

De La Rue Pension Scheme

Annual Report & Financial Statements

31 March 2026

Scheme Registration number 10226686

Contents

Page

Section 1 – Trustee and its Advisers	1
Section 2 – Trustee’s Report	3
Management of the Scheme	3
Report on Actuarial Liabilities	7
Scheme Membership	10
Investments	11
Statement of Trustee’s Responsibilities	19
Further Information	20
Section 3 – Independent Auditors’ Report	23
Section 4 – Financial Statements	26
Section 5 – Notes to the Financial Statements	29
Section 6 – Independent Auditors’ Statement About Contributions	56
Section 7 – Summary of Contributions	57
Section 8 – Actuarial Statement & Certificates	58
Section 9 – Implementation Statement	59

Section 1 – Trustee and its Advisers

The Trustee

The Trustee of the De La Rue Pension Scheme is a company called De La Rue Pension Trustee Limited. A sole professional trustee governance model was adopted with effect from 7 February 2023 with PAN Trustees UK LLP being selected for the role.

Current Trustee Directors

PAN Trustees UK LLP, represented by M Roberts and J Walters (appointed 7 November 2025)

Advisers

The advisers to the Trustee are set out below:

Scheme Actuary	Laura McLaren, FFA C.Act Hymans Robertson LLP
Scheme Administrator	Hymans Robertson LLP
Independent Auditors	PricewaterhouseCoopers LLP (resigned 4 April 2025) Assure UK LLP (appointed 1 May 2025)
Additional Voluntary Contributions (“AVCS”) Providers	Aegon Aviva Plc Phoenix Life (“Phoenix”) The Prudential Assurance Company Limited (“Prudential”) Utmost Life and Pensions Limited (“Utmost”)
Annuity Provider	Rothsay (previously Scottish Widows Limited)
Investment Managers	Defined Benefit Section Insight Investment Management (Global) Limited (“Insight”) Legal & General Assurance (Pensions Management) Limited (“L&G”) Partners Group (“Partners”) Ares Management (“Ares”) (appointed 6 November 2025) SCOR (appointed 21 May 2026) Defined Contribution AVCs Aviva Plc (“Aviva”) BlackRock Advisors (UK) Limited (“BlackRock”) Hymans Robertson LLP Dalriada Trustees Limited CMS Cameron McKenna Nabarro Olswang LLP Bank of New York Mellon State Street Custodial Services (Ireland) Limited Citibank N.A. RBC-Investor Services Bank S. A. Alter Domus Depositary Services S.à r.l. Banker
Investment Consultant	Hymans Robertson LLP
Secretary to the Trustee Board	Dalriada Trustees Limited
Legal Adviser	CMS Cameron McKenna Nabarro Olswang LLP
Custodian	Bank of New York Mellon State Street Custodial Services (Ireland) Limited Citibank N.A. RBC-Investor Services Bank S. A. Alter Domus Depositary Services S.à r.l.
Banker	Barclays Bank plc

Advisers (continued)

Covenant Adviser Mercer Limited (previously Cardano Advisory Limited)

Sponsoring Employer De La Rue Limited (name changed with effect 7 July 2025)
De La Rue House
Jays Close
Basingstoke
RG22 4BS

Participating Employers De La Rue International Limited
De La Rue Holdings Limited

Contact Address De La Rue Pension Scheme
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB
Email: delaruepension@hymans.co.uk

Section 2 – Trustee’s Report

The Trustee of the De La Rue Pension Scheme (the “Scheme”) is pleased to present its Annual Report together with the audited financial statements and actuarial certificate of the Scheme for the year ended 31 March 2026. The purpose of the report is to describe how the Scheme and its investments have been managed during the year.

Management of the Scheme

Legal Status

The Scheme was established by a Trust Deed dated 3 March 1997.

The Scheme is an occupational hybrid pension scheme which has historically incorporated two sections:

- a defined benefit section which provides benefits based on a member’s salary and length of service; and
- a defined contribution section which provided benefits based on a member’s accumulated fund.

Members of the Scheme are unable to make further Additional Voluntary Contributions as the Scheme is closed for future accrual.

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

Members of the defined benefit section were contracted-out of the State Second Pension (“S2P”) under a certificate issued by the HM Revenue & Customs National Insurance Contributions Office.

Both sections of the Scheme closed to new members on 31 March 2013 with the defined benefit section closing to future accrual at the same time, with the exception of the Classic section which closed to future accrual on 29 March 2020. The Trustee, with the consent of the Principal Employer, transferred all remaining members of the Classic Section of the Scheme to the Main Section of the Scheme on 12 May 2023. As a result, there are no assets or liabilities remaining in the Classic Section of the Scheme. The Classic Section was terminated and, as such, is no longer a separate section of the Scheme.

The defined contribution section (excluding AVCs) was transferred to the LifeSight Master Trust with effect from 6 December 2021. The Defined Contribution section of the Scheme (excluding AVCs which were transferred to the Defined Benefit section in April 2022) was wound up on 4 November 2022.

Trustee

The Trustee has delegated the day to day management and operation of the Scheme’s affairs to professional organisations as set out on pages 1 and 2. The Trustee has written agreements in place with each of them.

De La Rue Limited is responsible for the appointment and removal of the Trustee. De La Rue Limited appointed PAN Trustees UK LLP as the sole professional trustee with effect from 7 February 2023.

The Trustee held meetings with its advisers on a regular monthly basis throughout the year.

Change of Auditor

During the year, PriceWaterhouseCoopers LLP resigned as Scheme Auditors on 4 April 2025 and confirmed that they were not aware of any circumstances connected with their resignation which, in their opinion, affected the interest of members or beneficiaries. On 1 May 2025, the Trustee appointed Assure UK LLP as the Scheme auditor.

Trustee's Report (continued)**Financial Development of the Scheme**

The financial statements have been prepared and audited in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995.

The fund account shows that the net assets of the Scheme increased from £597,245,000 at 31 March 2025 to £607,052,000 at 31 March 2026. The increase in net assets is accounted for by:

	DBS*	DCS**	Total	DBS*	DCS**	Total
	31 March	31 March	31 March	31 March	31 March	31 March
	2026	2026	2026	2025	2025	2025
	£000	£000	£000	£000	£000	£000
Member related income	38,566	-	38,566	7,945	-	7,945
Member related payments	(43,936)	-	(43,936)	(43,848)	-	(43,848)
Net withdrawals from dealings with members	(5,370)	-	(5,370)	(35,903)	-	(35,903)
Net returns on investments	15,175	2	15,177	(20,441)	3	(20,438)
Net increase/(decrease) in fund	9,805	2	9,807	(56,344)	3	(56,341)
Transfer between sections	2	(2)	-	3	(3)	-
Net assets at start of period	597,245	-	597,245	653,586	-	653,586
Net assets at end of period	607,052	-	607,052	597,245	-	597,245

*Defined Benefit Section

**Defined Contribution Section

A full analysis as to the going concern assessment of the Scheme is set out in note 2 to the financial statements.

Pension Increases

Guaranteed Minimum Pensions ("GMPs") in payment which accrued after 5 April 1988 were increased by 3% at March 2026 (1.7% at April 2025) in line with legislative requirements. Pensions in payment (in excess of the GMPs) were increased with reference to inflation and the Rules of the Scheme. Benefits in excess of GMP were broadly increased by 3.8% subject to the minimum underpins on the Pre and Post 97 pension tranches. The average increase was 2.9% (2.3% at April 2025). Pensions in respect of former Bank of England members are increased each 1 July; the increase made in July 2025 was 4.3% (3.0% at July 2024). Deferred pensions were increased in line with statutory requirements and the Rules of the Scheme.

None of the above increases were discretionary (2025: none).

Trustee's Report (continued)

Transfers

The Trustee does not currently permit the transfer of the value of benefits arising from membership of previous pension plans into the Scheme. Members who have left service can normally transfer the value of their benefits under the Scheme to another scheme which they join, or to an insurance contract or personal pension.

Defined Benefit Section:

The Trustee is responsible for setting the economic, financial and demographic assumptions to be used in calculating transfer values, having taken the advice of the Actuary. The basis used for transfer value calculations does not include discretionary benefits. Transfer values paid out of the Scheme include an allowance for GMP equalisation.

Defined Contribution Section:

Where relevant in the past, Transfer values were paid equal to the market value of the member's investments at the date of transfer. No discretionary payments have been made during the period.

As noted on page 3, the Scheme's Defined Contribution section (excluding AVCs) was transferred to a master trust arrangement with LifeSight, with the transfer of assets taking place in December 2021. The Defined Contribution section of the Scheme (excluding AVCs) was wound up on 4 November 2022.

Any member of the Defined Benefit section who had Defined Contribution section benefits that were included as part of the bulk transfer from Aegon to LifeSight is allowed to transfer their defined contribution fund into the Defined Benefit section to maximise their tax-free lump sum. Members' who have opted to transfer their funds into the Defined Benefit section of the Scheme are recorded under other income.

Guaranteed Minimum Pensions

In October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. Subsequently, in November 2020, the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. The issues determined by the judgements arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme notes that the issues will have an impact on the Scheme and has been considering them in conjunction with its advisers.

Under the rulings, schemes are required to backdate benefit adjustments in relation to GMP equalisation, provide interest on the backdated amounts and revisit individual transfer payments made since 17 May 1990, to check if any additional value is due as a result of GMP equalisation. The Trustee is currently working through a GMP rectification exercise. The approach for the equalisation of GMP within future cash equivalent transfer values was considered and implemented effective from September 2021. Since then the Scheme has been quoting transfer values which include an allowance for GMP equalisation.

The Trustee and Company have not yet agreed the equalisation methodology to be used and therefore the Trustee is not in a position to obtain a reliable estimate of the backdated benefits and related interest or additional transfer values. Therefore, the cost of backdating pension benefits and related interest and additional transfer values have not been recognised in the Financial Statements. They will be recognised once the Trustee is able to reach a reliable estimate. As part of the 31 March 2025 actuarial valuation, a 0.25% loading was applied to the overall total liabilities as an approximate allowance for GMP equalisation.

Trustee's Report (continued)

Virgin Media Case

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void.

It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court.

The Trustee is monitoring the position and will consider the possible implications, if any, for the Scheme of the above with its advisers and what steps, if any, it wishes to take. Therefore, it is not possible, at present, to estimate the potential impact, if any, on the Scheme.

The Trustee also notes that legislation has now been enacted to address uncertainty arising from the Virgin Media judgment, with the Pension Schemes Act 2026 receiving Royal Assent on 29 April 2026. The Act introduces a statutory mechanism allowing certain historic amendments to be retrospectively validated, including through the provision of actuarial confirmation where this was not obtained at the time. In addition, actuarial guidance has been issued to support the provision of such retrospective confirmations. The implications of these developments are being considered by the Trustee with its advisers.

Sponsoring Employer

De La Rue Plc (the Sponsoring Employer of the Scheme) de-listed from the London Stock Exchange on 3 July 2025, and the Sponsoring Employer entity was renamed De La Rue Limited. This change arises as a result of the acquisition of the Sponsoring Employer by ACR Bidco Limited (a company indirectly wholly-owned by funds managed and advised by Atlas FRM LLC (d/b/a Atlas Holdings LLC)). As a part of this corporate activity, the Trustee entered into a Memorandum of Understanding ("MoU") with Atlas Capital GP IV LP on 10 April 2025 (as subsequently amended on 2 October 2025). This MoU provides protections to the Trustee in the event of funding or covenant deterioration following the change of ownership.

Trustee's Report (continued)

Report on Actuarial Liabilities

Actuarial Valuation

As required by Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"), the financial statements do not include liabilities in respect of promised retirement benefits.

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

The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2025. This showed that on that date:

The value of the Technical Provisions was: £618.5 million

The value of the assets was: £583.7 million

The method and significant actuarial assumptions used to determine the technical provisions can be found below (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles dated 2 October 2025).

In the ordinary course of events the next statutory valuation would have been as at 30 September 2026. However, under the conditions set out within the memorandum of understanding ("MoU") between the Trustee and Atlas Capital GP IV LP dated 10 April 2025 (as subsequently amended on 2 October 2025), the Trustee carried out a triennial valuation as at 31 March 2025.

Deficit reduction contributions of £2m (paid by 5 April 2025) and £35m (paid on 1 May 2025) were made in accordance with the then applicable Schedule of Contributions (dated 25 April 2025), with the result that the funding deficit identified at the valuation date was expected to be eliminated.

