The Stewart Group Limited Retirement Benefits Scheme

Annual Report & Financial Statements for the year ended 31 December 2021
Contents

Trustees' Report
- Introduction
- Trustees
- Advisors
- Scheme Finances
- Actuarial Status of the Scheme
- Membership and Record Keeping
- Pension Increases
- GMP Equalisation
- Data Protection
- Statement of Trustees' Responsibilities

Financial Statements
- Fund Account
- Statement of Net Assets
- Notes to the Financial Statements
- Independent Auditor's Report
- Independent Auditor's Statement about Contributions
- Summary of Contributions

Scheme Funding
- Report on Actuarial Liabilities
- Actuary's Certification of the Schedule of Contributions

Further Information
- Investment Report
- Pension Industry Bodies
- Requesting Further Information
- Implementation Statement (appendix)
Trustees’ Report

Introduction


The Scheme is a defined benefit scheme and is governed by a definitive trust deed, and subsequent amending deeds, dated 16 February 1995 and subsequent deed dated 11 July 2017. On 31 December 2003, the Scheme closed to new members and existing members ceased accruing further benefits. The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and the registration number is 10023711.

The Principal Employer of the Scheme is Clarksons Offshore and Renewables Ltd, Commodity Quay, St Katharine Docks, London E1W 1BF.

Trustees

During the year the Trustees of the Scheme were as follows:

W M Budge    employer appointed (chair)
J Gordon      member nominated
P G Love      member nominated
A Miller      employer appointed
C McGeough   employer appointed

In accordance with the Trust Deed & Rules, the Principal Employer, in agreement with the other Trustees, has the power to appoint and remove any Trustee of the Scheme. In accordance with the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for Member Nominated Trustees (MNTs). The MNTs may be removed before the end of their four year term only by agreement of all the remaining Trustees.

The Trustees met three times during the year on 23 February 2021, 27 May 2021 and 4 November 2021.

Advisors

The Trustees take overall responsibility for the management of the Scheme but delegate the responsibilities for management of the investments and benefit administration to professional Advisors. During the year the Advisors of the Scheme were as follows:

Scheme Actuary: Ann Marie Dickson FFA, Broadstone Corporate Benefits Ltd
Scheme Administrator: Broadstone Corporate Benefits Ltd
Auditor: Anderson Anderson & Brown Audit LLP
Bankers: Bank of Scotland plc
Legal Advisor: CMS Cameron McKenna Nabarro Olswang LLP
Investment Manager: Legal & General Investments Limited (L&G)
Investment Advisor: Lane Clark & Peacock
Scheme Finances

The financial statements on pages 6 to 12 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. The net assets value of the Scheme increased from £12,654,305 at 31 December 2020 to £13,759,126 at 31 December 2021.

Actuarial Status of the Scheme

The latest triennial valuation of the Scheme was carried out at 1 September 2018. This valuation showed that the funding level was 93%. In order to eliminate this deficit, the Actuary has recommended that the Employer makes contributions of £26,000 per month to the Scheme over the period from 1 September 2018 to 31 October 2021, and Nil from 1 November 2021 until 28 October 2024, plus additional contributions to cover Scheme expenses of £6,500 per month from 1 November 2019, however the Employer agreed to continue with payments. A valuation at 1 September 2021 is currently underway. A report on actuarial liabilities was produced at 1 September 2018 and the results of this are shown on page 18 of this report.

Membership and Record Keeping

The membership of the Scheme as at 31 December 2021 and the changes over the year are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At start of the year</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Retirements</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the end of the year</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Pensioner members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the start of the year</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Retirement from deferred members</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the end of the year</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Total membership of Scheme</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

A Data Audit Report, dated October 2021, was prepared following the audit of member data as required by the Pensions Regulator. The overall result for the check on the existence of valid common data was 100% and scheme specific data was 100%.

Pension Increases

Pre-retirement; pensions in excess of the GMP are revalued in line with CPI subject to a maximum of 5% per annum.

Post-retirement; all pensions are currently increased at 5.0% per annum, however, the rate of increase, if any, remains subject to the Trustees’ discretion in agreement with the Employer.

GMP Equalisation

On 26 October 2018, the High Court ruled that schemes must equalise for the effect of GMPs providing different benefits for men and women. Broadstone are currently progressing this project.
Data Protection

The Trustees of the Scheme currently handle personal data in compliance with GDPR regulations. For the purposes of data protection legislation, the Trustees are defined as a “data controller” in respect of personal data.

Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the Scheme year; and

- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice “Financial Reports of Pension Schemes”.

