



**YOUR SCHEME WORKING
FOR YOUR FUTURE**



THE ITB PENSION FUNDS

Annual Report and Financial Statements

For the year ended 31 March 2025

Pension Scheme Registration Number: 10169800

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Chair's Review

Introduction

As political, social and economic instability seems to settle as the global norm, welcome certainty marks the current and future position of the ITB Pension Funds.

Indeed, the past year will no doubt come to be viewed as a landmark for the Funds, with clarity of direction a feature of most work over the past twelve months and a successful final outcome expected for the Funds, its Employers and Members.

The following report will not only list the many achievements of the past year, but will describe how the Trustee Directors seek to deliver a successful wind-up and closure and provide lasting certainty for Members and Employers.

Funding and Investments

Defined Benefit (DB) Actuarial Valuations

Actuarial Valuations are aimed at monitoring the ongoing financial health of the Funds.

The valuations are conducted by the Scheme Actuary, the Government Actuary's Department (GAD). GAD advises the Trustee Directors on assumptions about factors such as long-term interest rates, membership mortality and the expected return on the Funds' assets, to estimate the funding position of the Funds and whether any further contributions are required to provide all the current and future benefits due to be paid.

In the past year, an interim valuation of the Open Fund carried out by GAD showed a surplus of £18m as at 31 March 2024. The 2024 Triennial Valuation of the Closed Fund was also completed and reported a surplus of £56m.

DB Section Investments and Strategy

Given the improved funding in the Closed Fund, a review of its investment strategy was completed in 2024, with derisking implemented by re-allocating the remaining equity holding to corporate bonds. A further review took place in March 2025, resulting in the corporate bonds being moved to government gilts. With the surplus in the Closed Fund now secure, attention has turned to options for its distribution on wind-up. As an initial helpful step, the Trustee Directors decided to award a discretionary increase out of the 2024 Triennial Valuation surplus to all Closed Fund pensioners and this was implemented in May 2025.

Good progress continues with the Open Fund. It remains well funded and the Funds Office has recently finalised an extensive piece of work in successfully completing a full data cleanse and GMP equalisation project. The positive position this leaves the Open Fund in has been further bolstered by a draft opinion by a leading King's Counsel about the impact of the Virgin Media High Court case. A final written opinion is due in October 2025 and is expected to confirm no additional liabilities will be due by the Open Fund and the Trustee can continue with its wind-up plan intact. As a result of the improved security that this has brought to members' future benefits, the Open Fund's investment strategy was amended in February 2025 by switching most of its bond holdings into cash.

DC Section Developments

The Funds DC section is a regulated Master Trust and is subject to active scrutiny by The Pensions Regulator (TPR). Our annual Master Trust Supervision Report was submitted in June 2024, with TPR confirming that the Funds continue to meet the high standards set for master trusts.

In tandem, with the imminent wind-up and closure of the Funds, a very important project was undertaken, supervised by TPR, related to the required transfer out of the DC Section to another

The ITB Pension Funds Annual Report and Financial Statements

regulated Master Trust. Trustee Directors held detailed discussions with all interested parties and supported employers' consultations with employees in May and June. Following this work, the Trustee formally began the process of transferring and winding-up the DC Section in July 2024 and notified Members, Employers and TPR. Initial work concentrated on the selection of the new regulated Master Trust and, following a fully competitive tender process, this was completed in November 2024. The L&G Mastertrust was chosen as the destination for the DC Section and the selection was accepted by all Employers in January 2025.

The plans for the transfer out and wind-up of the Open Fund DC Section were further discussed with TPR at the annual supervision meeting in December 2024 and the DC Section Implementation Strategy for the transfer of the DC Section was approved by The Pensions Regulator in January 2025. Also in January, the Trustee selected the default fund within the L&G Mastertrust that has applied to DC Members since their transfer to the L&G Mastertrust in August 2025.

Finally, the Annual Value for Members assessment of the DC Section was completed, with the independent investment advisers concluding that members receive very good value for money.

Trustee Directors

The business experience and skills of my colleagues on the Trustee Board makes a very positive contribution to decision making on the many varied and complex issues we have to deal with. I remain grateful for the support and input of my fellow Trustee Directors, who have done much to contribute to the success of The ITB Pension Funds over the years.

I am therefore delighted that four Trustee Directors have been reappointed for a further three-year term. David Birtwistle was reappointed as the Employer Nominated Trustee Director for Enginuity, Peter Austin as the Open Fund Members' Trustee Director, Terry Lazenby as the Employer Nominated Trustee Director for ECITB and myself as SECTT's Employer Nominated Trustee Director. I am pleased Robert Tabor was re-elected as Members Deputy Chair and that the Board has also been joined by Laura Nelson as the RTITB Employer Nominated Trustee Director, replacing John Dearden who stood down in September 2024. John served the Board for more than nine years and I thank him sincerely for his wise counsel and good humour over that time. These appointments ensure the Funds retain a stable and experienced Board that has all the skills to meet the challenges and demands related to the important work ahead.

The Trustee Directors have long regarded the subject of governance as a high priority. We regularly review the skills and knowledge of individual Trustee Directors and arrange and deliver a large number of training sessions throughout the year to improve skills and knowledge.

Governance

Governance is led by our Board, and during the past year I established a small Working Group of Trustee Directors to review the internal governance arrangements and structure of the Funds to ensure they remain fit for purpose as wind-up approaches. The new, more focused, governance structure was approved by the Board in January 2025 and provides a robust and supportive framework for whatever lies ahead.

In addition, we value the quality of advice and service we receive from our professional advisers. We review our advisers regularly to ensure that quality and value for money are maintained. Trustee Directors remain satisfied that our core advisory team of Mayer Brown, LCP, GAD and BTG Advisory continue to add value.

It is also important to us that Employers feel engaged with governance, and we held another successful training day for them in November 2024, where plans for buy-out and wind-up of The Open Fund DB Section and transfer out of the DC Section were discussed.

Our Member Communications Working Group continues to deliver a range of Member communication activities, and a cyber security audit was undertaken with the aim of protecting the Funds, Members and Employers from any malicious technological activity.

Climate Change

Significant regulatory requirements around governance and disclosure of climate change risks for pension schemes remain high profile. Trustee Directors are committed to meeting these requirements and to supporting society's ambition to limit climate change.

To this end, a third climate change report in compliance with the Task Force on Climate-related Financial Disclosures (TCFD) was issued in October 2024. The Trustee reported progress towards the target of increasing the proportion of listed equity and corporate bond investments which have set a net zero target in line with the Science Based Targets Initiative (SBTi) to 75% by 2030. The Open Fund DB section increased the proportion from 33% to 44%, the Open Fund DC section from 39% to 44% and the Closed Fund from 41% to 44%. These year on year improving figures show the Funds are making good progress towards achieving all the regulatory requirements related to climate change.

Valediction and Outlook

As I complete my final Review as Chair of The ITB Pension Funds, I feel a sense of pride about the many notable achievements over the past few years and the very positive position these have created for both Members and Employers. This is the result of tireless work by the Funds' staff and Trustee Directors, aided by the sage support of our professional advisers. I would like to thank them all for their commitment to the work of the Funds and for their friendship and support of me during my eight-year term as Chair. I am sure their talent and skills will be equally valuable to the new Chair, Joanna Woolf, and I am certain that under her leadership we will deliver the successful wind-up and closure of ITB Pension Funds in an orderly way that meets the reasonable hopes and expectations of all stakeholders. A perfect outcome for all our members and our long-standing supportive Employers.

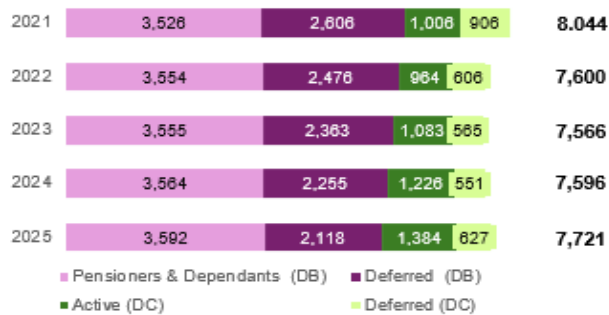
Newell McGuinness

Chair of the Trustee Board (to 31 March 2025)

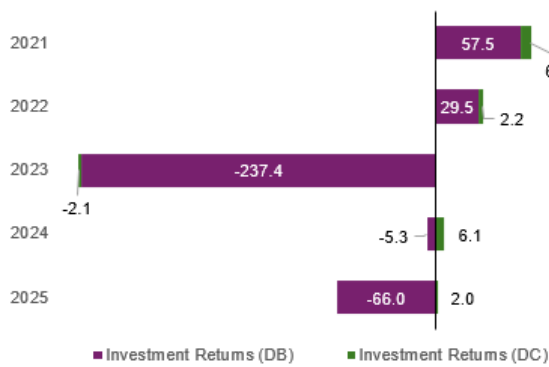
Five Year Summary

Open Fund

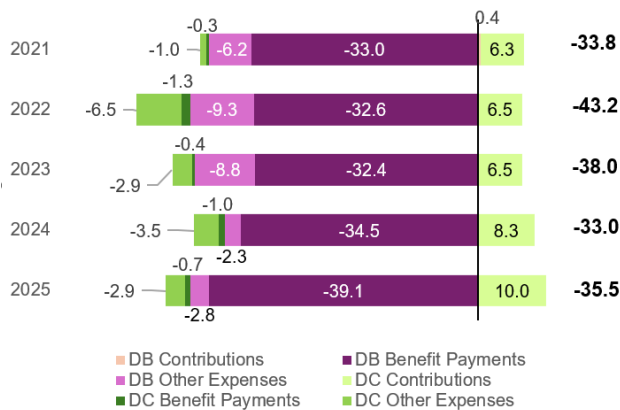
Membership



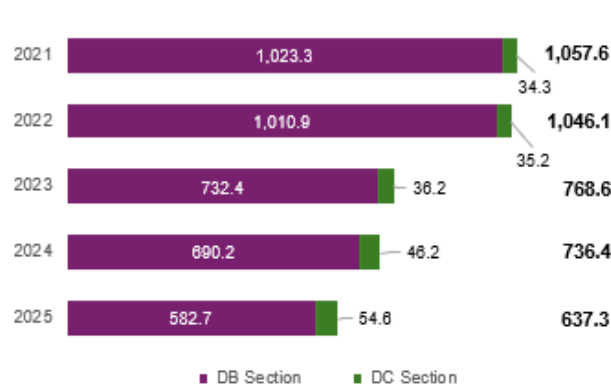
Investment Returns (£m)



Contributions and Expenditure (£m)

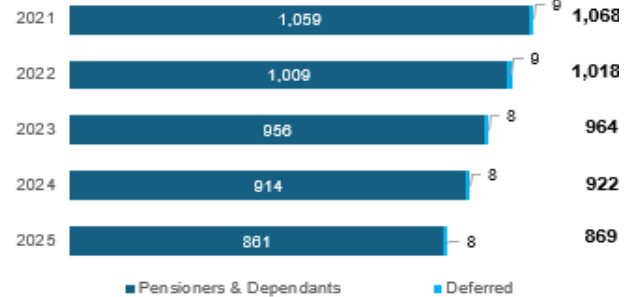


Fund Value (£m)



Closed Fund

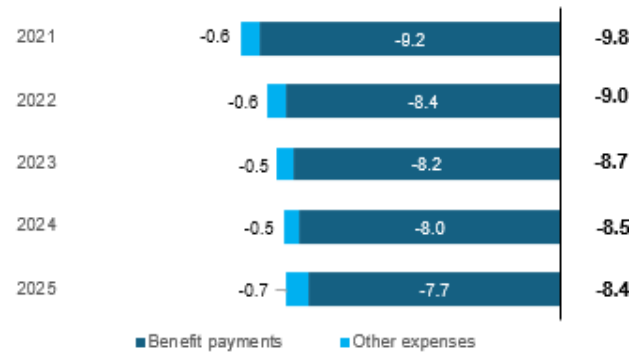
Membership



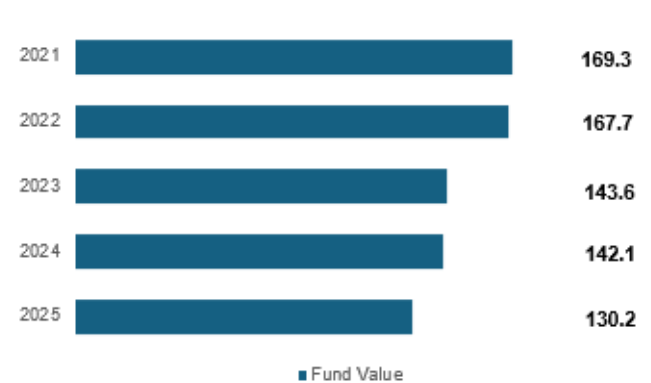
Investment Returns (£m)



Expenditure (£m)



Fund Value (£m)



Trustee Directors

Employers' Trustee Directors

David Birtwistle

(Employers' Deputy Chair)

Pensions & Reward
Consultant

Nominated by: Enginuity



Richard Capewell

Retired Trustee of
Lantra

Nominated by: Lantra



John Dearden

(to 6 September 2024)

Retired Chief Executive
of RTITB Limited
(formerly CAPITB
Limited)

Nominated by: RTITB
Limited



Terry Lazenby, MBE

Retired Chair of ECITB

Nominated by:
Engineering
Construction ITB



Newell McGuinness

(Chair to 31 March 2025)

Retired Managing
Director of SELECT

Nominated by: Scottish
Electrical Charitable
Training Trust



Laura Nelson

(from 4 October 2024)

Managing Director of
RTITB Limited

Nominated by: RTITB
Limited



Peter Rogerson, OBE

Retired Deputy Chair of
Construction ITB

Nominated by:
Construction ITB



Joanna Woolf

*(Chair from 1 April
2025)*

Chair of Cogent Skills

Nominated by: Cogent
Skills Limited



Members' Trustee Directors

David Lewis

Levy manager

Nominated by:
Engineering Construction
ITB



Martin McManus

Policy and Standards
Manager

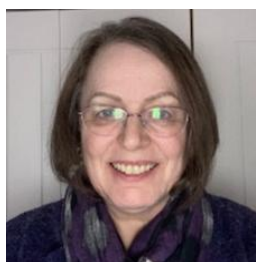
Nominated by: Cogent
Skills Limited, RTITB
Limited and Scottish
Electrical Charitable
Training Trust



Marie Rowlands

Financial Controller

Nominated by: Enginuity



Peter Sparkes

IT Services Manager

Nominated by: The trades
union Unite for
Construction ITB

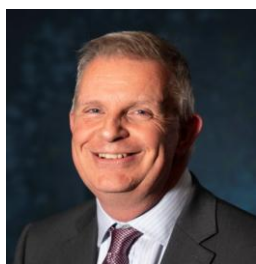


Robert Tabor

(Members' Deputy Chair)

Commercial Director and
Deputy Chief Executive

Nominated by: Lantra



Pensioners' Trustee Directors

Maurice Alston

(to 13 June 2025)

Retired – formerly Senior
Training Adviser for
Chemical and Allied
Products ITB

Nominated by: Closed
Fund Pensioners and
Deferred Members



Peter Austin

Retired – Formerly
Principal Training Adviser
for Construction ITB

Nominated by: Open Fund
Pensioners and Deferred
Members



Officers and Advisers

Officers



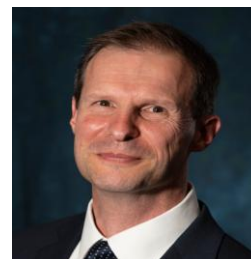
Mike Thorpe, FCA

Chief Executive



Gareth Pryce, ACA

Funds' Accountant



Simon Robinson, DipCII

Pensions Administration
Manager

Advisers

Actuary:	Matt Gurden FIA, Government Actuary's Department
Independent auditors:	PricewaterhouseCoopers LLP
Covenant adviser:	BTG Advisory LLP
Investment adviser and performance measurement:	Lane Clark & Peacock LLP
Legal adviser:	Mayer Brown International LLP
Investment managers:	BlackRock Investment Management (UK) Ltd Fidelity International Legal & General Investment Management Schroder Investment Management (Luxembourg) S.A. (to 30 September 2024)
Buy-in providers:	Just Retirement Ltd Pension Insurance Corporation PLC
Custodian:	The Bank of New York Mellon (International) Ltd
DB Administrator:	The Funds Office, ITB Pension Funds, 23 King Street, Watford WD18 0BJ
DC Administrator:	Legal & General Assurance Society Ltd

Participating Employers

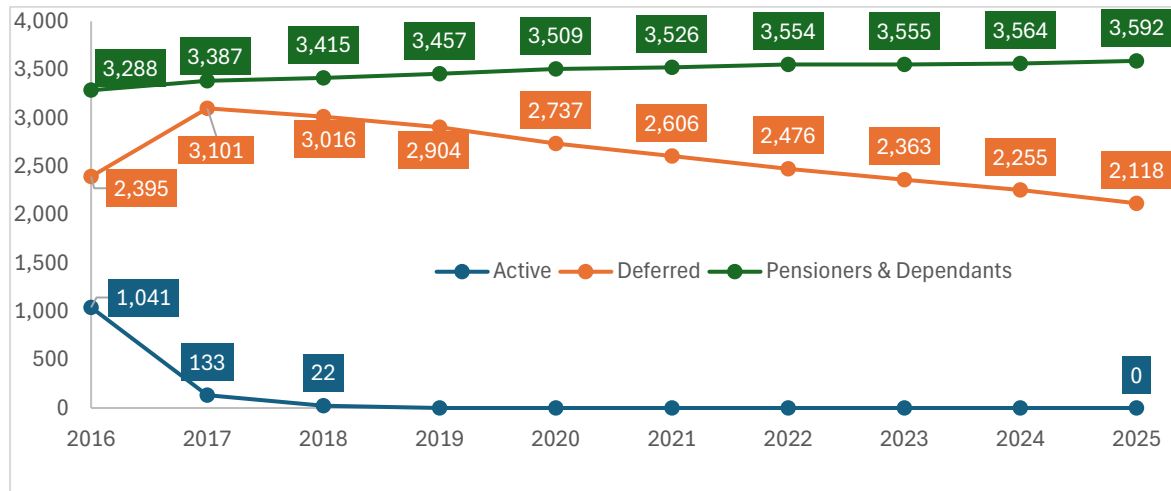
The Participating Employers comprise two Statutory Training Boards, CITB and ECITB, and five companies, which are charities or commercial enterprises and, along with some wholly owned subsidiaries, are the Successor Bodies that have replaced former Statutory Training Boards.

The Participating Employers at the scheme year-end, each of which must be a Statutory Training Board or a Successor Body to a Training Board, are shown below.

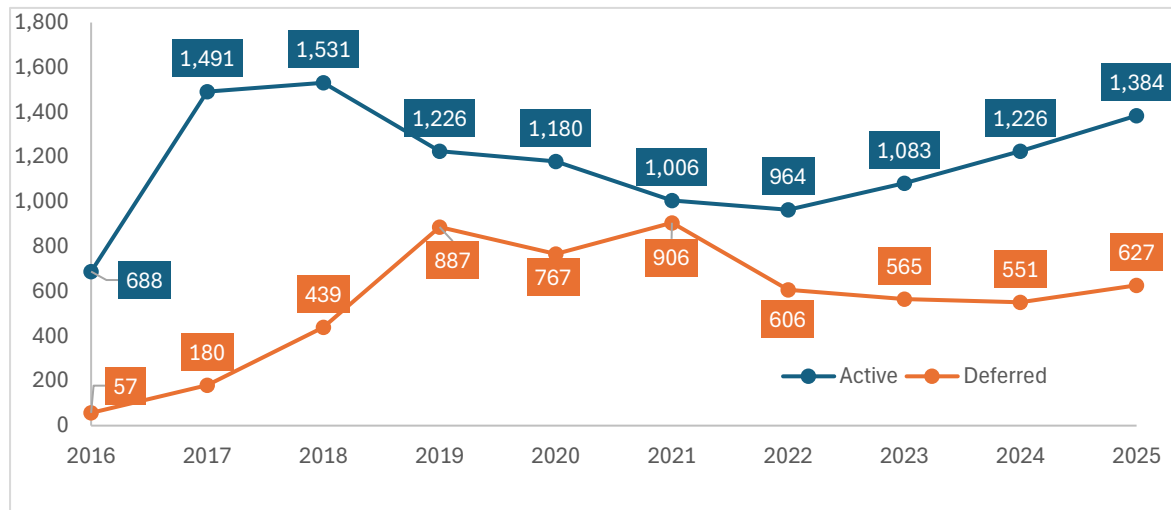
Employer	Participating subsidiaries
Cogent Skills Limited	Cogent Skills Services Limited Cogent Skills Training Limited Science Industry Assessment Service Limited
Construction ITB	-
Engineering Construction ITB	-
Enginuity	Excellence, Achievement and Learning Limited
Lantra	-
RTITB Limited	-
Scottish Electrical Charitable Training Trust	-

Membership

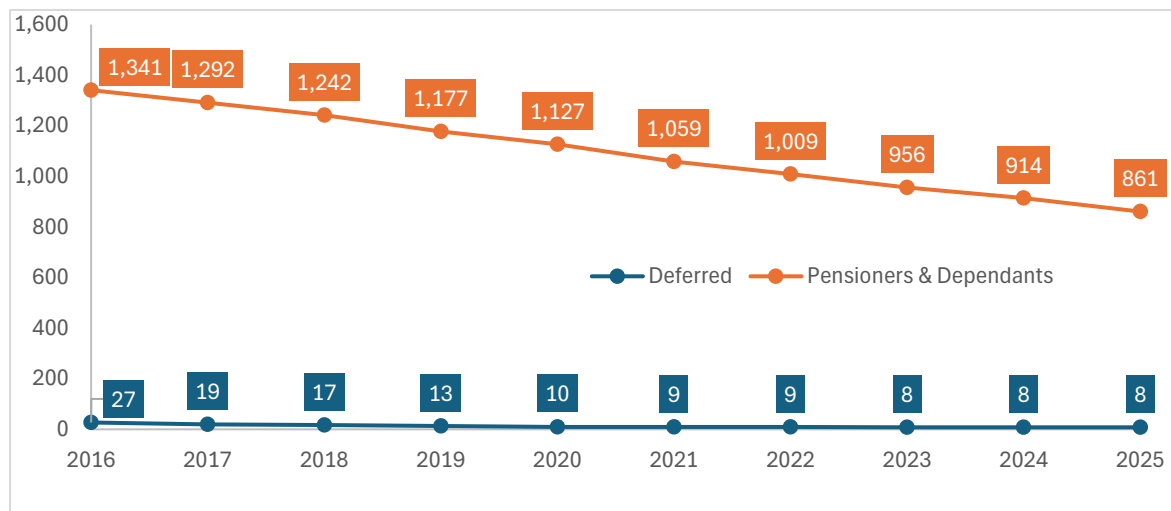
Open Fund DB Section



Open Fund DC Section



Closed Fund



Trustee's Report

The Trustee presents its annual report on the ITB Pension Funds, together with the audited financial statements for the year ended 31 March 2025.

Funds Constitution

The ITB Pension Funds is a trust-based pension scheme which is governed by a corporate trustee, ITB Pension Trustee Limited ("the Trustee").

The ITB Pension Funds is set up under a Trust Deed and Rules and consists of the Open and Closed Funds. It is administered by the Trustee's Directors, comprising Member nominated (including Pensioner nominated) directors and Employer nominated directors. It is a Registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004.

The assets of the Funds are separate from those of the Participating Employers and are held in trust by the Trustee, to apply them for paying pensions and other benefits in accordance with the Trust Deed and Rules.

Funds Structure

The Open Fund consists of four separate sections:

- the original section of the Open Fund, known as the 'Old Section'
- the 'New Section', which was introduced on 1 September 2003
- the '2007 Section', which was introduced on 1 January 2007, and
- the 'DC Section', which was introduced on 1 April 2012.

Employees of Participating Employers may join the Open Fund subject to eligibility conditions and elections made by Employers. Employers' elections also determine the benefits received by members. Between 6 April 2016 and 1 July 2018, each of the Employers elected not to offer any further DB benefits following which only the DC Section of the Open Fund has remained open to eligible employees.

The Closed Fund has no Participating Employers paying contributions. It is predominantly invested in an insurance policy intended to match its liabilities.

Future of the Funds

Following the full buy-in of members' Open Fund DB Section's benefits in July 2023, the Trustee intends to wind-up the Funds.

The wind-up process for the Open Fund DC Section was commenced in July 2024 and all DC members' accrued benefits were transferred to the Legal & General Mastertrust in August 2025.

The formal wind-up of the Open Fund DB Section and the Closed Fund has yet to be triggered. During 2026, the Trustee intends to complete buy-out transactions which will transfer responsibility for DB Section members' retirement benefits, communications and ongoing administration to Just Retirement and Pension Insurance Corporation (PIC). Once completed, any residual assets will be distributed in accordance with the Trust Deed and Rules, and the Funds will be wound-up.

Diversity and Inclusion

The Trustee believes that a culture which is inclusive and supports diversity is essential to the success of the Funds and will better enable it to respond to stakeholder needs.

The Trustee is committed to embedding diversity and inclusion across all its work, with all people treating each other with respect, regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, as set out in the Equality Act 2010.

