

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

ANNUAL REPORT

For the year ended 31 October 2022

The Sir Robert M^cAlpine Limited
Staff Pension and Life Assurance Scheme
Eaton Court
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TR

Registration Number: 10118733

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

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**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

TRUSTEES, EXECUTIVES AND PROFESSIONAL ADVISERS

Trustees

Cullum M^cAlpine
Michael B Anderson (member-nominated) (p)
Andrew R Bolt (member-nominated) (d)
Gillian Bush (member-nominated) (a)
Katherine A Jarvis (i)
Miles C Shelley

- (a) Active Member
- (d) Deferred Member
- (p) Pensioner
- (i) Independent Trustee

Scheme Secretary

Kevin J Pearson BSc, ACA

Scheme Actuary

Shireen Anisuddin (FIA) of Hymans Robertson LLP

Independent Auditor

Deloitte LLP

Investment Managers

FIL Life Insurance Limited
Schroders Investment Solutions Ltd
Pimco Shareholder Services (until October 2022)
BlackRock Investment Management (UK) Limited (until October 2022)
Threadneedle Investment Services Limited (until October 2022)
Pinebridge Investment Europe Limited (until October 2022)
Patrizia Peripheral Europe Limited Partnership

Independent Financial Advisor

Broadstone Risk & Healthcare Ltd (life assurance arrangements only)

Banker

Lloyds Bank plc

Custodians

KAS Bank N.V.

Solicitors

CMS Cameron McKenna LLP
Geldards LLP

Administrator

FIL Life Investments Limited (Defined Contribution section)
Hymans Robertson LLP (Defined Benefit section)

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

TRUSTEES' REPORT

The Trustees of the Sir Robert M^cAlpine Limited Staff Pension and Life Assurance Scheme (the "Scheme") present the Annual Report together with the audited financial statements for the year ended 31 October 2022.

The Scheme was established by a trust deed dated 21 October 1946. The Scheme aims to provide pensions related to members' earnings and contributions before retirement and pensions and lump sum benefits for widows and dependants. Employees of group companies can apply to become pension scheme members for admittance to the Scheme at monthly intervals.

The Scheme is run by Trustees who are responsible for its affairs. The Trustees meet regularly to discuss the affairs of the Scheme and deal with any discretionary matters regarding benefits, such as early retirement and payment of death benefits. The power of appointment and removal of Trustees is invested in Sir Robert M^cAlpine Limited, the principal employer. Three of the six Trustees are nominated by the members in accordance with the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006.

An independent Trustee was appointed in 2016. The remaining Trustees are drawn from the employees and former employees of Sir Robert M^cAlpine Limited and the Scheme members. The Trustees who served during the year and to the date of this report are listed on page 1.

There were 8 Trustee Meetings during the year and the Trustees' attendance is as:

Cullum M ^c Alpine	6
Michael B Anderson	5
Andrew R Bolt	4
Gillian Bush	8
Katherine A Jarvis	7
Miles C Shelley	8

Each Trustee is expected to ensure that he or she meets the Trustee knowledge and understanding requirements, including a working knowledge of the Scheme Rules, the Statement of Investment Principles ("SIP"), documents setting out the Trustees' policies, sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relating to funding and investment. Where there is uncertainty, relevant advisors are referred to when necessary. A Skills and Training Log has been developed and is maintained by the Secretary to the Pension Trustees. General training is made available as part of, or in addition to, Trustee Meetings.

Membership

A statement showing the number of Scheme members appears below.

The Defined Benefit ("DB") section was closed to new members in 2002 and thereafter, new members joined the Defined Contribution ("DC") section of the Scheme. The DB section ceased accruing future benefits as at 30 November 2017 and all remaining active members were transferred to the DC section.

The same member may be included within both the DB and DC sections of the Scheme, and some may have more than one period of service and so are included more than once.