Subsequently, a Schedule of Contributions dated 2 July 2025 was agreed, under which contributions due were structured in conjunction with the MoU. This introduced an escrow arrangement under which certain contributions were paid into an escrow account rather than directly to the Scheme.

The current Schedule of Contributions, dated 2 October 2025, supersedes the July 2025 Schedule and continues to reflect this framework. Under this arrangement, contributions and contingent payments may be paid into the escrow account and released to the Scheme in accordance with the funding position assessed at prescribed future dates, as set out in the MoU.

In broad terms, the escrow mechanism operates alongside a contingent funding framework, whereby contributions may be paid into escrow where a funding shortfall is identified at periodic assessment dates, and amounts are subsequently transferred to the Scheme where deficits persist. The Trustee continues to monitor the operation of this arrangement, including the interaction between the Schedule of Contributions and the contingent funding provisions set out in the MoU.

Method

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

Trustee's Report (continued)**Significant Actuarial Assumptions**

Discount rate for cashflows after 2032	Fixed interest gilt curve + 0.5% p.a.
Discount rate for cashflows before 2032	Fixed interest gilt curve + 1.4% p.a. as at 31 March 2025. The discount rate applicable prior to 30 September 2032 will vary at future assessment dates, based on the change in credit spread (as defined below) since 31 March 2025, multiplied by the strategic allocation of the Scheme's assets to investment grade credit. The credit spread at a future assessment date will be defined as the difference between the yield on the "iBoxx £ corporates" index, and the yield on fixed interest government bonds at a consistent duration (rounded to the nearest integer) as published by the Bank of England. The difference in credit spread using the above definition between the future assessment date and 31 March 2025 will be multiplied by 1/3rd to represent the current anticipated strategic allocation to investment grade credit. This multiplied adjustment will be applied to the base 1.4% rate applicable prior to 30 September 2032.
Retail Price inflation ("RPI")	Market implied inflation gilt yield curve.
Consumer Price inflation ("CPI")	Market implied inflation gilt yield curve less an adjustment of 1.00% p.a. until 2030 and market implied inflation gilt yield curve less an adjustment of 0.00% p.a. post 2030 (broadly market implied inflation gilt yield curve less 0.40% p.a.
Pension increases	Assumed to be in line with price inflation adjusted to take account of any maximum or minimum increase that may apply. Limited Price Indexation ("LPI") curves are derived from an option pricing model fitted to LPI swap prices.
Expenses	Scheme expenses will be allowed for on an ongoing basis.
Mortality - base tables	Member specific longevity Club VITA tables.
Mortality - Future longevity improvements	CMI 2023 model (calibrated to VITA tables) with a smoothing parameter of $Sk = 7.0$, an initial addition parameter of 0.25%, 0% weighting to 2020 and 2021 data, 15% weighting to 2022 and 2023 data and a long-term rate of improvement of 1.5% p.a. which tapers to 0% p.a. over ages 85 to 110.

Trustee's Report (continued)

Deficit Contributions

The 31 March 2025 actuarial valuation showed that the Scheme had a funding deficit relative to the Scheme's statutory funding objective. In accordance with the previous Schedule of Contributions, the following deficit reduction contributions have been paid into the Scheme by the Sponsor (or by other participating employers or De La Rue group companies) since the 31 March 2025 actuarial valuation date:

- £2 million contribution was paid by 5 April 2025.
- Total of £35 million of contributions were paid on 1 May 2025 (the Closing of the Sale of Authentication)

The funding deficit as at 31 March 2025 was expected on the valuation date to be met by 1 May 2025 on the basis of the above deficit reduction contributions. As a result, no further deficit reduction contributions are due under this Schedule.

Employers Expense Contributions

For the purposes of clause 10 of the Trust Deed and Rules, the Trustee and the Sponsor have agreed that:

- A monthly payment of £125k (£1.5m p.a.) will be made by the Sponsor to provide for administrative expenses of the Scheme up to and including 30 September 2032, with the contribution amount subject to review in light of Scheme budget expectations at subsequent actuarial valuations. This is comprised of:
 - A monthly payment of £83,333 (£1m p.a.) to cover ongoing Scheme expenses.
 - A monthly payment of £41,667 (£500k p.a.) to cover additional one-off / project expenses.
- The Sponsor will also reimburse the Trustee for the Pension Protection Fund scheme-based and risk based levy for levy years up until financial year FY2028/29.
- Additional expenses relating to corporate led projects, with the Trustee providing reasonable budgeting information relating to such costs.

Trustee's Report (continued)

Scheme Membership

The reconciliation of the Scheme membership during the period year 31 March 2026 is shown below:

Pensioner Members (including spouses and dependants)	Number
As at 1 April 2025	4,091
Retirements	123
Deaths	(134)
New spouses and dependants	35
Full commutation	(1)
Pensioner Members as at 31 March 2026	4,114

Included in the pensioners above are 732 (2025: 736) widows or dependants who are receiving a pension following the death of a member.

Deferred Pensioner Members	Number
As at 1 April 2025	1,979
Adjustment	1
Trivial commutations	(8)
Deaths	(23)
Retirements	(123)
Transfers out	(8)
No liability	(1)
Deferred Pensioner Members as at 31 March 2026	1,817

Summary	Number
As at 1 April 2025	6,070
Net movements (detailed above)	(139)
Members as at 31 March 2026	5,931

Contained in the above membership data are 93 (2025: 103) deferred pensioner members who also have defined contribution AVC pots.

As at 31 March 2026, there were 1,355 pensioner members (2025: 1,331) whose benefits were held with Rothesay (previously Scottish Widows) via an annuity insurance policy in the Trustee's name.

Trustee's Report (continued)

Investments

This report has been prepared using data sourced from Hymans Robertson LLP, the investment managers and other external sources. The current investment managers are shown on page 1.

General

The Scheme's investment strategy is agreed by the Trustee after taking appropriate advice. The strategic management of the assets is fundamentally the responsibility of the Trustee and is driven by the investment objectives. The day-to-day management of the assets is delegated to the professional investment managers.

The Scheme holds a buy-in insurance policy with Rothesay, undertaken in May 2022, to insure a portion of the Scheme's total liabilities of approximately 30%. This buy-in policy insures a portion of the Scheme's pensioners for the ongoing payment of their pension benefits.

The main assets of the Scheme were managed by Insight, L&G and Partners.

Insight was appointed in 2006 and currently manage an active bond portfolio across segregated arrangements and pooled investment vehicles. The segregated portfolio is comprised of a Liability Driven Investments ("LDI") portfolio and a bespoke Buy and Maintain portfolio of corporate bonds.

The LDI portfolio is designed to reduce the Scheme's exposure to adverse movements in interest rates and inflation. The LDI has been reflected in the financial statements using the value of all its underlying holdings, mainly bonds, but also including derivatives (mainly swaps); bonds lent as part of repurchase agreements ("repos") which are used for efficient portfolio management, and unsettled transactions; accrued investment income; and some cash. The "Buy and Maintain" portfolio is made up of carefully selected corporate bonds which are expected to be held to maturity for their additional return over government bonds.

The pooled funds managed by Insight are comprised by a Secured Finance fund, in which the Scheme is the sole investor (pooled fund of one), and a Cash Plus portfolio which holds asset-backed securities, corporate floating notes, secured finance and cash. These funds seek to produce an annual interest-rate-based return via a diversified portfolio of instruments comprising loans and debt securities. The portfolio's focus is on both liquid and illiquid strategies. The portfolio's performance is benchmarked to various SONIA targets.

Partners Group was appointed in 2016 to manage a multi-asset credit mandate ("MAC III"). An additional allocation ("MAC V") was agreed on in July 2020 to maintain exposure to the illiquid debt asset class as MAC III gradually returns invested capital. The MAC V fund is in the distribution phase, meaning that the investments are being realised and as repayments to the private debt issues are made the funds return income to the Scheme in the form of capital and interest. The Mac III fund returned its last distribution in December 2025 and has now wound up. These Partners funds, known as "vintages", seek to create a diversified portfolio of senior private loans and public high-yield bonds, in the primary and secondary loan markets. Investments are diversified across asset classes, instruments, sectors, and geographies. The performance objective of the vintages is cash return + 4% - 6% p.a. (net of fees).

L&G managed overseas and UK equity assets on behalf of the Scheme via pooled funds on a passive basis. Within the Scheme's exposure to overseas equities, a proportion was hedged back to Sterling (excluding the exposure to emerging market equities) via currency-hedged funds. During February 2026 the fund completed a full disinvestment from the equity funds, with a nil valuation at year-end.

During the year, the Scheme made a £70m investment in a Scottish Limited Partnership ("SLP") Interest, funded in two equal tranches of £35m in December 2025 and February 2026. This investment delivers a return of 10%p.a. paid in quarterly instalments.

Following the appointment of Ares in November 2025, the Trustees made a commitment in their Pathfinder Core Fund in the last week of March. The initial capital call can be expected between 9 and 15 months after commitment and full capital deployment between 12 and 24 months.

Trustee's Report (continued)

General (continued)

After year end, in May 2026, the Trustees appointed SCOR as an investment manager and invested in their insurance-linked securities Atropos Fund, with an initial allocation in July 2026 of £10m sourced from the LDI mandate.

The Scheme's assets also include Additional Voluntary Contribution assets belonging to members of the Scheme.

The Scheme previously had a Defined Contribution ("DC") Plan which ran alongside the DB section. Following the transfer of all DC members to a master trust in 2021, the DC Plan was wound up in November 2022.

Investment Strategy

The Trustee sets the Scheme's investment strategy, taking into consideration the strength of the Employer covenant and the professional advice provided by Hymans Robertson LLP, to achieve the following objectives (listed in order of priority):

- Ensure that there are sufficient assets available to pay members' benefits as they fall due;
- Achieve full funding on a low-risk basis over the longer period;
- Minimise investment risk (defined as funding level volatility) commensurate with the funding aims.

To achieve these objectives, it is necessary to take investment risk. The key principles which have been agreed and which guide the level and type of risk taken are:

- Risk should only be taken where commensurate reward is expected;
- Risk should only be taken where the expected reward is required to give a reasonable chance of meeting the Scheme's objectives; and
- Risk should be diversified so that the Scheme is not overly exposed to any one risk or source of return (whether an asset class or manager).

Based on the objectives set out above, these broad principles are, in consultation with the Scheme sponsor, translated into an investment strategy which aims to achieve the Scheme's funding objectives. In doing so, the Trustee considers a reasonable balance between having as high a chance as possible of achieving the target while minimising the level of investment risk which needs to be taken.

Current DB investment strategy

The current strategy is set by the Trustee, to reach full funding and meet 100% of benefits as they fall due for payment to members. This means strategic asset allocations are not rigid, with investments predominantly managed by Insight, resulting in asset allocations varying quarter on quarter in-line with market movements. The strategy as at 31 March 2026 was:

- c.50.6% in a diversified portfolio of income-generating investments, comprising mainly investment grade and sub-investment grade corporate bonds and debt instruments;
- c.18.8% in investments that move broadly in line with the Scheme's long-term liabilities. This is referred to as LDI and comprises UK government bonds, gilt repurchase arrangements, and swaps. These holdings hedge approximately 100% of the impact of interest rate and 100% of the impact of inflation movements on the long-term liabilities (on a technical provisions basis); and
- c.30.6% in an insurance policy that provides the Scheme with contractual income that exactly matches the pensions the Scheme pays to member covered by the policy.

Trustee's Report (continued)**Investment Strategy (continued)**

The allocation of the Scheme's investments held under the Defined Benefit section at 31 March 2026 is shown in the table below:

	Total £'000	Actual %	Target %
L&G Global Equities	-	-	-
L&G UK Equities	-	-	-
Total Return-Seeking	-	-	-
Insight Buy and Maintain	77,136	13.0	13.0
Insight LDI*	154,695	26.0	26.0
Insight Secured Finance Lending	31,500	5.3	5.3
Insight Liquid/Global ABS	60,464	10.2	10.2
Partners Group Multi-Asset Credit	12,528	2.1	2.1
SLP Partnership Interest	69,910	11.7	11.7
AEGON and AVCs	4,266	0.7	0.7
Insurance policy	184,500	31.0	31.0
Total Income Generating and Liability Matching	594,999	100.0	100.0
Total	594,999	100.0	100.0

*Value of the LDI portfolio includes a Liquidity Fund which is a cash-only component of the LDI.

As of 31 March 2026, the Scheme has not set any strategic asset class benchmark targets. This reflects the updated active management strategy that has been adopted with Insight.