Management of the Funds

Responsibility for managing the Funds rests with the Trustee Board, which normally meet at least four times a year.

The Trustee has agreed an operational business plan to support its governance arrangements and to ensure that the necessary actions, events and reviews are undertaken to achieve its objectives.

The Trustee is supported by the professional advisors and other organisations listed on page 8.

Appointment and Removal of Trustee Directors

Provided the Funds have at least three Employers, the composition of the Trustee Board is as follows:

- **Employer-Nominated Trustee Directors:** Each main Employer nominates one Trustee Director.
- **Member-Nominated Trustee Directors:**
 - The members of the three smallest main Employers (based on s75 Defined Benefit liabilities as of 31 March 2019) nominate one joint Trustee Director.
 - Members of each of the other main Employers nominate one Trustee Director each.
 - Nominations are made by ballot, unless an Employer recognises a trade union for the purpose of negotiating terms and conditions, in which case the union nominates the Trustee Director.
- **Pensioner-Nominated Trustee Directors:**
 - Deferred members (excluding those who are also active members of the DC Section) and pensioners of the Open Fund nominate one Trustee Director.
 - Members of the Closed Fund nominate another Trustee Director.

Under this structure the number of Employer nominated Trustee Director positions on the Board equals the combined total of Member and Pensioner nominated Trustee Director positions. As at 31 March 2025 there were seven Employer, five Member and two Pensioner Trustee Director positions, all of which were filled. Further details about the Trustee Directors in office can be found on pages 6 and 7.

In line with a 2015 legislative requirement for a majority of directors to be “non-affiliated”, all new appointments and reappointments, are made through an open and transparent process (OTP). More details about this can be found in the Chair’s Annual Governance Statement on page 26. The Trustee Board must approve any appointment, or reappointment, that fails to meet the non-affiliation conditions for the term of office.

Trustee Directors are appointed for a three-year term but may resign at any time. They will vacate office if they no longer meet the eligibility requirements or if they become bankrupt or of unsound mind. A Trustee Director’s appointment may be terminated if deemed guilty of misconduct, or unfit or unable to carry out their duties.

The Trustee recognises that research shows diverse groups to be more effective at decision making and values diversity and inclusion in its Board. As and when there are Trustee Director nominations, and re-nominations, the Trustee encourages Employers, members and trade unions to identify diverse candidates who will contribute to the Trustee Board’s expertise and meet its diversity goals, while ensuring that all nominations are based on the candidate’s assessed capability for the role.

Changes to the Trustee Directors since 1 April 2024

The following appointments and reappointments have been made since 1 April 2024, through an OTP, for three-year periods:

Date	Name & Change	Position	Process
1 April 2024	Robert Tabor (Reappointment)	Lantra Members' Trustee Director	Sole nominee in the nomination process.
9 April 2024	Peter Sparkes (Reappointment)	Construction ITB, Members' Trustee Director	Sole candidate nominated by Unite the Union
3 July 2024	Terry Lazenby (Reappointment)	Engineering Construction ITB Employers' Trustee Director	Renominated by ECITB
1 October 2024	Newell McGuinness (Reappointment)	Scottish Electrical Charitable Training Trust Employers' Trustee Director	Renominated by SECTT
4 October 2024	Laura Nelson (Appointment)	RTITB Limited's Employer Trustee Director	Nominated by RTITB Limited
1 April 2025	Peter Austin (Reappointment)	Open Fund Pensioners' Trustee Director	Reappointed following a members' ballot
9 April 2025	David Birtwistle (Reappointment)	Enginuity Employers' Trustee Director	Renominated by Enginuity
1 July 2025	Martin McManus (Reappointment)	Cogent Skills, SECTT and RTITB Members' Trustee Director	Sole nominee in the nomination process.

John Dearden resigned as RTITB Limited's Employer Trustee Director on 6 September 2024 and Maurice Alston resigned as the Closed Fund Pensioners' Trustee Director on 13 June 2025.

Chair and Deputy Chairs

Newell McGuinness's period of office as the Chair came to an end on 31 March 2025. Following a nomination process Joanna Woolf was appointed as the new Chair from 1 April 2025.

Robert Tabor's period of office as the Members' Deputy Chair came to an end on 31 March 2025. Following a nomination process he was reappointed for a further term.

Meetings and Committees

The Trustee Board has delegated responsibilities for certain matters to the following Committees:

Management Committee

The Management Committee was originally established as the *Joint Management Committee* in June 2024 to oversee the key activities during the Funds' wind-up phase. These responsibilities include:

- Managing the buy-out process for members with Defined Benefit pensions.
- Facilitating the transfer of Open Fund DC Section members to an alternative master trust arrangement.
- Appointing or dismissing investment managers, advisers and service providers.
- Tasks previously dealt with by the Management Panel including risk management strategy, conflict of interest management, approval of disability pension applications, oversight of the annual expenditure budget and monitoring the financial health of the employers.

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The Committee also oversees investment-related matters including:

- Setting and reviewing investment policies and objectives
- Revisions to the Statements of Investment Principles.
- Making authorised investment decisions.
- Reviewing investment managers' performance.
- Assessing stewardship practices and approaches to climate change, environmental, social and governance (ESG) issues.
- Monitoring buy-in and AVC providers.
- Ensuring compliance with relevant investment related laws and regulations.

The word “*Joint*” was dropped from the Committee’s title in March 2025, reflecting this having been a temporary recognition of the Committee originally being an amalgam of the Management Panel and Investment Committee. The Management Committee met five times during the year. Additionally, one meeting of the Investment Committee was held in May 2024.

Salaries Committee

The Salaries Committee has responsibility for making decisions on the staff resource employed by the Funds, including salary and remuneration matters. It held two meetings during the year.

Additionally, there are three Working Parties:

Guaranteed Minimum Pension (GMP) Equalisation Working Party

The GMP Equalisation Working Party reports to the Management Committee. Its remit is to carry out a project to rectify inequalities arising from differences between post May 1990 GMP benefits between males and females. The Party met twice during the year.

Investment Governance Working Group

The Investment Governance Working Group evaluates how to address ESG issues in investment decisions, including the management of climate-related risks and opportunities. The Group reviews the Funds’ Task Force on Climate-Related Financial Disclosures (TCFD) report, monitors compliance with ESG-related regulatory requirements and oversees investment stewardship matters, such as whether voting rights are exercised in line with the Trustee’s voting policy. The Group reports to the Management Committee and met three times during the financial year.

Communications Working Party

The Communications Working Party reports to the Management Committee. Its remit is to review member communications, the diversity and inclusion policy, and to implement improvements where necessary. The Party met once during the year.

A further small Working Group of Trustee Directors has reviewed the Funds’ internal governance arrangements to ensure they remain fit for purpose as wind-up approaches.

Membership

The membership for the year to 31 March 2025 was as follows:

Open Fund DB Section	31 March 2024	Additions	Leavers, Retirements & Transfers	Deaths	31 March 2025
Deferred Members	2,255	-	(136)	(1)	2,118
Pensioners	2,911	130	-	(101)	2,940
Dependants	653	51	-	(52)	652
TOTAL	5,819	181	(136)	(154)	5,710

Open Fund DC Section	31 March 2024	Additions	Leavers, Retirements & Transfers	Deaths	31 March 2025
Active Members	1,226	316	(157)	(1)	1,384
Deferred Members	551	157	(80)	(1)	627
TOTAL	1,777	473	(237)	(2)	2,011

Closed Fund	31 March 2024	Additions	Leavers, Retirements & Transfers	Deaths	31 March 2025
Deferred Members	8	-	-	-	8
Pensioners	591	-	-	(42)	549
Dependants	323	19	-	(30)	312
TOTAL	922	19	-	(72)	869

As at 31 March 2025 there were 15 life assurance only members (2024: 15 members), who are additional to the DC Section membership reported in the table above.

DC Section active members additions and leavers includes auto-enrolment opt-outs.

Pension Increases

Open Fund (Old Section) and Closed Fund

The rules require pensions to be increased as if they were 'official pensions' to which the Pensions (Increase) Act 1971 applied (since incorporated into s59 Social Security Pensions Act 1975).

The level of increase is currently determined by reference to the annual rise in the Consumer Prices Index (CPI) at the end of the previous September each year, with any increase being applied from the first Monday on or following the beginning of the new tax year. This year the level of CPI increase was 6.7% and was payable from 8 April 2024.

Open Fund New and 2007 Sections

Under the rules the level of New and 2007 Sections pension increase is currently determined by reference to the annual rise in the Retail Prices Index (RPI) at the end of the previous September each year, with any increase being applied from the first Monday on or following the beginning of the new tax year. This year the level of RPI increase was 8.9% and was payable from 8 April 2024 subject to any applicable maximum increase limits, as set out in the table below.

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Pensions In Payment – Increase Methods (All ITB Sections):

	Closed Fund & Open Fund (Old Section)	Open Fund (New Section) & Open Fund (2007 Section)	The State
Before State Pension Age the Scheme increases total pension by:	In line with annual up-rating orders issued by the Government	RPI* subject to a maximum in one year of: 5% for pensions accrued prior to 6 April 2005 and 2.5% for pensions accrued thereafter	Nil
After State Pension Age the Scheme increases Excess over GMP** by:	In line with annual up-rating orders issued by the Government	RPI* subject to a maximum in one year of: 5% for pensions accrued prior to 6 April 2005 and 2.5% for pensions accrued thereafter	Nil
The GMP** is increased as follows: 6 April 1978 to 5 April 1988 by:	Nil	Nil	In line with annual up-rating orders issued by the Government.
6 April 1988 to 5 April 1997:	Lesser of 3% and the annual up-rating orders issued by the Government	Lesser of 3% and the annual up-rating orders issued by the Government	Any excess over 3% of the annual up-rating orders issued by the Government

*RPI = Retail Prices Index **GMP=Guaranteed Minimum Pension

Preserved Pensions – Increase Methods (All ITB Scheme Sections):

Annual increases to preserved pensions for the Closed Fund and Open Fund (Old Section) are in line with annual up-rating orders issued by the Government as described above.

Preserved pensions for the Open Fund (New Section) and Open Fund (2007 Section) are increased by the lower of (a) 5% to the extent that the pension is attributable to pensionable service which accrued before 6 April 2005 and 2.5% (or other such percentage as shall be specified for the purposes of section 51 of the 1995 Act) to the extent that the pension is attributable to pensionable service which accrued on or after 6 April 2005 and (b) an amount which is in line with the RPI over the 12 months to the preceding 30 September.

The rate of increases for preserved pensions in the Open Fund (New Section) and Open Fund (2007 Section) shall not be less than the increases necessary to comply with the revaluation requirements set out in Chapter II of Part IV of the Pension Schemes Act 1993.

Contracting-Out – Current Position

The introduction of the new state pension system in April 2016 brought an end to the ability for defined schemes to contract members out of the additional state pension.

Prior to that, from 6 April 1978, all members of the ITB Pension Funds (DB Section) were contracted out of the Second Tier of the State Pension, known as the State Second Pension (S2P, formerly called SERPS). DC members participated in S2P as they and their Participating Employers paid full rate National Insurance contributions.

A requirement of contracting-out was that an occupational pension scheme had to provide its members with pension benefits which were broadly equivalent to the S2P pension that members would have accrued had they not been contracted-out. This was known as a Guaranteed Minimum Pension (GMP). GMPs do not accrue for post 5 April 1997 Pensionable Service, but members remained contracted out and still receive benefits broadly equivalent to the S2P pension.

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Where applicable, on attaining State Pension Age members were advised by the Department of Work and Pensions (DWP) of the amount of GMP to be paid by the Funds as part of their total pension. The DWP also confirmed that subsequent cost of living increases on the GMP would be payable by the DWP by making the necessary addition to members' basic State Pensions. Spouses' GMPs for members who reached State Pension Age before 6 April 2016 are inflation protected by the State from the date their State Pension becomes payable.

From April 2016 the Government has applied full indexation to the GMPs for members of 'official pensions' reaching State Pension Age after 5 April 2016. In accordance with the Funds' rules this approach also applies to all members of the ITB Pension Funds (DB Section) with a GMP entitlement reaching State Pension Age after 5 April 2016. The effect of this approach is that the full GMP benefit for affected members will be increased in line with annual uprating orders issued by the Government.

Transfer Values

In accordance with guidance from The Pensions Regulator, transfer value calculations under the ITB Pension Funds (DB Section) use a method and basis determined by the Trustee, after taking advice from the Scheme Actuary, to be consistent with the relevant legislation and the rules of the ITB Pension Funds (DB Section) and do not include discretionary benefits.

Transfer values paid under the ITB Pension Funds (DC Section) equal the value of a member's DC account as at the date of disinvestment. The Trustee does not accept transfers into the DB Section. However, members of the DC Section may apply to the Trustee for the acceptance of transfer values from similarly approved schemes.

Report on Actuarial Liabilities

In accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), the financial statements do not include liabilities for promised retirement benefits.

Under Section 222 of the Pensions Act 2004, every scheme must meet the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover technical provisions. The technical provisions represent the present value of 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 Participating Employers and set out in the Statements of Funding Principles, which are available to members on request.

Legislation requires trustees to determine which actuarial funding method to use. Differences between the permissible actuarial funding methods arise solely in relation to the treatment of active members in the defined benefit sections. As there are no active members in the Closed Fund or Open Fund Defined Benefit section, no decision has been necessary on which method to apply.

Valuation Results

Full actuarial valuations are typically conducted once every three years to assess whether the Funds' assets are sufficient to meet future liabilities, excluding those covered by the buy-in policies.

The results of the most recent full actuarial valuations of the Open Fund and the Closed Fund, and a comparison to their previous full actuarial valuations, are shown below:

	Open Fund		Closed Fund	
	31 March 2022	31 March 2019	31 March 2024	31 March 2021
Assets (excluding buy-in policies)	£543.9million	£507.2million	£74.3million	£75.5million
Technical Provisions Liabilities	£519.1million	£485.9million	£18.5million	£34.2million
Surplus	£24.8million	£21.3million	£55.8million	£41.3million
Funding level	105%	104%	402%	221%

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Assumptions used to determine the technical provisions are set out in full in the Annex to the Statement of Funding Principles. A summary of these assumptions is set out below along with comments on the change in funding position of each Fund over the year to 31 March 2024:

Open Fund Actuarial Valuation

Significant Actuarial Assumptions

Discount rate for determining the technical provisions (or, equivalently, the expected return on the assets):

The overall discount rate assumed for the valuation is based on consideration of the expected rates of return on the Fund's assets and the yields available, at the valuation date, on government bonds (gilts). The expected nominal return on the assets is assumed to be the redemption yields on gilts plus a prudent margin of 0.15% a year to allow for expected returns on the Fund's assets exceeding those from gilts. An inflation risk premium of 0.25% is also deducted.

Future Retail Price Inflation (RPI)

An implied RPI curve for future RPI is determined by comparing the annually compounded redemption yield from nominal gilt yield curves minus 0.25% for an inflation risk premium, and index-linked gilt yield curves.

Future Consumer Price Inflation (CPI)

CPI increases are assumed to be 0.9% a year less than RPI increases up to 2030 and in line with RPI from 2030.

Pension increases

These are assumed to be in line with the provisions under the Fund's rules, with the assumption for future CPI or RPI as appropriate, allowing for any caps and floors.

Mortality (post-retirement)

Assumed to be in line with 85% of the S3NMA, S3NFA_H and S3DFA tables published by the UK actuarial profession. Ill health pensioners are assumed to experience the same rates of mortality as under the unadjusted S3IM/FA tables.

Mortality Improvements

Longevity improvements are assumed to be in line with the 2021 Continuous Mortality Investigation (CMI) projection model using a smoothing factor of 7.5 and a 1.5% long term improvement per year.

Estimated Funding position at 31 March 2024

The Actuary's estimate of the funding position at 31 March 2024 was:

Assets	£71.5million
Liabilities	£53.7million
Funding surplus	£17.8million
Funding level	133%

The Fund insured its remaining uninsured liabilities via a further buy-in policy with Just in July 2023. The fall in the value of the assets and liabilities at 31 March 2024 reflects this transaction. Over the year to 31 March 2024, the funding surplus decreased from £25.5m to £17.8m mainly because the insurance premium paid to Just exceeded the Actuary's valuation of the insured liabilities using the technical provisions assumptions. However, as this transaction has transferred further risk to the insurers, the security of members' benefits has overall been improved. The funding level has increased from an estimated 107% at 31 March 2023 to 133%, despite the fall in surplus, reflecting the lower values of the assets and liabilities.

Closed Fund Actuarial Valuation

Significant Actuarial Assumptions

Nearly all of the Closed Fund's liabilities are insured by a buy-in policy with PIC. Therefore, the key assumptions relate to the differences between the Fund's liabilities and the terms of the buy-in policy, and to the provisions for insurer insolvency and future expenses:

Excess of insurer's benefit indexation above the Fund's benefit indexation (RPI vs CPI)

The insurer's benefit indexation (Retail Prices Index (RPI)) is assumed to be above the Fund's benefit indexation (Consumer Prices Index (CPI)) by 1% a year before 2030 and 0.1% a year after 2030.

Provision for insurer insolvency

The technical provisions include a provision for insurer insolvency, sufficient to cover an insolvency event in the year following the valuation date. The provision covers three years of PIC's benefit payments before the award of the special increase following completion of the 2024 valuation.

Future expenses

The technical provisions include a provision of £3 million for wind-up expenses.

Other assumptions

Other less significant assumptions include:

Discount rate for determining the technical provisions (or, equivalently, the expected return on the assets)

The assumed discount rate at 31 March 2024 is approximately 3.8% a year, in line with yields on government bonds (gilts).

Future Inflation

The assumptions used for future inflation at 31 March 2024 are:

- RPI, approximately 2.9% a year
- CPI, approximately 2.3% a year

Discretionary increases

The calculation of the technical provisions does not include any allowance for any discretionary benefits, including benefits arising from the distribution of surplus, which may be awarded by the Trustee in future.

Post-retirement mortality

Post-retirement mortality assumptions are calculated from mortality base tables published by the UK actuarial profession as follows:

- Male members: 107% S4PMA_G3
- Female members: 101% S4PFA_G3
- Female dependants: 95% S4DFA_G3

Longevity improvements are assumed to be in line with the 2023 CMI core projection model, with a 1.5% long term improvement for male pensioners and 1.25% for female pensioners.

Funding position at 31 March 2024

There was a £16.3million increase in the funding surplus over the year to 31 March 2024. This is primarily because of a reduction in various reserves held by the Fund, in particular the expense reserve.

Investment Report

The Trustee is responsible for determining the Funds' investment strategy and has prepared Statements of Investment Principles (SIPs) for the Open and Closed Funds, as required by the Pensions Act 1995. The SIPs are available on the Funds' website, along with the SIP Implementation Statement which is included on pages 43 to 67 of this Report. There were no significant departures from the stated principles during the year under review.

Open Fund – DB Section

Investment Strategy

The Trustee's investment strategy is designed to meet member benefits as they fall due while managing risk appropriately. Over 95% of Open Fund DB Section assets are invested in buy-in insurance policies with Pension Insurance Corporation and Just. These contracts provide payments which are expected to match future benefits payable to members.

The remaining assets are invested as follows:

- Approximately £3m is invested in inflation-linked government bonds, which are intended to broadly match the Fund's uninsured GMP equalisation liabilities.
- The balance is held in cash to:
 - meet ongoing expenses until wind-up; and
 - minimise volatility in the surplus expected to be distributed to the Employers at wind-up.

The Trustee revised the investment strategy once during the year, in the March 2025 quarter. Prior to this change, approximately £17m of inflation-linked government bonds were additionally held to mitigate funding impacts from new benefit liabilities that might arise due to the Virgin Media case judgement. Upon receipt of a provisional legal opinion confirming that the case would have no implications for member benefits, these assets were reinvested into cash.

Investment Performance

The total performance of the Open Fund DB Section (excluding the buy-in policies) after investment manager fees has been broadly in line with benchmark over one, three and five years to 31 March 2025, as is shown below:

	1 year (%)	3 Years (% pa)	5 Years (% pa)
Fund return	-2.7	-14.5	-8.3
Benchmark return	-2.9	-14.5	-8.4
Relative	0.2	0.0	0.1

Open Fund – DC Section

Open Fund DC Section members' contributions are invested with Legal & General (L&G) in the funds chosen by members either by direct selection or through one of the three ITB lifestyle strategies that are available: Cash, Annuity or Drawdown.

Contributions of those members who do not nominate a specific investment choice, are invested in a default fund, which is the ITB Drawdown lifestyle strategy. This strategy targets income drawdown at retirement and, up until 15 years to target retirement age, is invested in L&G's Low Carbon Transition Global Equity Fund (70%, split equally between currency hedged and unhedged) and the L&G Future World Multi Asset Fund (30%). Once a member reaches 15 years to target retirement date, an automatic gradual switch to a lower risk investment strategy is commenced until, by the target retirement date, there is a 75% allocation to the L&G Future World Multi Asset Fund and 25% to the L&G Cash Fund. Further information about the default fund can be found in the Chair's Annual Governance Statement on page 26.

A review of the DC Section's investment strategy during 2023/24 concluded that to improve the Environmental, Social and Governance (ESG) characteristics of the DC section's investments, the L&G Future World Multi-Asset Fund should replace the L&G Multi-Asset Fund in the default fund arrangements and added to the self-select investment fund range. This change was implemented over May to June 2024.

The full range of funds in which DC Section members were invested at the year-end is shown below:

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31 March 2025					
	Fund Value (£000's)	% of Total DC Funds	Performance Benchmark	Performance Target	TER*
Index-Tracking Bond Funds:					
Over 5 Years Index-Linked Gilts Index Fund	112	0.2	FTSE Actuaries UK Index-Linked Gilts (Over 5 Years) Index	To track the benchmark to within +/- 0.25% pa for two years in three	0.28%
Over 15 Years Gilts Index Fund	67	0.1	FTSE Actuaries UK Conventional Gilts (Over 15 Years) Index	To track the benchmark to within +/- 0.25% pa for two years in three	0.28%
AAA-AA-A Corporate Bond Over 15 Years Index Fund	44	0.1	Markit iBoxx £ Non-Gilts (ex BBB) Over 15 Years Index	To track the benchmark to within +/- 0.50% pa for two years in three	0.32%
Index-Tracking Equity Funds:					
Low Carbon Transition Global Equity Index Fund (Currency Unhedged)	11,933	22.0	Solactive L&G Low Carbon Transition Global Index	To track the benchmark	0.26%
Low Carbon Transition Global Equity Index Fund (Currency Hedged)	12,111	22.3	Solactive L&G Low Carbon Transition Global Index - GBP Hedged	To track the benchmark	0.29%
Global Equity Market Weights 30:70 Index Fund (75% GBP Currency Hedged)	1,729	3.2	Composite of 30/70 distribution between UK and overseas, 75% £ hedged	To track the benchmark	0.34%
Ethical Global Equity Fund	856	1.6	FTSE4Good Global Equity Index TR	To track the benchmark to within +/- 0.50% pa for two years in three	0.50%
HSBC Islamic Global Equity Fund	156	0.3	Dow Jones Islamic Market Titans 100 Index	To track the benchmark	0.52%
Other Funds:					
Future World Multi Asset Fund	23,093	42.6	ABI UK Mixed Investment 40%-85% Shares Pension Sector	To provide long-term investment growth while reflecting significant ESG issues into the fund's investment strategy	0.36%
Multi Asset Fund	2,073	3.8	ABI UK Mixed Investment 40%-85% Shares Pension Sector	To provide long-term investment growth	0.33%
Cash Fund	2,057	3.8	7-day LIBID	To match the CAPS Pooled Pension Fund median	0.29%
Total For All Funds	54,231	100.0			

* The TER is the Total Expense Ratio. It includes the annual management charge, custody fees and other legal expenses but excludes transaction costs.

All the above funds were available to members as self-select investment options.

The performance of members' funds is reported in the Chair's Annual Governance Statement, on page 28.

Closed Fund

Investment Strategy

The Closed Fund's liabilities have been insured through a buy-in insurance policy with Pension Insurance Corporation and the receipts from this policy are intended to fully cover member benefit payments. The remaining assets not covered by this policy, are referred to as the "Reserve Assets".

The objectives of the Closed Fund throughout the year were to:

- Hold suitable assets to match the cost of current and future benefits.
- Achieve low volatility of the Reserve Assets relative to annuity pricing.
- Minimise the long-term costs of the Fund by implementing a simple and low-cost investment strategy and maximising the return whilst having regard to the previous point.

These three objectives represent the Fund's primary, ongoing investment focus. Reflecting this strategic direction, the Trustee determined during the year that it was no longer necessary to maintain an explicit investment objective related to holding a diversified portfolio for additional capital growth to meet further benefit enhancements. The Fund's Statement of Investment Principles was updated after the year-end to reflect this change.

In 2023/24, the Trustee decided to protect the Fund's funding position by fully disinvesting the equity allocation and reallocating the proceeds into cash, gilts, and high-quality corporate bonds. This change was implemented in May 2024.

Shortly before the 2025 year-end, the Trustee decided to disinvest from the corporate bond allocation and reinvest the proceeds into fixed interest gilts. This decision was based on a negative outlook for corporate bonds and evidence that they had become less effective as a hedge against annuity pricing fluctuations. The reallocation was implemented in April 2025.