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the dates on or before which such contributions are to be paid. The Trustees are also responsible for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustees are required by The Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

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

Signature of Trustee  Carolanne McGeough  29th July 2022
-----------------------------------  -----------------------------------  -----------------------------------
Name  Date  

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and other benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Scheme Funding section on page 18 and these financial statements should be read in conjunction with it. The notes on pages 7 to 12 form part of these financial statements. These financial statements were approved by the Trustees and authorised for issue on 29th July 2022.
Notes to the Financial Statements

General Information

The Scheme is established as a Trust under Scottish Law. The address for enquiries to the Scheme is included on page 21.

1. Basis of preparation

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

2. Accounting policies

The principal accounting policies are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Contributions

Employers’ deficit funding contributions and additional contributions are accounted for on the dates set out in the Schedule of Contributions, certified by the Actuary on 28 October 2019, or on receipt if earlier, with the agreement of the Employer and the Trustees.

2.2 Benefits and payments to leavers

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

Retirement benefits are accounted for on an accruals basis on the date of retirement or death as appropriate.

2.3 Administrative expenses

The Employer pays the Scheme an expenses allowance to meet these costs.

2.4 Investment income

Income from equities and any pooled investment vehicles which distribute income, is accounted for on an accruals basis on the date stocks are quoted ex-dividend, or in the case of unquoted instruments when the dividend is declared.

Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. Other interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

The change in the market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year and includes profits and losses realised on sales of investments and unrealised changes in the market value.
Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.

Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

2.5 Valuation of investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

The methods of determining fair value for the principal classes of investment are:

- Equities and bonds which are traded on an active market are included at the quoted price, which is normally the bid price,
- Pooled investment vehicles, which are not traded on an active market, are based on the bid price operating at the accounting date, as advised by the Investment Manager,
- Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the Investment Manager.

### 3. Contributions

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer deficit funding</td>
<td>312,000</td>
<td>312,000</td>
</tr>
<tr>
<td>Additional - expenses</td>
<td>81,200</td>
<td>78,000</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td>393,200</td>
<td>390,000</td>
</tr>
</tbody>
</table>

Contributions were paid in accordance with the Schedule of Contribution certified by the Actuary on 28 October 2019. The Schedule of Contributions covers the period from 28 October 2019 to 28 October 2024. The Employer pays a monthly contribution of £6,500 to cover Scheme expenses.

### 4. Benefits

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions</td>
<td>362,327</td>
<td>345,073</td>
</tr>
<tr>
<td><strong>Total benefits</strong></td>
<td>362,327</td>
<td>345,073</td>
</tr>
</tbody>
</table>

### 5. Administrative expenses

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration expenses</td>
<td>24,393</td>
<td>29,068</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Audit</td>
<td>3,250</td>
<td>6,500</td>
</tr>
<tr>
<td>Trustee &amp; professional</td>
<td>3,000</td>
<td>7,626</td>
</tr>
<tr>
<td>Investment advice</td>
<td>51,920</td>
<td>40,965</td>
</tr>
<tr>
<td>PPF Levy</td>
<td>475</td>
<td>1,030</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>101,103</td>
<td>103,254</td>
</tr>
</tbody>
</table>
6. Investment income

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on cash deposits</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td>Total investment income</td>
<td>-</td>
<td>31</td>
</tr>
</tbody>
</table>

7. Investment fees

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment fees</td>
<td>23,520</td>
<td>22,582</td>
</tr>
</tbody>
</table>

8. Investments

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled investment vehicles:</td>
<td>13,784,695</td>
<td>12,659,709</td>
</tr>
<tr>
<td>Total investments</td>
<td>13,784,695</td>
<td>12,659,709</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled investment vehicles:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>5,393,200</td>
<td>5,956,210</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>6,306,798</td>
<td>4,757,924</td>
</tr>
<tr>
<td>Diversified</td>
<td>2,084,697</td>
<td>1,945,575</td>
</tr>
<tr>
<td>Total investments</td>
<td>13,784,695</td>
<td>12,659,709</td>
</tr>
</tbody>
</table>

The movement in the value of investments during the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Value at 1 Jan 2021</th>
<th>Purchases</th>
<th>Sales</th>
<th>Change in market value</th>
<th>Value at 31 Dec 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIVs</td>
<td>12,659,709</td>
<td>11,342,692</td>
<td>(11,416,277)</td>
<td>1,198,571</td>
<td>13,784,695</td>
</tr>
<tr>
<td></td>
<td>12,659,709</td>
<td>11,342,692</td>
<td>(11,416,277)</td>
<td>1,198,571</td>
<td>13,784,695</td>
</tr>
</tbody>
</table>

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

The investments are registered in the United Kingdom.