The Trustee also monitors the value of the Scheme's investments in comparison with the value of the liabilities at regular funding updates and valuations.

Over the year to 31 March 2026, the Scheme's investments increased by approximately c£4.4m from £590.6m at 31 March 2025 to £595.0m at 31 March 2026.

The Scheme's investments (excluding buy-in) returned (3.9)% over the year to 31 March 2026, underperforming the aggregate Scheme benchmark by 0.3%.

Trustee's Report (continued)

Investment Strategy (continued)

L&G managed a small proportion of the Scheme's investments under index-tracking global and UK equity mandates. Following full disinvestment in February 2026, the Scheme had a nil allocation at year-end. As such the fund has been excluded from the table on the next page. Over the period the Scheme had a non-zero holding, the L&G mandates performed in-line with benchmark since inception, as expected of passive funds that track the corresponding investment indices.

The Insight LDI and Buy and Maintain sub-portfolios returned (0.4)% and 4.7%, respectively, over the period. The purpose of the LDI sub-portfolio is to provide protection against adverse movements in the Scheme's liabilities, as opposed to increasing the Scheme's returns. Therefore, in periods when interest rates fall and the value of the liabilities increases, the LDI portfolio would be expected to produce a positive return. On the other hand, if yields rise and the value of the liabilities falls, the LDI portfolio would be expected to generate a negative return.

The performance tables on the following page show the net performance of the managers and the Scheme over 1 and 3 year periods to 31 March 2026 in absolute and relative terms.

Due to the nature of multi-asset credit as an asset class, it is not appropriate to assign the Partners funds a short-term performance figure. Partners has been excluded from the total Scheme return calculation, therefore, to preclude undue volatility from the presentation of Scheme returns.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and consider them to be appropriate relative to the reasons for holding each class of investment.

Current Additional Voluntary Contributions investment strategy

A small number of members have AVC investments through Aegon's platform and in legacy arrangements with Aviva, Prudential, Phoenix, and Utmost. These invest in a range of 'With Profit' and unit-linked funds.

Statement of Investment Principles

The Trustee Directors have produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). The current SIP can be found online at <https://www.delaruepensions.co.uk/resources/>

The SIP gives details of the Trustee's investment objectives, while an accompanying Investment Policy Implementation Document ("IPID") which is available on request provides details of the underlying benchmarks used to measure the performance of the investment managers.

From 2021, the Trustee has been required by regulation to prepare an annual statement of compliance ("Implementation Statement") which details how the Trustee has followed the investment principles detailed in the SIP over the period. The Scheme's current Implementation Statement is appended and forms part of this Trustee's report.

The priority for the Trustee Directors when considering the investment policy is to ensure that the promises made about members' pensions may be fulfilled. With this aim, investments have been spread across a range of assets, both by type of investment (equities and bonds) and geographically. Spreading the investments in this way reduces the risk of a sharp fall in one market having a substantial impact on the whole Scheme.

Trustee's Report (continued)

Task Force on Climate-related Financial Disclosures

From 1 October 2021 (for schemes with assets >£5.0bn) and from 1 October 2022 (for schemes with assets >£1.0bn), per the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), DB pension schemes are required to report on how climate change will impact their investment portfolio. To accomplish this, schemes meeting the criteria are expected to produce a TCFD report no later than 7 months from the scheme period end after the effective date of the regulation. As the Scheme no longer meets the TCFD criteria, requiring reporting, at a specified date, the Scheme no longer produces a TCFD report setting out the Trustee's approach to assessing, monitoring and mitigating climate-related risks in the context of the Trustee's broader regulatory and fiduciary responsibilities to their members. However, a copy of the 2023 TCFD report can be found online at <https://www.delaruepensions.co.uk/resources/>.

Review of Defined Benefit Section Investment Performance

The performance of the Scheme's investments to 31 March 2026 is shown in the next table.

Performance over 12 months to 31 March 2026

Manager	Date Appointed	Performance (% p.a.)	Benchmark (% p.a.)	Relative (% p.a.)
Insight – Secured Finance	09/12/2019	2.7	4.1	(1.3)
Insight – Secured Finance II	01/05/2024	6.0	4.1	1.8
Insight – Buy and Maintain	03/12/2013	4.7	4.7	-
Insight – Liquid ABS	24/07/2019	4.8	4.6	0.1
Insight – Global ABS	24/12/2019	5.3	6.2	(0.8)
Insight – LDI ¹	04/11/2013	(0.4)	(0.4)	-
Partners Group Multi-Asset Credit 2016 (III) ²	19/10/2016	-	-	-
Partners Group Multi-Asset Credit 2019 (V) ²	13/08/2019	-	-	-
SLP Partnership Interest ³	19/12/2025	2.8	2.8	-
Total*		3.9	4.2	(0.3)

Source: Hymans Robertson LLP; Investment Managers. All manager performance figures are net of fees.

¹ Includes the performance of Insight Liquidity Fund (cash element of the LDI).

² No performance data is available for Partners.

³ Performance Data since inception.

*Performance excludes the buy-in policy as due to the structure of the insurance policy it is not appropriate to assign a performance figure. It also excludes the Partners funds' performance for reasons previously stated.

Trustee's Report (continued)

Performance over 3 Years to 31 March 2026

Manager	Date Appointed	Performance (% p.a.)	Benchmark (% p.a.)	Relative (% p.a.)
Insight – Secured Finance	09/12/2019	4.5	4.7	(0.3)
Insight – Secured Finance II ³	01/05/2024	6.7	4.6	2.1
Insight – Buy and Maintain	03/12/2013	4.8	4.8	-
Insight – Liquid ABS	24/07/2019	5.6	5.3	0.3
Insight – Global ABS	24/12/2019	7.5	6.8	0.7
Insight – LDI ¹	04/11/2013	-14.1	-14.1	-
Partners Group Multi-Asset Credit 2016 (III) ²	19/10/2016	-	-	-
Partners Group Multi-Asset Credit 2019 (V) ²	13/08/2019	-	-	-
SLP Partnership Interest ³	19/12/2025	2.8	2.8	-
Total*		(2.1)	(2.0)	(0.1)

Source: Hymans Robertson LLP; Investment Managers. All manager performance figures are net of fees.

¹ Includes the performance of Liquidity Fund (cash element of the LDI).

² No performance data available for Partners.

³ Performance Data since inception.

*Performance excludes the buy-in policy as due to the structure of the insurance policy it is not appropriate to assign a performance figure. It also excludes the Partners funds' performance for reasons previously stated.

Social, Environmental and Ethical Considerations

The Trustee believes that good stewardship, environmental, social and governance ("ESG") and ethical and climate-related issues may have an impact on investment returns.

The Trustee has given its investment managers full discretion when evaluating ESG issues and in exercising rights (such as voting rights) attached to the Scheme's investments.

The Scheme's voting policy is exercised by its investment managers in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Investment managers are expected to report on their adherence to these Codes from time to time.

Exercise of Voting Rights

The Trustee has delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long-term shareholder value. Accordingly, the managers have produced written guidelines of their process and practice in this regard. The managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary meetings of companies. Where relevant to the asset class, the Trustee reviews the manager's annual voting and engagement activity as part of the preparation of the Implementation Statement.

Trustee's Report (continued)

Custodial Arrangements

Bank of New York Mellon is the Scheme's appointed custodian for the segregated assets managed by Insight. Bank of New York Europe is responsible for the safe keeping of share certificates and other documents relating to the ownership of listed investments. Investments requiring registration are registered as held by their nominee company, in line with common practice for pension scheme investments.

State Street Custodial Services (Ireland) Limited is the custodian for assets held in Insight Secured Finance Fund.

Assets managed by L&G are held in the form of units in policies of insurance. The custodian for the UK and overseas equities is HSBC Bank Plc.

AVC assets managed by Aegon are held in the form of units in policies of insurance, in the name of Scottish Equitable Plc. in a non-custodial arrangement.

Assets managed by Partners Group are held in the form of a public limited liability company. The custodian of the underlying assets is RBC-Investor Services Bank S.A.

The Trustee is responsible for ensuring the Scheme's assets continue to be securely held.

Investment Management Monitoring

The Trustee's policy in relation to its investment managers

In detailing below the policies on the investment manager arrangements, the over-riding approach of the Trustee is to select investment managers that meet the primary objectives of the Trustee. As part of the selection process and the ongoing review of the investment managers, the Trustee considers how well each investment manager meets the Trustee's policies and provides value for money over a suitable timeframe.

How the arrangement incentivises the investment manager to align its investment strategy and decisions with the Trustee's policies

The Trustee has delegated the day-to-day management of the majority of the Scheme's assets to the investment managers. The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, agreed with the investment manager, for their services. Such fees incentivise the investment managers to adhere to their stated policies and objectives.

How the arrangement incentivises the investment manager to engage and take into account financial and non-financial matters over the medium-to-long term

The Trustee, in conjunction with its Investment Consultant, appoints the Scheme's investment managers and chooses the specific fund to use in order to meet specific Scheme policies. The Trustee expects that the investment managers make decisions based on assessments about the financial and non-financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

Trustee's Report (continued)

Investment Management Monitoring (continued)

How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustee's investment policies

The Trustee expects its investment managers to invest the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in its appointment documentation. The Trustee reviews the investment managers periodically. These reviews incorporate benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant), e.g. looking at five years of performance.

If the Trustee determines that the investment manager is no longer managing the assets in line with the Trustee policies the Trustee will make their concerns known to the investment manager and may ultimately disinvest.

The Trustee pays the Scheme's investment managers a management fee which is a fixed percentage of assets under management. Some investment managers also receive a performance incentive fee.

Prior to agreeing a fee structure, the Trustee, in conjunction with its Investment Consultant, considers the appropriateness of this structure, both in terms of the fee level compared to that of other similar products and in terms of the degree to which they will incentivise the investment manager.

How the Trustee monitors portfolio turnover costs incurred by the investment manager, and how they define and monitor targeted portfolio turnover or turnover range

The Trustee, in conjunction with its Investment Consultant, has processes in place to review investment turnover costs incurred by the Scheme on an annual basis.

The Trustee expects turnover costs of the investment managers to be in line with their peers, taking into account the style adopted by the investment manager, the asset class invested in and prevailing market conditions.

The Trustee does not explicitly monitor turnover or set target turnover or turnover ranges. The Trustee believes that the investment managers should follow the Trustee's stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

The duration of arrangements with investment managers

The Trustee does not, in general, enter into fixed long-term agreements with the Scheme's investment managers and instead retains the ability to change investment manager should the performance and processes of the investment manager deviate from the Trustee's policies. However, the Trustee expects the manager appointments to have a relatively long duration, subject to the manager adhering to its stated policies, and the continued positive assessment of its ability to meet its performance objective.

Additional Assets

AVC assets were held in funds / deposit accounts managed by Aegon, Aviva, Prudential, Phoenix Life and Utmost Life and Pensions.

Employer Related Investments

Employer-related investments during the year totalled £nil (2025: c.£69) in value or 0% (2025: 0.000012%) as a portion of net Scheme assets, with these investment being held within the equities holdings with Legal & General.

Statement of Trustee's Responsibilities

Trustee's responsibilities in respect of the financial statements

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

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

In discharging these responsibilities, the trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the scheme will continue as a going concern.

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

The trustee 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 scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee's responsibilities in respect of contributions

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

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

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

Further Information

Internal Dispute Resolution (“IDR”) Procedures

It is a requirement of the Pensions Act 1995 that the trustees of all occupational pension schemes must have Internal Dispute Resolution procedures in place for dealing with any disputes between the trustees and the scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to the Secretary to the Trustee Board at the address on page 2 of this report.

The Money and Pensions Service (“MaPS”)

This service is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the trustees of the Scheme. MaPS has launched MoneyHelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. MoneyHelper is impartial, backed by the government and free to use.

The Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AB

Tel: 0800 011 3797

www.moneyhelper.org.uk

The Pensions Ombudsman

Members have the right to refer a complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the events(s) the member is complaining about happened – or, if later, within three years of when they first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London
E14 4PU
Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

Members can also submit a complaint form online:

www.pensions-ombudsman.org.uk/making-complaint

Further Information (continued)

The Pension Protection Fund

The Pension Protection Fund was established to provide compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection Fund is a statutory fund run by the Board of the Pension Protection Fund, a statutory corporation established under the provisions of the Pensions Act 2004. The Pension Protection Fund became operational in April 2005.