Members retiring from the DC section of the Scheme have to transfer their funds out of the Scheme in order to access their benefits.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

TRUSTEES' REPORT (continued)

Membership (continued)

Membership Statistics

	Defined Benefit	Defined Contribution
<u>Active Members</u>		
At the beginning of the year	-	1,675
New members joining	-	265
Members retiring	-	(4)
Members leaving - retaining an entitlement	-	(156)
Members leaving - not retaining an entitlement	-	(22)
At the end of the year	<u>-</u>	<u>1,758</u>
<u>Deferred Members</u>		
At the beginning of the year	752	1,004
Members retiring	(24)	(4)
Members leaving - retaining an entitlement	-	156
Members leaving - not retaining an entitlement	(8)	(71)
Deaths	(4)	-
At the end of the year	<u>716</u>	<u>1,085</u>
<u>Pensioners</u>		
At the beginning of the year	831	-
Members retiring	24	-
Deaths	(32)	-
At the end of the year	<u>823</u>	<u>-</u>
<u>Pension Beneficiaries</u>		
At the beginning of the year	287	-
Adjustments*	14	-
Revised at the beginning of the year	<u>301</u>	<u>-</u>
New spouse and dependents' pension	14	-
Cessation of dependents' pension	(15)	-
At the end of the year	<u>300</u>	<u>-</u>
Total membership	<u>1,839</u>	<u>2,943</u>

* These are late adjustments due to timing.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

TRUSTEES' REPORT (continued)

Actuarial liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102), 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 to which members are entitled, based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, as noted below.

The 2018 valuation and related Recovery Plan were completed and submitted to the Pensions Regulator ("TPR") in August 2021. An initial, minor delay in concluding the Valuation was agreed with TPR but this was extended further due to COVID-19, by the finalisation of the documentation supporting the Recovery Plan. TPR was informed of this delay. The 2021 valuation is still to be submitted and has not yet been completed, this was due on the 31 January 2023. A six month extension period was sought and TPR have been informed.

Shireen Anisuddin (FIA) of Hymans Robertson LLP, conducted his actuarial valuation based on the value of the Scheme at 31 October 2018. The report revealed that the Scheme's assets covered 71% of the future liabilities and a Recovery Plan was implemented (see below). The actuarial statement as at 31 October 2018 and the actuary's certificate in relation to the Schedule of Contributions are attached at the end of these Financial Statements.

2018

Pre-retirement rate and Post-retirement rate - Market implied gilt yield curve plus 2.0% tapering to 0.5% p.a. by 2035

Pensionable salary increases	CPI
Price inflation (RPI)	Market implied gilt yield curve
Price inflation (CPI)	Market implied gilt yield curve - 1.0%
Deferred pension increases	CPI
Pension in payment increases	2.5% - 5.0%

Summary funding statement

	£m
Value of assets per 31 October 2018 valuation	438.7
Value of future liabilities per 31 October 2018 valuation	621.1
Deficit as at 31 October 2018	(182.4)
Funding level	70.6%

Recovery plan

A Recovery Plan was implemented following the 2018 valuation and this resulted in the employers agreeing to make initial additional contributions of £11.5m p.a. which increase over time to an annual equivalent of £18.4m by 2033.

These contributions were planned to cover the future accrual of benefits and the shortfall in funding. A further £2.0m p.a. is payable by the employers to cover expenses and the Pension Protection Fund (PPF) levy. These contributions are expected to eliminate the shortfall by 31 August 2033, which represents a 15-year recovery plan.

Although the Recovery Plan was not submitted to TPR until August 2021, the Employer increased its contributions in line with this Recovery Plan from January 2021.

In addition to the increased contributions, the employers also agreed to a distribution sharing mechanism, whereby any dividends (or other forms of distributions) above an agreed limit will require a matching additional payment into the Scheme up to a predetermined cap. The Scheme has also obtained security from the employer, to the value of £28.0m, over the equity of a number of PFI companies, which can be accessed if the employer defaults on its quarterly contributions.

**THE SIR ROBERT M'ALPINE LIMITED
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TRUSTEES' REPORT (continued)

Pension increases

The table below provides the recent increases applied to both Pensions in Payment and Deferred Pensions.

Pensions in Payment

Increases to Pensions in Payment are dependent upon when the benefits were accrued and are defined in the Scheme Rules. Some Pensions in Payment have in the past included a discretionary increase of 2.5%.

	Minimum %	Maximum %	Average %
2020	2.5	3.3	2.6
2021	2.5	2.5	2.5
2022	2.5	4.9	3.1

Deferred Pensions

Deferred pensions are increased in one of two ways, dependent upon the levels of contributions chosen by the Member before the Section of the Scheme closed to future accrual in November 2017. Members who chose the lower level of contributions have their pensions increased in line with CPI. All Deferred Members for 2017 received increases in line with CPI. Those who chose the higher level are noted below:

	CPI %	Minimum %	Maximum %	Average %
2020	1.7	1.7	2.4	2.2
2021	0.5	0.5	1.1	0.6
2022	3.1	3.1	4.9	4.2

Transfer values

Transfer values are determined by the Trustees having taken the advice of the Actuary. All transfer values were offered at the full cash equivalent of early leavers' non-discretionary rights in the Scheme and did not take account of discretionary benefits. Transfers out of the Scheme are shown in the membership statistics below and the monetary values are included within the fund account within the financial statements.