Asset Allocation – Reserve Assets

The target asset allocation for the Reserve Assets during the year to 31 March 2025 was as follows:

Asset class	Before the May 2024 equity disinvestment	After the May 2024 equity disinvestment
Global equities	15%	-
Corporate bonds	15%	30%
Index-linked government bonds	70%	70%

As part of the May 2024 equity disinvestment, the allocation to cash was increased by £2m to £2.4m, to ensure sufficient liquidity to meet the Fund's expected future fees and expenses requirements.

The actual asset allocation as at 31 March 2025 was 29% corporate bonds, 68% index-linked government bonds and 3% cash.

Investment Performance

The performance of the Closed Fund Reserve Assets, after investment manager fees, over one, three and five years to 31 March 2025 is shown below:

	1 year (%)	3 Years (% pa)	5 Years (% pa)
Fund return	0.0	-1.9	1.6
Benchmark return	0.0	-2.4	1.3
Relative	0.0	0.5	0.3

Responsible Investment

Stewardship

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attached to investments, protect and enhance the long-term value of investments. The Trustee has an effective system of governance in relation to stewardship and seeks to appoint managers that have strong stewardship policies and processes and who undertake engagement activity. The Trustee monitors the voting and engagement activities that the Funds' investment managers carry out on the Trustee's behalf, engages with the managers regarding expectations in relation to stewardship, and encourages improvements in their stewardship practices. The Trustee reviews this approach periodically, and at least triennially.

The Trustee has selected three priority ESG themes to provide a focus for monitoring managers' voting and engagement activities: Climate Change (Environmental); Diversity and Inclusion (Social) and Executive Pay (Governance). The themes are reviewed annually and have been communicated to the Funds' investment managers.

Exercise of Investment Rights

The Trustee has delegated to the investment managers the exercise of rights attached to investments, including voting rights. The Association of Member Nominated Trustees (AMNT) Red Lines has been adopted as the Open Fund's voting policy. Investment managers are expected to vote in line with this policy where appropriate or explain why if they have not.

Climate change

The Trustee recognises that climate change presents a material risk over both the short and long term and seeks to mitigate this risk where practical. Climate-related risks and opportunities are assessed and managed as outlined in the following documents, published on the Funds' website, www.itb-online.co.uk:

- **Statement on Governance of Climate Change Risks and Opportunities**
This statement outlines the governance framework for overseeing climate-related risks and opportunities and ensuring that statutory and fiduciary obligations are fulfilled. It describes the Trustee's responsibilities, the monitoring processes, and the roles of advisers in supporting effective governance.
- **Climate Related Risk Beliefs**
This document describes the Trustee's key beliefs regarding climate-related risks.
- **Task Force on Climate-related Financial Disclosures (TCFD) Report**
This report discloses how the Trustee identifies, assesses, and manages climate-related risks and opportunities in line with TCFD recommendations. It includes analyses under a range of climate change scenarios.

The Trustee has set a climate target to increase the percentage of listed equity and corporate bond investments which have Science Based Target initiative (SBTi) targets to 75% by 2030. In a progress review conducted in March 2025, it was concluded good progress was being made: the proportion of equity holdings with SBTi-aligned targets increased by an average of 14% over the past 12 months, while credit holdings rose by an average of 8%.

Specific metrics have been established to monitor climate-related investment risks. The most recent review, in March 2025, reported improvements in Scope 1 and 2 carbon emissions across all equity and credit investments, alongside better data quality for funds that had been held throughout the year. Although Scope 3 emissions had worsened, changes in data sources and estimation methodologies had made it difficult to draw any definite conclusions.

To help mitigate climate change risks, the Defined Contribution Section lifestyle strategies invest in equity and credit funds which seek to reduce their exposure to carbon emissions over time. In May and June 2024, the multi-asset allocation within these strategies was transitioned to the L&G Future World Multi Asset Fund, further supporting efforts to lower carbon exposure.

Other Environmental, Social and Governance (ESG) and ethical matters

The Trustee has considered how ESG and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Open and Closed Funds and their members.

The Trustee has appointed investment managers it believes possess the necessary skills and processes to take account of financially material considerations, including those related to climate change, broader ESG factors, and stewardship activities such as voting and engagement. Oversight of the investment managers includes ongoing assessment of the nature and effectiveness of their approaches to these considerations.

The Trustee encourages managers to improve their ESG practices but acknowledges that it has limited ability to influence investment practices of the pooled funds and buy-in policy providers once investments are made.

In general, the Trustee does not consider non-financial matters in the selection, retention and realisation of investments. However, within the DC Section the Trustee recognises that some members may wish for their ethical and religious views to be reflected in their investments and, therefore, has made available the L&G Ethical Global Equity Index Fund and the HSBC Islamic Global Equity Fund as member investment options.

Management and Custody of Investments

The Trustee has delegated management of investments to the professional investment managers listed on page 8. These managers, regulated by the Financial Conduct Authority in the United Kingdom, manage the investments in accordance with agreed mandates designed to ensure alignment with the objectives and policies set out in the Statements of Investment Principles.

The custodian for the pooled funds managed by BlackRock is The Bank of New York Mellon, appointed under a tripartite agreement with BlackRock. For other pooled funds, the custodian of the underlying assets is appointed by the fund's investment manager. Mayer Brown International holds the title deeds for the property held as a fixed asset by the Open Fund, while the Trustee Directors hold the master policy documents for the insurance policies.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Funds' investments and considers them appropriate relative to the reasons for holding each class of investment. More details about the investments can be found in the notes to the financial statements.

Employer-Related Investments

There were no employer-related investments in the year (2024 – none).

Statement of Trustee's Responsibilities

The Trustee's responsibilities in respect of the financial statements

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

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

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring

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that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Funds will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Funds in the form of an annual report.

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

The Trustee is also responsible for the maintenance and integrity of the ITB Pension Funds website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Funds by or on behalf of employers and the active members of the Funds and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Funds and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Funds in accordance with the schedule of contributions.

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Financial Statements and Audit

The financial statements included in this Annual Report are the accounts required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under section 41(1) and (6) of that Act.

Financial Development During the Year

The financial statements of the Funds for the year ended 31 March 2025 are set out on pages 76 to 97. During the year, the net assets of the Funds fell from £878m to £768m, primarily due to decreases in the market value of the insurance policies.

Contact

If members have a query or wish to make their views known to the Trustee on any aspect of the ITB Pension Funds they should in the first instance write to the ITB Pension Funds, 23 King Street, Watford, Herts, WD18 0BJ or email pensions@itbpen.com.

The Trustee's Report was approved by the Trustee on 4 September 2025 and signed on its behalf by:

J M Woolf
Chair

D Birtwistle
Deputy Chair

Chair's Annual Governance Statement

For the year ended 31 March 2025

Introduction

This statement has been prepared by the Trustee to demonstrate how the Funds have complied with the governance standards introduced under the Occupational Pension Schemes (Charges and Governance) Regulations 2015. It covers the scheme year to 31 March 2025 and seven key areas relating to the Open Fund Defined Contribution Section (DC Section):

1. Investment strategy relating to the DC default investment arrangement
2. Performance of the DC Section investments
3. Financial transactions made within the DC Section
4. Charges and transaction costs within the DC Section
5. The Trustee Directors' compliance with knowledge and understanding requirements
6. Appointment of Trustee Directors
7. Membership engagement

Where applicable, this statement also applies to the Additional Voluntary Contribution (AVC) arrangements.

1. DC Default Investment Arrangement

The DC Section is invested in funds offered by Legal & General Assurance Society Limited (L&G).

Members who join the DC Section and who do not choose an investment option are placed into a default arrangement called ITB Drawdown, which is a lifestyle strategy that targets income drawdown at retirement and automatically switches investments to a progressively lower risk investment strategy from 15 years before retirement.

The Trustee is responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangement. A detailed description of the investment principles applicable to the default arrangement, and the Trustee's objectives and policies in relation to it, is set out in a Statement of Investment Principles ("SIP") which covers both the DB and DC sections of the Open Fund. The DC Section of the latest Open Fund SIP, dated 17 June 2025, is reproduced in the schedule to this statement.

The objective of the ITB Drawdown default arrangement, as stated in the SIP, is to grow members pots materially above inflation whilst they are far from retirement, and then to gradually reduce investment risk as members become close to retirement, targeting an allocation which the Trustee considers appropriate for a member intending to drawdown in retirement.

A full review of the DC Section default arrangement's investment strategy is undertaken at least once every three years or immediately after any significant change. The most recent review, carried out in November 2023, concluded that the ITB Drawdown lifestyle strategy remained appropriate for achieving the default arrangement's objective. Based on advice from the DC Section's investment consultant, an outcome of the review was to better address financially material environmental, social and governance ("ESG") factors by replacing the Legal & General ("L&G") Multi-Asset Fund with the L&G Future World Multi-Asset Fund. This change was implemented in May and June 2024.

The strategy review took into account that the Trustee was considering moving the Open Fund's DC members to an alternative master trust. As a result, it was decided not to make extensive changes to the DC default arrangement's investment strategy due to the implementation costs and the potentially short timescale over which members would be able to realise any benefit from those changes.

As anticipated, the Trustee commenced the wind-up of the Open Fund's DC Section during the year and, following an extensive due diligence process, selected the L&G Mastertrust as the default receiving arrangement into which members' DC pots would be transferred. This choice has been accepted by all Employers and the transfer took place in August 2025.

The default investment strategy selected by the Trustee within the L&G Mastertrust, for both members' existing pots and future contributions, is the L&G Target Date Funds. These funds aim to grow members' savings through

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a diversified mix of assets, while reducing volatility as members approach retirement. The Trustee is satisfied that the L&G Target Date Funds are appropriate for the DC Section's membership profile, in terms of charges, governance, and investment approach.

During the year, the Trustee reviewed the performance of funds in the default arrangement at each quarter end comparing investment returns against benchmark targets and seeking explanations for any variances. These reviews enabled the Trustee to conclude that the funds have been performing broadly as expected, consistent with the Trustee's investment objectives.

This monitoring was supplemented by quarterly reviews of the default fund's risk and return characteristics. This included comparing the growth phase against a peer group of similar funds in the UK DC market as well as a review of whether, over one and three year periods, the default strategy was appropriately reducing risk and return as members approached their target retirement age. From this work, the Trustee was able to conclude that the default fund's risk and return characteristics have been in accordance with targets and expectations.

The DC Section default arrangement invests in four funds, and the table below shows the underlying invested asset allocation of each, on a look-through basis, at 31 March 2025:

Underlying asset class	Cash Fund	Future World Multi Asset Fund	Low Carbon Transition Global Equity Index Fund	Low Carbon Transition Global Equity Index Fund (Currency hedged version)
Cash	100.0%	1.8%	-	-
Corporate bonds	-	24.6%	-	-
Government bonds	-	20.5%	-	-
Listed equities	-	39.3%	100.0%	100.0%
Private equity*	-	1.8%	-	-
Infrastructure*	-	5.3%	-	-
Property*	-	6.2%	-	-
Forestry*	-	0.5%	-	-
Total	100.0%	100.0%	100.0%	100.0%

The following table shows the DC Section default arrangement's underlying asset allocation at 31 March 2025, on a look through basis, for members of different ages who have selected a target retirement age of 65:

Underlying asset class	Asset allocation for a member who has selected a target retirement age of 65 and at the 31 March 2025 was aged:		
	50 years old, or less %	55 years old %	65 years old %
Cash	0.5	0.9	26.3
Corporate bonds	7.4	12.9	18.4
Government bonds	6.1	10.8	15.4
Listed equities	81.8	68.1	29.5
Private equity*	0.5	0.9	1.4
Infrastructure*	1.6	2.8	4.0
Property*	1.9	3.3	4.6
Forestry*	0.2	0.3	0.4

* Exposures are through shares in listed infrastructure / global Real Estate Investment Trusts (REITs) / Private Equity management companies / Timberland companies and Social Purpose REITs

Asset allocations for DC Section default arrangement members who have selected a target retirement age other than 65 years old are as follows:

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- 15 years or more before selected target retirement age: As shown for '50 years old, or less' in the table above.
- 10 years before selected target retirement age: As shown for '55 years old' in the table above.
- At selected target retirement age: As shown for '65 years old' in the table above.

2. Investment Performance

The return on investments (net of charges and transaction costs) for periods ended 31 March 2025 of the self-select investment funds in which member assets were invested during the year was as follows:

Fund	1 year %	5 Years Annualised %
Over 5 Years Index-Linked Gilts Index Fund	-9.3	-9.7
Over 15 Years Gilts Index Fund	-7.3	-12.7
AAA-AA-A Corporate Bond Over 15 Years Index Fund	-5.8	-6.8
Low Carbon Transition Global Equity Index Fund (Unhedged)	4.7	N/A
Low Carbon Transition Global Equity Index Fund (Currency Hedged)	7.4	N/A
Global Equity Market Weights 30:70 Index Fund (75% GBP Currency Hedged)	7.4	14.2
Ethical Global Equity Index Fund	2.5	15.0
HSBC Islamic Global Equity Index Fund	3.5	16.2
Future World Multi Asset Fund	3.8	6.1
Multi Asset Fund	3.5	6.1
Cash Fund	5.0	2.4

The net investment returns for the three lifestyle funds for periods ended 31 March 2025 are shown in the following table. These have been calculated based on an assumed target retirement age of 65, for members who were aged 25, 45 and 55 at the start of the period that the performance figures cover.

Age of member at start of period	Drawdown (default strategy) Lifestyle		Cash Lifestyle		Annuity Lifestyle	
	1 year net return %	5 year net return %pa	1 year net return %	5 year net return %pa	1 year net return %	5 year net return %pa
25	5.5	11.6	5.5	11.6	5.5	11.6
45	5.5	11.6	5.5	11.6	5.5	11.6
55	4.7	8.9	4.7	8.9	2.0	4.6

The Trustee has had regard to statutory guidance in putting together the information about investment returns.

3. Financial Transactions

This section explains how, during the scheme year, the Trustee monitored that core financial transactions of the DC Section were processed promptly and accurately. Core financial transactions include the investment of contributions, transfers in and out, fund switches, and payments out, both to and in respect of members. These transactions are undertaken on the Trustee's behalf by the Funds' DC platform provider, L&G, under a policy to administer the Funds' DC Section.

The Trustee worked closely with the participating employers to help them understand their responsibilities as regards contributions and sharing information about members. Staff at the ITB Pension Funds (the Funds Office) were in regular communication with the employers about the detail of their obligations in respect of the DC Section. The Funds Office was notified by the participating employers of the various percentages of employer

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and employee contributions due and performed reconciliations to help ensure the correct payments were deducted. All contributions deducted from members' pay by the participating employers were paid to L&G within the legislative requirements. L&G invested the contributions in funds within 24 hours following receipt of contributions, well within the period expected by The Pensions Regulator.

The Trustee obtained and reviewed administration reports each quarter which showed L&G's performance against service level agreements (SLAs) for processing all core financial transactions. The SLAs are comprehensive and cover the processing of joiner and contribution files, allocating contributions to investments, investment switches, issuing maturity and leaver packs, timescales for processing benefit payments and issuing quotes for events like retirement, ill health and transfers, and customer enquiries.

The Trustee also reviewed the AAF 01/20 Assurance Reports on Internal Controls issued during the year by L&G Investment Management and by L&G Assurance Society Ltd. These reports provide independent assurance on the strength of the systems and controls operated by the investment manager and the administrator of the DC funds.

To monitor whether contributions had been processed accurately, staff at the ITB Pension Funds reconciled contributions information reported by L&G's quarterly administration reports to summaries supplied by the participating employers. Any identified errors were rectified quickly and processes at L&G and the employers were reviewed to help prevent further similar errors. There were no contributions paid into the DB Section AVC arrangements during the year.

The staff at the ITB Pension Funds liaised with the administrator each month about the service levels to identify any systemic administration issues that might affect members' interests. Transfers in and out, fund switches and payments out, both to and in respect of members, were processed by L&G on behalf of the Trustee. The promptness of processing these transactions was monitored by the Trustee through the service level performance reporting each quarter. The accuracy of processing these transactions was monitored by the Funds Office, which reconciled L&G's advance notice of the transactions to separate fund accounting reports.

The Trustee's review of L&G's quarterly SLA performance identified no substantive issues during the scheme year. Joiner and contribution files processing and the allocation of contributions to investments were all completed within the SLA throughout the year. SLA performance for payments processing and the servicing of member enquiries is shown in the table below.

	Payments processing		Servicing of requests / enquiries	
	Percentage processed within SLA	Average delay for payments that missed the SLA (days)	Percentage processed within SLA	Average delay for cases that missed the SLA (days)
June 2024 quarter	95%	3.0	100%	7.1
September 2024 quarter	90%	5.0	100%	6.6
December 2024 quarter	91%	1.0	99%	2.0
March 2025 quarter	79%	2.0	98%	1.8

Up to the March 2025 quarter, payments processing performance had improved compared to the final two quarters of the 2023/24 financial year. In the March 2025 quarter, transfer out payment processing was adversely impacted by a rise in DC pension pot consolidation activity. However, the average delay for payments that missed the SLA remained low. Only a small proportion of servicing requests and enquiries fell outside the SLA and, for those affected, the average delay has decreased with each successive quarter during the year.

L&G has processes in place to help meet the SLAs, for example the dedicated L&G contributions team performs a daily contribution data reconciliation for all contribution payments received. L&G also performs daily automatic reconciliations of investment fund units purchased and sold within its fund reconciliation process controls. These reconciliations ensured that all units purchased and sold were recorded against a member's record.

The Trustee reviewed the DC Section's governance processes and internal controls each quarter. Work continues to check if any changes are needed to the DC Section's governance processes and internal controls

to comply with the General Code. Based on an initial review, it is expected that there will be no significant changes required.

Overall, the Trustee has concluded that core financial transactions relating to the DC Section and AVCs were processed accurately and promptly during the scheme year.

4. Charges and Transaction Costs

The Trustee is required to report on charges and transaction costs for the investment options available to DC Section and AVC members and to assess the extent to which those charges and transaction costs represent good value for members. The relevant statutory guidance has been taken into account when preparing this section of the Statement.

Annual Charges

The level of annual charges (as measured by the total expense ratio (TER), which includes L&G's platform fee of 0.20% pa, but not transaction costs) for the lifestyle options, including the current default arrangement, varies according to the mix of assets, which begins to change when members are 15 years from retirement. For each of the three lifestyle options, **Table 1** below shows the annual charge when a member is more than 15 years to retirement and at five-yearly intervals within the period from 15 years to retirement.

Table 1: Annual charges for lifestyle options

Fund	Period To Retirement:				
	Over 15 years %pa	15 years %pa	10 years %pa	5 years %pa	0 years %pa
Drawdown Lifestyle (Default Option)	0.30	0.30	0.32	0.34	0.34
Annuity Lifestyle	0.30	0.30	0.30	0.31	0.29
Cash Lifestyle	0.30	0.30	0.32	0.34	0.29

The annual charges for the self-select funds were as shown below in **Table 2**.

Table 2: Annual charges for self-select funds

Fund	%pa
Over 5 Years Index-Linked Gilt Fund	0.28
Over 15 Years Gilts Index Fund	0.28
AAA-AA-A Corp Bond Over 15 Years Index Fund	0.32
Global Equity Market Weights 30:70 Index Fund	0.34
Low Carbon Transition Global Equity Index Fund (Unhedged)	0.26
Low Carbon Transition Global Equity Index Fund (Currency Hedged)	0.29
Ethical Global Equity Index Fund	0.50
HSBC Islamic Global Equity Index Fund	0.52
Future World Multi Asset Fund	0.36
Multi Asset Fund	0.33
Cash Fund	0.29

Transaction costs

The following types of transaction costs are borne by members:

1. Explicit costs: These are directly charged to or paid by the fund, e.g. taxes, levies and broker commissions.

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2. Implicit costs: These reflect the theoretical value that is lost to the market during the process of buying and selling, for example differences between selling and buying prices (spreads). Implicit costs may vary depending on market liquidity and the size of transaction. They are calculated on the 'slippage' basis, as recommended by the Financial Conduct Authority, under which a negative implicit cost can arise when the actual price paid ends up being lower than the mid-market price at the time of placing an order.

Information provided by the Investment Manager, L&G, on the annual average transaction costs for the lifestyle options (including the default arrangement) is set out in **Table 3** below, and for the self-select funds it is set out in **Table 4** below. Where aggregated transaction costs resulted in a negative value, a nil percentage has been reported.

Table 3: Transaction costs for lifestyle options

Year to 31 March 2025:

Fund	Period To Retirement:				
	Over 15yrs %pa	15 Yrs %pa	10 Yrs %pa	5 Yrs %pa	0 Yrs %pa
Drawdown Lifestyle (Default Option)	0.01	0.01	0.02	0.02	0.02
Annuity Lifestyle	0.01	0.01	0.02	0.03	0.04
Cash Lifestyle	0.01	0.01	0.02	0.02	0.00

Annual Average* to 31 March 2025:

Fund	Period To Retirement:				
	Over 15yrs %pa	15 Yrs %pa	10 Yrs %pa	5 Yrs %pa	0 Yrs %pa
Drawdown Lifestyle (Default Option)	0.03	0.03	0.03	0.03	0.02
Annuity Lifestyle	0.03	0.03	0.03	0.04	0.04
Cash Lifestyle	0.03	0.03	0.03	0.03	0.00

Table 4: Transaction costs for self-select funds

Fund	Year To 31 March 2025 %pa	Annual Average* Total %pa
Over 5 Years Index-Linked Gilt Fund	0.07	0.07
Over 15 Years Gilts Index Fund	0.06	0.06
AAA-AA-A Corp Bond Over 15 Years Index Fund	0.02	0.00
Global Equity Market Weights 30:70 Index Fund	0.04	0.05
Low Carbon Transition Global Equity Index Fund (Unhedged)	0.00	0.02
Low Carbon Transition Global Equity Index Fund (Currency Hedged)	0.02	0.04
Ethical Global Equity Index Fund	0.00	0.00
HSBC Islamic Global Equity Index Fund	0.00	0.00
Future World Multi Asset Fund	0.02	0.03
Multi Asset Fund	0.02	0.03
Cash Fund	0.00	0.00

* The Annual Averages have been provided by the investment manager, L&G. They are based on the average costs over the 5 years to 31 March 2025 or, where data was available for fewer than 5 years, the average costs over the maximum number of years up to 31 March 2025 for which data was available.

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Impact of all costs and charges

Table 5 below has been prepared in accordance with statutory guidance and provides an illustrative example of the cumulative effect of the member borne costs and charges as set out in Tables 1 to 4 above. It covers the most popular funds, the funds with the highest and lowest expected return and the funds with the highest and lowest total charges.

Table 5: Projected pension pot in today's money

Yrs	Fund Choice													
	"Most Popular" Default Fund Growth Phase		"Most Popular, age 50, retiring at 65" Default Fund at Age 50 Retiring at 65		"Popular" Future World Multi Asset		"Popular" and "Lowest Expected Return" Cash		"Lowest Cost" Low Carbon Transition Global Equity		"Highest Expected Return" AAA-AA-A Corp Bond Over 15 Years		"Highest Cost" Islamic Global Equity	
	Before charges £	After all charges + costs deducted £	Before charges £	After all charges + costs deducted £	Before charges £	After all charges + costs deducted £	Before charges £	After all charges + costs deducted £	Before charges £	After all charges + costs deducted £	Before charges £	After all charges + costs deducted £	Before charges £	After all charges + costs deducted £
1	23,264	23,210	23,247	23,192	22,993	22,930	22,606	22,560	23,381	23,335	23,574	23,522	23,381	23,295
3	38,361	38,121	38,201	37,956	37,227	36,953	35,652	35,457	38,855	38,648	39,688	39,447	38,855	38,472
5	54,345	53,806	53,801	53,246	51,891	51,287	48,567	48,151	55,431	54,963	57,286	56,730	55,431	54,564
10	98,544	96,676	95,074	93,145	90,519	88,536	80,295	79,021	102,222	100,565	108,693	106,656	102,222	99,169
15	149,533	145,333	136,312	132,187	132,132	127,893	111,238	108,692	157,795	153,985	172,755	167,906	157,795	150,805
20	208,358	200,558	N/A	N/A	176,961	169,477	141,415	137,210	223,799	216,562	252,589	243,046	223,799	210,581
25	276,221	263,237	N/A	N/A	225,255	213,414	170,845	164,620	302,190	289,868	352,076	335,227	302,190	279,779
30	354,513	334,378	N/A	N/A	277,282	259,838	199,546	190,966	395,295	375,740	476,056	448,315	395,295	359,886
35	444,834	415,121	N/A	N/A	333,329	308,890	227,538	216,288	505,874	476,333	630,557	587,050	505,874	452,621
40	549,034	506,763	N/A	N/A	393,707	360,717	254,836	240,627	637,207	594,170	823,093	757,250	637,207	559,974

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £16,034 – the median pot size as at 31 March 2025.
3. Inflation is assumed to be 2.5% each year.
4. It is assumed the current average level of contributions of £6,669pa is made each year.
5. There are no charges levied on contributions.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates for each fund or arrangement are as follows:
 Default Fund Growth Phase: 2.9% above inflation
 Default arrangement at Age 50 and retiring at 65: between 1.0% and 2.9% above inflation
 Future World Multi Asset: 1.5% above inflation
 Cash: 0.5% below inflation
 Low Carbon Transition Global Equity: 3.5% above inflation
 Over 5 Year Index-Linked Gilts: 4.5% above inflation
 Islamic Global Equity: 3.5% above inflation
 Version 5.1 of AS TM1, issued by the Financial Reporting Council, and effective from 6 April 2024, has been used in the calculation of the projected growth rates.

