking Alliance (NZBA) and aiming for the majority of their portfolios to have financed emissions targets. Impact bonds were discussed in the context of stricter policy criteria covering refinancing of old projects, maximum lookback periods, EU taxonomy alignment, use-of-proceeds investor reporting, energy efficiency, target populations, definitions (e.g., what constitutes 'sustainable protein') and overarching governance. Their revenue-based threshold around artic drilling is high (50%) given they recognise the different dependencies on fracking between the UK and US.They will remain flexible in their approach, noting that a significant proportion of

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Appendix B continued

	and enhanced system standardisation in their view. Product recall profiles started to improve in 2021 but Insight expect that continued improvements will take time to materialise through reduction in warning letters, recalls and eventually third-party rating agencies, with whom MDT are maintaining engagement, with but do not necessarily agree on methodology.	their framework (e.g., around maximum lookback periods). Citi has been progressive amongst US peers in setting diversity targets in regions ex-US, led by a strong, independent board but has work to do in improving representation by women and Black colleagues in light of its higher than average turnover rate.	their financing relates to cash flows rather than project financing.
Outcomes and next steps	Insight will continue to monitor the structural changes MDT is implementing around their product research and development programme, as well as their supply chain. Insight do not expect material results in the short term, particularly not around any downstream reflection in external rating agencies' ESG scores, which emphasizes the importance of ongoing engagement to form a house-view on the issuer's credit and ESG profile. The changes MDT are implementing will take time to take hold and translate into improvements to their ESG profile, which would be aligned to the investment time horizon of those adopting buy-and-maintain strategies. Fundamentally, MDT continues to perform well and Insight do not have concerns about their credit quality for now.	Citi is expected to report facilitated emissions when Partnership for Carbon Accounting Financials (PCAF) standard is launched. Insight has recommended that Citi improve its fossil fuel financing policy to be comparable with their European peers given they are still one of the largest financiers of fossil fuels and continue to get pressure from the German government to finance RWE despite coal expansion. Citi is cognisant of the challenges in navigating the political agenda around ESG but are using the opportunity to clarify their focus and navigate different client preferences under global policies by highlighting different elements of the policy in different regions, which has raised concerns around possible greenwashing. Insight continues to monitor progress on the areas discussed.	Barclays has enhanced its oil sands policy and introduced a Client Transition Framework demonstrating how the bank is evaluating its corporate clients' transition progress towards low-carbon business models. They also acknowledged their risk policy guidelines are due for an update. Insight recommended that Barclays continues to align its sector policies (to address exclusions relating to arctic, general oil and gas; and fracking) to International Energy Agency (IEA) guidance; provide additional details on the assessment, support of and escalation (without terminating relationships) procedures relating to clients on climate-related issues under their Client Transition Framework in their next annual report; set science-based targets to improve transparency and comparability with competitors; increase scope of assurance on scope 1, 2, 3 emissions; and improve transparency around its lobbying practices.

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DXC UK Trustee Limited

KPMG LLP

15 Canada Square

Canary Wharf

London

E14 5GL

23 July 2024

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Electronic Data Systems Retirement Plan ("the Plan"), for the year ended 31 December 2023, for the purpose of expressing an opinion:

i. as to whether these financial statements show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities (other than liabilities to pay pensions and benefits after the end of the Plan year);
ii. whether the financial statements have been properly prepared in accordance with UK accounting standards (including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"));
iii. whether the financial statements 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; and
iv. whether or not contributions payable to the Plan during the year have in all material respects been paid at least in accordance with the schedule of contributions.

These financial statements comprise the Statement of Net Assets (available for benefits), the Fund Account, and notes, comprising a summary of significant accounting policies and other explanatory notes.

We acknowledge as trustee our responsibilities under the Pensions Act 1995 for making available such information and records as may be reasonably required by you.

DXC UK Trustee Limited

The Trustee confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Trustee confirms that, to the best of its knowledge and belief, having made such inquiries as they considered necessary for the purpose of appropriately informing themselves:

Financial statements

1. The Trustee has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 3 May 2023, for the supervision of the preparation of financial statements that:

    i. show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities (other than liabilities to pay pensions and benefits after the end of the Plan year);
    ii. have been properly prepared in accordance with UK accounting standards including FRS 102;
    iii. 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 a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'; and

    The financial statements have been prepared on a going concern basis.