The Pensions Regulator (“TPR”)

The Pensions Regulator has the objectives of protecting the benefits of members, promoting good administration and reducing the risk of claims on the Pension Protection Fund. TPR has the power to investigate schemes, to take action to prevent wrongdoing in or maladministration of pension schemes and to act against employers failing to abide by their pension obligations. TPR may be contacted at the following address:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
www.thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Schemes Registry has been replaced with the Pension Tracing Service and is now provided by the Department for Work and Pensions. Responsibility for compiling and maintaining the register of occupational pension schemes has been passed to The Pensions Regulator.

Contact details for the services are as follows:

Pension Tracing Service
Post Handling Site A
Wolverhampton
WV98 1AF
Tel: 0800 731 0175
www.gov.uk/find-pension-contact-details

Scheme information

The Trust Deed and Rules, the Scheme details and a copy of the Schedule of Contributions and Statement of Investment Principles are available for inspection, free of charge, by contacting the Trustee at the address shown for general enquiries on page 2 of this report.

Any information relating to the members’ own pension position, including estimates of transfer values, should also be requested from the Administrators of the Scheme, Hymans Robertson LLP, at the address detailed on page 2 of this report.

Further Information (continued)

Approval of the Trustee’s Report on pages 3 to 21 and 59 to 64 by the Trustee

Signed for and on behalf of the Trustee of the De La Rue Pension Scheme by:

Mike Roberts

Trustee Director

12-10-2026 | 8:00:32 PM BST

Date

Section 3 – Independent Auditors' report to the Trustee of De La Rue Pension Scheme

Opinion

We have audited the financial statements of the De La Rue Pension Scheme ("Scheme") for the year to 31 March 2026 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the De La Rue Pension Scheme financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2026, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Independent Auditor's Report to the Trustee of De La Rue Pension Scheme (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 19, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee intends to wind up the Scheme, or has 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.

Capability of the audit in detecting irregularities, including fraud irregularities

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our discussions with the Trustee, we considered the laws and regulations that have a direct impact on the preparation of the financial statements such as Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The engagement team remained alert to non-compliance throughout the audit from planning to completion.

Independent Auditor's Report to the Trustee of the De La Rue Pension Scheme (continued)

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

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of:

- enquiries of management and the Trustee as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of relevant legal correspondence;
- review of Trustee meeting minutes;
- testing the appropriateness of journal entries; and
- the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, 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 Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Assure UK

Assure UK

Chartered Accountants and Statutory Auditor

London

Date: 12-10-2026 | 11:56:59 PM BST

Section 4 – Financial Statements

Fund Account for year to 31 March 2026

	<i>Note</i>	Defined Benefit Section £000	Defined Contribution Section £000	Total 31 March 2026 £000	Total 31 March 2025 £000
Contributions and other income					
Employer contributions	5	38,500	-	38,500	7,500
Other income	7	66	-	66	445
		38,566	-	38,566	7,945
Benefits paid or payable	8	(42,113)	-	(42,113)	(42,126)
Transfers out	9	(519)	-	(519)	(370)
Administrative expenses	10	(1,304)	-	(1,304)	(1,352)
		(43,936)	-	(43,936)	(43,848)
Net withdrawals from dealings with members		(5,370)	-	(5,370)	(35,903)
Returns on Investment					
Investment income	12	45,386	2	45,388	54,214
Change in market value of investments	14	(28,580)	-	(28,580)	(72,923)
Investment management expenses	13	(1,631)	-	(1,631)	(1,729)
Net returns on investments		15,175	2	15,177	(20,438)
Net increase / (decrease) in the fund		9,805	2	9,807	(56,341)
Net assets of the Scheme at the start of the year		597,245	-	597,245	653,586
Transfers between sections	6	2	(2)	-	-
Net assets of the Scheme at the end of the year		607,052	-	607,052	597,245

The notes on pages 29 to 55 form part of these financial statements.

Financial Statements (continued)**Statement of Net Assets (available for benefits) as at 31 March 2026**

	<i>Note</i>	Total 31 March 2026 £000	Total 31 March 2025 £000
Defined Benefit Section			
Investment assets			
Bonds	14	456,999	448,215
Pooled investment vehicles	14	142,760	178,047
Derivatives	14	56,451	51,365
SLP Partnership Interest	14	69,910	-
Insurance policies	14	184,500	201,400
AVC investments	14	567	550
Cash	14	2,445	728
Amounts due on reverse repurchase agreements	14	-	2,269
Accrued investment income	14	4,004	3,670
Unsettled transactions	14	12,000	2,314
		929,636	888,558
Investment liabilities			
Derivatives	14	(34,067)	(28,272)
Amounts payable on repurchase agreements	14	(299,893)	(266,054)
Unsettled transactions	14	(678)	(3,362)
		(334,638)	(297,688)
Total net investments		594,998	590,870
Current assets	15	14,029	8,239
Current liabilities	16	(1,975)	(1,864)
		607,052	597,245
Defined Contribution Section			
Current assets	15	3	91
Current liabilities	16	(3)	(91)
		-	-
Total Net Assets of the Scheme at 31 March 2026		607,052	597,245

Financial Statements (continued)

Statement of Net Assets (available for benefits) as at 31 March 2026 (continued)

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme period.

The actuarial position of the Scheme, which takes into account of such obligations, is dealt with in the Report on Actuarial Liabilities for the Defined Benefit section on pages 7 to 8 of the Trustee’s Report, and these financial statements should be read in conjunction therewith.

The notes on pages 29 to 55 form part of these financial statements.

These financial statements on pages 26 to 55 were approved by the Trustee of the De La Rue Pension Scheme, and signed for and on its behalf by:

Mike Roberts

Trustee Director

12-10-2026 | 8:00:32 PM BST

Date

Section 5 – Notes to the Financial Statements

Notes to the financial statements for the year to 31 March 2026

1 BASIS OF PREPARATION

The financial statements of the De La Rue Pension Scheme (the “Scheme”) under Part 3 of the Pensions Act 2004, in accordance with the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS 102) – The Financial Reporting Standard applicable in the United Kingdom 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 2018) (“the SORP”). These accounts will also serve as the Scheme’s statutory annual financial statements for the year to 31 March 2026.

2 IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is: De La Rue Pension Scheme, Hymans Robertson LLP, 20 Waterloo Street, Glasgow, G2 6DB.

The Scheme is an occupational hybrid pension scheme which has historically incorporated two sections:

- a defined benefit section which provides benefits based on a member’s salary and length of service;
- and
- a defined contribution section which provided benefits based on a member’s accumulated fund.

Both sections of the Scheme closed to new members on 31 March 2013 with the defined benefit section closing to future accrual at the same time, with the exception of the Classic section which closed to future accrual on 29 March 2020. The defined contribution section (excluding AVCs) was transferred to the LifeSight Master Trust with effect from 6 December 2021. The defined contribution section of the Scheme (excluding AVCs which were transferred to the defined benefit section in April 2022) was wound up on 4 November 2022.

Going concern assessment

The sponsoring employer of the Scheme is De La Rue Limited with two participating employers, De La Rue International Limited (the main trading entity) and De La Rue Holdings Limited (a treasury and holding company).

Over 95% of Scheme members are the responsibility of De La Rue International Limited. Although the employers are not jointly and severally liable to the Scheme itself, they are all guarantors under a guarantee and indemnity deed which guarantees payment by the employers of amounts that are due to the Scheme. The employers’ liabilities under that guarantee are joint and several.

While the De La Rue group has faced certain financial challenges over recent years, the sale of the Authentication division (May 2025) for cash consideration representing an enterprise value of c£300m alleviated key pressures, as the business was able to repay its RCF in full (ahead of its maturity on 1 July 2025) and reduce leverage to report a net cash position. As part of the sale, it was agreed that a portion of the sale proceeds would also be used to finance a £30m payment to the Scheme upon transaction completion (which was treated as an acceleration of contributions), while further key covenant protections were also agreed.

Notes to the financial statements for the year to 31 March 2026 (continued)**2 IDENTIFICATION OF THE FINANCIAL STATEMENTS (continued)****Going concern assessment (continued)**

Following this, the remaining De La Rue group was sold to Atlas Holdings for c£263m in an all-cash deal (July 2025), resulting in the company's delisting from the London Stock Exchange. As part of the transaction, Atlas entered into a legally binding Memorandum of Understanding (MoU) with the Trustee of the Scheme, which will govern the ongoing covenant offered by De La Rue to the Scheme. The key terms of the MoU included ensuring that Atlas protects the planned contribution to the Scheme following completion of the sale of the Authentication Division, and that going forward De La Rue will be required to make incremental contributions in the event of the agreed funding targets for the Scheme not being met, and/or in the event of De La Rue's level of indebtedness exceeding specified levels, or if De La Rue becomes insolvent.

Atlas has also agreed to provide a limited covenant to the Trustee to make contributions into an account held by De La Rue for the benefit of the Scheme if De La Rue fails to make required contributions. From 2032, the Scheme is expected to be fully funded on a low dependency basis, and De La Rue will then fund to an even stronger basis agreed with the Trustee by 2035, with Atlas providing security for those payments.

The Trustee kept The Pensions Regulator fully apprised during the transactional activity noted above, with the Regulator subsequently ceasing its "proactive engagement" with the Scheme.

Further to the above, the Trustee notes that the near-term trading outlook of the De La Rue group has continued to improve due to strong market demand, with leverage falling to modest levels, strong cash generation delivered and a strong-order book reported, with new material contracts secured (e.g. The Central Bank of Libya). The group is well positioned for FY27 with 100% contract coverage of banknote volumes, providing full revenue visibility. Despite this improved outlook, the Trustee continues to monitor the employer covenant closely (monthly basis), with independent external covenant advice provided (including a covenant assessment to support the Scheme's 31 March 2025 actuarial valuation).

Given all of the above, the Trustee has determined to prepare the Scheme's financial statements on a going concern basis of accounting; that is to say the Scheme is able to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. It should be noted that, even if the financial statements had been prepared on a basis of accounting other than going concern, no adjustments would be necessary as a result of a change in the basis of accounting.

Notes to the financial statements for the year to 31 March 2026 (continued)

3 COMPARATIVE DISCLOSURES FOR THE FUND ACCOUNT

		Defined Benefit Section	Defined Contribution Section	Period from 6 April 2024 to 31 March 2025
	Note	£000	£000	£000
Contributions and other income				
Employer contributions	5	7,500	-	7,500
Other income	7	445	-	445
		<u>7,945</u>	<u>-</u>	<u>7,945</u>
Benefits paid or payable	8	(42,126)	-	(42,126)
Transfers out	9	(370)	-	(370)
Administrative expenses	10	(1,352)	-	(1,352)
		<u>(43,848)</u>	<u>-</u>	<u>(43,848)</u>
Net withdrawals from dealings with members		(35,903)	-	(35,903)
Returns on Investment				
Investment income	12	54,211	3	54,214
Change in market value of investments		(72,923)	-	(72,923)
Investment management expenses	13	(1,729)	-	(1,729)
Net returns on investments		(20,441)	3	(20,438)
Net (decrease)/increase in the fund		(56,344)	3	(56,341)
Transfers between sections	6	3	(3)	-
Net assets of the Scheme at the start of the year		653,586	-	653,586
Net assets of the Scheme at the end of the year		597,245	-	597,245

Notes to the financial statements for the year to 31 March 2026 (continued)**4 ACCOUNTING POLICIES**

The following principal accounting policies have been adopted in the preparation of the financial statements, and have been applied consistently with prior period.

4.1 Accruals concept

The financial statements have been prepared on an accruals basis.

4.2 Other income

Income received in relation to non-investment income is accounted for on a cash basis.

4.3 Contributions

Employer deficit funding contributions are accounted for in accordance with the agreement under which they are being paid or, if paid earlier, when received, with the agreement of the Employer and Trustee.

Employer expense contributions are accounted for in accordance with the agreement under which they are payable, or in the absence of such an agreement, when they are received.

4.4 Benefits and payments to members

Benefits are accounted for on an accruals basis on the later of the date of retirement or the date the members signed the option form or the date of leaving the Scheme as appropriate.

Pensions in payment, including those paid under annuity insurance contracts, are accounted for in the period to which they relate.

4.5 Transfers to and from other schemes

Individual transfers to and from other schemes are accounted for when funds are paid or received, or where the Trustee has agreed to accept the liability in advance of receipt of funds, on an accruals basis from the date of the agreement.

4.6 Administrative and investment expenses

Expenses and part of the costs of the Employer's Group Pensions Department (until April 2024) relating to the Scheme are accounted for on an accruals basis. The balance of the Group Pensions Department costs relating to the Employer are met by the Employer.