Value for money

It is an objective of the Trustee that members receive value for money, as small differences in charges can have a major impact on the size of members' pension funds by the time they retire.

To meet this objective, the Trustee carries out a value for members assessment of the DC arrangements each year on the basis of information and advice from the investment consultant. The assessment compares the fees borne by DC Section members with other pension schemes that have similar investment arrangements and are of a similar size. It also considers whether fee levels are being justified by the services and benefits received in exchange, including scheme governance and management, investment (including returns), administration and communications services. The assessment recognises that the only charges borne by members are the charges deducted from the funds (i.e. the TERs shown above, plus transaction costs), while the charges for all other services are borne by the participating employers.

The Trustee's assessment carried out during 2024/25 covered the year ending 31 March 2024 and concluded that overall, members were receiving very good value for money. The assessment found that member borne fees were competitive and justified the high standard of service received. Governance processes were formalised and consistent, and both the self-select funds and lifestyle strategies were concluded to be providing members with a clear and appropriate range of investment options. Over one and three year periods, the investment performance of the passively managed funds tracked benchmarks within reasonable tolerances. The actively managed cash fund had outperformed its benchmark, while explanations were obtained and accepted for the multi-asset fund's underperformance relative to its benchmark.

The latest value for members assessment, covering the year ending 31 March 2025, was completed after the year-end and concluded that members had continued to receive very good value for money.

Other costs and charges borne by employers are kept as low as possible by rigorous budgetary control. The charges borne by members are well below the government 'charge cap' of 0.75% pa in respect of default funds.

There are no performance-based fees being charged for any of the DC Section funds.

During 2026, the Trustee intends to complete buy-out transactions which will transfer responsibility for DB Section members' retirement benefits, communications and ongoing administration to Just Retirement and Pension Insurance Corporation. The Trustee recognises that, without significant changes to the Funds' current operational and governance structure, it would be challenging to maintain value for money for the Funds' DC members after the transfer. This was one of the factors behind the decision, made during the year, to begin winding up the Open Fund's DC Section and to transfer its members to the L&G Mastertrust.

5. Trustee Directors' Knowledge and Understanding

The Trustee Directors are expected to meet the requirements for knowledge and understanding set out in s247 of the Pensions Act 2004, which are to be conversant with key documents relating to the Funds, and to have knowledge and understanding of pensions and trust law and the principles of funding and investment. This section describes the policies and programmes in place to ensure the knowledge and understanding requirements are met, and specific steps taken during the year.

The Trust Deed and Rules provide for the Funds to be governed by a board of 14 Trustee Directors, consisting of seven Employer, five Member and two Pensioner Trustee Directors. All Trustee Director positions were filled at the beginning and end of the year.

Each Trustee Director serves for a fixed three-year term and can be re-appointed following each term. As at 31 March 2025, the average period of service of each Trustee Director was 9 years with 6 Trustee Directors having been in office for 5 years or less, whilst 5 Trustee Directors had been in office for 10 years or more. There is a wide spectrum of experience and, therefore, the training programme both keeps the experienced Trustee Directors up to date with pension developments and gives newer Trustee Directors a basis, in line with the minimum requirements, on which to develop their knowledge and experience.

The training programme comprises the following elements:

- New Trustee Directors attend an induction programme that introduces the Trust Deed and Rules, Statement of Investment Principles, Statement of Funding Principles and other Funds policy documents, for example the Funds' Conflicts of Interest policy. All new Trustee Directors complete this programme and attend training arranged by the Funds' legal adviser covering the key legal principles relating to defined benefit and defined contribution schemes.
- Every year, each Trustee Director completes a training needs self-assessment. The Funds Office uses this, and any other feedback provided by the Trustee Directors on their knowledge and skills, to identify areas where training is required. In the latest self-assessment exercise, some Trustee Directors fed back that they needed to improve their personal skills and knowledge in certain specific areas. However, there was no single subject matter where a significant training gap existed which applied across the entire Trustee Board.
- Trustee Directors can access a secure website which has a resource library containing all the key governance documentation for the Funds including the Trust Deed and Rules, Annual Report & Financial Statements, Statements of Investment Principles and Statements of Funding Principles. Trustee Directors are encouraged to maintain a good working knowledge of these documents. The website also includes copies of Trustee training presentations and links to training events and relevant information published by The Pensions Regulator, including its online learning programme called the Trustee Toolkit, which all Trustee Directors have completed.
- Seven of the Trustee Directors are members of the Management Committee. The remaining seven Trustee Directors are invited, on a rotational basis, to attend Committee meetings in order to enhance their knowledge and understanding of its activities. During the year, an invited Trustee Director attended two of the five Management Committee meetings. Additionally, an invited Trustee Director was present at the sole Investment Committee meeting held during the year, prior to its integration into the Management Committee.
- The papers for quarterly Trustee meetings include legal updates specifically prepared for the Funds, with the Funds' legal adviser present to discuss any questions raised by the Trustee Directors.

- From time to time, formal training sessions for the Trustee Directors are held at the conclusion of quarterly Trustee meetings. Sessions held during the year addressed the Statement of Investment Principles (SIP), the SIP Implementation Statement, conflicts of interest and insurance for pension schemes that have wound-up.
- Trustee Directors individually attend other training events which are relevant to their personal training needs, and which may address topics in which they have a specific interest. Trustee Directors attended events provided by the Pensions Management Institute (“PMI”) and the Pensions and Lifetime and Savings Association (“PLSA”), including the PLSA Annual Conference, and PMI training events covering topics including DC governance, workplace pension provision, DC investment trends and regulatory change.
- The Scam Module of the Trustee Toolkit is completed by Trustee Directors to increase their awareness of pension scams and understand the processes that the Regulator expects to be in place to protect Fund members from being scammed.
- An annual Trustee training seminar took place in April 2024. Topics covered included investment performance, climate-related investment risks, DC pension market trends, pension scheme wind-up, the General Code, fund surplus distribution and the Closed Fund actuarial valuation process.

All training needs and training received are logged on a central training register that is used by the Funds Office to identify relevant subjects for training, which are then delivered within the framework described above. Each new Trustee Director is required to complete the Trustee Toolkit and other training to meet the minimum requirements for knowledge and understanding.

The combined training, knowledge and understanding of the Trustee Directors, together with the available advice, enables the Trustee Directors to properly exercise their functions. The Trustee Board benefits from its directors collectively having many years of experience and training as described above. Several of the Trustee Directors are current or former senior executives with substantial experience of financial, managerial and governance matters. This includes a former HR Director with substantial pensions knowledge and a former Chief Engineer and Technology Director of a major oil company. Several Trustee Directors have also had substantial involvement with other pension schemes or pensions industry bodies.

The performance and effectiveness of the Trustee Board is assisted by an operational business plan against which progress is monitored each month. Any planned actions which are not achieved on time are highlighted for further action to be taken, if required.

Trustee Directors are nominated by participating employers, or employee members, deferred members, and pensioners of participating employers. This ensures detailed knowledge of the participating employers is available to the Trustee Directors, which is useful for interpreting and understanding advice on employer covenant strength, subject to managing conflicts of interest.

The Trustee Directors believe that a culture which is inclusive and supports diversity is essential to the long-term success of the Funds and will better enable it to respond to stakeholder needs. As and when there are Trustee Director nominations, and re-nominations, the Trustee Directors encourage employers, members and trade unions to identify diverse candidates who will help the Trustee Board to fulfil its diversity and inclusion aspirations, while guided to nominate solely on the basis of the candidate’s assessed capability for the role.

The Trustee Directors’ combined knowledge and understanding is enhanced by the support of the Funds Office whose employees include a Chief Executive who is a Chartered Accountant with 10 years’ experience in life insurance and 18 years’ experience in the pension industry, a Funds Accountant who is also a Chartered Accountant and has 27 years’ experience in the pension industry, and a Pension Administration Manager who has a CII Diploma and 36 years’ experience in the pension industry.

The Trustee Directors also have access to independent professional advice, including actuarial support from the Government Actuary’s Department, investment advice from LCP and legal advice from Mayer Brown International. The actuarial and legal advisers normally attend each Trustee meeting, while the investment adviser usually attends each Management Committee meeting, with the actuarial and legal advisers joining as required. This independent expertise further strengthens the collective knowledge of the Trustee Directors, enabling them to effectively carry out their responsibilities.

6. Appointment of Trustee Directors

As a relevant multi-employer scheme under the 2015 Regulations the Funds are subject to a requirement, under Regulation 22, for a majority of the Trustee Directors, including the Chair, to be “non-affiliated”. For Trustee Directors to be “non-affiliated”, they must be appointed through an open and transparent process (OTP); must be independent of the Funds’ service providers; and must not have been in office for longer than prescribed periods. The Funds’ Trust Deed and Rules reflect the requirement of Regulation 22, such that a person cannot be appointed as a Trustee Director unless he or she is non-affiliated for the entire three-year term of office, without the Trustee exercising a discretion under the Trust Deed and Rules in particular cases.

In relation to the Funds’ compliance with the non-affiliation requirements:

- All Trustee Directors have been appointed through an OTP.
- None of the Trustee Directors is (or has in the last five years been) a director, manager, partner or employee of any undertaking which provides advisory, administration, investment or other services for the ITB Pension Funds, or any undertaking which is connected to a service provider.
- None of the Trustee Directors receive any payment or benefit from any undertaking which provides advisory, administration, investment, or other services for the ITB Pension Funds, or any undertaking which is connected to a service provider. Neither do any of the Trustee Directors have any obligations to any such service provider that conflict with their obligations as a Trustee Director.
- None of the Trustee Directors has (since the 2015 Regulations came into force) served for more than 10 years, with no single period in office being more than 5 years.

All Trustee Directors, including the Chair, met the requirements of Regulation 22 throughout the year and were classified as non-affiliated at the year-end. In April 2025, 6 of the Funds’ 14 Trustee Directors became affiliated, having each served for more than 10 years since the relevant regulations came into effect. However, a majority of the Trustee Directors remain non-affiliated, including the Chair appointed on 1 April 2025.

To support compliance with Regulation 22, new Trustee Directors are appointed through the following processes:

- Members’ Trustee Directors are nominated and selected by members or by trade unions which represent them, much as would apply under the Member Nominated Trustee legislation (s241 of the Pensions Act 2004). The Trustee Board is satisfied that this meets the OTP requirement.
- Employers’ Trustee Director appointments are made through reasoned decisions, based on relevant and appropriate criteria, and made through due process, with both the process and the ultimate decision being clearly communicated to interested parties. Employers’ Trustee Directors are selected by employers and, to ensure that the OTP requirement is met, the Trustee stipulates that employers should follow certain ground rules when selecting candidates:
 - Employers must determine the constituency from which Trustee Directors will be selected and the process used to make the selection, which must involve a panel of at least three individuals.
 - Notice as to these matters must be given to people in the constituency and to the employer’s active members (the “interested parties”).
 - The selection must take account of candidates’ fitness and propriety to act as Trustee Directors.
 - The Chair of the Trustee must be consulted as to the proposed appointment.
 - Notice as to the final decision must be given to the interested parties.
 - The employer must confirm to the Trustee that the ground rules have been followed.

During the scheme year and over the longer-term, the Trustee Directors have monitored compliance with the conditions as to independence and term of office.

As regards non-affiliated Trustee Director appointments and reappointments during the scheme year, the OTP requirement was met as follows:

Name	Position	Process	OTP requirement compliance
Robert Tabor	Lantra Members' Trustee Director	Reappointed following a nomination process in which he was the sole nominee.	Nomination and selection was by members of Lantra.
Peter Sparkes	Construction ITB Members' Trustee Director	Renominated by the trade union 'Unite'.	Unite represents the members employed by CITB.
Terry Lazenby	Engineering Construction ITB Employers' Trustee Director	Renominated by Engineering Construction ITB.	The ground rules were followed in making the selection.
Newell McGuinness	Scottish Electrical Charitable Training Trust Employers' Trustee Director	Renominated by Scottish Electrical Charitable Training Trust.	The ground rules were followed in making the selection.
Laura Nelson	RTITB Limited Employers' Trustee Director	Nominated by RTITB Limited.	The ground rules were followed in making the selection.

The Trustee exercised its discretion under the Trust Deed and Rules to reappoint Mr Tabor, Mr Lazenby and Mr McGuinness, despite them not fulfilling the non-affiliation requirements for the full duration of their three-year terms.

7. Membership Engagement

The Funds' website (www.itb-online.co.uk) includes a prominent link to the Funds' contact details including address, phone and email, through which members can share their views with the Trustee. The website also serves as a valuable resource for members seeking information about their pension arrangements, offering guidance on contributions, salary sacrifice arrangements, retirement benefits, investment options, and how to make changes to those options.

Members can also access the following documents in the Library section of the website:

- DC Scheme Member Booklet – a general guide covering all aspects of DC Scheme membership.
- Annual Report and Financial Statements – including the Chair's Annual Governance Statement and the Statement of Investment Principles Implementation Statement.
- Member Newsletters – published every six-months, with hard copies posted to members.
- Climate Change Report – a description of the Trustee's activities and approach to identifying and managing climate-related risks.

Further guidance and support for DC Section members is also available through Legal and General ("L&G"):

- L&G website (<https://www.legalandgeneral.com/workplace/i/itb/>) – this offers extensive, tailored information based on members' retirement journey, along with access to planning tools, responsible investment policies, and support resources for carers.
- L&G's 'Manage Your Account' service (www.landg.com/mya) – once registered, DC members can check the value and performance of their pension pot, make investment changes, monitor contributions and transactions, access pension statements and retirement planning tools, update personal details and communicate with L&G's administration team via a Secure Message Centre.

L&G provides quarterly updates about how many members are registered on Manage Your Account and their usage of its services, along with an analysis of calls to its DC Section Member Helpline, customer satisfaction survey results and details of any complaints.

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During the year, DC Section members were kept informed about the wind-up of the Open Fund's DC Section, and the Trustee's future plans, through two communications issued to all DC members:

- November 2024 communication – this outlined the Trustee's plan to transfer all DC members' benefits to the L&G Mastertrust including anticipated timescales, member options and contact details for support and guidance.
- February 2025 communication – this confirmed employers' agreement to the L&G Mastertrust transfer and its use for future contributions, notified members of the selected default fund, provided an update on the transition process and timescales, and set out the options available to members, including key deadlines for submitting choices.

The Trustee's Communications Working Party considers member feedback and has overseen the DC member engagement activities described above, providing strategic direction and driving improvements where needed.

Engagement with members also takes place through communications with the Pensioners' Association and informally through the Members' Trustee Directors, who frequently discuss pensions matters with workplace colleagues and provide feedback to the Trustee.

The Trustee believes that the above arrangements are appropriate for the DC Section, having regard to the size, nature and demographic of the membership.

The contact details of the Funds are as follows:

Address: The ITB Pension Funds, 23 King Street, Watford, Hertfordshire WD18 0BJ
Telephone: 01923 226264
E-mail: pensions@itbpen.com
Website: www.itb-online.co.uk

Signed by the Chair on behalf of the Trustee

Joanna Woolf (Chair of the Trustee)

Date: 4 September 2025

Chair's Annual Governance Statement Schedule

DC Section Statement Of Investment Principles – 17 June 2025

What is the Trustee's overall investment objective?

The Trustee recognises that members of the Defined Contribution Section may have differing investment needs. These needs may change during the course of a member's working life and members may have differing attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances.

The Trustee's investment objective is, therefore, to make available a range of pooled investment funds which serve to meet in general the varying investment needs and risk tolerances of the members of the Defined Contribution Section.

What are the aims and objectives of the default arrangement?

For members who join the Scheme and who do not choose an investment option, the Trustee makes available a default arrangement called ITB Drawdown. This is a lifestyle strategy that targets income drawdown at retirement and automatically switches investments to a progressively lower risk investment strategy from 15 years before retirement.

The Trustee's objective in relation to the default arrangement is to grow members pots materially above inflation whilst they are far from retirement, and then to gradually reduce investment risk as members become close to retirement, targeting an "at retirement" allocation which the Trustee considers appropriate for a member intending to drawdown in retirement.

What risks does the Trustee consider and how are these measured and managed?

The Trustee has considered risk for the Defined Contribution Section from a number of perspectives, including, but not limited to, those set out below:

Risk of inadequate long-term returns

As members' benefits are crucially dependent on the investment returns achieved, it is important that investment vehicles are available which can be expected to produce adequate real returns over the longer term.

Risk of deterioration in investment conditions near retirement

For a given amount of money the level of pension secured for a member will depend upon investment conditions at retirement. A sharp deterioration in these conditions in the period just prior to retirement will have a substantial impact on the benefits provided. To protect against this, the Trustee has made available three lifestyle strategies each of which targets a different investment option for members at retirement: income drawdown, a cash lump-sum or the purchase of an annuity.

Risk of lack of diversification and unsuitable investments

Within each fund available to members the holdings should be adequately diversified. To achieve this, the Trustee has selected funds which invest in a suitable diversified range of holdings. The Trustee's policy is to make available to members funds which, in normal circumstances, should prove easy to buy and sell.

Risk from excessive charges

If the investment management charges together with other charges levied on, for example, transfers or early retirement are excessive then the value of members' accounts will be reduced unnecessarily. The Trustee has, therefore, looked closely at the terms and conditions of the investment manager and is comfortable that the charges applicable to the Open Fund are in line with market practice. The Trustee regularly assesses whether these charges represent good value for members.

Investment manager risk

This is the risk that the investment manager fails to meet its investment objective. The Trustee monitors the investment manager on a regular basis.

Climate risk

Climate change is a source of risk, which could be financially material over both the short and longer term. This risk relates to the transition to a low carbon economy, and the physical risks associated with climate change (e.g. extreme weather). The Trustee seeks to appoint investment managers who will manage this risk appropriately, and from time-to-time reviews how this risk is being managed in practice.

Other environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Open Fund's investments which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices and unsound corporate governance. The Trustee seeks to appoint investment managers who will manage these risks appropriately on its behalf and from time-to-time reviews how these risks are being managed in practice.

Other risks

The Trustee recognises that there are other, non-investment, risks within the Defined Contribution Section. Unlike the Defined Benefit Section, these risks fall generally on the individual Defined Contribution Section members rather than on the membership generally and/or the sponsoring employer. Examples of these risks include longevity risk (the risk that insurers expect members to live longer, which increases the cost of securing a pension), and knowledge/understanding risk (the risk that members make inappropriate investment choices, given their circumstances).

Some of the risks are more quantifiable than others, but the Trustee has tried to allow for the relative importance and magnitude of each risk. In particular, consideration is given to focus on ESG / climate change focussed investments; the next Section describes the changes that were made to address climate change risk following a review of the strategy in 2023

What are the investment strategy arrangements?

The Trustee has provided to members a range of investment options, having regard to the long-term performance characteristics of various asset classes, in terms of their expected returns and the variability of those returns. Following a review of the strategy in 2023, the Trustee decided to further improve integration of ESG factors in members' Defined Contribution investments by changing the multi-asset component of the Open Fund's Defined Contribution lifestyle investment strategies to a multi-asset fund which better addresses ESG related matters. The full range of funds that is available is set out in the table on the next page.

It is for each member to decide on their required strategic allocation to each of the available investment funds. The fund range offered also includes three "lifestyle" strategies that automatically combine the investments in proportions that vary according to the proximity to retirement age. Each of the three lifestyle strategies targets a different investment option for members at retirement; income drawdown, a cash lump-sum or the purchase of an annuity. If a member does not choose an investment option, their account will be invested into the default lifestyle option, which targets income drawdown at retirement.

The lifestyle strategies are designed to offer some protection against the risks described above.

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Current Fund Range

Manager	Fund name	Benchmark	Target
L&G	Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged	Composite of 30/70 distribution between UK and overseas, 75% GBP Hedged	To track the benchmark
L&G	Ethical Global Equity Index Fund	FTSE4Good Global Equity Index	To track the benchmark to within +/- 0.50% pa for two years in three
L&G	Low Carbon Transition Global Equity Index Fund Hedged and Unhedged	Solactive L&G Low Carbon Transition Global Index	To track the benchmark
HSBC	Islamic Global Equity Index Fund	Dow Jones Islamic Titans 100 Index	To track the benchmark
L&G	Multi Asset Fund	ABI UK – Mixed Investment 40%-85% Shares Pension Sector	To provide long-term investment growth through exposure to a diversified range of asset classes
L&G	Future World Multi Asset Fund	ABI UK – Mixed Investment 40%-85% Shares Pension Sector	To provide long-term investment growth through exposure to a diversified range of asset classes while reflecting significant ESG issues into the fund's investment strategy
L&G	AAA-AA-A Corporate Bond (Over 15 Years) Fund	iBoxx £ Non-Gilts (ex BBB) Over 15 year Index	To track the benchmark to within +/- 0.50% pa for two years in three
L&G	Over 5 Year Index-Linked Gilts Index Fund	FTSE Actuaries UK Index-Linked Gilts (Over 5 Years) Index	To track the benchmark to within +/- 0.25% pa for two years in three
L&G	Over 15 Year Gilts Index Fund	FTSE Actuaries UK Conventional Gilts (Over 15 Years) Index	To track the benchmark to within +/- 0.25% pa for two years in three
L&G	Cash Fund	7 Day LIBID	To match the CAPS Pooled Pension Fund median.

Default option

The Open Fund also has three lifestyle strategies, and the default investment option is a lifestyle strategy which targets income drawdown at retirement. The default option provides an automated investment switching facility, following a pre-selected investment strategy, which will move the funds into lower risk investments as retirement approaches.

Until 15 years prior to each member's selected retirement age, the lifestyle strategy invests:

- 35% in the L&G Low Carbon Transition Global Equity Index Fund GBP Hedged,
- 35% in the L&G Low Carbon Transition Global Equity Index Fund Unhedged; and
- 30% in the L&G Future World Multi Asset Fund.

Fifteen years prior to each member's selected retirement age, automatic monthly switches commence.

The investment split at each member's target retirement age would be as follows:

- 75% in the L&G Future World Multi Asset Fund; and
- 25% in the L&G Cash fund.

The table on the next page outlines how the proportion of portfolio holdings changes in the 15 years up to retirement under the strategy.

Years to Retirement	Global Equities (GBP Hedged) (%)	Global Equities (Unhedged) (%)	Multi-Asset (%)	Cash (%)
15 or more	35.00	35.00	30.00	0.00
14	32.75	32.75	34.50	0.00
13	30.50	30.50	39.00	0.00
12	28.25	28.25	43.50	0.00
11	26.00	26.00	48.00	0.00
10	23.75	23.75	52.50	0.00
9	21.50	21.50	57.00	0.00
8	19.25	19.25	61.50	0.00
7	17.00	17.00	66.00	0.00
6	14.75	14.75	70.50	0.00
5	12.50	12.50	75.00	0.00
4	10.00	10.00	75.00	5.00
3	7.50	7.50	75.00	10.00
2	5.00	5.00	75.00	15.00
1	2.50	2.50	75.00	20.00
0	0.00	0.00	75.00	25.00

Legal and General Master Trust

The Trustee has decided that from 23 June 2025 it will allow members to select investments from within the Legal and General Master Trust range in advance of the formal transition of assets and wind-up of the DC Section. From this date members will have access to the full range of funds and lifestyles available under the Master Trust.

The range of funds which will be made available to members of the Open Fund from 23 June 2025 can be accessed via the following link:

L&G - Your investment range (<https://www.legalandgeneral.com/workplace/demos/mt-demo/on-your-way/guide-to-investing/Investment-range/>)

Members with only AVCs in the Funds will not have access to this fund range.

What did the Trustee consider in setting the Open Fund's Defined Contribution Section investment strategy arrangements?

In determining the investment arrangements for the Defined Contribution Section the Trustee took into account:

- the best interests of all members and beneficiaries;
- the profile of the membership and what this is likely to mean for the choices members might make upon reaching retirement;
- the risks, rewards and suitability of a number of possible asset classes and lifestyle strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken. The main risks considered were inflation risk (the risk that a member's investments fail to keep pace with inflation over the longer term), conversion risk (the risk of a deterioration in the terms available for converting funds into pension at retirement - applicable to the annuity lifestyle), capital risk (the risk of a fall in the amount of cash available to take at retirement), and climate risk (the risk of a fall in the value of investments caused either by direct impacts of changes to the global climate or policy changes to mitigate the effects of climate change);

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- the need for appropriate diversification within the default strategy and other lifestyle options to ensure that, for each such option, both the overall level of investment risk and the balance of individual asset risks are appropriate;
- the need for appropriate diversification within other investment options offered to members;
- the Trustee's investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.