9. Fair value of investments

The fair value of investments has been disclosed using the following hierarchy:

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

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Scheme's investment assets and liabilities have been included at fair value within these categories as follows:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIV's</td>
<td>-</td>
<td>13,784,695</td>
<td>-</td>
<td>13,784,695</td>
</tr>
<tr>
<td>Total investments</td>
<td>-</td>
<td>13,784,695</td>
<td>-</td>
<td>13,784,695</td>
</tr>
</tbody>
</table>

Analysis for the prior year end is as follows:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIV's</td>
<td>-</td>
<td>12,659,709</td>
<td>-</td>
<td>12,659,709</td>
</tr>
<tr>
<td>Total investments</td>
<td>-</td>
<td>12,659,709</td>
<td>-</td>
<td>12,659,709</td>
</tr>
</tbody>
</table>
10. Investment risks

Types of risk relating to investments

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

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

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

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

The Trustees determine their investment strategy after taking advice from a professional investment Advisor. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risks and market risks, within agreed risk limits which are set taking into account the Scheme’s investment objectives and risk limits are implemented through the investment management agreement in place with the Scheme’s investment manager and is monitored by the Trustees by regular reviews of the investment portfolios.

The Trustees’ main objectives for the Scheme are the acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from the Employer, the cost of current and future benefits. They also seek to limit the risk of the assets failing to meet the liabilities over the long term and to minimise the long term costs by maximising the return on the assets.

The Trustees reviewed the investment strategy in March and June 2019 and agreed a suitable asset allocation strategy with the investment Advisor with the aim of achieving the overall investment objectives. The benchmark asset allocation for the Scheme is – index linked gilts 10%, investment grade corporate bonds 30%, global equities 45% and diversified growth 15%. The choice of asset classes is designed to ensure that the Scheme’s investments are adequately diversified and liquid. The Trustees monitor the strategy regularly to ensure that they are comfortable with the level of diversification being achieved.

The decision was taken after a discussion which identified a potential risk to the Scheme due to the ageing membership profile, current investment strategy and future liabilities which could result in a marked increase in the payment of benefits over the next 15 years. The future approach is to keep the Scheme’s allocation to each asset class broadly unchanged, but limit exposure through a small number of pooled funds held with L&G and one diversified fund held with Schroders. The Schroder Life Diversified Growth Fund invests in a wide range of assets and its place in the strategy would be as a diversifier away from equities, thus providing protection if markets fall.

Further information on the Trustees’ approach to risk management and the Scheme’s exposures to credit and market risks are set out below.

(i) Credit Risk

The Scheme is subject to direct credit risk as it invests in bonds and holds cash balances. The Scheme also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds within the pooled investment vehicles.
It is indirectly exposed to credit risk from the underlying investments held by the pooled investment vehicles.

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Credit risk</th>
<th>Currency risk</th>
<th>Interest rate risk</th>
<th>Other price risk</th>
<th>Value £</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIV’s</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>13,784,695</td>
</tr>
</tbody>
</table>

Credit risk arising on bonds is mitigated by investing in government bonds where the risk is minimal.

Cash is held in financial institutions which are at least investment grade credit rated.

The Scheme’s holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from each pooled manager by custody arrangements, the regulatory environments in which pooled managers operate and diversification of Scheme investments amongst a small number of different pooled arrangements. Trustees’ Advisors carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of each pooled manager.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit securities.

(ii) Currency

The Scheme is subject to indirect currency risk because some of the Scheme’s investments are listed on overseas markets in securities held via its pooled investment vehicles. Investments listed in the UK may also be subject to currency risks affecting revenues, costs and profits from overseas subsidiary and associate businesses.

(iii) Interest rate risk

The Scheme is subject directly to interest rate risk as it invests in government bonds. It is also indirectly affected through the pooled investment vehicles as some of the Scheme’s underlying investments are held in corporate bonds and government gilts.

(iv) Other price risk

Other price risk arises principally in relation to the Scheme’s investments in equities and equities held in pooled investment vehicles. The Scheme’s investment manager manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Trustees.