4.7 Investment income

Income from cash and short term deposits is accounted for on an accruals basis.

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

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.

Pooled investment vehicles which are accumulation funds include their underlying income within the unit price which is reported within the change in market value of investments. Income from pooled investment vehicles which distribute income, is accounted for on an accruals basis on the date declared.

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

The Scheme pays to and receives interest from the Repurchase Agreements (Repos) and Reverse Repurchase Agreements ("Reverse Repos") counterparties, respectively, and this is accounted for on an accruals basis in line with the terms of the respective contracts.

Notes to the financial statements for the year to 31 March 2026 (continued)

4.8 Valuation of investments

Pooled investment vehicles are valued at the period end bid price or, if single priced, the closing single price provided by the investment manager.

Bonds are quoted “clean” (without accrued interest).

Accrued interest is accounted for within investment income receivable.

AVCs are included at the market value advised by the provider as at 31 March 2026 or in the absence of an annual statement, values are included on a cash basis.

Investments in partnership arrangements which are designed to produce cash flows which may vary with future events are included at the present value of expected cash flows determined using a discounted cashflow method.

Derivative contracts are included in the net asset statement at fair value. For Over The Counter (“OTC”) derivatives, where a market price is not readily available, the fair value is determined by the investment manager using generally accepted pricing models where inputs are based on market data at the period end.

Forward foreign exchange contracts are stated at fair value, which is determined as the gain or loss that would arise from closing out the contract at the reporting date. Changes in the fair value of the forward contracts are reported within change in market value of investments in the Fund Account.

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

Repurchase agreements (where the Scheme has sold assets with the agreement to repurchase at a fixed date and price) (Repos) are included at the fair value of the repurchase price (as a liability). The assets sold are reported in the appropriate asset class in the investments note at their fair value reflecting that the Scheme retains the risk and rewards of ownership of those assets.

Reverse repurchase agreements (where the Scheme has bought assets with the agreement to sell at a fixed date and price) (Reverse Repos) are included at the fair value of the repurchase price (as an asset). Cash delivered under reverse repurchase contracts is recognised as an investment receivable in the financial statements.

Securities received in exchange are disclosed as collateral supporting this receivable but not included as Scheme assets.

4.9 Foreign currencies

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the period end.

Foreign currency transactions are translated into sterling at the exchange rate at the date of the transaction.

Gain or losses arising on conversion or translation are dealt with as part of the change in market value of investments.

The Scheme’s functional and presentational currency is pounds sterling (GBP).

4.10 Insurance policy

Annuity (buy in insurance policy) purchased in the name of the Trustee which fully provides the pension benefits for certain members are included in the financial statements at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions and methodology updated for market conditions at the period end.

Notes to the financial statements for the year to 31 March 2026 (continued)**4.11 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustee believes 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 Scheme 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 above and note 14.

5 EMPLOYER CONTRIBUTIONS

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Deficit funding	37,000	-	37,000
Expense contributions	1,500	-	1,500
	38,500	-	38,500

	<i>Defined Benefit Section</i>	<i>Defined Contribution Section</i>	<i>Period from 6 April 2024 to 31 March 2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Deficit funding	6,000	-	6,000
Expense contributions	1,500	-	1,500
	7,500	-	7,500

Deficit contributions

The 31 March 2025 actuarial valuation showed that the Scheme had a funding deficit relative to the Scheme's statutory funding objective. In accordance with the previous Schedule of Contributions, the following deficit reduction contributions have been paid into the Scheme by the Sponsor (or by other participating employers or De La Rue group companies) since the 31 March 2025 actuarial valuation date:

- A £2 million contribution was paid by 5 April 2025.
- A total of £35 million of contributions were paid on 1 May 2025 (the Closing of the Sale of Authentication).

The funding deficit as at 31 March 2025 was expected on the valuation date to be met by 1 May 2025 on the basis of the above deficit reduction contributions. As a result, no further deficit reduction contributions are due under this Schedule.

Notes to the financial statements for the year to 31 March 2026 (continued)

5 EMPLOYER CONTRIBUTIONS (continued)

Employers other Contributions

For the purposes of clause 10 of the Trust Deed and Rules, the Trustee and the Sponsor have agreed that:

- A monthly payment of £125k (£1.5m p.a.) will be made by the Sponsor to provide for administrative expenses of the Scheme up to and including 30 September 2032, with the contribution amount subject to review in light of Scheme budget expectations at subsequent actuarial valuations. This is comprised of:
 - A monthly payment of £83,333 (£1m p.a.) to cover ongoing Scheme expenses
 - A monthly payment of £41,667 (£500k p.a.) to cover additional one-off / project expenses
- The Sponsor will also reimburse the Trustee for the Pension Protection Fund scheme-based and risk based levy for levy years up until financial year FY2028/29.
- Additional expenses relating to corporate led projects, with the Trustee providing reasonable budgeting information relating to such costs.

6 TRANSFERS BETWEEN SECTIONS

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Transfers between sections	2	(2)	-

	Defined Benefit Section	Defined Contribution Section	Period from 6 April 2024 to 31 March 2025
	£000	£000	£000
Transfer of between sections	3	(3)	-

Notes to the financial statements for the year to 31 March 2026 (continued)

7 OTHER INCOME

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Other income	66	-	66

Any member of the Defined Benefit section benefits that were included as part of the bulk transfer from Aegon to LifeSight is allowed to transfer their Defined Contribution fund into the Defined Benefit section to maximise their tax-free lump sum. Members' who opted to transfer their funds into the Defined Benefit section of the Scheme are recorded under other income as noted above.

	Defined Benefit Section	Defined Contribution Section	Period from 6 April 2024 to 31 March 2025
	£000	£000	£000
Other income	445	-	445

8 BENEFITS PAID OR PAYABLE

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Pensions	39,379	-	39,379
Commutations and lump sum retirement benefits	2,639	-	2,639
Death benefits	95	-	95
	42,113	-	42,113

	Defined Benefit Section	Defined Contribution Section	Period from 6 April 2024 to 31 March 2025
	£000	£000	£000
Pensions	38,781	-	38,781
Commutations and lump sum retirements benefits	3,313	-	3,313
Death benefits	32	-	32
	42,126	-	42,126

Notes to the financial statements for the year to 31 March 2026 (continued)

9 TRANSFERS OUT

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Transfers out – individual	519	-	519

	Defined Benefit Section	Defined Contribution Section	Period from 6 April 2024 to 31 March 2025
	£000	£000	£000
Transfers out - individual	370	-	370

10 ADMINISTRATIVE EXPENSES

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Administration and processing	430	-	430
Actuarial fees	142	-	142
Investment consulting fees	200	-	200
Audit fees	23	-	23
Legal fees	62	-	62
Trustee fees	360	-	360
Other professional fees	83	-	83
Bank charges	4	-	4
	1,304	-	1,304

The balance of the Group Pensions Department costs relating to the Employer are met by the Employer.

Notes to the financial statements for the year to 31 March 2026 (continued)**10 ADMINISTRATIVE EXPENSES (continued)**

	<i>Defined Benefit Section</i>	<i>Defined Contribution Section</i>	<i>Period from 6 April 2024 to 31 March 2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Administration and processing	593	-	593
Actuarial fees	143	-	143
Investment consulting fees	217	-	217
Audit fees	31	-	31
Legal fees	58	-	58
Trustee fees	256	-	256
Other professional fees	48	-	48
Bank charges	6	-	6
	1,352	-	1,352

11 TAX

The De La Rue Pension Scheme is a registered pension scheme for tax purposes under the Finance Act 2004. The Scheme is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income.

12 INVESTMENT INCOME

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Income from bonds	12,966	-	12,966
Income from pooled investment vehicles	27,820	-	27,820
Net interest expense on repurchase agreements	(11,982)	-	(11,982)
Interest on cash deposits	412	2	414
Income from annuities	16,149	-	16,149
Foreign exchange gain or (loss)	21	-	21
	45,386	2	45,388

Notes to the financial statements for the year to 31 March 2026 (continued)

12 INVESTMENT INCOME (continued)

	<i>Defined Benefit Section</i>	<i>Defined Contribution Section</i>	<i>Period from 6 April 2024 to 31 March 2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Income from bonds	11,970	-	11,970
Income from pooled investment vehicles	39,477	-	39,477
Net interest expense on repurchase agreements	(14,130)	-	(14,130)
Interest on cash deposits	621	3	624
Income from annuities	16,289	-	16,289
Foreign exchange gain or (loss)	(16)	-	(16)
	54,211	3	54,214

13 INVESTMENT MANAGEMENT EXPENSES

	Defined Benefit Section	Defined Contribution Section	Total 31 March 2026
	£000	£000	£000
Administration, management & custody	1,641	-	1,641
Fee rebates	(10)	-	(10)
	1,631	-	1,631

	<i>Defined Benefit Section</i>	<i>Defined Contribution Section</i>	<i>Period from 6 April 2024 to 31 March 2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Administration, management & custody	1,744	-	1,744
Fee rebates	(15)	-	(15)
	1,729	-	1,729

Notes to the financial statements for the year to 31 March 2026 (continued)

14 INVESTMENTS

14.1 INVESTMENT RECONCILIATION

Defined Benefit Section

	<i>Opening Value as at 1 April 2025</i>	<i>Purchase cost and derivative payments</i>	<i>Sales proceeds and derivative receipts</i>	<i>Change in market value</i>	<i>Closing Value as at 31 March 2026</i>
	£000	£000	£000	£000	£000
Bonds	448,215	103,365	(95,386)	805	456,999
Pooled investment vehicles	178,047	296,884	(316,995)	(15,176)	142,760
Derivatives (net)	23,093	68,093	(70,572)	1,770	22,384
SLP	-	70,000	(1,208)	1,118	69,910
Insurance policy	201,400	249	-	(17,149)	184,500
AVC investments	550	-	(35)	52	567
	<u>851,305</u>	<u>538,591</u>	<u>(484,196)</u>	<u>(28,580)</u>	<u>877,120</u>
Cash	728				2,445
Repurchase agreements (net)	(262,092)				(298,251)
Accrued investment income	1,977				2,362
Unsettled transactions (net)	<u>(1,048)</u>				<u>11,322</u>
	<u>590,870</u>				<u>594,998</u>

The purchase/payments and sales/receipts of investments during the period are aligned to the Scheme's investment strategy.

Transaction Costs

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

Direct Transaction Costs

Direct transaction costs are included in the cost of purchases and deducted from sales proceeds in the reconciliation above and details are contained in the following table.

	Bonds	PIVs	Year to 31 March 2026	Period from 6 April 2024 to 31 March 2025
	£	£	£	£
Explicit costs	188	-	188	164

Unlike the remainder of the tables within the financial statements, this table has not been rounded to the nearest £1,000.

Notes to the financial statements for the year to 31 March 2026 (continued)**14.2 POOLED INVESTMENT VEHICLES (“PIV”)****Defined Benefit Section**

The defined benefits section holdings of PIVs are analysed below:

	31 March 2026	<i>Period from 6 April 2024 to 31 March 2025</i>
	£000	£000
Equities	3,343	7,197
Bonds	60,897	43,253
Liquidity	4,500	5,889
Secured Credit Fund (see breakdown on the next page)	31,499	56,162
Secured Finance II	29,797	39,392
Cash	196	195
Multi-Asset Credit	12,528	25,959
	142,760	178,047

The Scheme is the sole investor in the Secured Credit Fund. The assets underlying this PIV are:

	31 March 2026	<i>Period from 6 April 2024 to 31 March 2025</i>
	£000	£000
Bonds	29,405	50,353
Forward foreign exchange contracts (net)	(306)	408
Liquidity fund	2,308	8,797
Cash and unsettled transactions	92	(3,396)
	31,499	56,162

Notes to the financial statements for the year to 31 March 2026 (continued)**14.3 SCOTTISH LIMITED PARTNERSHIP INTEREST**

As part of the Scheme's strategy and funding objectives, the Scheme has invested in a special purpose funding vehicle in the form of a Scottish Limited Partnership.

The Scheme acquired its interest in the Partnership by investing £35.0m in December 2025 and £35.0m in February 2026 with those amounts used by the Partnership to subscribe for a loan note from De La Rue Limited. The investment entitles the Scheme to an annual income stream of £7.0m for a period of 5 years then return of the initial investment.

The investment is supported by a standby letter of credit issued by First Citizens Bank in favour of the Partnership, a support covenant from Atlas Capital GP IV LP under a side agreement, and second ranking transaction security held by GLAS Trustee Corporation Limited as security agent under an intercreditor agreement, on behalf of both (i) the Senior Lenders, and (ii) the Partnership.