The Trustee considered the illiquid assets exposure in the last review of the default strategy in November 2023 and decided not to include an allocation to illiquid assets for the following reasons:

- the short time remaining before all DC Section members are expected to be switched into another master trust; and
- the fact that whilst investment in illiquid assets is increasing in focus, there remain few options for DC schemes to actually do this, and those funds that do exist tend to come with high charges (over 1% pa total expense ratio).

The Trustee's key investment beliefs are set out below.

- in deciding upon the funds to offer to members (including the structure of the default), asset allocation is the primary driver of long-term returns;
- risk-taking is necessary to achieve return, but not all risks are rewarded;
- equity and credit are the primary rewarded risks;
- risks that are typically not rewarded should generally be avoided, hedged or diversified;
- investment markets are not always efficient and there may be opportunities for good active managers to add value;
- environmental, social and governance (ESG) factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors;
- climate change risk is likely to have a material impact on financial markets and therefore is a risk that should be explicitly managed where appropriate;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find and therefore passive management (which includes a range of rules-based portfolio construction strategies), where available, is usually better value; and
- costs have a significant impact on long-term performance and therefore obtaining value for money from the investments is important.

The Trustee has a process for identifying, assessing and managing climate related risks and opportunities, and this is documented in the Trustee's "Statement on Governance of Climate Related Risks and Opportunities". This statement also documents additional investment beliefs of the Trustee regarding climate change and its impact on the investments of the Fund.

Appointment of investment fund provider

The Trustee has appointed one main provider to provide the funds in which the Defined Contribution Section invests. The provider offers funds managed internally and by third party investment managers.

The provider's primary role is to maintain the funds in which the Defined Contribution Section invests. The provider is authorised under the Financial Services and Markets Act 2000 to carry out such activities.

Statement Of Investment Principles Implementation Statement

For the year ended 31 March 2025

Overview

This Implementation Statement has been prepared by the Trustee of the ITB Pension Funds to set out how the Trustee has followed the Open and Closed Funds' Statements of Investment Principles ("SIPs") during the year ending 31 March 2025. It also covers the Trustee's voting and engagement policies, details about changes made to the SIPs and a description of the voting behaviour during the year.

The Trustee has, in its opinion, followed the Funds' SIPs during the year. The following pages provide detail and commentary about how and the extent to which it did this - for the Open Fund SIP in the first section of this Statement, and for the Closed Fund SIP in the second section.

Open Fund SIP

1. SIP reviews and changes

The SIP was reviewed and updated once during the year to reflect:

- The addition of the L&G Future World Multi-Asset Fund to the Defined Contribution (DC) Section's self-select range of member investment options and as a replacement for the L&G Multi-Asset Fund within the lifestyle strategies.
- The transfer of the Investment Committee's responsibilities to a newly established Joint Management Committee. This Committee also assumed responsibility for matters previously overseen by the Trustee's Management Panel.

The following investment changes, which were implemented during the year, were incorporated into a subsequent update of the SIP issued in April 2025:

- The reallocation of £17m of the Defined Benefit (DB) Section's assets from inflation-linked government bonds to cash and liquidity funds.
- The receipt of a final wind-up distribution from a Schroders-managed property fund, completing the DB Section's exit from this investment.
- The Joint Management Committee being renamed the Management Committee.

Updates to the SIP were made following advice from the Trustee's investment adviser and after consultation with the sponsoring employer.

2. Objectives

The Defined Benefit ("DB") Section's SIP investment objectives during the year are set-out below along with comments about how each objective was achieved:

SIP investment objectives	How the objectives are being achieved
<u>Objectives in place throughout the year</u>	
Invest in suitable assets that will match the cost of current and future benefits.	All current and future benefit payments are expected to be met through income from the Fund's buy-in policies with Just and Pension Insurance Corporation ("PIC").
Minimise long-term costs through a simple and low-cost investment strategy which maximises returns whilst having regard to the other overall investment objectives.	The Fund adopts a straightforward core strategy consisting of buy-in policies with PIC and Just, a liquidity fund managed by Fidelity, and pooled bond funds managed by BlackRock. Costs are minimised by using pooled rather than segregated funds, and through efficiencies gained from the fact that PIC, Fidelity, and BlackRock also manage assets for the Closed Fund.
<u>Objectives that changed during the year</u>	
At the beginning of the year the objective for the remaining assets was:	Until the end of February 2025, the remaining assets were allocated as follows:
To invest with appropriate diversification to generate modest capital growth with a low volatility relative to annuity pricing and ongoing expenses.	• A balance in cash and liquidity funds sufficient to meet the Open Fund's expenses until buy-in policies are assigned to individual members and the Fund is wound-up. • Remaining assets were invested as follows: ○ 70% in a pooled index-linked government bond fund; and ○ 30% in a corporate bond fund. These investments aimed to achieve returns broadly aligned with changes in annuity pricing
In the March 2025 quarter, the Trustee concluded that no additional benefit liabilities should arise from the Virgin Media court case decision. This led to the objective being revised to:	Effective from March 2025, the allocation has been amended as follows:
To invest the remaining assets with low volatility relative to annuity pricing and ongoing expenses.	• Approximately £3m is invested in a pooled index-linked government bond fund, intended to produce returns broadly aligned with annuity pricing and act as a hedge against the Fund's uninsured GMP equalisation liabilities. • Remaining assets are held in cash and liquidity funds to: ○ Meet ongoing expenses until wind-up; and ○ Minimise volatility in the surplus expected to be distributed to the Employers at wind-up.
This change was reflected in an updated SIP issued in April 2025.	

The DC Section's overall investment objective is to offer a range of pooled investment funds designed to meet the varying investment needs and risk tolerances of its members. This objective is achieved by providing DC Section members with access to a range of investment options that enable appropriate diversification. These options include three lifestyle strategies and eleven self-select funds, collectively covering all major asset classes.

Members who join the DC Section and do not select an investment option are automatically placed into the default arrangement. The objective for the default arrangement is to grow members' pots materially above inflation whilst they are far from retirement, and then to gradually reduce investment risk as they approach retirement, targeting an "at retirement" allocation which the Trustee considers appropriate for a member intending to drawdown in retirement.

During the year no changes were made to either the DC Section's overall investment objective or the objective for its default arrangement.

The Trustee reviews the effectiveness of the default arrangement's investment strategy in meeting its objectives at least every three years. The most recent review, completed in November 2023, concluded that while the default strategy remained broadly appropriate, there was an opportunity to restructure the multi-asset fund allocation to better address financially material environmental, social, and governance (ESG) considerations.

In follow-up, the Trustee replaced the L&G Multi-Asset Fund in the lifestyle strategies with the L&G Future World Multi-Asset Fund. This change, implemented in May 2024, has delivered a positive ESG impact as the Future World Fund includes investments in sustainable infrastructure and social purpose real estate assets that are not held in the L&G Multi-Asset Fund. Additionally, its equity and investment grade credit allocations are made through funds that place a greater emphasis on companies with strong ESG credentials.

The L&G Future World Multi-Asset Fund has also been added to the self-select range of member investment options.

3. Risks

A wide range of risks is considered when deciding how to invest the assets. A risk register is maintained to identify, manage and monitor key risks associated with the Open Fund, including investment risks. The register has been reviewed throughout the year at quarterly meetings of the Funds' executive team, at Trustee Committee meetings and at a full Trustee Board meeting.

As broadly all DB Section benefit liabilities are now covered by buy-in policies, the Trustee expects to be able to meet future benefit payments irrespective of investment strategy and climate change risks associated with the remaining assets. Accordingly, these risks were removed from the DB Section's risk register during the year, and the risk of insufficient funds being available to meet member benefits was downgraded to the lowest level.

Towards the end of the financial year, the Trustee received a provisional legal opinion that no additional benefit liabilities would arise from the Virgin Media court case decision. As a result, the related risk in the register was also downgraded.

DB Section

The principal DB section risks are documented in Section 1 of Appendix A of the SIP, which includes a description of how each risk is managed. Activity during the year to manage the more significant risks is as follows:

Strategic / inadequate long-term return risk

This is the risk that, over the long-term, assets are inadequate to meet the Fund's liabilities as they fall due. This risk has been significantly mitigated by the purchase of buy-in policies to provide an income stream which is expected to cover all future benefit liabilities.

Throughout the year, the Trustee regularly assessed whether sufficient residual assets remained to cover any liabilities not insured by the buy-in policies, principally:

- the Fund's future administration expenses
- GMP rectification and equalisation liabilities
- any additional liabilities that could potentially have arisen from the Virgin Media versus NTL Pension Trustees II court case.

The Trustee received regular updates throughout the year on forecasted cash flow and liquidity, covering the period up to the expected wind-up date of the Open Fund. Based on these updates, the Trustee concluded that there would be sufficient liquid assets to meet all future administration expense and GMP-related liabilities.

Towards the end of the financial year, the Trustee received a provisional legal opinion that no additional liabilities would arise from the Virgin Media court case decision. Prior to this confirmation, the Trustee had:

- considered a range of possible scenarios and developed contingency plans to ensure that any liabilities resulting from the case could be met.
- adopted an investment strategy for the DB Section remaining assets (excluding buy-ins), consisting of a liquidity fund allocation to cover expected administration expenses and an allocation to index-linked gilts and high-quality corporate bonds aimed at reducing the risk that market movements might result in Virgin Media and GMP equalisation liabilities increasing disproportionately relative to the value of remaining assets.

Following the provisional legal opinion that the Virgin Media case had no implications for members' benefits, the Trustee revised the investment strategy during the March 2025 quarter, as described earlier in Section 2.

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Investment manager / custodian risk

Section 6 covers management of the risks that investment managers fail to meet their investment objectives and custodians fail to settle trades on time or provide secure safekeeping of assets.

Lack of diversification / default of the buy-in providers

A significant proportion of the Open Fund's assets are invested in buy-in contracts and are therefore exposed to the risk of the buy-in providers defaulting. To mitigate this risk, reliance is placed on the Prudential Regulatory Authority's oversight of the buy-in providers and, in the unlikely event of a provider failure, potential eligibility for compensation under the Financial Services Compensation Scheme.

The Trustee actively monitored for any emerging issues by reviewing quarterly updates of the buy-in providers' solvency ratios, financial results and business activity. In addition, an annual review was carried out to assess the buy-in providers' approach to climate change risks and opportunities.

Liquidity risk

This is the risk of being unable to realise assets to meet benefit cash flows as they fall due. Although the buy-in policies are not tradable, they provide liquidity through a cash income stream which broadly matches the timing of benefit payment cash outflows as they fall due.

Except for fixed assets, all other Fund assets are considered liquid and, under normal market conditions, can be realised within a short timeframe if required. The fixed assets had a market value of £1.3m at 31 March 2025 and are immaterial to the DB Section's overall investment objectives.

Climate and other Environmental, Social & Governance ("ESG") risks

Climate risk is the risk associated with the transition to a low carbon economy, and the physical risks of climate change, such as extreme weather. How the Trustee manages climate risk is described in the Trustee's annual Climate Change Report, a copy of which can be found on the Funds' website at <https://www.itb-online.co.uk/library>.

Section 8 below provides further information on management of risks to investment performance relating to climate change and other ESG factors such as unsustainable business practices and unsound corporate governance.

Sponsor risk

This is the risk that Participating Employers are unable to support the Fund as anticipated, for example due to insolvency. However, as the vast majority of benefit liabilities are secured through buy-in policies with PIC and Just, sponsor risk is considered relatively low. The Trustee continues to monitor the financial strength of all Employers, with support from the covenant adviser. An annual covenant assessment for all Employers was considered by the Trustee in July 2024, and a further update specifically concerning the largest employer, CITB, was reviewed in January 2025.

DC Section and DB Section AVC members

The principal DC section risks are documented in Section 2 of Appendix A of the SIP. Activity during the year to manage the more significant risks is as follows:

Inadequate long-term return risk

This risk is managed through funds which invest in equities and are expected to provide positive returns above inflation over the long-term. Funds investing in equities are used in the default arrangement and are also available within the self-select fund range.

Risk of deterioration in investment conditions near retirement

To protect against this risk, the default lifestyle strategy, the ITB Drawdown, automatically switches investments to a progressively lower risk investment strategy from 15 years before retirement. DC section members can also select Cash and Annuity lifestyle options which employ similar switching strategies to reduce the impact of a deterioration in investment conditions near retirement.

Risk of lack of diversification and unsuitable investments

Most major asset classes are available to the membership including an Islamic equity fund for members that wish to invest in line with Islamic beliefs and an Ethical equity fund for members who wish for ethical matters to be considered in their investments. The funds available to members have a suitably diversified range of holdings and were assessed during the year as continuing to provide members with adequate options.

Risk from excessive charges

The risk to DC Section members' investments from excessive charges is managed through regular review of investment managers' fees to ensure they remain in line with market practice. This includes an annual assessment of whether the charges represent good value for members. The most recent assessment, covering the year to 31 March 2024, was reviewed by the Trustee in September 2024 and concluded that DC Section members were receiving very good value for money.

The Open Fund is targeting a buy-out of its DB Section liabilities during 2026. The Trustee concluded that, following such a buy-out, the charges borne by DC Section members and/or their employers could become excessive. To mitigate this risk, the Trustee transferred DC members to the Legal & General Mastertrust in August 2025 and intends to wind-up the DC Section thereafter. The AVC investments held by DB Section members are expected to be transferred to an alternative arrangement managed by a third-party provider in 2026.

Investment manager risk

This is covered in Section 6.

Climate and other Environmental, Social & Governance ("ESG") risks

The earlier comments made in relation to the DB Section also apply to the DC Section.

4. Investment Strategy

DB Section

Details of the Trustee's investment strategy, including any changes made during the year, are outlined in Section 2 above, which describes how the SIP investment objectives are being achieved.

The Trustee reviewed the actual asset allocation of the Open Fund DB Section on a quarterly basis, comparing it to the target investment strategy. While some variation away from the target is expected over time, there were no material deviations during the year.

Up to the end of February 2025, the benchmark allocation for the investments managed by BlackRock was 30% corporate bonds and 70% index-linked gilts. BlackRock monitored the asset allocation daily and was required to rebalance the portfolio if the actual allocation deviated from the benchmark by 2.5% or more. However, as deviations remained within this threshold throughout the period, no rebalancing was undertaken.

From March 2025, BlackRock's benchmark was changed to 100% index-linked gilts and ongoing monitoring of the asset allocation became unnecessary.

The results of the Fund's 31 March 2024 annual actuarial funding update were considered by the Trustee during the year. This showed the Fund's estimated funding surplus had decreased from £25.5m to £17.8m, mainly because the insurance premium paid to Just during 2023/24 exceeded the Actuary's valuation of the liabilities insured, on a technical provisions basis. However, this transaction transferred further risk to the insurers, thereby improving the overall security of members' benefits. Despite the fall in surplus, the funding level increased from 107% to 133%, reflecting the lower values of both assets and liabilities. The Trustee therefore determined that no changes to the investment strategy were required.

Two changes were made to the terms and conditions of the Fund's buy-in policies during the year:

- PIC Iguana policy: The calculation of annual increases to the index-linked liabilities paid under this policy was amended from the Retail Prices Index ("RPI") to the Consumer Prices Index ("CPI"). This change resulted in a premium refund of £4.6m being paid to the Trustee in July 2024.
- Just Salus policy: The early retirement factors for members with Old Section benefits were amended to align with market rate factors during the year. This resulted in a premium refund of £8.7m being paid to the Trustee in July 2025.

DC Section and DB Section AVC members

The investment strategy for the Open Fund DC Section and DB Section AVCs is to provide members with a range of investment options, having regard to their long-term expected returns and the variability of those returns.

The only change implemented to the investment fund arrangements during the year was to add the L&G Future World Multi-Asset Fund to the self-select range and in place of the L&G Multi-Asset Fund in the lifestyle strategies. The rationale for this change is covered in Section 2.

5. Considerations in setting the investment strategy

The SIP sets out the Trustee's principal considerations when setting the investment strategy and its key investment beliefs. There have been no changes to these during the year.

The buy-in policies with Just and PIC broadly cover all current and future DB section member benefit payments and significantly mitigate the risk of there being insufficient funds available to pay future benefits.

The most recent investment strategy review of the DB Section's remaining assets, undertaken in January 2025, considered the matters set out in the SIP, including the intended use of those assets. The revised strategy implemented following the review reflected that assets expected to be used to meet GMP-related liabilities should be invested in index-linked gilts in order to broadly track the movements in those liabilities. Assets expected to be used to cover expenses, or to be returned to the Employers at wind-up, should be held in a liquidity fund in order to minimise volatility.

A full review of the DC and AVC investment strategy is undertaken at least once every three years. The most recent review, completed in 2023, considered which default strategy would be most appropriate based on the membership's age profile, contribution rates and projected pot sizes. The risk and return profile of the DC default strategy was also assessed to determine how well it met the Trustee's objective to grow member pots materially above inflation whilst they are far from retirement and then to gradually reduce investment risk as members become close to retirement.

As part of the review, a broad range of asset classes was considered, including illiquid assets. However, it was decided not to allocate specifically to illiquid assets due to the potentially short timeframe before the transfer of members to an alternative master trust, the limited number of viable investment options, and the relatively high associated charges.

6. Investment manager and custodian oversight

The Trustee has policy agreements in place with the buy-in insurance companies which govern the operation of the DB Section's buy-in policies. The financial strength of the buy-in providers was monitored quarterly by the Trustee and concluded to have remained strong and stable throughout the year.

Other investment assets are principally managed under the terms of written agreements with BlackRock (DB Section), Legal & General (DC Section and AVCs) and Fidelity (both sections) who undertake the day-to-day investment activity. The Bank of New York Mellon is responsible for the custody of the BlackRock-managed pooled funds. Custody of other investment assets is arranged by the investment managers.

The following activity took place during the year in relation to investment manager oversight and risk mitigation:

- There were quarterly reviews covering the managers' performance against objectives, adherence to mandates, and the Fund investment adviser's manager / product ratings. There was also ongoing monitoring for any significant events affecting the managers which might impact upon their ability to achieve the Trustee's objectives.
- There was one meeting with each of the principal investment managers, BlackRock and Legal & General, to discuss their investment strategies, performance, governance processes and approach to responsible investment, including engagement activities and climate change.
- Annual reviews were undertaken of investment managers' internal control assurance reports (where available) and the pooled fund investments' annual audited financial statements.

There were no significant matters arising from this risk mitigation activity during the year and no changes were made to the investment managers.

7. Realisation of investments

The Trustee's policy is to have access to sufficient liquid assets to meet any cash outflows without disrupting the overall investment policy wherever possible.

DB Section

The DB Section's short- and long-term cash flow requirements are reviewed by the Trustee at least quarterly. To diversify counterparty risk exposure and enhance returns, surplus cash not required for near-term obligations is invested in a Fidelity-managed liquidity fund. This fund offers daily liquidity, allowing cash to be invested or withdrawn as needed.

During the year, the liquidation of the Schroder European Property Fund was completed, resulting in a final cash distribution of £32,000.

Additionally, disinvestments totalling £1.34 million were made from BlackRock's gilt and credit funds to cover GMP equalisation uplifts and arrears payments to the Fund's pensioners.

Section 3 describes how the Trustee manages liquidity risk.

DC Section and DB Section AVC members

All funds in which DC Section and AVC members can invest are traded daily, which enables members to realise and change their investments readily.

The DC Section invests cash that is surplus to near-term requirements in the same Fidelity Liquidity Fund that is used by the DB Section.

8. Financially material and non-financial matters

Financially material matters

Financially material matters are those expected to have a significant impact on the long-term performance of investments.

The Trustee has appointed investment managers it believes have the skills and processes to take account of financially material considerations, including those related to climate change, broader ESG factors, voting and engagement. Oversight of the managers includes ongoing assessment of the nature and effectiveness of their approaches to these considerations.

While the Trustee encourages managers to improve their ESG practices, it acknowledges the limited influence it has over the investment practices of pooled funds and buy-in policy providers once investments are made. As a result, improvements may instead be achieved by changing managers or the pooled funds. For example, in May 2024, L&G Multi-Asset Fund was replaced by the L&G Future World Multi-Asset Fund in the DC Section lifestyle strategies, as described earlier in Section 2.

Recognising the specific financial risks posed by climate change, the Trustee has set out its beliefs and governance approach to managing climate-related risks and opportunities in publicly available documents on the Funds' website, <https://www.itb-online.co.uk/library>. Both the Climate Related Risk Beliefs and Climate Governance Statement documents were reviewed and updated during the year, although no significant changes were deemed necessary.

The Funds' third annual Task Force on Climate-Related Financial Disclosures (TCFD) report was published in October 2024, setting out the activities and approach taken to understand and mitigate climate-related risks. The report concluded that the Open Fund was relatively well positioned to manage climate-related risks and to capitalise on opportunities arising from the transition to a lower-carbon economy.

The DB Section's investments have a very low overall exposure to climate risk. The DC Section's equity exposure results in a higher climate risk profile, although the potential impact has been reduced through use of low carbon equity funds within the default and lifestyle strategies. The selection process for the new DC Master Trust provider included consideration of the shortlisted providers' climate strategies. The Trustee is satisfied

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that the selected provider, the Legal & General Mastertrust, aligns well with the Trustee's climate-related beliefs and policies.

To assess the financial implications of different climate scenarios, the Trustee reviewed an updated scenario analysis prepared by the investment adviser during the year and considered its implications.

In line with the TCFD framework, the Trustee has set a target for 75% of listed equity and corporate bond investments to have Science Based Target initiative (SBTi) targets by 2030. A review in March 2025 found that good progress was being made, with the proportion of equity holdings with SBTi-aligned targets increasing by 14%, and credit holdings by 8%, over the preceding 12 months.

The Trustee has agreed specific metrics to monitor the Fund's climate-related investment risks. The most recent metrics review, in March 2025, found that Scope 1 and 2 carbon emissions had improved across all DC equity and credit investments. The DC multi-asset allocation benefited from the transition to the lower-carbon Future World Fund. Data quality improved for L&G's Low Carbon Equity Fund but deteriorated for the DC multi-asset allocation due to the fund switch. Scope 3 emissions had worsened, although the figures were largely estimated and impacted by evolving data quality and sources. Changes in measurement methodology made it difficult to draw firm conclusions regarding emissions reporting for the BlackRock credit fund.

The Trustee has also reviewed the climate characteristics of the buy-in policy providers' investments during the year. Both providers had targeted achieving net zero emissions by 2050 and had set other climate-related targets. The Trustee concluded that their long-term approach to addressing climate risks and opportunities was broadly aligned with its own objectives and beliefs.

Additionally, the Trustee has endorsed five 'policy asks' developed by its investment adviser, LCP, to encourage regulators and policymakers to more effectively address the systemic financial risks posed by climate change.

Non-financial matters

Non-financial matters are considerations not directly related to investment risk and performance, such as social concerns and ethical, moral and religious beliefs. The Trustee does not generally consider non-financial matters in the selection, retention and realisation of investments. However, within the DC Section the Trustee recognises that some members may wish for their ethical and religious views to be reflected in their investments and, therefore, has made available the L&G Ethical Global Equity Index Fund and the HSBC Islamic Global Equity Fund as member investment options.

9. Exercise of investment rights and stewardship

The Trustee believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights, protects and enhances the long-term value of investments.

Exercise of investment rights

Listed equity is the primary asset class in which voting rights can be exercised. The DC Section invests in six funds that hold listed equities, further details of which can be found in Section 11. The DB Section does not hold any listed equities, either directly or indirectly.

The exercise of rights attached to investments, including voting rights, has been delegated to the investment managers. The Trustee monitors and reviews how managers exercise those rights but does not engage directly in voting activities or use proxy voting services.

The Trustee has adopted the AMNT Red Lines as the Open Fund's voting policy. The Investment Governance Working Group has concluded that Legal & General, the DC Section's primary pooled fund listed equity manager, exercises voting rights in a manner that is broadly aligned with AMNT Red Lines for the Trustee's stewardship priorities. Where divergences occur, the Trustee is satisfied that reasonable justifications have been provided.

Stewardship and engagement

The Trustee has selected the following priority ESG themes to guide its monitoring of investment managers' voting and engagement activities:

- Climate change (Environmental)

- Diversity and Inclusion (Social)
- Executive Pay (Governance)

Following a review by the Investment Governance Working Group during the year, the Trustee concluded that these three priority themes remained appropriate.

The Fund's investment managers have been informed of the Trustee's stewardship priorities. Updates on stewardship and engagement activities of BlackRock and Legal & General were provided through quarterly reporting and during their annual attendance at a Joint Management Committee meeting.

During the year, the Trustee also reviewed the investment stewardship and responsible investment practices of its managers by considering the outcomes from the investment adviser's annual Responsible Investment survey. This survey covered each manager's ESG and climate approaches, engagement activity, systemic stewardship and (where relevant) voting practices. The Trustee concluded that, while managers had made significant progress in responsible investment practices, further improvements could still be made.

The selection process for the new DC Master Trust provider included consideration of how the shortlisted providers integrated responsible investment considerations into their fund offerings.

Additionally, the Investment Governance Working Group has undertaken more detailed reviews of investment manager stewardship, including Legal & General's ESG Impact Reports and supplementary information on social diversity engagement, which were concluded to be broadly aligned with the Trustee's beliefs and priorities.

10. Responsibilities and investment decision making structure

The responsibilities of the Trustee Directors, the investment adviser, the investment managers and the custodian are set out in Appendix C of the SIP.