11. Current assets

<table>
<thead>
<tr>
<th></th>
<th>2021 £</th>
<th>2020 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash deposits</td>
<td>34,882</td>
<td>64,738</td>
</tr>
<tr>
<td>Total current assets</td>
<td>34,882</td>
<td>64,738</td>
</tr>
</tbody>
</table>

12. Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>2021 £</th>
<th>2020 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees</td>
<td>52,717</td>
<td>59,299</td>
</tr>
<tr>
<td>Overpaid contributions</td>
<td>-</td>
<td>3,200</td>
</tr>
<tr>
<td>PAYE</td>
<td>7,734</td>
<td>7,643</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>60,451</td>
<td>70,142</td>
</tr>
</tbody>
</table>
13. Related party transactions

P G Love, J Gordon and A Miller are Trustees and deferred members in the Scheme.

14. Contingent Liabilities

As explained on page 4 of the Trustees’ report, on 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group’s defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

The Trustees of the Scheme are aware that the issue will affect the Scheme and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Any adjustments necessary will be recognised in the accounts for the year ended 31 December 2022. It is not possible to estimate the value of any such adjustments at this time.
Independent Auditor's Report to the Trustees of The Stewart Group Limited Retirement Benefits Scheme

Opinion

We have audited the financial statements of The Stewart Group Limited Retirement Benefit Scheme (the 'Scheme') for the year ended 31 December 2021, which comprise the Fund Account, the Statement of Net Assets and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and


Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

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

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

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

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

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

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to wind up the Scheme or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial Statements

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

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

We considered the opportunities and incentives that may exist within the Scheme for fraud and identified the greatest potential for fraud in the following areas: 'ghost' members receiving benefits from the scheme and misappropriation of scheme assets including the investment portfolio. We discussed these risks with client management and designed audit procedures to test these areas. Testing included confirming gross pension payments in the year directly with a sample of members, reconciling the investment portfolio valuation at the year end and reviewed the transactions within the portfolio in the year.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

**Use of our report**

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

**Anderson Anderson & Brown Audit LLP**  
Statutory Auditors  
Kingshill View  
Prime Four Business Park  
Kingswells Causeway  
Aberdeen  
AB15 8PU  

Date: 29 July 2022
Independent Auditor's Statement about Contributions to the Trustees of The Stewart Group Limited Retirement Benefits Scheme

We have examined the Summary of Contributions to The Stewart Group Limited Retirement Benefits Scheme for the Scheme year ended 31 December 2021.

This statement is made solely to the Scheme’s Trustees, as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme’s Trustees those matters we are required to state to them in an auditor’s statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this statement, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

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

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

Scope of work on statement about contributions

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

Statement about contributions payable under the Schedule of Contributions

In our opinion, contributions for the Scheme year ended 31 December 2021, as reported in the summary of contributions and payable under the Schedule of Contributions, have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 28 October 2019.

Anderson Anderson & Brown Audit LLP
Statutory Auditors
Kingshill View
Prime Four Business Park
Kingswells Causeway
Aberdeen
AB15 8PU

Date: 29 July 2022
Summary of Contributions

This Summary of Contributions has been prepared by and is the responsibility of the Trustees. It sets out the deficit funding contributions payable to the Scheme under the Schedule of Contributions certified by the Actuary on 28 October 2019.

The Scheme auditor reports on contributions payable under the Schedule of Contributions in the auditor’s statement about contributions.

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit funding contributions</td>
<td>312,000</td>
</tr>
<tr>
<td>Additional contributions</td>
<td>81,200</td>
</tr>
<tr>
<td>Contributions payable under the Schedule of Contributions and reported in the financial statements</td>
<td>393,200</td>
</tr>
</tbody>
</table>

Signed on behalf of the Trustees:

Signature of Trustee | Name                     | Date  
---------------------|--------------------------|-------
Carolanne McGeough   | 29th July 2022           |      
Scheme Funding

Report on Actuarial Liabilities (forming part of the Trustees’ report)

Under section 222 of the Pensions Act 2004, every defined benefit pension scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to. This is assessed at least every three years using assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent formal actuarial valuation of the Scheme was carried out as at 1 September 2018. The funding position at that valuation date was as follows:

<table>
<thead>
<tr>
<th></th>
<th>1 September 2018 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Assets</td>
<td>11,903</td>
</tr>
<tr>
<td>Value of Liabilities</td>
<td>12,831</td>
</tr>
<tr>
<td>(Deficit)</td>
<td>(928)</td>
</tr>
<tr>
<td>Funding Level</td>
<td>93%</td>
</tr>
</tbody>
</table>

The value of the technical provisions is based on assumptions about various factors that will influence the Scheme in the future, such as interest rates, levels of inflation and members’ life expectancies. The significant actuarial assumptions used to determine the technical provisions are as follows:

Discount interest rate
Derived from the expected returns on the investment currently held by the Scheme, but with a margin deducted for prudence.