The valuation assigned to the Scheme's interest in the Partnership has been derived by a discounted cashflow model, applying the current 5 UK nominal spot curve plus a fixed discount factor which incorporates the 5 UK nominal spot curve, relevant credit ratings and market conditions at the time of inception.

As at 31 March 2026 the value of the investment was £69,910k.

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.4 DERIVATIVES****OBJECTIVES AND POLICIES**

A summary of the Scheme's outstanding derivative contracts at the year end is set out below:

	31 March 2026			<i>Period from 6 April 2024 to 31 March 2025</i>		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	£000	£000	£000	£000	£000	£000
Swaps	56,447	(34,038)	22,409	51,352	(28,271)	23,081
Forward foreign exchange	4	(29)	(25)	13	(1)	12
	56,451	(34,067)	22,384	51,365	(28,272)	23,093

The Trustee has authorised the use of derivative contracts by its investment managers for the use of risk management or the efficient execution of the investment strategy.

- Swap contracts are used by Insight to manage the inflation and interest rate risk on the bond portfolio.
- Forward foreign exchange contracts are entered into by Insight on behalf of the Trustee to hedge the currency exposure on overseas holdings.

	Notional Amounts		Asset value	Liability value
Swaps	£000	Expires	£000	£000
Inflation swaps	12,405	< 5 years	-	(2,827)
Inflation swaps	22,209	< 10 years	2,941	(1,578)
Inflation swaps	3,154	< 15 years	469	-
Inflation swaps	4,123	< 30 years	614	-
Inflation swaps	3,487	< 40 years	-	(615)
Inflation swaps	1,537	< 45 years	186	(54)

Notes to the financial statements for the year to 31 March 2026 (continued)

14 INVESTMENTS (CONTINUED)

14.4 DERIVATIVES (CONTINUED)

Swaps	Notional Amounts £000	Expires	Asset value £000	Liability value £000
Interest rate swaps	104,500	< 5 years	3,796	(572)
Interest rate swaps	129,632	< 10 years	6,915	(2,395)
Interest rate swaps	84,915	< 15 years	4,705	(3,400)
Interest rate swaps	49,775	< 20 years	3,458	(904)
Interest rate swaps	37,176	< 25 years	6,001	(1,882)
Interest rate swaps	35,566	< 30 years	7,624	(1,155)
Interest rate swaps	24,052	< 35 years	5,406	(9,051)
Interest rate swaps	62,059	< 40 years	12,896	(4,356)
Interest rate swaps	2,801	< 45 years	1,433	-
Interest rate swaps	9,877	< 50 years	-	(4,143)
Credit default swaps	35,049	< 15 years	3	(125)
Other swaps	7,054	< 5 years	-	(159)
Other swaps	25,463	< 10 years	-	(822)
Total 31 March 2026			56,447	(34,038)
<i>Total 31 March 2025</i>			<i>51,352</i>	<i>(28,271)</i>

At 31 March 2026, collateral of £25.2m (2025: £27.9m) was held in relation to outstanding swap contracts. Of this balance £20m was held as cash (2025: £23.6m) and £5.2m (2025: £4.3) was held as bonds.

At 31 March 2026, collateral of £2.6m (2025: £4.7m) was pledged in relation to outstanding swap contracts. Of this balance, £0.7m (2025: £0.3) was pledged as cash and £1.9m (2025: £4.4m) was pledged as bonds.

The collateral relates to swap contracts held within the Insight portfolio.

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.4 DERIVATIVES (CONTINUED)**

Forward Foreign Exchange (FX)	Settlement Date	Currency Bought (000)	Currency Sold (000)	Asset value £000	Liability value £000
Bought EUR sold USD	02/04/2026	742	850	4	-
Bought USD sold EUR	12/06/2026	853	742	-	(4)
Bought GBP sold USD	15/06/2026	1,441	1,928	-	(21)
Bought GBP sold EUR	15/06/2026	142	164	-	(2)
Bought GBP sold USD	15/06/2026	284	377	-	(2)
Total 31 March 2026				4	(29)
<i>Total 31 March 2025</i>				<i>13</i>	<i>(1)</i>

14.5 REPURCHASE AGREEMENTS

In order to manage the Scheme's economic exposure to interest rates and inflation rates, a liability hedging programme using Repos and Reverse Repos has been put in place. Repos are instruments comprising the sale of assets with an agreement to repurchase them at a specified later date and at a fixed price. Reverse repos are instruments comprising the purchase of assets with an agreement to resell them at a specified later date and at a fixed price. These help with the efficient hedging of interest and inflation risk by using leverage. Repos and Reverse Repos form part of a liability matching portfolio managed by Insight. The Scheme receives cash consideration from counterparties in return for the transfer of bonds, which it commits to repurchase for the consideration received plus accrued interest.

	31 March 2026	<i>Period from 6 April 2024 to 31 March 2025</i>
	£000	£000
Net Cash consideration received in period	298,251	262,092
Accrued interest payable to counterparties	1,642	1,693
Amounts payable to counterparties on expiration of contracts	299,893	263,785

In total, there are 65 (2025: 35) repurchase agreements held at 31 March 2026 with a liability market value of £299.9m (2025: £264.4m) at the period end. In addition, there is Nil (2025: 1) reverse repurchase agreement contract with an asset market value of £Nil (2025: £2.3m). This gives rise to a net repo liability of £298.3m (2025: £262.1m). The expiry dates range between April 2026 to September 2026.

Bonds with a fair value of £295.6 (2025: £262.2m) were received as collateral in respect of repurchase agreements. Collateral of £5.8m has been held as bonds (2025: £2.6m pledged) by the Scheme at 31 March 2026 in relation to these repurchase and reverse repurchase agreements. The collateral relates to repurchase agreements held within the Insight mandate.

Notes to the financial statements for the year to 31 March 2026 (continued)

14 INVESTMENTS (CONTINUED)

14.6 INSURANCE POLICIES

On 24 May 2022, the Trustee completed a buy-in, securing benefits for 1,430 pensioner members via an annuity insurance policy with Scottish Widows in the Trustee’s name. As at 31 March 2026, 1,355 members (2025: 1,371) remained covered under this policy.

Following the High Court’s approval in May 2025, Scottish Widows transferred its in-force bulk annuity business to Rothesay with effect from 11 June 2025. This included the annuity policy held by the Scheme. Rothesay now assumes responsibility for meeting the insured benefits as they fall due, under the same contractual terms.

The value of the annuity has been calculated by the Scheme Actuary in a manner consistent with the actuarial liabilities, updated for market conditions at the period end. The value of insurance policies held by the Scheme at the period end is shown below:

	31 March 2026	Period from 6 April 2024 to 31 March 2025
	£000	£000
Rothesay	184,500	201,400

The values placed on the insured policies are calculated using the financial assumptions set out below:

Assumption	Technical Provisions
Discount rate	Market implied gilt curve + 1.4% p.a. until 2032 and + 0.5% p.a. thereafter*
RPI	Market implied inflation gilt yield curve
CPI	RPI curve less 1% p.a. pre-2030, RPI less 0% post-2030
Longevity	CMI 2023 with Sk= 7.0 and an initial adjustment parameter A = 0.25 for both males and females, 0% weighting to 2020 and 2021 data, 15% weighting to 2022 and 2023 data and a long-term rate of improvement of 1.5% (tapers to 0% p.a. over ages 85 to 110)
Family details	A man is assumed to be 3 years older than his wife/partner 85% of males/55% of females are assumed to have a dependant at retirement or earlier death.
Cash commutation	Members assumed to exchange maximum allowable amount of their pension for a cash lump sum at retirement.
GMP equalisation	Reserve of 0.25% of liabilities

*The discount rate applicable prior to 30 September 2032 is derived as the market implied gilt curve plus a credit spread adjustment. This adjustment reflects movements in investment grade corporate bond spreads since 31 March 2025 and is calculated as the change in the difference between the yield on the iBoxx £ corporates index and the yield on fixed interest UK government bonds of consistent duration (as published by the Bank of England), multiplied by one third to reflect the Scheme’s strategic allocation to investment grade credit. The resulting adjustment is applied to the base margin of 1.4% p.a. at 31 March 2025. At 31 March 2026, this approach results in a margin of 1.37% p.a. above gilts for the period to 30 September 2032.

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.7 ADDITIONAL VOLUNTARY CONTRIBUTION INVESTMENTS**

The Trustee holds assets which are separately invested from the main fund. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions.

Members participating in this arrangement receive an annual statement made up to 31 March each year, confirming the amounts held to their account and movements during the period.

The total amount of AVC investments held under the Defined Benefit Section at the period end is shown below:

	31 March 2026	<i>Period from 6 April 2024 to 31 March 2025</i>
	£000	£000
Utmost Life and Pensions Limited (with profits and unit linked funds)	49	44
Phoenix Life (with profits and unit linked funds)	135	134
The Prudential Assurance Company Limited (with profits and unit linked funds)	383	372
	567	550

14.8 CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Scheme's net assets:

	31 March 2026		<i>Period from 6 April 2024 to 31 March 2025</i>	
	£000	%	£000	%
Insurance policies	184,500	30.4	201,400	33.7
Scottish Limited Partnership Interest	69,910	11.5	-	-
Insight IIFIG Global ABS	60,249	9.9	42,677	7.1
Insight Secured Finance Direct Lending	31,499	5.2	56,161	9.4
Insight LDI Solutions Plus Secured Finance II	-	-	39,393	6.6

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.9 INVESTMENTS 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 which the entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable (i.e. developed 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. Investments reported under Level 3 are included at fair value based on values estimated by the underlying fund managers using accepted valuation methodologies and use of market information in the absence of observable market data.

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. The Scheme's investment assets and liabilities are classified as follows:

As at 31 March 2026	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Defined Benefit Section				
Bonds	-	456,999	-	456,999
Pooled investment vehicles	-	130,232	12,528	142,760
Derivatives (net)	-	22,384	-	22,384
Insurance policies	-	-	184,500	184,500
SLP	-	-	69,910	69,910
AVC investments	-	567	-	567
Cash	2,445	-	-	2,445
Accrued investment income	4,004	-	-	4,004
Repurchase agreements (net)	-	(299,893)	-	(299,893)
Unsettled transactions (net)	11,322	-	-	11,322
	17,771	310,289	266,938	594,998

As at 31 March 2025	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Defined Benefit Section				
Bonds	-	448,215	-	448,215
Pooled investment vehicles	-	152,088	25,959	178,047
Derivatives (net)	-	23,093	-	23,093
Insurance policies	-	-	201,400	201,400
SLP	-	-	-	-
AVC investments	-	550	-	550
Cash	728	-	-	728
Accrued investment income	3,670	-	-	3,670
Repurchase agreements (net)	-	(263,785)	-	(263,785)
Unsettled transactions (net)	(1,048)	-	-	(1,048)
	3,350	360,161	227,359	590,870

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.10 INVESTMENT RISKS**

The Scheme's overall investment strategy comprises a diversified mix of assets. The main assets of the Scheme were managed by Insight, L&G and Partners, with an insurance policy held with Rothesay. Insight manages an active bond portfolio across segregated arrangements and pooled investment vehicles, including a segregated Liability Driven Investment (LDI) portfolio which includes derivatives and repurchase agreements, to hedge the Scheme's exposure to interest rates and inflation; and an income portfolio which comprises a bespoke buy-to-hold corporate bonds portfolio, a pooled secured credit fund of liquid and illiquid loans and debt securities in which the Scheme is the sole investor, other credit-like assets such as asset-backed securities, and also cash. Partners managed two private debt closed funds in which the Scheme is invested: the MAC III (2016) and MAC V (2019) funds which comprise of illiquid debt – mainly diversified senior-tranche private loans – which returns income to the Scheme in the form of capital and interest. The Mac III fund returned its last distribution in January 2026 and has now wound up. L&G managed a passive mandate of global and UK equity assets, and a proportion of the Scheme's exposure to overseas equities is hedged back to GBP. During February 2026 the fund completed a full disinvestment from the equity funds, with a nil valuation at year-end. During the year, the Scheme made a £70m investment in a SLP Partnership Interest, funded in two equal tranches of £35m in December and February. Further, the Scheme holds a small legacy section of additional voluntary contributions (AVCs) on behalf of existing DB members. The strategy as at 31 March 2026 was:

- c.50.6% in a diversified portfolio of income-generating investments, comprising mainly investment grade and sub-investment grade corporate bonds and debt instruments;
- c.18.8% in investments that move broadly in line with the Scheme's long-term liabilities. This is referred to as LDI and comprises UK government bonds, gilt repurchase arrangements, and swaps. These holdings hedge approximately 100% of the impact of interest rate and 100% of the impact of inflation movements on the long-term liabilities (on a technical provisions basis); and
- c.30.6% in an insurance policy that provides the Scheme with contractual income that exactly matches the pensions the Scheme pays to member covered by the policy.