Investment adviser

LCP is the appointed investment adviser. The performance of LCP against its objectives was subjected to a full periodic assessment by the Investment Committee in November 2022 and a regular annual review by the Joint Management Committee in January 2025.

Investment managers and custodian

Investment manager and custodian oversight is described in Section 6.

Investment decision-making structure

The Trustee Board has delegated responsibility for certain investment matters to the following bodies:

- **Investment Committee** – This Committee operated until May 2024 and consisted of the Chair of the Trustee Board, the two Deputy Chairs and up to three other Trustee Directors. It met once during the year.
- **Management Committee** - Established in June 2024 (and initially named the Joint Management Committee), this Committee assumed responsibility for all matters that were previously overseen by either the Management Panel or the Investment Committee. Until March 2025, its membership comprised the Chair of the Trustee Board, the two Deputy Chairs and up to four other Trustee Directors. From April 2025 the word 'Joint' was dropped from the Committee's name and its membership was revised to the Chair, the two Deputy Chairs, the immediate past Chair and up to two additional Trustee Directors. The Committee met five times during the year and completed all key investment activities in its Business Plan. The investment adviser attended all of the meetings.
- **Investment Governance Working Group** - Reporting to the Management Committee this Group considers policy and compliance in relation to investment governance and stewardship, including ESG, climate change, voting and engagement. It met three times during the year.

During the year the Trustee's legal adviser, Mayer Brown, provided a training session to the Trustee Board on the requirements for the SIP and the SIP Implementation Statement.

11. Description of voting behaviour during the year

All Open Fund listed equities are held within pooled funds and the Trustee has delegated the exercise of voting rights to the pooled funds' investment managers. The Trustee is unable to instruct how votes are exercised and has not used any proxy voting services during the year.

Voting data is provided for the following funds that held listed equities during the year:

- Legal & General Investment Management ("LGIM") Low Carbon Transition Global Equity Index Fund (currency hedged and unhedged versions)
- LGIM Ethical Global Equity Index Fund
- LGIM Global Equity (30:70) Index Fund – 75% GBP Currency Hedged
- LGIM Multi Asset Fund
- LGIM Future World Multi Asset Fund
- HSBC Global Asset Management (UK) Limited ("HSBC") Islamic Global Equity Index Fund

The above list includes the equity funds used in the DC and AVC default strategy and the self-select funds which hold equities.

11.1 Managers' voting processes

LGIM

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all clients. LGIM's voting policies are reviewed annually and take into account feedback from clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. LGIM also takes into account client feedback received at regular meetings and / or ad-hoc comments or enquiries.

All decisions are made by LGIM's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of LGIM's team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures the stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses Institutional Shareholder Services (ISS) 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM does not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with LGIM's position on ESG, LGIM has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on the custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure votes are fully and effectively executed in accordance with LGIM's voting policies by the service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

For more information, please refer to LGIM's policy document which can be found at: https://cms.lgim.com/globalassets/lgim/_document-library/capabilities/how-lgim-uses-proxy-voting-services.pdf

HSBC

The legal right to the underlying votes lies with the directors of the HSBC CCF Islamic Global Equity Fund. They have delegated the execution of this voting to HSBC Global Asset Management (UK) Limited.

HSBC exercises its voting rights as an expression of stewardship for client assets. HSBC has global voting guidelines which protect investor interests and foster good practice, highlighting independent directors, remuneration linked to performance, limits on dilution of existing shareholders and opposition to poison pills.

HSBC uses the leading voting research and platform provider ISS to assist with the global application of its voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene HSBC's guidelines. HSBC reviews voting policy recommendations according to the scale of its overall holdings. The bulk of holdings are voted in line with the recommendation based on HSBC's guidelines.

11.2 Description of investment managers' voting behaviour over the year

DB Section

Except for AVC members, no equities were held by the DB Section's investment managers during the financial year and no votes were exercised.

DC Section and DB Section AVC members

Investment managers' voting behaviour is shown in the tables on the next page.

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Legal & General Investment Management					
	Low Carbon Transition Global Equity Index Fund	Ethical Global Equity Index Fund	Global Equity (30:70) Index Fund – 75% Currency Hedged	Multi Asset Fund	Future World Multi Asset Fund
Total size of fund at end of reporting period	£5,561.7m	£1,215.8m	£2,088.2m	£20,139.1m	£14,676.8m
Value of Funds' assets at end of reporting period	£24.1m	£0.9m	£1.8m	£2.1m	£23.1m
Number of equity holdings at end of reporting period	2,737	1,078	4,569	7,087	6,632
Number of meetings eligible to vote	4,703	1,194	7,210	10,638	9,545
Number of resolutions eligible to vote	47,050	16,792	71,485	105,686	96,018
% of resolutions voted	99.8%	99.6%	99.8%	99.8%	99.8%
Of the resolutions on which voted, % voted with management	79.6%	82.1%	81.0%	76.6%	76.8%
Of the resolutions on which voted, % voted against management	19.2%	17.5%	17.7%	22.3%	22.4%
Of the resolutions on which voted, % abstained from voting	1.2%	0.4%	1.3%	1.1%	0.8%
Of the meetings in which the manager voted, % with at least one vote against management	61.4%	73.5%	58.6%	69.2%	70.7%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	10.9%	13.6%	9.9%	13.8%	14.0%

HSBC Global Asset Management (UK) Limited	
Islamic Global Equity Index Fund	
Total size of fund at end of reporting period	£4,226.1m
Value of Funds' assets at end of reporting period	£0.2m
Number of holdings at end of reporting period	99
Number of meetings eligible to vote	105
Number of resolutions eligible to vote	1,719
% of resolutions voted	96%
Of the resolutions on which voted, % voted with management	78%
Of the resolutions on which voted, % voted against management	21%
Of the resolutions on which voted, % abstained from voting	0%
Of the meetings in which the manager voted, % with at least one vote against management	78%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	1%

11.3 Most significant votes

Below is a summary of the most significant votes cast by the equity fund investment managers during the year to 31 March 2025. The Trustee's definition of a "significant vote" is expected to evolve over time, informed by input from its investment adviser and investment managers

For the purposes of this report, "most significant votes" have been identified based on the investment managers' views, whether the vote was against the company board's recommendation, the materiality of the holding within the fund and relevance to the Trustee's three stewardship priorities: climate change, diversity and inclusion, and executive pay. Commentary has been provided by the investment managers.

LGIM Funds

In determining significant votes, LGIM's Investment Stewardship team considers the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to votes which have:

- **High profile**, where there is such a degree of controversy that there is high client and/ or public scrutiny.
- **Significant client interest**, directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM has had a significant increase in requests from clients on a particular vote.
- **Sanctions**, as a result of a direct or collaborative engagement.
- **Links to an LGIM engagement campaign**, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

Votes were exercised by LGIM in 5 DC Section funds: Further information is provided below about 6 significant votes that were exercised by LGIM during the financial year. For each vote, the approximate holding in the company, expressed as a percentage of Fund total size at the date the vote was exercised, was as follows:

Vote	Company	Low Carbon Transition Global Equity Index Fund	Ethical Global Equity Index Fund	Global Equity (30:70) Index Fund – 75% Currency Hedged	Multi-Asset Fund	Future World Multi- Asset Fund
1	Meta Platforms	1.4%	0.0%	1.1%	0.2%	0.2%
2	Tesla	1.3%	0.0%	0.5%	0.1%	0.1%
3	Broadcom	0.8%	0.0%	0.5%	0.1%	0.1%
4	Goldman Sachs	0.2%	0.3%	0.1%	<0.1%	<0.1%
5	Oracle	0.4%	0.6%	0.2%	<0.1%	<0.1%
6	Booking Holdings	0.2%	0.0%	0.1%	<0.1%	<0.1%

Vote 1: Meta Platforms Inc.

May 2024

Summary of resolution:

To elect Peggy Alford as a director.

Why this vote is considered to be most significant:

The vote is against management and the resolution relates to two of the Trustee's stewardship priorities: **Diversity & Inclusion and Executive Pay.**

Voting

Board management recommendation: **For.**

LGIM's vote: **Against** the proposal (Against management).

Outcome of the vote **For** the proposal (For management).

Rationale for LGIM's vote

Ms Alford is the Chair of Meta Platform's Compensation, Nominating and Governance Committee. Rationale for LGIM's vote against her re-election as a director included:

- Meta Platforms having 30% women on its board whereas LGIM expects this should be at least one-third.
- LGIM expects companies to obtain annual shareholder approval of executive directors' pay and non-executive directors' fees.
- LGIM does not support the use of corporate jets for private use.
- LGIM expects all incentives to be subject to clawback if the vested award is later deemed to be unjustified.
- Meta Platforms does not have a shareholding guideline in place for executives.
- LGIM expects a sufficient portion of share incentive awards to be assessed against long term performance conditions to ensure alignment of remuneration with company performance.
- LGIM expects performance to be measured over a three year period.
- LGIM considers Meta Platform's directors to have received consecutive years of high pay without reasonable rationale disclosed.

Next steps

LGIM will continue to engage with Meta Platforms. LGIM will publicly advocate its position and monitor progress.

Vote 2: Tesla Inc.

June 2024

Summary of resolution:

Advisory vote to ratify the compensation for certain Tesla "Named Executive Officers" (NEOs).

Why this vote is considered to be most significant:

The vote is against management, at a high-profile meeting and relates to one of the Trustee's stewardship priorities, **Executive Pay.**

Voting

Board management recommendation: **For.**

LGIM's vote: **Against** the proposal (Against management).

Outcome of the vote **For** the proposal (For management).

Rationale for LGIM's vote

LGIM believes that a remuneration policy should be sufficient to retain and motivate executives. While most of Tesla's NEOs received modest or no compensation for the 2023 Financial Year, one executive was granted an outsized, time-based stock option award upon his promotion, the magnitude and design for which are not adequately explained. The grant does not require the achievement of pre-set performance criteria in order to vest and the value is considered to be excessive.

Next steps

LGIM will continue to engage with Tesla. LGIM will publicly advocate its position and monitor progress.

Vote 3: Broadcom Inc

April 2024

Summary of resolution:

To elect Henry Samueli as a director.

Why this vote is considered to be most significant:

The vote is against management and the resolution relates to one of the Trustee's stewardship priorities: **Climate Change**.

Voting

Board management recommendation:	For.
LGIM's vote:	Against the proposal (Against management).
Outcome of the vote	For the proposal (For management).

Rationale for LGIM's vote

Mr Samueli is the Chair of Broadcom Inc's Board of Directors. LGIM's vote against his election reflects LGIM's Climate Impact Pledge assessment deeming Broadcom to have failed to meet LGIM's minimum climate risk management standards.

Next steps

LGIM will continue to engage with Broadcom. LGIM will publicly advocate its position and monitor progress.

Vote 4: Goldman Sachs Group

April 2024

Summary of resolution:

Shareholder proposal requesting Goldman Sachs to disclose annually its Clean Energy Supply Financing Ratio, defined as its total financing through equity and debt underwriting, and project finance, in low-carbon energy supply relative to that in fossil-fuel energy supply. The disclosure, to be prepared at reasonable expense and excluding confidential information, shall describe Goldman Sachs' methodology, including what it classifies as "low-carbon" or "fossil fuel".

Why this vote is considered to be most significant:

The vote is against management and the resolution relates to one of the Trustee's stewardship priorities: **Climate Change**.

Voting

Board management recommendation:	Against.
LGIM's vote:	For the proposal (Against management).
Outcome of the vote	Against the proposal (For management).

Rationale for LGIM's vote

LGIM believes that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. LGIM expects companies to be undertaking appropriate analysis and reporting on climate change matters, and considers this issue to be a material risk to companies.

Next steps

LGIM will continue to engage with Goldman Sachs. LGIM will publicly advocate its position and monitor progress.

Vote 5: Oracle Corporation

November 2024

Summary of resolution:

To elect Bruce R Chizen as a director.

Why this vote is considered to be most significant:

The vote is against management and the resolution relates to one of the Trustee's stewardship priorities:

Diversity & Inclusion.

Voting

Board management recommendation:

For.

LGIM's vote:

Against the proposal (Against management).

Outcome of the vote

For the proposal (For management).

Rationale for LGIM's vote

Mr Chizen is the Chair of Oracle's Governance Committee. LGIM's vote against his election reflects:

- The average board tenure being 18 years. LGIM believes this to be inconsistent with a board being regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
- Oracle having 31% women on its board. This is below LGIM's expectation of at least one-third.
- The Chair of the Committee having served on the board for 17 years. This exceeds the 15 year limit that LGIM believes should be applied to maintain board independence and a balance of relevant skills, experience, tenure, and background.
- Concerns regarding the time commitment required to manage all board positions.

Next steps

LGIM will continue to engage with Oracle. LGIM will publicly advocate its position and monitor progress.

Vote 6: Booking Holdings Inc.

June 2024

Summary of resolution:

Shareholder proposal requesting Booking Holdings to amend the policy on recoupment of incentive pay to apply to each Named Executive Officer ("NEO") and to state that conduct or negligence — not merely misconduct — shall trigger mandatory application of that policy. Also, the Board to report to shareholders in each annual meeting proxy the results of any deliberations about whether or not to cancel or seek recoupment of unearned compensation paid, granted or awarded to NEOs under this policy.

Why this vote is considered to be most significant:

The vote is against management and relates to one of the Trustee's stewardship priorities, **Executive Pay**.

Voting

Board management recommendation:

Against.

LGIM's vote:

For the proposal (Against management).

Outcome of the vote

Against the proposal (For management).

Rationale for LGIM's vote

LGIM believes that clawback is an important safeguard to enable Booking Holdings' Compensation Committee to clawback any compensation payments that were unjustly paid out.

Next steps

LGIM will continue to engage with Booking Holdings. LGIM will publicly advocate its position and monitor progress.

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HSBC Global Asset Management - Islamic Global Equity Index Fund (DC Section)

HSBC regards votes against management recommendations as the most significant. With regards to climate, HSBC encourages companies to disclose their carbon emissions and climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chair. HSBC also generally supports shareholder resolutions calling for increased disclosure on climate-related issues.

Vote 1: Apple Inc.

February 2025

Holding: 8.4% of total fund size

Summary of resolution:

Advisory vote to ratify the compensation for certain Apple “Named Executive Officers” (NEOs).

Why this vote is considered to be most significant:

Apple has a significant weight in the portfolio, the vote is against management and relates to one of the Trustee’s stewardship priorities, **Executive Pay**.

Voting

Board management recommendation: **For.**

HSBC’s vote: **Against** the proposal (Against management).

Outcome of the vote **For** the proposal (For management).

Rationale for HSBC’s vote

HSBC believes the vesting period for certain NEO’s compensation awards is insufficiently long.

Next steps

HSBC will likely vote against a similar proposal should it see insufficient improvements.

Vote 2: Meta Platforms Inc.

May 2024

Holding: 4.4% of total fund size

Summary of resolution:

Shareholder proposal requesting Meta Platform’s Board to report publicly on its framework for identifying and addressing misalignment between Meta Platform’s lobbying and policy influence activities and positions, and its Net Zero (emissions) climate commitments. The report should cover activities done both directly and indirectly through trade associations, coalitions, alliances and social welfare organisations and reference the criteria used to assess alignment, the escalation strategies employed to address misalignment, and the circumstances under which escalation strategies are used.

Why this vote is considered to be most significant:

Meta Platforms has a significant weight in the portfolio, the vote is against management and relates to one of the Trustee’s stewardship priorities, **Climate change**.

Voting

Board management recommendation: **Against.**

HSBC’s vote: **For** the proposal (Against management).

Outcome of the vote **Against** the proposal (For management).

Rationale for HSBC’s vote

HSBC believes that the proposal would contribute to the better management of climate issues, particularly relating to lobbying.

Next steps

HSBC will likely vote against a similar proposal.

Vote 3: Eli Lilly and Company

June 2024

Holding: 2.3% of total fund size

Summary of resolution:

Shareholder proposal requesting Eli Lilly and Company's Board to report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report to be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for workforce diversity, hiring, promotion, and retention of employees, including data by gender, race, and ethnicity.

Why this vote is considered to be most significant:

Eli Lilly and Company has a significant weight in the portfolio, the vote is against management and relates to one of the Trustee's stewardship priorities, **Diversity & Inclusion**.

Voting

Board management recommendation:

Against.

HSBC's vote:

For the proposal (Against management).

Outcome of the vote

Against the proposal (For management).

Rationale for HSBC's vote

HSBC believes that the proposal would improve transparency on equality issues.

Next steps

HSBC will likely vote against a similar proposal.

Closed Fund SIP

1. SIP Reviews and Changes

The SIP was reviewed and updated once during the year to reflect:

- The removal of the strategic allocation to equities and an increase in the allocation to cash and corporate bonds.
- The transfer of the Investment Committee's responsibilities to a newly established Joint Management Committee. This Committee also assumed responsibility for matters previously overseen by the Trustee's Management Panel.

The following investment changes were agreed during the year and incorporated into a subsequent update of the SIP issued in April 2025:

- Removal of the strategic allocation to corporate bonds and reinvestment of the proceeds into fixed interest gilt funds. This was implemented after the year-end, in April 2025.
- The Joint Management Committee being renamed the Management Committee.

Updates to the SIP were made following advice from the Trustee's investment adviser and after consultation with the sponsoring employer.

2. Objectives

The Closed Fund's primary investment objective is to ensure sufficient assets are available to meet the cost of benefit payments. This objective was effectively achieved in 2011 through the purchase of a buy-in policy with Pension Insurance Corporation ("PIC"), which provides an income stream to cover all current and future Closed Fund benefit liabilities.

Throughout the year, the objective for the remaining assets was to generate capital growth to support benefit enhancements, using a simple, low-cost investment strategy designed to deliver low volatility relative to annuity pricing. As at 1 April 2024, the strategic asset allocation was as follows:

Global equities 15%
UK Index-Linked Gilts 70%
Corporate bonds 15%

In May 2024 the Trustee implemented changes to the investment strategy for the remaining assets, as agreed in the preceding financial year, to further enhance protection of the funding position. These changes comprised:

- Full disinvestment from the global equity allocation.
- Revision of the strategic asset allocation to 70% UK Index-Linked Gilts and 30% Corporate bonds.
- An increase of £2 million in cash and liquidity fund holdings, to cover the Closed Fund's expenses until the planned assignment of the PIC buy-in policy to individual members in 2026.

Following these changes, from May 2024 onwards, the Closed Fund's investment strategy comprised four pooled investments: three BlackRock bond funds and one liquidity fund managed by Fidelity. There were no segregated bond holdings. The investment structure shared a high degree of commonality with that of the Open Fund, supporting simplicity and cost efficiency.

In March 2025, the Trustee undertook a further investment strategy review and, in relation to the remaining assets, agreed the following:

- To remove "acquisition of suitable assets of appropriate diversification" and "generation of additional capital growth to meet further benefit enhancements" as explicit investment objectives. This reflected the ongoing primary investment focus being to maintain a simple, low-cost portfolio with low volatility relative to annuity pricing and ongoing expenses.
- To disinvest from corporate bonds and reinvest the proceeds in fixed interest gilt funds, amending the strategic asset allocation to:
UK Fixed Interest Gilts 30%
UK Index-Linked Gilts 70%

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This decision reflected a negative view on the outlook for corporate bonds and evidence suggesting that they had become less effective as a hedge against annuity pricing fluctuations.

The revised strategic allocation was implemented after the Fund's year-end, in April 2025, and an updated Statement of Investment Principles was issued in the same month.

3. Risks

A wide range of risks is considered when deciding how to invest the assets. A risk register is maintained to identify, manage and monitor key risks associated with the Closed Fund, including investment risks. Reviews of, and changes to, the risk register are the same as described earlier in this Statement for the Open Fund.

The principal DB section risks are documented in Appendix A of the SIP, which includes a description of how each risk is managed. Activity during the year to manage the more significant risks is as follows:

Strategic / inadequate long-term return risk

This risk is low as benefits payable by the Fund are expected to be fully met by the insurance buy-in policy. The security of members' future benefit payments is not therefore dependent on the strategy or long-term returns of the Fund's residual assets. The strategic asset allocation changes implemented in May 2024 further reduced funding level risks.

Investment manager / custodian risk

Section 6 covers management of the risks that investment managers fail to meet their investment objectives and custodians fail to settle trades on time or provide secure safekeeping of assets.

Lack of diversification / default of the buy-in providers

The risks and mitigations are the same as those described earlier in this Statement for the Open Fund.

Liquidity risk /marketability risk

Although the buy-in policies are not tradable, they provide liquidity through a cash income stream which broadly matches the benefit payment cash outflows as they fall due. All other Fund assets are considered liquid and, under normal market conditions, can be realised within a short timeframe if required. Sufficient cash and liquidity is held to meet all future anticipated expenses.

Climate and other Environmental, Social & Governance ("ESG") risks

The risks and mitigations are the same as those described earlier in this Statement for the Open Fund. Further information is provided in Section 8.

RPI versus CPI

Funding levels could be impacted if the CPI inflation measure exceeds the RPI inflation measure over an extended period. The Trustee remains comfortable to run this risk given that historically CPI has been consistently less than RPI.

4. Investment Strategy

The Trustee's investment strategy, including changes made to it during the year, is set out in Section 2 above, which describes how the SIP investment objectives are being achieved.

The Trustee reviewed the actual asset allocation of the Closed Fund on a quarterly basis, comparing it against the target investment strategy. While some variation away from the target is expected over time, there were no material deviations during the year.

BlackRock monitored the asset allocation on a daily basis and was required to rebalance the portfolio if the actual allocation deviated from the benchmark by 2.5% or more. As deviations remained within this threshold throughout the year, no rebalancing was required.

The Fund's actuarial valuation as at 31 March 2024 was completed during the year by the Actuary, who reported the Fund's estimated funding surplus had increased by £16.3m over 12 months to £55.8m. Prior to the year-end, the Trustee agreed to use part of this surplus to fund a special increase to member benefits. To ensure the PIC buy-in policy receipts would remain sufficient to cover the increased benefits, £18.6m was withdrawn from BlackRock-managed bond holdings in April 2025 and reinvested into the buy-in policy.

5. Considerations in setting the investment strategy

The SIP sets out the Trustee's principal considerations when setting the investment strategy and its key investment beliefs. There have been no changes to these during the year.

The buy-in policy is expected to cover all current and future benefit liabilities. The remaining assets are invested with the aim of maintaining low volatility relative to annuity pricing, in anticipation that they will be used to enhance members' future benefits when the PIC buy-in policy is assigned to individual members.

The most recent reviews of the investment strategy for the Fund's remaining assets, undertaken in February 2024 and March 2025, included consideration of the matters that are set out in the SIP and led to the changes that were described earlier in Section 2.

6. Investment manager and custodian oversight

The Trustee has a policy agreement in place with the PIC which governs the operation of the Fund's buy-in policy. The financial strength of PIC was monitored quarterly by the Trustee and concluded to have remained strong and stable throughout the year.

Other investment assets are managed under the terms of written agreements with BlackRock and Fidelity who undertake the day-to-day investment activity. The Bank of New York Mellon is responsible for the custody of the BlackRock-managed pooled funds. The custody of investments in Fidelity's pooled funds is arranged by Fidelity.

The processes and actions in relation to the Trustee's oversight of the investment managers are broadly the same as those described for the Open Fund earlier in this Statement. There were no significant matters arising from investment manager oversight during the year and no changes were made to the investment managers.

7. Realisation of investments

The Trustee's policy is to hold sufficient cash to meet the likely outgoings of the Fund. During the year, all benefit payments were met by receipts from the insurance buy-in policy. To cover the Closed Fund's future expenses £2m was added to the Fund's cash and liquidity balances through a withdrawal from BlackRock-managed bonds.

The Fund's cash flow requirements are regularly reviewed. To diversify counterparty risk exposure and enhance returns, surplus cash not required for near-term obligations is invested in a Fidelity-managed liquidity fund. This fund offers daily liquidity, allowing cash to be invested or withdrawn as needed.

Section 3 describes how the Trustee manages liquidity risk.

8. Financially material and non-financial matters

Financially material matters

The Trustee has appointed investment managers it believes possess the skills and processes to incorporate financially material considerations into their decision-making. These include factors related to climate change, broader ESG factors, and matters concerning voting and engagement. Oversight of investment managers involves ongoing assessment of the nature and effectiveness of their approaches to these considerations.

The Closed Fund adopts a similar approach to climate and ESG related considerations to that described earlier in this Statement for the Open Fund. The TCFD report, Climate Related Risk Beliefs and Climate Governance Statement cover both the Open and Closed Funds.

As the liabilities of the Closed Fund are fully insured, the risk of members not receiving their pensions due to climate change risks is very low. Nevertheless, the Trustee expects the Fund's investment managers and its buy-in provider to manage climate risks and enhance ESG practices. During the year, the Trustee reviewed the approach to climate change taken by the buy-in provider, noting its commitment to achieving net zero emissions by 2050 and the establishment of additional climate-related targets. Overall, its approach was assessed as being well aligned with the Trustee's aims and expectations.

The ITB Pension Funds Annual Report and Financial Statements

In September 2024, BlackRock presented a comprehensive overview to the Joint Management Committee of how ESG considerations are integrated into the investment process for the Buy and Maintain corporate bond fund. The Committee concluded that BlackRock's approach was broadly consistent with the Trustee's objectives.