2. The Trustee confirms that it has prepared, maintained and from time to time revised a payment schedule or schedule of contributions (as applicable) showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid and for keeping records of contributions received in respect of any active member of the Plan and for monitoring that contributions are made to the Plan in accordance with the schedule.

3. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

4. All events subsequent to the date of the financial statements, and for which section 32 of FRS 102 requires adjustment or disclosure, have been adjusted or disclosed.

DXC UK Trustee Limited	Correspondence Address:
Registered in England Number 2847817	DXC UK Trustee Limited, C/O XPS Pensions Group
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http://edspensions.co.uk	DXCUKTL@xpsplc.com

DXC UK Trustee Limited

5. The Trustee confirms that for tax purposes, the Plan is a registered pension scheme under the Finance Act 2004.

Information provided

6. The Trustee has provided you with:

   - access to all information of which they are aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
   - additional information that you have requested from the Trustee for the purpose of the audit; and
   - unrestricted access to persons within the Plan's management (including its delegates) from whom you determined it necessary to obtain audit evidence.

7. All transactions have been recorded in the accounting records and are reflected in the financial statements.

8. The Trustee confirms the following:

   i. The Trustee has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

   Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

   ii. The Trustee has disclosed to you all information in relation to:

   a) fraud or suspected fraud that it is aware of and that affects the Plan and involves:
      - management;
      - employees or delegates who have significant roles in internal control; or
      - others where the fraud could have a material effect on the financial statements; and

   b) allegations of fraud, or suspected fraud, affecting the Plan's financial statements communicated by employees, former employees, delegates, former delegates, regulators or others.

   In respect of the above, the Trustee acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Trustee acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

DXC UK Trustee Limited

9. The Trustee has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

10. The Trustee has disclosed to you and have appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

11. The Trustee has disclosed to you the identity of the Plan's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

    Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

12. The Trustee confirms that:

    a) It has assessed the Plan's ability to continue as a going concern, and disclosed, as applicable, matters related to going concern.
    b) It has used the going concern basis of accounting as it does not intend to wind up the Plan and no circumstances exist which mean it has no realistic alternative but to do so.

This letter was tabled and agreed at the meeting of the Trustee on 9 July 2024.

Yours faithfully,

Ian Wilson

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DXC UK Trustee Limited

Appendix to the Trustee Representation Letter of Electronic Data Systems Retirement Plan: Definitions

Financial Statements

A complete set of financial statements comprises:

- a Statement of Net Assets (available for benefits) as at the end of the period;
- a Fund Account for the period showing the Scheme's income and expenditure; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* states that:

"Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor".

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

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An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

a) was available when financial statements for those periods were authorised for issue; and
b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as the "reporting entity").

a) A person or a close member of that person's family is related to a reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
b) An entity is related to a reporting entity if any of the following conditions apply:
   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v. The entity is a post employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi. The entity is controlled or jointly controlled by a person identified in (a).
vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
viii. The entity, or any member of a group of which it is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transaction

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party definitions from the SORP (revised 2018): *Financial Reports of Pension Schemes*

The following are related parties or presumed to be related parties of the reporting entity:

Employer-related parties

(a) Other pension schemes for the benefit of employees of companies and businesses related to the employers, or for the benefit of the employees of any entity that is itself a related party of the reporting pension scheme.

(b) Each participating employer.

(c) Companies and businesses controlled by, or under the same control as, the sponsoring employer.

Note: A director of an employer would not be a related party of a pension scheme unless they were in a position to control or exert significant influence over both the pension scheme and the employer.

Trustee-related parties

(a) Trustees and their close families;

(b) Key management (that is directors) of a corporate trustee and their close families;

(c) Entities controlled by, and associates and joint ventures of, the scheme itself;

(d) Companies and businesses controlled by the Trustees or their close families;

(e) Companies and businesses controlled by the key management of a corporate trustee, or their close families;

(f) Other pension schemes that have a majority of trustees in common with the scheme.

Note: In the context of pension schemes, key management personnel are usually the Trustees. In some instances key management personnel services may be provided by a corporate entity, for example a trustee company, which will fall to be a related party. Pension managers, investment managers, custodians and administrators are not normally considered to be key management personnel since they are directed and controlled by the Trustees.

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