FRS 102 requires certain disclosures in relation to investment risks arising from financial instruments.

Retirement benefit schemes need to disclose information that enables users of its financial statements to evaluate the nature and extent of the market risk and credit risk arising from the investments at the end of the reporting period.

It defines market risk as:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risks.

- Interest rate risk — the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- Currency risk — the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- Other price risk — the risk that the fair value or future cash flows of a financial instrument 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 financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

It defines credit risk as:

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

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.10 INVESTMENT RISKS (CONTINUED)**

Risks associated with the current investment strategy are:

Credit risk

The Scheme is subject to direct credit risk from its holdings in bonds, gilts, derivatives, SLP, cash balances and its holdings in pooled funds.

Credit risk arising on bonds held directly is mitigated by investing in corporate bonds which are rated at least investment grade. Credit risk arising on other investments is mitigated by investment mandates requiring all counterparties to be at least investment grade credit rated.

The Trustee considers financial instruments or counterparties to be of investment grade if they are rated at BBB- or higher by Standard & Poor's or Fitch or rated at Baa3 or higher by Moody's.

Direct credit risk arising from pooled investment vehicles is mitigated by ring-fencing the underlying assets of the pooled arrangements from the pooled manager. This is achieved via the regulatory environments in which the pooled managers operate and the diversification of investments amongst pooled arrangements. The Trustee carries out due diligence checks on the appointment of new managers, and on an ongoing basis monitors any changes to the operating environment of the pooled manager. Pooled fund investment arrangements used by the Scheme are unrated and comprise of unit-linked insurance contracts, open-ended investment companies ("OEIC") and limited liability partnerships:

Pooled arrangement (Defined Benefit)	31 March 2026 (£000)	31 March 2025 (£000)
Unit linked insurance contracts	4,068	7,855
OEIC	126,164	144,233
Limited liability partnerships	12,528	25,959
Total	142,760	178,047

There is also a direct credit risk attached to the insurance policy whereby the insurance provider may cause financial loss to the Scheme by failing to discharge their obligation. However, this is mitigated by the Trustee investing in a policy with a regulated insurance provider. Additional comfort is provided by the regulatory system under which the insurance company which provides the policy operates.

Indirect credit risk arising in relation to underlying investments in pooled investment vehicles is mitigated by only investing in funds which hold at least investment grade credit rated investments.

The Scheme also invests in private debt which does not have a credit rating. Credit risk arising from private debt or instruments that are not listed is mitigated by purchasing debt that is securitised by way of physical assets and/or purchasing debt higher up the capital structure for the issuer. The Trustee manages the associated credit risk by requesting that the investment manager diversifies the portfolio to minimise the impact of default by any one issuer.

Where managers use derivatives and repurchase arrangements, these are generally collateralised or centrally cleared to reduce risk.

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

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.10 INVESTMENT RISKS (CONTINUED)****Interest rate risk**

The Scheme is subject to interest rate risk – in absolute terms, and via unhedged risk in relation to the liabilities. The value of the Scheme's bonds, gilts, and certain derivatives (e.g. swaps and repurchase agreements) are subject to interest rate risk. However, these assets offset a proportion of the interest rate risk associated with the liabilities. If interest rates fall, the value of these investments will rise to help match the increase in the actuarial value of the liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, these assets will fall in value as will the actuarial value of the liabilities because of an increase in the discount rate.

Currency risk

The Scheme is subject to currency risk from a proportion of its investments in equities, bonds and other financial instruments.

Management of currency risks arising in the Scheme's mandates is generally left to the discretion of the managers, noting that their performance targets are set by reference to Sterling-based markets.

Other price risks

Other price risk arises principally from the Scheme's return-seeking portfolio, which includes other financial instruments and AVCs (which account for less than 1% of the portfolio). A few of the Scheme's managers use derivatives as a way of obtaining efficient exposure to investment markets. Other price risk also arises in relation to the buy in (annuity) insurance policy. The Scheme manages this exposure by investing in an insurance policy with the annuity provider. At the period end, the annuity represented approximately 30.6% of the total investment portfolio. Actual portfolio value may deviate slightly from target depending on normal market movements.

Use of derivatives

The Trustee holds repurchase agreements, futures, interest rate swaps and forward foreign exchange contracts, details of which can be found in note 14.4 and 14.5.

Notes to the financial statements for the year to 31 March 2026 (continued)

14 INVESTMENTS (CONTINUED)

14.10 INVESTMENT RISKS (CONTINUED)

The following table illustrates the extent which the Scheme's investments are subject to the above risks:

Manager	Total 31 March 2026 (£000)	Total 31 March 2025 (£000)	Credit Risk	Interest Rate Risk	Currency Risk	Other Risk
<u>Equities</u>						
L&G Global Equities	-	3,367	No	No	Yes	Yes
L&G UK Equities	-	815	No	No	No	Yes
<u>Bonds</u>						
Insight Buy and Maintain	100,819	93,115	Yes	Yes	No*	No
Insight LDI	356,180	355,100	Yes	Yes	Yes	No
<u>Partnership</u>						
SLP Partnership Interest	69,910	-	Yes	Yes	No	No
<u>Pooled Funds</u>						
Insight Secured Finance Lending	61,297	95,554	Yes	Yes	No	Yes
Insight Liquid/Global ABS	60,368	42,790	Yes	Yes	No	Yes
Insight Liquidity Fund Liquidity Plus	4,499	5,889	Yes	Yes	No	No
Cash other net investment assets	17,772	3,350	Yes	No	No	No
Derivatives (net)****	22,384	23,093	Yes	Yes	Yes***	No
Repurchase agreements (net)	(299,893)	(263,785)	Yes	Yes	No	No
Partners Group Multi-Asset Credit**	12,528	25,959	Yes	Yes	No*	Yes
<u>Additional Voluntary Contributions</u>						
Aegon and Aviva	4,067	3,673	Yes	Yes	Yes	Yes
Other AVC investments	567	550	Yes	Yes	Yes	Yes
<u>Insurance Policies***</u>						
Rothsay	184,500	201,400	Yes	Yes	No	Yes
Total Defined Benefit Section	594,998	590,870				

*There is scope for small amount of currency risk in these mandates, but it is not the main risk of the investment. **Currency exposures within the Partners Group portfolios are generally hedged back Sterling. Partners Group valuation is as of 31 March 2025 (includes Partners Group Multi-Asset Credit 2016 (III) and Partners Group Multi-Asset Credit 2019 (V)).

Notes to the financial statements for the year to 31 March 2026 (continued)**14 INVESTMENTS (CONTINUED)****14.10 INVESTMENT RISKS (CONTINUED)**

The assessment above reflects the underlying assets of the insurance policies. The Trustee acknowledges that there is some credit risk associated with an insurance policy. *Whilst the derivative contracts are exposed to currency risk, these are used to offset currency risk taken elsewhere within the Scheme's asset portfolio.

14.11 Other matters

Geopolitical issues and economic issues (such as increases in the rates of inflation and interest rates and movements in foreign currencies) have a significant effect on domestic and global economies, with disruption and volatility in the financial markets. The Trustee, in conjunction with its advisers, monitors any situation closely and determines any actions that are considered to be necessary. This includes monitoring the Scheme's investment portfolio, the operational impact on the Scheme and the covenant of the Sponsoring Employer.

The extent of the impact on the Scheme's 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 period end, the value of the Scheme's investment assets and 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.

15 CURRENT ASSETS

	Defined Benefit Section	Defined Contribution Section	31 March 2026
	£000	£000	£000
Employer contributions due	125	-	125
Prepaid pensions	2,657	-	2,657
Cash balances	11,139	3	11,142
Due from DC Section	3	-	3
Sundry debtors	105	-	105
	14,029	3	14,032
	<i>Defined Benefit Section</i>	<i>Defined Contribution Section</i>	<i>Period ended 31 March 2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Employer contributions due	125	-	125
Prepaid pensions	2,666	-	2,666
Cash balances	5,269	91	5,360
Due from DC Section	91	-	91
Sundry debtors	88	-	88
	8,239	91	8,330

All Defined Contribution cash balances are allocated to members.

Amounts due from Employer relate to monthly contributions of Scheme expenses.

Notes to the financial statements for the year to 31 March 2026 (continued)

16 CURRENT LIABILITIES

	Defined benefit section	Defined contribution section	31 March 2026
	£000	£000	£000
Deferred annuity income	1,366	-	1,366
Unpaid benefits	155	-	155
Accrued expenses	454	-	454
Due to DB Section	-	3	3
	1,975	3	1,978

	Defined benefit section	Defined contribution section	Period ended 31 March 2025
	£000	£000	£000
Deferred annuity income	1,337	-	1,337
Unpaid benefits	192	-	192
Accrued expenses	335	-	335
Due to DB Section	-	91	91
	1,864	91	1,955

17 EMPLOYER RELATED INVESTMENTS

Employer-related investments during the period totalled c.£Nil (2025: c.£69) in value or Nil% (2025: 0.000012%) as a portion of net Scheme assets, with these investment being held within the equities holdings with Legal & General.

18 CONTINGENT LIABILITIES AND COMMITMENTS

Guaranteed Minimum Pension

In October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that the schemes should be amended to equalise pension benefits for men and women in relation to GMP benefits. Subsequently, in November 2020, the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. The issues determined by the judgements arise in relation to many other defined benefit pension schemes. The Trustee notes that the issues will have an impact on the Scheme and has been considering them in conjunction with its advisers.

Under the rulings schemes are required to backdate benefit adjustments in relation to GMP equalisation, provide interest on the backdated amounts and revisit individual transfer payments made since 17 May 1990, to check if any additional value is due as a result of GMP equalisation. The Trustee is currently working through a GMP rectification exercise. The approach for the equalisation of GMP within future cash equivalent transfer values was considered and implemented effective from September 2021. Since then the Scheme has been quoting transfer values which include an allowance for GMP equalisation.

Notes to the financial statements for the year to 31 March 2026 (continued)

19 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Guaranteed Minimum Pension (continued)

The Trustee and Company have not yet agreed the equalisation methodology to be used and therefore the Trustee is not in a position to obtain a reliable estimate of the backdated benefits and related interest or additional transfer values. Therefore, the cost of backdating pension benefits and related interest and additional transfer values have not been recognised in the financial statements. They will be recognised once the Trustee is able to reach a reliable estimate.

Ares Pathfinder Core Fund

At the year end, the Scheme had an outstanding capital commitment to the Ares Pathfinder Core Fund of £30m (2025: £nil).

Total commitment	Commitment Drawn	Commitment Undrawn
£30,000,000	£Nil	£30,000,000

20 RELATED PARTY TRANSACTIONS

Other than those items disclosed below and elsewhere in the financial statements, there were no related party transactions.

At 31 March 2026, none (2025: none) of the Trustee Directors were pensioners or deferred members of the Scheme.

Fees paid in respect of Independent Trustee services provided by PAN Trustees UK LLP for the year ended 31 March 2026 were £253k (2025: £150k).

Section 6 – Independent Auditor's Statement About Contributions

We have examined De La Rue Pension Scheme's Summary of Contributions for the Scheme year ended 31 March 2026 which is set out on the following page.

In our opinion, the contributions payable under the Schedules of Contributions for the scheme period ended 31 March 2026 as reported in De La Rue Pension Scheme's Summary of Contributions have, in all material respects, been paid in accordance with the Schedules of Contributions certified by the Scheme Actuary on 25 April 2025, 1 July 2025 and 2 October 2025.

Scope of work on the statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have, in all material respects, been paid 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 Scheme under the Schedules of Contributions, and the timing of those payments.

Respective responsibilities of the Trustee and Auditors

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme'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 Scheme by the employer in accordance with the Schedule of Contributions.

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

Use of our report

This statement is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our work on contributions, for this statement, or for the opinion we have formed.

The logo for Assure UK, featuring the company name in a stylized, handwritten-style font.