A review conducted in March 2025 of the Fund's progress towards its SBTi climate target found satisfactory progress. Specifically, the proportion of BlackRock's credit holdings with SBTi-aligned targets had increased by an average of 8% over the preceding 12 months. However, changes in measurement methodology made it difficult to draw firm conclusions about whether carbon emissions from BlackRock's credit holdings had improved compared to the previous year.

Non-financial matters

The Trustee does not generally consider non-financial matters in the selection, retention and realisation of investments.

9. Voting and engagement

The Trustee believes that engaging with investee companies and exercising voting rights helps to protect and enhance the long-term value of investments.

Exercise of investment rights

Listed equity is the primary asset class in which voting rights can be exercised. The Closed Fund held listed equities through a pooled fund managed by BlackRock until 16 May 2024, but did not hold any listed equities, either directly or indirectly, after that date.

The exercise of rights attached to investments, including voting rights, was delegated to the Closed Fund's investment manager, BlackRock. The Trustee monitored and reviewed how BlackRock exercised those rights but did not engage directly in voting activities or use proxy voting services.

The Trustee has adopted the AMNT Red Lines as the Closed Fund's voting policy. A review of the extent to which BlackRock's voting activities aligned with the AMNT Red Lines was suspended in February 2024 following the decision to fully disinvest from BlackRock's pooled equity fund.

Stewardship and engagement

The Trustee has selected the following priority ESG themes to guide its monitoring of investment managers' voting and engagement activities:

- Climate change (Environmental)
- Diversity and Inclusion (Social)
- Executive Pay (Governance)

Following a review by the Investment Governance Working Group during the year, the Trustee concluded that these three priority themes remained appropriate.

The Fund's investment managers have been informed of the Trustee's stewardship priorities. BlackRock's stewardship and engagement activities have been monitored through quarterly reporting reviews and during its annual update to the Trustee at the Joint Management Committee meeting.

Additionally, as noted earlier in the Open Fund's Statement, the Trustee considered the results of the investment adviser's annual Responsible Investment survey, and the Investment Governance Working Group has undertaken a more in-depth review of the managers' approaches to stewardship matters.

10. Responsibilities and investment decision making structure

The actions undertaken to implement the Closed Fund's SIP are the same as those described for the Open Fund earlier in this Statement.

11. Description of voting behaviour during the year

During the period 1 April 2024 to 16 May 2024 the Closed Fund held listed equities through a pooled fund managed by BlackRock. The exercise of voting rights was delegated to BlackRock and the Trustee did not use any proxy voting services.

Voting data is provided only for the BlackRock ACS World Low Carbon Equity Tracker Fund up to 16 May 2024 as the Closed Fund did not hold any listed equity investments after that date.

11.1 BlackRock's voting and engagement processes

BlackRock's voting and engagement processes applicable for the part year during which there was an investment in a BlackRock equity fund, are described below.

BlackRock's team, and its voting and engagement work, continuously evolves in response to changing governance related developments and expectations. BlackRock's voting guidelines are market-specific to ensure they take into account a company's unique circumstances by market, where relevant. BlackRock informs vote decisions through research and engages as necessary.

BlackRock's engagement priorities are global in nature and are informed by observations of governance related and market developments, as well as through dialogue with multiple stakeholders, including clients. BlackRock may update its regional engagement priorities based on issues that it believes could impact the long-term sustainable financial performance of companies in those markets.

BlackRock welcomes discussions with its clients on engagement and voting topics and priorities to get their perspective and better understand which issues are important to them. As outlined in its Global Principles, BlackRock determines which companies to engage directly based on an assessment of the materiality of the issue for sustainable long-term financial returns and the likelihood of its engagement being productive.

BlackRock's voting guidelines are intended to help clients and companies understand BlackRock's thinking on key governance matters. They are the benchmark against which BlackRock assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant.

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BIS team with input from investment colleagues as required and in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

While BlackRock subscribes to research from the proxy advisory firms ISS and Glass Lewis, this is just one among many inputs into the vote analysis process and BlackRock does not blindly follow their recommendations on how to vote. BlackRock primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that the investment stewardship analysts can readily identify and prioritise those companies where additional research and engagement would be beneficial. Other sources of information used include the company's own reporting (such as the proxy statement and the website), BlackRock's engagement and voting history with the company, the views of active investors, public information and ESG research.

BIS prioritises its work around themes that it believes will encourage sound governance practices and deliver sustainable long-term financial performance. The year-round engagement with clients to understand their priorities and expectations, as well as active participation in market-wide policy debates, help inform these themes. The themes identified in turn shape BlackRock's Global Principles, market-specific Voting Guidelines and Engagement Priorities, which form the benchmark against which BlackRock looks at the sustainable long-term financial performance of investee companies.

11.2 Description of BlackRock's voting behaviour

A summary of voting behaviour over the period 1 April to 16 May 2024, when listed equities were held, is provided in the table below.

BlackRock Investment Management (UK) Limited ACS World Low Carbon Equity Tracker Fund	
Total size of fund at end of reporting period	N/A*
Value of Funds' assets at end of reporting period	N/A*
Number of holdings at end of reporting period	N/A*
Number of meetings eligible to vote	374
Number of resolutions eligible to vote	6,234
% of resolutions voted	89%
Of the resolutions on which voted, % voted with management	97%
Of the resolutions on which voted, % voted against management	2%
Of the resolutions on which voted, % abstained from voting	0%
Of the meetings in which the manager voted, % with at least one vote against management	13%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	4%

* The Closed Fund's holding in the BlackRock ACS World Low Carbon Equity Tracker Fund was disposed of on 16 May 2024 for £12.4m. As of 31 March 2024, the size of the BlackRock ACS World Low Carbon Equity Tracker Fund was £6.7bn and it held 849 investments.

11.3 Most significant votes

"Most significant votes" are those which BlackRock considers to be significant and/or which are most relevant to the Trustee's stewardship priorities - climate change, diversity and inclusion, and executive pay.

The Trustee considers the two votes listed below to be the most significant cast by BlackRock for the underlying holdings of the ACS World Low Carbon Equity Tracker Fund, prior to the full disinvestment from that Fund on 16 May 2024:

Vote 1: Targa Resources Corp	May 2024	Holding: 0.38% of total fund size
Summary of resolution: To elect Lindsey M Cooksen as a director. Why this vote is considered to be most significant: The resolution relates to one of the Trustee's stewardship priorities, Climate Change, and the vote is against management. Voting Board management recommendation: For BlackRock's vote: Against the proposal (Against management) Outcome of the vote: For the proposal (For management) Rationale for BlackRock's vote Ms Cooksen is a member of Targa Resources' Sustainability Committee, which oversees environmental, social, and sustainability matters, including governance in relation to such matters. The vote against her election as a director for a further 3-year period until the 2027 AGM reflected a failure by Targa Resources to meet BlackRock's aspirations of having adequate climate-related metrics and targets. Next steps Not disclosed by BlackRock.		

Vote 2: Temenos AG

May 2024

Holding: 0.02% of total fund size

Summary of resolution:

To approve the Company's 2023 Compensation Report covering the Company's compensation systems, policies, practices and any changes implemented, as well as the compensation paid to the respective bodies for the year ended 31 December 2023.

Why this vote is considered to be most significant:

The resolution relates to one of the Trustee's stewardship priorities, **Executive Pay**, and the vote is against management.

Voting

Board management recommendation:

For

BlackRock's vote:

The shareholding was **not voted** on due to liquidity concerns, as the holding was subject to share-blocking. BlackRock voted against the resolution for other Temenos shares it held that were not subject to blocking.

Outcome of the vote

Against the proposal (Against management)

Rationale for BlackRock's vote

BlackRock did not support Temenos' executive remuneration policy, because it viewed the proposed remuneration structure and disclosures as lacking sufficient detail on alignment with the long-term financial of interests of minority shareholders, including BlackRock's clients.

Next steps

Temenos' Compensation Report received approximately 33% shareholder support and was therefore not approved. In response, the Temenos board released a statement re-affirming the board's awareness of shareholder concerns while attributing remuneration issues to "exceptional circumstances around the transition to a new CEO." Temenos has stated that it will continue to reflect on the vote result and provide a more detailed rationale in its remuneration disclosures. BlackRock will continue to engage with Temenos to discuss its approach to future remuneration structures.

Actuarial Certificates

Closed Fund



Government
Actuary's
Department

Name of scheme: **The ITB Pension Funds – The Closed Fund**

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2024 to continue to be met for the period for which the schedule is to be in force.
2. I also certify that any rates of contributions forming part of this schedule which the Fund requires me to determine, are not lower than I would have provided for had I had responsibility for preparing or revising the schedule, the statement of funding principles and any recovery plan.

Adherence to statement of funding principles

3. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles agreed on 31 January 2025.

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

Signature: 

Date: 6 March 2025

Name: Matt Gurden

Qualification: Fellow of the Institute
and Faculty of Actuaries

Address: 10 South Colonnade
London
E14 4PU

Employer: Government Actuary's
Department

Open Fund



Government
Actuary's
Department

Actuarial Certificate – Schedule of Contributions

Name of scheme: **The ITB Pension Funds – The Open Fund**

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force.
2. I also certify that any rates of contributions forming part of this schedule which the scheme requires me to determine are not lower than I would have provided for had I had responsibility for preparing or revising the schedule, the statement of funding principles and any recovery plan.

Adherence to statement of funding principles

3. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 27 January 2023.

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

Signature:		Date:	1 March 2023
Name:	Martin Clarke	Qualification:	FIA
Address:	Finlaison House 15-17 Furnival Street London EC4A 1AB	Name of Employer:	GAD

Summary of Contributions

Payable in the year

During the year, the contributions payable by the Employers under the Open Fund's Schedule of Contributions were as follows:

	2025 £'000
Contributions payable under the Schedule of Contributions	
Employers' normal contributions	8,370
Employers' life assurance contributions	305
Members' normal contributions	423
Total contributions payable to the Scheme under the Schedule, as reported on by the Scheme auditors	9,098

During the year, there were no contributions payable by the Employers under the Closed Fund's Schedule of Contributions.

The Summary of Contributions was approved by the Trustee on 4 September 2025 and signed on its behalf by:

J M Woolf
Chair

D Birtwistle
Deputy Chair

Independent auditors' report

to the Trustee of The ITB Pension Funds

Report on the audit of the financial statements

Opinion

In our opinion, The ITB Pension Funds's financial statements:

- show a true and fair view of the financial transactions of the Funds during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Statement of Net Assets (available for benefits) as at 31 March 2025; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Funds's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Trustee is responsible for the other information. 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 thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustee for the financial statements

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The Trustee is also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Funds and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Funds in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the Trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the Trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

4th September 2025

Independent auditors' statement

about contributions to the Trustee of The ITB Pension Funds

Statement about contributions

Opinion

In our opinion, the contributions payable under the schedules of contributions for the Funds year ended 31 March 2025 as reported in The ITB Pension Funds's summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the Funds actuary on 25 February 2022, 1 March 2023 and 6 March 2025.

We have examined The ITB Pension Funds's summary of contributions for the Funds year ended 31 March 2025 which is set out on page 70.

Basis for opinion

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 in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Funds under the schedules of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Trustee in respect of contributions

As explained more fully in the statement of Trustee's responsibilities, the Funds's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Funds by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

4th September 2025

THE ITB PENSION FUNDS

Financial Statements

For the year ended 31 March 2025

Fund Account

For the year ended 31 March 2025

	Notes	Closed Fund 2025 £'000	Open Fund DB Section 2025 £'000	DC Section 2025 £'000	Combined Fund 2025 £'000	Combined Fund 2024 £'000
Employer contributions	5	-	-	8,675	8,675	7,153
Employee contributions	5	-	-	423	423	451
Total contributions		-	-	9,098	9,098	7,604
Transfers in	6	-	-	486	486	211
Other income	7	-	412	473	885	477
		-	412	10,057	10,469	8,292
Benefits paid or payable	8	7,707	39,092	707	47,506	43,537
Payments to and on account of leavers	9	-	214	2,425	2,639	3,631
Other payments	10	-	518	305	823	403
Administrative expenses:						
General administration	11	422	884	146	1,452	1,332
Professional services	11	278	1,162	65	1,505	897
Pension fund levy		1	24	3	28	31
		8,408	41,894	3,651	53,953	49,831
Net (withdrawals)/additions from dealings with members		(8,408)	(41,482)	6,406	(43,484)	(41,539)
Net returns on investments						
Investment income	12	8,267	37,246	29	45,542	44,457
Change in market value of investments	15	(11,575)	(103,121)	2,068	(112,628)	(35,732)
Investment management expenses	13	(122)	(115)	(105)	(342)	(975)
Taxation	14	-	-	-	-	-
Net returns on investments		(3,430)	(65,990)	1,992	(67,428)	7,750
Net increase/(decrease) in the funds during the year		(11,838)	(107,472)	8,398	(110,912)	(33,789)
Opening net assets available for benefits		142,060	690,195	46,229	878,484	912,273
Closing net assets available for benefits		130,222	582,723	54,627	767,572	878,484

The notes on pages 78 to 97 form part of these financial statements.

Statement of Net Assets (available for benefits)

As at 31 March 2025

	Notes	Closed Fund 2025 £'000	Open Fund DB Section 2025 £'000	DC Section 2025 £'000	Combined Fund 2025 £'000	Combined Fund 2024 £'000
Investment assets						
Pooled investment vehicles	16	71,951	2,609	54,231	128,791	136,723
Insurance policies	17	56,250	557,746	-	613,996	732,502
AVC investments	18	-	235	-	235	266
Cash		2,066	20,751	400	23,217	7,569
Other investment balances	20	-	68	-	68	501
		130,267	581,409	54,631	766,307	877,561
Investment liabilities						
Other investment balances	20	-	(305)	-	(305)	-
Total net investments	15	130,267	581,104	54,631	766,002	877,561
Tangible fixed assets	23	-	1,267	-	1,267	871
Current assets	24	213	1,435	116	1,764	1,912
Current liabilities	25	(258)	(1,083)	(120)	(1,461)	(1,860)
Net assets available for benefits		130,222	582,723	54,627	767,572	878,484

The financial statements summarise the transactions of the Funds and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits that fall due after the end of the scheme year. The actuarial position of the Funds, which does take account of such obligations for the defined benefit sections of the Funds, is dealt with in the Report on Actuarial Liabilities on pages 17 to 19 and these financial statements should be read in conjunction with this report.

The notes on pages 78 to 97 form part of these financial statements.

The financial statements on pages 76 to 97 were approved by the Trustee Directors on 4 September 2025 and signed on its behalf by:

J M Woolf
Chair

D Birtwistle
Deputy Chair

Notes To The Financial Statements

1. Basis of preparation

The individual financial statements of the ITB Pension Funds have been prepared in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by The Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

2. Organisation of the funds

The ITB Pension Funds (the 'Funds') is a registered scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employees and employers are normally eligible for tax relief, and income and capital gains receive preferential tax treatment.

The ITB Pension Funds comprises an Open Fund and a Closed Fund.

The Closed Fund relates to:

- former employees of discontinued Industry Training Boards as at 1 April 1985;
- employees of continuing Boards whose service ceased before 31 March 1982; and,
- certain other employees of those Boards whose service ceased before 31 March 1983 and whose membership was specifically agreed with Government.

The Open Fund provides pension benefits for all other employees and their dependants who are members of the Funds. On 1 April 2012 the Open Fund introduced a defined contribution section and on 18 September 2019 the Open Fund was authorised as a Master Trust scheme for the purposes of The Pension Schemes Act 2017.

The Funds, which are required to be administered as separate ring-fenced sections, are established as a trust under English law.

The contact address for the Funds is on page 100.

3. Comparative disclosures for the primary statements

Fund Account

For the year ended 31 March 2024

	Notes	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Employer contributions	5	-	-	7,153	7,153
Employee contributions	5	-	-	451	451
Total contributions		-	-	7,604	7,604
Transfers in	6	-	-	211	211
Other income	7	-	3	474	477
		-	3	8,289	8,292
Benefits paid or payable	8	8,018	34,521	998	43,537
Payments to and on account of leavers	9	-	645	2,986	3,631
Other payments	10	-	129	274	403
Administrative expenses:					
General administration	11	395	805	132	1,332
Professional services	11	110	714	73	897
Pension fund levy		1	27	3	31
		8,524	36,841	4,466	49,831
Net (withdrawals)/additions from dealings with members		(8,524)	(36,838)	3,823	(41,539)
Net returns on investments					
Investment income	12	8,344	36,073	40	44,457
Change in market value of investments		(1,297)	(40,592)	6,157	(35,732)
Investment management expenses	13	(111)	(814)	(50)	(975)
Taxation	14	-	-	-	-
Net returns on investments		6,936	(5,333)	6,147	7,750
Net increase/(decrease) in the funds during the year		(1,588)	(42,171)	9,970	(33,789)
Opening net assets available for benefits		143,648	732,366	36,259	912,273
Closing net assets available for benefits		142,060	690,195	46,229	878,484

Statement of net assets (available for benefits)

As at 31 March 2024

	Notes	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Investment assets					
Pooled investment vehicles	16	73,971	16,746	46,006	136,723
Insurance policies	17	67,805	664,697	-	732,502
AVC investments	18	-	266	-	266
Cash		347	6,460	762	7,569
Other investment balances	20	-	501	-	501
Total net investments	15	142,123	688,670	46,768	877,561
Tangible fixed assets	23	-	871	-	871
Current assets	24	198	1,528	186	1,912
Current liabilities	25	(261)	(874)	(725)	(1,860)
Net assets available for benefits		142,060	690,195	46,229	878,484

4. Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Contributions

- Employer normal contributions relating to wages and salaries earned up to the year-end have been included in these financial statements.
- Employee contributions, including AVCs, relating to wages and salaries earned up to the year-end have been included in these financial statements.
- Life assurance premium funding contributions have been paid to the Funds and are used to fund life assurance cover for members. Contributions received match the premiums paid.

b) Transfers in

Transfers in represent the capital sums receivable in respect of members from other pension schemes of previous employers. They are accounted for when the liability is accepted, which is normally when the transfer payment from the previous pension scheme is received.

c) Benefits payable

- Pension payments are accounted for in the period to which they relate.
- Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.
- Other benefits are accounted for on an accruals basis on the date of retirement or death as appropriate.
- Where the Trustee Directors agree, or are required, to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Funds, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within benefits.

d) Payments to and on account of leavers

- Refunds of contributions relating to members who leave the Funds and are entitled to a refund of these, including interest, are recognised in the year of leaving.
- Opt-outs are accounted for when the Trustee Directors are notified of the opt-out.
- Individual transfers out are accounted for when the member liability is discharged, which is normally when the transfer is paid.

e) Administrative and investment management expenses

- i) Administrative and investment management expenses are accounted for on an accruals basis.
- ii) Direct expenses are charged to the section to which they relate. Indirect expenses are allocated between the Closed Fund and Open Fund's DB and DC sections in accordance with the basis determined by the Trustee Directors.

f) Investment income

- i) Rental income is recognised when due.
- ii) Interest receivable from cash and short-term deposits, and interest payable under repurchase agreements, is accounted for on an accruals basis.
- iii) Annuity income is recognised on an accruals basis.
- iv) Income from pooled investment vehicles is accounted for on an accruals basis when the income distribution is declared.

g) Change in market value of investments

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

h) Valuation of investment assets and liabilities

Investments are valued at fair value determined as follows:

- i) Pooled investment vehicles which are traded on an active market are valued at the quoted price which is normally the bid-market price.
- ii) Pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- iii) The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee Directors, normally based on the net asset value advised by the investment manager.
- iv) The insurance policies have been valued by the actuary on a consistent basis.

i) Currency

The Fund's functional currency and presentational currency is pounds sterling (GBP). Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction. Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

j) Tangible fixed assets

Tangible fixed assets are initially recorded at cost. Freehold properties are revalued to fair value at least once every three years and the revaluation amount is disclosed in the Fund Account. Depreciation is provided on other tangible fixed assets based on cost, in equal annual instalments over the estimated useful lives of the assets. The depreciation charge is part of administrative expenses. The rates of depreciation are as follows:

- Furniture – 10% per annum
- Equipment – 20% per annum

k) Critical accounting judgements and estimation uncertainty

The Trustee Directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Funds, the Trustee Directors believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Funds' investments and, in particular, those classified in Level 3 of the fair-value hierarchy. Explanation of the key assumptions underpinning the valuation of investments are included within (h) above and within notes 21 and 22.

5. Contributions

2025	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Employer contributions:				
Normal	-	-	8,370	8,370
Other	-	-	305	305
Total Employer contributions	-	-	8,675	8,675
Employee contributions:				
Normal	-	-	423	423
	-	-	9,098	9,098
2024	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Employer contributions:				
Normal	-	-	6,880	6,880
Other	-	-	273	273
Total Employer contributions	-	-	7,153	7,153
Employee contributions:				
Normal	-	-	451	451
	-	-	7,604	7,604

Employer normal contributions include contributions in respect of salary sacrifice arrangements made available to members by certain Employers.

Other Employer contributions are payments by Employers to fund life assurance cover for active and life-cover only DC Section members.

Normal contributions receivable by the Scheme during the year, including amounts outstanding at the year-end (see note 24), were paid in accordance with the Schedules of Contributions as certified by the Actuary.

6. Transfers in

	2025 £'000	2024 £'000
Open Fund - DC Section		
Individual transfers from other schemes	486	211

7. Other income

	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
2025				
Open Fund DB Section cash transfers	-	-	433	433
Claims on life assurance policies	-	-	40	40
Other	-	2	-	2
Property fixed asset revaluation	-	410	-	410
	-	412	473	885
2024				
Open Fund DB Section cash transfers	-	-	100	100
Claims on life assurance policies	-	-	374	374
Other	-	3	-	3
	-	3	474	477

8. Benefits paid or payable

	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
2025				
Pensions	7,707	35,496	-	43,203
Commutation of pensions and lump sum retirement benefits	-	3,466	622	4,088
Lump sum death benefits	-	130	85	215
	7,707	39,092	707	47,506
2024				
Pensions	8,018	32,613	-	40,631
Commutation of pensions and lump sum retirement benefits	-	1,701	494	2,195
Lump sum death benefits	-	207	504	711
	8,018	34,521	998	43,537

The Open DB Section pensions include arrears payments of £1,329,000 (2024: £nil) to equalise guaranteed minimum pension (GMP) benefits between men and women, as required by the 2018 High Court judgment concerning the Lloyds Banking Group's defined benefit pension schemes.

9. Payments to and on account of leavers

	Closed Fund £'000	Open Fund DB Section £'000	Open Fund DC Section £'000	Combined Fund £'000
2025				
Individual transfers to other schemes	-	214	2,419	2,633
Refund of contributions	-	-	6	6
	-	214	2,425	2,639
2024				
Individual transfers to other schemes	-	645	2,984	3,629
Refund of contributions	-	-	2	2
	-	645	2,986	3,631

10. Other payments

	Closed Fund £'000	Open Fund DB Section £'000	Open Fund DC Section £'000	Combined Fund £'000
2025				
Life assurance premiums	-	-	305	305
Open Fund DC Section cash transfers:				
- Cashflow funding	-	433	-	433
- Contributions funding	-	85	-	85
	-	518	305	823
2024				
Life assurance premiums	-	-	274	274
Open Fund DC Section cash transfers:				
- Cashflow funding	-	100	-	100
- Contributions funding	-	29	-	29
	-	129	274	403

Open Fund DC Section cash transfers – Contributions funding

The Actuary determined that RTITB had an Open Fund DB Section Disposable Employer Surplus of £2.4m at 31 March 2025 (2024: £1.2m). During the year, RTITB has applied £85,030 of the surplus (2024: £28,586) to payment of its DC Section employer contributions.

11. Administrative expenses

2025	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
General administration:				
Employment costs	262	524	87	873
Office costs	18	36	6	60
General expenses	97	235	38	370
Trustee Directors' honoraria	45	89	15	149
	422	884	146	1,452
Professional services:				
Audit fees	31	61	10	102
Legal fees	34	240	44	318
Actuarial fees	201	694	-	895
Other professional services	12	167	11	190
	278	1,162	65	1,505
2024	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
General administration:				
Employment costs	247	495	83	825
Office costs	14	28	5	47
General expenses	92	196	30	318
Trustee Directors' honoraria	42	86	14	142
	395	805	132	1,332
Professional services:				
Audit fees	30	60	10	100
Legal fees	33	177	51	261
Actuarial fees	44	354	-	398
Other professional services	3	123	12	138
	110	714	73	897

12. Investment income

	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
2025				
Income from pooled investment vehicles	-	32	-	32
Annuity income	8,165	36,845	-	45,010
Interest on cash deposits	102	369	29	500
	8,267	37,246	29	45,542
2024				
Income from bonds	-	1,665	-	1,665
Net rents from properties	-	4	-	4
Income from pooled investment vehicles	-	897	-	897
Annuity income	8,315	32,980	-	41,295
Interest on cash deposits	29	1,110	40	1,179
Interest paid under repurchase agreements	-	(583)	-	(583)
	8,344	36,073	40	44,457

13. Investment management expenses

	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
2025				
Administration, management and custody	65	18	-	83
Advisory	41	68	100	209
Performance measurement service	16	29	5	50
	122	115	105	342
2024				
Administration, management and custody	66	340	-	406
Advisory	24	438	44	506
Performance measurement service	21	36	6	63
	111	814	50	975

14. Taxation

The ITB Pension Funds is a Registered Pension Scheme under Chapter 2 of Part IV of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. There is no taxation charge in 2025 (2024: £Nil).