Future rates of inflation
The Retail Price Index (RPI) is derived from the difference in market yields available on long term fixed interest and index linked gilts. Consumer Price Index (CPI) is derived from the RPI assumption less an adjustment of 1.0% p.a.

Inflation linked pension increases in deferment
Consistent with the assumption for future CPI inflation allowing for the minimum and maximum increases according to the provisions in the Scheme’s rules.

Mortality
For the period in retirement, standard tables S2PA and allowance for future improvements in line with the CMI_2017 projections with a long term rate of 1.5% p.a.

The Employer will pay deficit reduction contributions of £26,000 per month from 1 September 2018 to 31 October 2021. The deficit in the Scheme as at 1 September 2018 is expected to be eliminated by 31 October 2021.
Actuary’s Certification of the Schedule of Contributions

Name of Scheme: Stewart Group Limited Retirement Benefits Scheme

Name of Scheme: Stewart Group Limited Retirement Benefit Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 1 September 2018 to be met by the end of the period specified in the Recovery Plan dated 28 October 2019.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 28 October 2019.

The certification of the adequacy 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 was to be wound up.

Signature: Ann Marie Dickson

Date: 28 October 2019

Ann Marie Dickson
Fellow of the Institute and Faculty of Actuaries

Broadstone Corporate Benefits Ltd
221 West George Street
Glasgow
G2 2ND
Further Information

Investment Report

All investments have been managed during the year by Legal & General Investments Limited. There is a degree of delegation of responsibility for investment decisions. The Trustees agree the investment strategy after taking advice from the Scheme Advisor, Lane Clark & Peacock. Subject to complying with the agreed strategy, which specifies the target proportions of the Scheme which should be invested in the principal market sectors, the day-to-day management of the Scheme’s asset portfolio, which includes full discretion for stock selection, is the responsibility of the Investment Manager.

The investment strategy is to invest principally in securities which are considered likely to earn a return which at least matches inflation, for example equities. With a strategy for steady growth over the medium to long term, subject to an acceptable level of risk, the assets are distributed throughout the major investment markets in proportions that reflect the Investment Advisor’s views on the relative attractions of each market. The Investment Advisor must also ensure that the assets are readily marketable.

The Trustees have produced a Statement of Investment Principles (SIP), which incorporates the investment strategy, in accordance with Section 35 of the Pensions Act 1995. A copy of the SIP is available on request.

There were no employer related investments during the year or at the year end.

The distribution of the Scheme’s assets at the end of the year is set out below.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2021</th>
<th>31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK equities</td>
<td>8.1</td>
<td>33.0</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>31.0</td>
<td>14.1</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>29.5</td>
<td>28.9</td>
</tr>
<tr>
<td>Gilt funds</td>
<td>7.6</td>
<td>-</td>
</tr>
<tr>
<td>Index-linked bonds</td>
<td>9.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Diversified funds</td>
<td>15.0</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The annual return figure was 8.7% (benchmark 8.4%). As the investment portfolio switched during the year, no 3 and 5 year return figures are available.

Legal & General Assurance (Pensions Management) Limited have appointed HSBC as custodian of the Scheme’s assets. The Trustees are responsible for ensuring the Scheme’s assets continue to be securely held. They review the custodian arrangements from time to time.
Pension Industry Bodies

The statutory body that regulates occupational pension schemes is the Pensions Regulator and can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
0345 600 1011
customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

MoneyHelper can be contacted at:

MoneyHelper
120 Holborn
London
0800 011 3797
enquiries@moneyadviceservice.org.uk
www.moneyhelper.org.uk

Members and beneficiaries of pension schemes who have problems concerning their Scheme which are not satisfied by the information or explanation given by the administrators or the Trustees can consult with The Pensions Ombudsman (TPO). Additionally in cases where a complaint or dispute cannot be resolved, an application can be made to TPO for them to investigate and determine any complaint or dispute of fact or law involving occupational pension schemes. This service can be contacted at:

The Pensions Ombudsman
10 South Colonnade
London E14 4PU
0800 917 4487
enquiries@pensions-ombudsman.org.uk
www.pensions-ombudsman.org.uk

Requesting Further Information

Further information about the Scheme is available, on request, to members, spouses, beneficiaries and recognised trade unions. If members have any queries concerning the Scheme or their own pension position, or have any complaints in relation to the Scheme they should contact, in the first instance, Ian Shand of Broadstone Corporate Benefits Ltd at the following address:

221 West George Street
Glasgow
G2 2ND
ian.shand@broadstone.co.uk