Assure UK

Chartered Accountants and Statutory Auditor
London

Date: 12-10-2026 | 11:56:59 PM BST

Section 7 - Summary of Contributions

Trustee’s Summary of Contributions payable under the Schedules in respect of the Scheme year to 31 March 2026

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the Employer and Employee contributions payable to the Scheme under the Schedules of Contributions certified by the Actuary on 25 April 2025, 1 July 2025 and 2 October 2025 in respect of the Scheme year to 31 March 2026. The Scheme Auditors report on contributions payable under the Schedule in the Auditor’s Statement about Contributions.

Summary of Contributions payable in respect of the Scheme period

Employer’s Contributions	£000
Deficit funding	37,000
Expense contributions	1,500
Total contributions payable to the Scheme under the Schedules per the Fund Account	38,500

Approved by the Trustee and signed for and on behalf of the Trustee:

Mike Roberts

Trustee Director

12-10-2026 | 8:00:32 PM BST

Date

Section 8 – Actuarial Statement & Certificates

De La Rue Pension Scheme Schedule of Contributions – Actuarial Certificate

Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective could have been expected on the valuation date to be met by 1 May 2025, the period specified in the recovery plan dated 2 October 2025.

Consistency with statement of funding principles

In my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 2 October 2025.

Please note that the adequacy of contributions statement in this certificate relates to the scheme’s statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the scheme’s full liabilities with annuities if the scheme were to wind up.

Signature

Date	2 October 2025
Name	Laura McLaren
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	20 Waterloo Street, Glasgow, G2 6DB

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Section 9 - Implementation Statement for the year to 31 March 2026

Statement of Compliance with the De La Rue Pension Scheme's Stewardship Policy for the year ending March 2026

1. Introduction

This is the Trustee's statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This Statement sets out how the Trustee has complied with the Scheme's Stewardship Policy during the period from 01 April 2025 to 31 March 2026.

The Scheme provides you with benefits on a defined benefit ("DB") basis. This means that the benefits paid to you depend on your salary and length of service.

The Statement of Investment Principles ("SIP") sets out the investment principles and practices the Trustee follows when governing the Scheme's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used and the Trustee's approach to responsible investing (including climate change).

This Implementation Statement is in respect of the Scheme's SIP policies that were in place during the year to 31 March 2026. The Scheme's SIP was last reviewed by the Trustee in April 2025, and the coverage of this statement of compliance includes the existing policies and any updates to the policies following review. The next review of the SIP will take place no later than April 2028 as per the regulatory triennial schedule, or sooner if there are changes to the investment strategy.

The Trustee has prepared this Implementation Statement on the basis of the SIP in force throughout the period, with reporting within this document in line with the SIP applicable at 31 March 2026. Following derisking steps taken in February 2026, the Scheme's DB assets were no longer invested in equities, which have voting rights attached, rather other assets which generally do not confer voting rights such as liability-hedging instruments, bonds and other debt-based investments. Where assets do not confer voting rights, the Trustee recognises the importance of engagements by the relevant investment managers and expects the managers to report on their engagements.

The Scheme also has a small subsection of legacy Additional Voluntary Contributions ("AVC"), a portion of which is invested in equities. The Trustee has taken a proportionate and pragmatic approach and decided not to detail AVC voting and engagement information given the small proportion of this holding.

2. Stewardship policy

The Trustee's Stewardship (voting and engagement) Policy sets out how the Trustee will behave as active owner of the Scheme's assets which includes the Trustee's approach to;

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustee monitors and engages with their investment managers and any other stakeholders.

The Scheme's Stewardship Policy is reviewed periodically in line with the Scheme's Statement of Investment Principles and is available at <https://www.delaruepensions.co.uk/resources/db-scheme-statement-of-investment-principles-2024/>

The Trustee has delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustee believes it is important that the investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

The Trustee's own engagement activity is focused on dialogue with the investment managers, undertaken in conjunction with the Trustee's investment advisers. The Trustee meets periodically with the investment managers and considers the managers' exercise of stewardship during these meetings and through reporting provided by their investment adviser. The Trustee also monitors their own compliance with the Scheme's Stewardship Policy on a regular basis and are satisfied that they have complied over the year to 31 March 2026.

3. Voting activity

The Trustee seeks to ensure that the managers are exercising voting rights and, where appropriate, to monitor managers' voting patterns. The Trustee also monitors the investment managers' voting on particular companies or issues that affect more than one company.

3.1 L&G – voting summary

During the year the Scheme's DB assets were invested in equities through two mandates until 2 February 2026, where the Scheme carried out a full disinvestment: L&G Global Equity Index, comprised of underlying regional equity funds (including GBP-hedged funds), and L&G UK Equity Index. These holdings have voting rights attached. L&G uses the Institutional Shareholder Services ("ISS") "Proxy Exchange" electronic voting platform to vote, with all voting decisions made by L&G and not part of the strategic decisions outsourced.

As the Scheme disinvested from the Scheme equities before 31 March 2026, this will be the last year equity voting data is reported.

Table 1: L&G voting data for the year to 31 March 2025

	UK Equity Index	North America Equity Index	Europe (ex UK) Equity Index	Japan Equity Index	Asia Pacific (ex-Japan) Equity Index	World Emerging Markets Equity Index
Proportion of Scheme at 31 January*	0.2%	0.4%	0.2%	0.1%	0.1%	0.2%
No. of meetings eligible to vote at	744	586	490	494	425	4,660
No. of resolutions eligible to vote on during the period	10,081	7,610	8,783	5,885	3,524	40,066
% of resolutions voted	100.0%	99.9%	100.0%	100.0%	100.0%	99.9%
% of resolutions voted with management	93.9%	58.1%	83.7%	92.3%	81.2%	77.0%
% of resolutions voted against management	6.1%	41.4%	15.8%	7.6%	18.8%	20.5%
% of resolutions abstained	0.0%	0.5%	0.5%	0.0%	%	2.5%

Source: L&G, 31 March 2025. Numbers have been rounded to 1 decimal place.

*31 January 2026 proportion of Scheme assets have been used as some of the illiquid assets do not have intra month valuations.

The resolutions which L&G voted against management the most on over the Scheme period were:

- Board composition; and
- Climate.

3.2 L&G – significant votes

The Trustee has asked L&G to report on the most significant votes cast on behalf of the Trustee in relation to the portfolios they manage. Managers are expected to detail why the votes identified were significant, the size of the position in the portfolio, how the manager voted, any engagement the manager had undertaken with the company and the outcome of the vote.

From the L&G reports, the Trustee has identified the votes recorded in Table 2 as being of greater relevance to the Scheme. Significant votes may be defined, among other criteria, as those that have a large relative size of holding, potential impact of vote on company, size of manager position in company, profile of resolution.

Table 2: L&G significant votes for the year to 31 March 2025

Date	Company	Subject	Vote	Significance and rationale
20/05/2025	Shell Plc	Resolution: Request disclosure on climate commitments including target to reach NZ emissions by 2025	Against	Thematic – Climate: A vote against is applied as L&G acknowledges Shell's progress on climate-related disclosures, including commitment to improving disclosure related to stranded asset risks and financial resilience related to its liquified natural gas operations. L&G acknowledges significant progress in Shell's reporting and the resolution is already being met.
14/05/2025	Equinor ASA	Resolution: Approve Energy Transition Plan 2025	Against	Thematic – Climate: L&G acknowledges the challenging market environment since Equinor first published its climate transition strategy in 2022. However, L&G expects companies to establish robust emissions targets with clear, time-bound milestones, demonstrating alignment with net zero goals through transparent disclosures, and showcasing financial resilience against relevant outcomes. In this context, L&G are concerned about the company's intention to expand oil and gas production internationally, associated financial risks, and the potential impact on the company's ability to meet its revised net carbon intensity (NCI) targets. Therefore, a vote against management is applied.
01/07/2025	Marks & Spencer Group Plc	Resolution: Oversee the Preparation of a Report to Provide Investors the Information Needed to	For	High profile meeting: L&G acknowledge that M&S offers all of their own employees a real living wage. However, knowing the turnover rates for full-time workers would help to build a picture of the positive impact paying a real living wage and treating their colleagues well impacts retention rates. Although the UK is considered a low risk country in terms of human rights

		Assess the Company's Approach to Human Capital Management		abuses, L&G believe having a thorough understanding of the 3rd party contractors that operate in M&S premises will reduce any potential future risks from human rights issues.
23/07/2025	Ninety One Plc	Resolution: Approve Climate Strategy	Against	Thematic - climate: A vote against this proposal is applied as L&G expect companies to introduce credible, temperature-aligned transition plans. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the Paris Agreement. While L&G note the continued detailed disclosures, there have not been meaningful changes from last year's report. Gaps continue to be highlighted regarding the Company's climate reporting and target setting.

Source: L&G, 31 March 2026. L&G's voting decisions incorporate specific market policies that allow for local nuances to align with best practices and have in place a "custom" voting policy which is flexible to different markets.

3.3 Additional Voluntary Contributions – voting summary

The Scheme also offers AVC policies through BlackRock and Aviva (currently included in pooled investment vehicles) and Prudential, Phoenix Life and Utmost.

The underlying managers of these funds vote on behalf of the Trustee where assets are invested in funds which confer voting rights. The Trustee monitors these arrangements annually by assessing:

- Whether members hold a material exposure to their AVC holdings;
- The expected pot sizes of members at retirement;
- The performance and fee structure of available funds; and
- Current market conditions and the viability of switching provider.

Given the proportion of AVC holdings against the total Scheme size, the Trustee has taken a proportionate and pragmatic approach and decided not to detail AVC voting and engagement by providers to year end 31 March 2026.

4. Trustee engagement activity

The Trustee holds meetings with the investment managers on a periodic basis where stewardship matters are discussed in further detail. Over the year, the Trustee did not meet directly with any of their DB investment managers. However, they received regular performance monitoring and updates on managers via their investment advisor. As such, the Trustee are satisfied that managers are acting sufficiently on behalf of the Trustee.

5. Manager engagement activity

Aside from the equities holding, the Scheme is invested in non-equity assets without voting rights attached. The managers are nonetheless expected to engage with investee companies on Environmental Social and Governance (“ESG”) issues.

The following table summarises the key engagement activity for the 12-month period ending 31 March 2026.

Table 7: Summary of investment managers’ engagement activity over the year to 31 March 2025

Manager: Fund	Approach	Topic(s) engaged on
Insight: Corporate Bonds, Secured Finance Fund, ABS Funds, Liability Driven Investments and Cash	Portfolio of debt securities, with no voting rights. Insight engages via questionnaires, surveys and calls with senior management mainly at executive level, and produce annual reports on integration of Responsible Investment principles into their investment management process across the business. The funds invest in gilts, cash instruments, asset-backed securities, and other fixed income, with no voting rights. Cash instruments exclude controversial weapons, defence, tobacco, gambling facilities, fossil fuels and coal mining.	Insight undertook engagement with 693 separate entities. The main engagement topic was climate change, capital allocation, financial performance and reporting.
Partners Group: Illiquid Private Debt	The MAC (III) 2016 fund and the MAC (V) 2019 fund invest in private debt and have no material exposure to assets which carry any voting rights. There may be some debt holdings which are converted to equity or have equity holdings attributed to them, in which case Partners follow their Proxy Voting directive. Partners Group engages via regular calls with investee company management. Partners Group implements a Climate Change Strategy to manage their portfolios towards the Paris Agreement climate goals and in alignment with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and has a key focus on renewable energy and carbon avoidance strategies in their portfolios.	PG integrates ESG considerations into every engagement by aligning with company management and internal teams to identify material ESG topics, define improvement opportunities, and establish a clear ESG vision and strategy for each company or asset. PG provided 1 case study as an example of engagement for the MAC (V) 2019 fund. The focus was on an ESG margin ratchet. Partners Group have not done any engagements for MAC (III) 2016 due to the vintage of the fund.

Source: Insight Investment, Partners Group, 31 March 2025.

6. Buy-in policy

A portion of the Scheme's liabilities are insured in a buy-in transaction with the insurance provider Rothesay, meaning that Rothesay are contracted to meet a portion of the members' benefits as they fall due. Although the provider has voting protocols, we understand that the nature of assets held in the Scheme's buy-in policy do not generally confer voting rights. The Trustee considered Rothesay's approach to ESG during the buy-in provider selection exercise; however, ongoing monitoring opportunities in relation to the buy-in are limited, and the Trustee is mindful and accepting of this.

7. Review of policies

The Trustee recognises that financially material considerations, including ESG factors and climate risk, are relevant to the development, selection and monitoring of the Scheme's investment options.

The Trustee is satisfied that they have complied with the principles detailed in the SIP during the year.