15. Reconciliation of investments

The movements in investments during the year were:

Closed Fund

	Notes	Value at 1 Apr 2024 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 Mar 2025 £'000
Pooled investment vehicles	16	73,971	17,432	(19,432)	(20)	71,951
Insurance policy	18	67,805	-	-	(11,555)	56,250
		141,776	17,432	(19,432)	(11,575)	128,201
Cash		347				2,066
		142,123				130,267

Open Fund - DB Section

	Notes	Value at 1 Apr 2024 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 Mar 2025 £'000
Pooled investment vehicles	16	16,746	4,574	(17,963)	(748)	2,609
Insurance policies	18	664,697	-	(4,564)	(102,387)	557,746
AVC investments	19	266	-	(45)	14	235
		681,709	4,574	(22,572)	(103,121)	560,590
Cash		6,460				20,751
Other investment balances	21	501				(237)
		688,670				581,104

Open Fund – DC Section

	Notes	Value at 1 Apr 2024 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 Mar 2025 £'000
Pooled investment vehicles	16	46,006	9,248	(3,091)	2,068	54,231
Cash		762				400
		46,768				54,631

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.

There are no direct transaction costs included within the above purchases and sales figures. Costs are borne by the Funds in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

The Funds do not invest in any of the Participating Employers' businesses. Apart from the insurance policies disclosed in note 17, there are no other individual investments in which more than 5% of the total value of the net assets of the Funds is invested.

16. Pooled investment vehicles

2025	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Equities	-	-	26,786	26,786
Bonds	71,951	2,609	223	74,783
Diversified	-	-	25,165	25,165
Cash	-	-	2,057	2,057
	71,951	2,609	54,231	128,791

2024	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Equities	12,315	-	23,224	35,539
Bonds	61,656	16,732	196	78,584
Property	-	14	-	14
Diversified	-	-	21,007	21,007
Cash	-	-	1,579	1,579
	73,971	16,746	46,006	136,723

17. Insurance policies

2025	Liability Provision Basis	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
PIC	RPI	56,250	-	-	56,250
PIC	CPI (previously RPI)	-	37,280	-	37,280
JRL	CPI	-	55,029	-	55,029
PIC	CPI	-	114,679	-	114,679
PIC	CPI	-	122,108	-	122,108
JRL	CPI	-	228,650	-	228,650
		56,250	557,746	-	613,996
Percentage of net assets		43.2%	95.7%	0.0%	80.0%

2024	Liability Provision Basis	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
PIC	RPI	67,805	49,023	-	116,828
JRL	CPI	-	65,014	-	65,014
PIC	CPI	-	135,238	-	135,238
PIC	CPI	-	143,542	-	143,542
JRL	CPI	-	271,880	-	271,880
		67,805	664,697	-	732,502
Percentage of net assets		47.7%	96.3%	0.0%	83.4%

The insurance policies are bulk annuity policies (also known as “buy-ins”) with Pension Insurance Corporation PLC (“PIC”) and Just Retirement Limited (“JRL”) which cover benefits payable to Open Fund DB Section and Closed Fund members.

The buy-in policies have been valued by the Funds’ Actuary based on the present value of the benefits insured under the policies. The valuations have been prepared using financial and demographic assumptions consistent with those typically adopted for employer accounting purposes under IAS 19. These assumptions include:

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Open Fund DB Section

Discount rate	5.65% p.a.
Inflation assumption (CPI)	2.75% p.a.
Mortality assumptions	Based on the S3 series of standard tables, with adjustments reflecting the category of beneficiaries (normal health, ill health, and dependants). An allowance has been made for future improvements in mortality using the 2021 CMI projection model with long-term rate of improvement of 1.5% a year with the smoothing Sk factor set to 7.5.

Closed Fund

Discount rate	5.25% p.a.
Pension increases (RPI-linked)	3.35% p.a.
Mortality assumptions	Based on the S4 series of standard tables, with adjustments reflecting the category of beneficiaries (normal health, male/female, and dependants). An allowance has been made for future improvements in mortality using the 2023 CMI core projection model with a long-term improvement of 1.5% for males and 1.25% for females

18. Additional Voluntary Contribution (AVC) investments

The Open Fund DB Section has an AVC arrangement into which members' additional contributions have been invested on a defined contribution basis. No contributions have been paid into the DB Section AVC arrangement since Employers ceased to offer further DB benefits between 2016 and 2018.

Members of the DC section are allowed to pay contributions at a higher rate than required in the Funds' rules. These contributions are co-invested with other DC assets and are not separately distinguishable.

The AVC investments shown in the financial statements relate solely to the Open Fund DB Section and are as follows:

	2025 £'000	2024 £'000
Investment manager		
Legal & General	235	266

Members participating in the DB Section AVC arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year.

19. Defined Contribution assets

Defined Contribution section investments held in the Open Fund are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustee Directors. The Fund administrator allocates investment units to members. The Trustee Directors may hold investment units representing the value of employer contributions that have been retained by the Fund that relate to members leaving the Fund prior to vesting. Defined contribution investment assets allocated to members by the administrator and those not allocated or designated to members (and therefore available to the Trustee Directors to apply as specified in the Fund rules), are as follows:

	2025 £'000	2024 £'000
Allocated to members	54,231	46,006
Not allocated or designated to members	400	762
	54,631	46,768

Defined contribution assets (including those not allocated to members in the table above) are not part of the common pool of assets available to meet defined benefit liabilities. Of the assets not allocated or designated to members, £223,100 (2024: £682,600) is held as a financial reserve to cover the costs of a master trust triggering event. This reserve is not freely available for use by the Trustee Directors and

remained unused until the wind-up of the master trust commenced on 5 July 2024, which constituted a triggering event. Since that date, the reserve has been drawn upon to cover the administrative and investment management expenses of the Defined Contribution section.

20. Other investment balances

2025	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Assets:				
Annuity income receivable	-	68	-	68
	-	68	-	68
Liabilities:				
Annuity income received in advance	-	305	-	305
	-	305	-	305
Net investment balances	-	(237)	-	(237)

2024	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Assets:				
Annuity income receivable	-	501	-	501
Net investment balances	-	501	-	501

21. Investment Fair Value Hierarchy

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

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

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

Closed Fund

At 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	71,951	-	71,951
Insurance policies	-	-	56,250	56,250
Cash	2,066	-	-	2,066
	2,066	71,951	56,250	130,267

At 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	73,971	-	73,971
Insurance policies	-	-	67,805	67,805
Cash	347	-	-	347
	347	73,971	67,805	142,123

Open Fund - DB Section

At 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	2,609	-	2,609
Insurance policies	-	-	557,746	557,746
AVC investments	-	235	-	235
Cash	20,751	-	-	20,751
Other investment balances	(237)	-	-	(237)
	20,514	2,844	557,746	581,104

At 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	16,732	14	16,746
Insurance policies	-	-	664,697	664,697
AVC investments	-	266	-	266
Cash	6,460	-	-	6,460
Other investment balances	501	-	-	501
	6,961	16,998	664,711	688,670

Open Fund – DC Section

At 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	54,231	-	54,231
Cash	400	-	-	400
	400	54,231	-	54,631

At 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	46,006	-	46,006
Cash	762	-	-	762
	762	46,006	-	46,768

Investments reported under Level 3 are included at fair value, with estimates determined by the actuary for insurance policies and by the underlying investment managers for other investments, using accepted methodologies and use of market information in the absence of observable market data.

22. Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks:

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:

- **Currency risk**, which 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**, which 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**, which is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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The Funds have exposure to these risks because of the investments held to implement the investment strategy, as described in the investment section of the Trustee's Report. Agreements are in place with each of the Funds' investment managers which specify their investment objectives. The Trustee manages investment risks, including credit risk and market risk, through risk limits set out in these agreements.

The Trustee monitors the implementation of the investment strategy objectives and risk limits through regular reviews of the investment managers and their investment portfolios. Further information on the Trustee's approach to risk management is set out below. This does not include AVC investments, as these are not considered significant in relation to the overall investments of the Funds.

Open Fund Defined Benefit Section and Closed Fund

Credit risk

The Funds are exposed to credit risk from direct investments in pooled investment vehicles and insurance policies and through having cash balances and other investment balances. The Funds are also indirectly exposed to credit risks arising on the financial instruments held within the pooled investment vehicles.

A summary of exposures to credit risk is given in the following table, the notes below which explain how the risks are managed and mitigated.

	Closed Fund		Open Fund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Pooled investment vehicles				
Direct and indirect risk	71,951	61,656	2,609	16,746
Direct risk only	-	12,315	-	-
Insurance policies	56,250	67,805	557,746	664,697
Cash	2,066	347	20,751	6,460
Other investment balances	-	-	(237)	501
	130,267	142,123	580,869	688,404

For the insurance policies, the insurer default credit risk is mitigated by the protections in place under the regulatory regime for UK insurance companies, which include stringent solvency requirements. It is expected that the Funds would be eligible for compensation from the Financial Services Compensation Scheme should an insurer become insolvent.

Cash is held at financial institutions which are at least investment grade credit rated. Other investment balances are held with the insurance policy providers, Pension Insurance Corporation PLC and Just Retirement Limited.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled investment manager, the regulatory environments in which the pooled investment managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence on the appointment of any new pooled investment managers and monitors any changes to their operating environments.

The Funds are indirectly exposed to credit risks arising from the underlying bond investments held by the pooled investment vehicles, as shown in the table below:

	Closed Fund		Open Fund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bonds issued by:				
UK Government	50,203	50,498	2,609	11,693
Corporations	21,748	11,158	-	5,039
	71,951	61,656	2,609	16,732

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Credit risk associated with corporate bonds held in pooled investment vehicles is mitigated through diversified exposure to bond issuers, thorough research into issuers' default risk, and maintaining limited exposure to sub-investment grade bonds. The level of credit risk will vary over time, depending on the investment managers' views on markets, asset classes and specific bond issuers.

The legal nature of the pooled investment arrangements used by the Funds is as follows:

	Closed Fund		Open Fund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Closed ended fund	-	-	-	14
Unit linked insurance contracts	71,951	73,971	2,609	16,732
	71,951	73,971	2,609	16,746

Currency risk

The Trustee considers the overseas currency exposure in the context of the overall investment strategy and believes that the current level of exposure is appropriate. Currency hedging may be used by the pooled investment vehicle managers to mitigate some, or all, currency risks.

At the 2024 year-end, the Open Fund DB Section held a Euro-denominated European property fund investment with a market value of £14,000. This investment was sold during the current financial year, and all remaining investments are denominated in pounds sterling. The exposure to foreign currencies in the pooled investment vehicles will vary over time, as the manager changes the underlying investments, but is not expected to be a material influence on returns over the long-term.

Interest rate risk

The Funds are exposed to interest rate risk because investments are directly held in cash and insurance policies and indirectly held in bonds through pooled investment vehicles.

A summary of exposures to interest rate risk is given in the following table, the notes below which explain how the risks are managed and mitigated.

	Closed Fund		Open Fund	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Pooled investment vehicles - bonds	71,951	61,656	2,609	16,732
Insurance policies	56,250	67,805	557,746	664,697
Cash	2,066	347	20,751	6,460
	130,267	129,808	581,106	687,889

Interest rate risks in relation to the insurance policies' valuations are fully mitigated as receipts from the policies will cover the future benefit payments to members. This means that if interest rates fall, the value of the insurance policies will rise to match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the insurance policies will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

Bonds held in pooled investment vehicles help to mitigate interest rate risk volatility relative to annuity pricing, which is an investment objective for both Funds.

Other price risk

Other price risk primarily relates to equities held within pooled investment vehicles. The Closed Fund disposed of its pooled equity investment during the year and had no investments subject to other price risk at the year-end (2024: £12.3m). The Open Fund DB Section held no pooled equity investments during the year.

Prior to disposal, the exposure to overall price movements was managed by investing in global equity funds which were diversified across a diverse range of companies, sectors and markets.

Open Fund Defined Contribution Section

Credit Risk

The Open Fund Defined Contribution Section (DC Section) invests members' assets in L&G unit linked insurance funds, which gives rise to a direct credit risk against Legal & General Assurance Society Limited ("L&G").

L&G is regulated by the Financial Conduct Authority and maintains separate funds for its policyholders. The Trustee monitors L&G's creditworthiness by reviewing publicly available credit ratings. In the event of default by L&G, the Fund may be eligible for compensation under the Financial Services Compensation Scheme.

The DC Section is also exposed to indirect credit and market risks (including interest rate risk) arising from the underlying investments held within L&G's funds. Member-level risk exposures depend on the funds in which each member is invested.

At year-end the bond, cash and multi-asset funds were exposed to underlying credit risk.

Market Risk

The DC Section is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by L&G.

The equity funds are exposed to foreign exchange and other price risks. The bond funds are exposed to interest rate risk. The cash fund is exposed to foreign exchange and interest rate risk. The multi-asset funds are exposed to foreign exchange risk, interest rate risk and other price risk.

All the DC Section funds have remained liquid and marketable.

Geopolitical and other matters

During 2024/25, geopolitical issues (such as Russia's war in Ukraine) and economic issues (such as increases in the rates of inflation and interest rates and movements in foreign currencies) have had a significant effect on domestic and global economies, with disruption and volatility in the financial markets.

The Trustee, in conjunction with its advisers, monitors the situation closely and determines any actions that are considered to be necessary. This includes monitoring the Funds' investment portfolio, the operational impact on the Funds and the covenant of the Sponsoring Employers. The extent of the impact on the Funds' investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted.

Since the year end, the value of the Funds' investment assets and the investment liabilities have been impacted. Whilst the Trustee monitors the overall position, it has not, at this time, quantified the change (being an increase or decrease) in market value of the investment assets and investment liabilities as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

23. Tangible Fixed Assets

Open Fund – DB Section

	Property £'000	Equipment £'000	Total £'000
Cost or valuation			
Balance at 1 April 2024	840	640	1,480
Additions	-	2	2
Revaluation	410	-	410
Balance at 31 March 2025	1,250	642	1,892
Depreciation			
Balance at 1 April 2024	-	609	609
Charge	-	16	16
Balance at 31 March 2025	-	625	625
Net Book Value at 31 March 2025	1,250	17	1,267
Net Book Value at 31 March 2024	840	31	871

The freehold property valuation of £1.25m is based on vacant possession sale estimates provided by commercial property agents during the year. The historical cost of the property is £998,000 (2024 - £998,000).

24. Current Assets

	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
2025				
Bank balances	185	1,315	46	1,546
Debtors:				
Amounts due from employers				
Employer contributions	-	-	61	61
Other debtors	28	57	9	94
External current assets	213	1,372	116	1,701
Interfund balance	-	63	-	63
Current Assets	213	1,435	116	1,764

	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
2024				
Bank balances	171	722	60	953
Debtors:				
Amounts due from employers				
Employer contributions	-	-	117	117
Other debtors	27	99	9	135
External current assets	198	821	186	1,205
Interfund balance	-	707	-	707
Current Assets	198	1,528	186	1,912

Contributions due from employers were paid in full to the Scheme within the timescale required by the Schedules of Contributions. £31,219 (2024: £44,591) of the DC Section bank balance is not designated to members and is held by the Trustee to pay the ongoing administration costs of the DC Section.

25. Current Liabilities

2025	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Unpaid benefits	-	63	15	78
External other current liabilities	217	1,020	83	1,320
Interfund balance	41	-	22	63
Current Liabilities	258	1,083	120	1,461

2024	Closed Fund £'000	Open Fund DB Section £'000	DC Section £'000	Combined Fund £'000
Unpaid benefits	4	2	16	22
External other current liabilities	217	872	42	1,131
Interfund balance	40	-	667	707
Current Liabilities	261	874	725	1,860

26. Related party transactions and contingent asset

Related party transactions

The Fund Account includes Trustee Directors' remuneration of £149,387 (2024: £142,694). Additionally, Trustee Directors were reimbursed for any expenses that they incurred during the performance of their duties.

Contributions received and pensions paid in respect of Trustee Directors who are members of the Funds have been in accordance with the Scheme Rules. During the year, contributions were received in respect of 6 Trustee Directors and pensions were paid to 5 Trustee Directors (2024: contributions 5, pensions 3).

There were no fees and expenses recharged to Employers during the year (2024: £2,500). At the year-end no Employer recharges were outstanding (2024: None).

Contingent asset

There were no contingent assets at 31 March 2025.

In November 2024, a second ranking legal mortgage charge over Access House, Halesfield 17, Telford, Shropshire TF7 4PW, was released. This had provided security for RTITB Ltd's section 75 liabilities to the Funds. However, the Actuary confirmed that as at 31 March 2024, RTITB no longer had a section 75 liability.

27. Contingent liabilities and commitments

Guaranteed Minimum Pension (GMP) Benefits

On 26 October 2018, the High Court handed down a judgment in relation to the Lloyds Banking Group's defined benefit pension schemes, confirming that schemes are required to equalise pension benefits between male and female members in respect of guaranteed minimum pension (GMP) benefits. In accordance with this ruling, backdated GMP equalisation benefit adjustments were made to members' pension benefits during the year. Further details are set out in note 8.

A subsequent ruling in November 2020 confirmed that trustees are also required to review and equalise the values of historic transfers out to eliminate gender-based differences. At present, a reliable estimate of the potential backdated amounts payable in respect of transfers out has not been calculated.

However, the Trustee does not expect the amounts to be material to the financial statements and accordingly no liability is included in these financial statements. Any backdated amounts due, together with applicable interest, will be accounted for in the year in which they are determined.

Section 37 Actuarial Confirmations

In the Virgin Media Ltd versus NTL Pension Trustees II case, the High Court considered the application of section 37 of the Pension Schemes Act 1993, under which changes to the pension rights of a salary-related contracted-out scheme are required to be supported by an actuarial confirmation that the scheme continues to satisfy the statutory standards.

In June 2023, the High Court handed down its judgment which concluded that where the required actuarial confirmation was not supplied, the relevant amendment to any contracted-out right is automatically void. The Court also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applies to all amendments to the rules of a contracted-out scheme.

During the year, the Trustee obtained the opinion of King's Counsel, which provisionally confirmed that no further action is required by the Trustee in respect of this judgement. In June 2025, the risk of a potential liability arising was further reduced by the Government's announcement that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Accordingly, no potential liabilities resulting from the Virgin Media judgment have been recognised in these financial statements.

Other Contingent Liabilities and Commitments

In the opinion of the Trustee Directors, the Funds had no other contingent liabilities or commitments as at 31 March 2025 (2024 - nil).

28. Subsequent events

On 22 August 2025, a £62.3m in-specie bulk transfer of all members of the Open Fund DC Section to the Legal & General Mastertrust was completed. As this transfer took place after the year-end, it is treated as a non-adjusting subsequent event and no adjustments have been made to these financial statements.

Supplementary Information

Internal Dispute Resolution

The Pensions Act 1995 (as amended by the Pensions Act 2004) requires that all pension schemes have a formal internal dispute resolution procedure in place allowing members, prospective members, beneficiaries and contingent beneficiaries an avenue for complaint.

It is hoped that members and beneficiaries will always be satisfied with the service provided by the ITB Pension Funds. However, in the unlikely event that a complaint arises, and a member of the Funds' staff fails to provide a satisfactory answer, then a copy of the formal internal dispute resolution procedure is available upon request from the Chief Executive at the contact details provided on page 100.

The Pensions Ombudsman

The Pensions Ombudsman is an independent organisation set up by law to deal with pension complaints which cannot be resolved through pension schemes' internal dispute resolution procedures.

Any complaint made to the Ombudsman will be allocated to a caseworker for investigation. The caseworker may request further information to fully establish the underlying facts and will seek to achieve an informal resolution to the complaint, to which all parties agree.

If the matter can't be informally resolved, the caseworker will make a decision on the complaint and notify all parties of their view. If any of the parties to the complaint disagrees with the caseworker's view, they can ask for the complaint to be referred to the Ombudsman for a final decision.

To find out more about the Pensions Ombudsman, visit its website at www.pensions-ombudsman.org.uk. The Pensions Ombudsman can be contacted at:

Email: enquiries@pensions-ombudsman.org.uk

Telephone: 0800 917 4487 between 10am and 2pm Monday to Friday

LiveChat: Available Monday to Friday, 9am-10am and 2pm-5pm at www.pensions-ombudsman.org.uk.

The Pensions Regulator

The Pensions Regulator is the UK regulator of work-based pension schemes, including the ITB Pension Funds. It can intervene in the running of schemes where trustees, employers or professional advisers are not carrying out their duties correctly. To find out more about The Pensions Regulator visit its website at www.thepensionsregulator.gov.uk. Should you have any concerns about the way a pension scheme is being run, these can be reported to The Pensions Regulator at:

Email: report@tpr.gov.uk

Telephone: 0345 600 0707

The Pension Protection Fund

The Pension Protection Fund (PPF) is a public corporation, run by an independent Board which acts as the safety net for members of pension schemes where the employer has become insolvent and there are insufficient assets in the pension scheme to cover PPF levels of compensation.

The PPF is also responsible for:

- the **Fraud Compensation Fund** which pays compensation to occupational pension schemes which have lost out financially due to dishonesty.
- The **Financial Assistance Scheme** which provides financial assistance to members of defined benefit pension schemes who lost all or part of their pension following their scheme coming to an end between 1 January 1997 and 5 April 2005.

For more information about the PPF visit its website at www.ppf.co.uk, or contact it at:

Email: information@ppf.co.uk

Telephone: 0345 600 2541

MoneyHelper and Pension Wise

MoneyHelper is a Government-backed money advice service which provides free and impartial money and pensions guidance for people across the UK.

Moneyhelper runs a service called **Pension Wise** which is targeted towards anyone who has a defined contribution (DC) pension and wishes to obtain free and impartial guidance about their retirement options. Phone appointments can be booked with Pension Wise if you are aged 50 or over, or if you are aged under 50 and have inherited a pension pot or can take your pension early due to ill health. As Pension Wise is not regulated by the Financial Conduct Authority, it will not offer any personalised pensions advice or specific product recommendations. A regulated financial adviser or legal advice should be sought for these services.

If you are under 50, or only have a defined benefit pension, you usually won't be able to have a Pension Wise appointment, but it may still be able to help you.

To contact Pension Wise go to the Pensions & Retirement section of the www.moneyhelper.org.uk website and use the webchat facility or submit an online enquiry. Pension Wise can also be called free of charge on 0800 011 3797, from Monday to Friday between 9am and 5pm.

Pension Scams

Pension scams attempt to defraud individuals of their pension savings, often through false promises and attractive sounding offers to entice the victim to transfer their pension savings into a new arrangement. Once the pension savings have been transferred, the scammer may defraud the victim in a variety of ways including unreasonable fee charges, outright theft or by placing the victim's savings in high-risk investments in which the fraudster has a financial interest.

There are many different types of pension scams and anyone who has concerns, or wants to find out more about how to avoid them, can obtain further information from the following sources:

- **The Financial Conduct Authority (FCA)**

Website: www.fca.org.uk/scamsmart

Consumer Helpline: 0800 111 6768

- **Action Fraud**

Website: www.actionfraud.police.uk

Telephone: 0300 123 2040

If you are unsure what to do, seek advice from MoneyHelper whose contact details are provided above.

If you become aware of a pension scam, it should be reported to the FCA and Action Fraud.

Independent Financial Advice

An Independent Financial Adviser (IFA) can, for a fee, provide more detailed advice taking account of individual financial circumstances. MoneyHelper has guidance about how to find an IFA and the IFA directory can be accessed at:

Website: www.unbiased.co.uk

Pension Tracing Service

The UK Government's Pension Tracing Service is for anyone who is trying to trace a pension that they think they have from a previous employer but is unsure of the details. The Service will provide details of whom to contact to arrange for the pension to be paid out.

Website: www.gov.uk/find-pension-contact-details

Tax Enquiries

Any member who is in receipt of a monthly pension and has a query about their tax code or income tax deductions should contact HM Revenue and Customs at the details provided below:

Pay As You Earn and Self Assessment

HM Revenue and Customs

BX9 1AS

Website: www.gov.uk/find-hmrc-contacts/income-tax-enquiries

Telephone: 0300 200 3300

The Funds' tax references are:

Open Fund: 073/I1012A

Closed Fund: 073/I1012

Age UK

Age UK is the country's largest charity dedicated to helping everyone make the most of later life.

Website: www.ageuk.org.uk

Telephone: 0800 678 1602

Keeping us informed

Please ensure that you keep the Trustee of the ITB Pension Funds advised of any change of address. You can do this by writing to the Funds' Office, at the address below, or using the Funds' website www.itb-online.co.uk.

How to contact us

Address: The ITB Pension Funds
23 King Street
Watford
Hertfordshire
WD18 0BJ

Telephone: 01923 226264

E-mail: pensions@itbpen.com

Website: www.itb-online.co.uk

Pension Scheme Registry Number: 10169800