A discount of 15% was applied to transfer values from the 1 August 2021 to reflect the deficit.

Compliance statement

A statement containing additional information about the Scheme is attached on page 8.

Financial review

The 31 October 2022 audited financial statements, set out on pages 14 to 29, provide an overview of the Scheme's contributions and benefits, and its net assets statement at that date. They have been prepared and audited in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

TRUSTEES' REPORT (continued)

Investment policy and performance

Schroders Investment Solutions Ltd (Schroders Solutions) acts as investment manager within guidelines set out by the Trustees. Pimco Shareholder Services, BlackRock Investment Management (UK) Limited, Threadneedle Investment Services Limited, Pinebridge Investment Europe Limited and Patrizia Peripheral Europe Limited Partnership act as investment managers on a non-discretionary basis. FIL Life Insurance Limited manage the assets of the DC section on a passive basis. The Trustees review these guidelines from time to time.

The Trustees receive quarterly reports from their investment advisors, for both the DB and DC sections and these are compared to pre-determined benchmarks.

The DB investment managers reports at least quarterly to the Trustee Board. A copy of the investment report prepared by Schroders Solutions is included at the end of this Report. This includes the breakdown of the different asset classes of the Scheme, the risks attached to these investments and investment performance.

The DC investment manager reports on a regular basis to the Trustee Board, dependent on the performance of the investments. Details of the investment returns over 1, 3 and 5 years are included in the "Investment Report for the year to 31 October 2022" included at the end of this Report.

The Trustees have delegated management of investments to professional investment managers, as noted above. These managers are regulated by the Financial Conduct Authority in the U.K. and manage the investments within the parameters set out in Investment Management Agreements, which are designed to ensure compliance with the objectives and policies set out in the respective SIPs. The mandates put in place by the Trustees specify how rights attaching to the Scheme's investments are acted upon and include a requirement to consider social, ethical and environmental factors.

The Trustees have issued a SIP as required by Section 35 of the Pensions Act 1995 and copies are available online at <https://www.srm.com/pensions/>

The DB investments have, on occasion, moved outside of the parameters set within the Statement of Investment Principles. These deviations were fully explained by the Investment Manager to the Trustees, who were satisfied that the departures were due to timing and were not considered sufficiently material to require immediate action.

Summary of contributions

The Summary of Contributions is detailed in Note 4 to the Financial Statements.

Required by the Schedule of Contributions

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Contributions:						
Members' - ordinary	-	102	102	-	105	105
Employers' - ordinary	-	17,819	17,819	-	16,033	16,033
- deficit	13,700	-	13,700	9,375	-	9,375
Additional contributions	22,701	-	22,701	8,500	-	8,500
	-----	-----	-----	-----	-----	-----
Total contribution required by the Schedule of Contributions and reported on by the Scheme auditor	36,401	17,921	54,322	17,875	16,138	34,013
Members' additional voluntary contributions	1	1,870	1,871	5	1,534	1,539
	-----	-----	-----	-----	-----	-----
Total contributions received as shown in the financial statements	36,402	19,791	56,193	17,880	17,672	35,552
	=====	=====	=====	=====	=====	=====

**THE SIR ROBERT M'ALPINE LIMITED
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TRUSTEES' REPORT (continued)

Custody of assets

The assets of the Scheme are placed for safe-keeping with custodians and legal representatives as appointed by the Trustees. Details of these can be found on page 21.

Employer-related investments

Details of Employer-related investments are disclosed in Note 11 to these Financial Statements on page 23.

GMP Equalisation

The Trustees are aware that GMP Equalisation will have an impact on the Scheme's liability and the Scheme Actuary has been engaged to assess the extent of the impact. A final calculation of the adjustment to future benefits and payment arrears remains ongoing. This has however progressed in the year, and a more up to date provisional figure has been provided.

Further information

Further information about the Scheme in general, or about entitlement to benefits, may be obtained from the Secretary to the Trustees at the address shown at the front of this report.

Conflict in Ukraine

The Trustees have considered their exposure to Russia following the conflict in the Ukraine and subsequent sanctions by the UK and Worldwide governments. The Scheme does not have any material exposure to Russian, Belarusian or Ukrainian investments and no members have been impacted. Therefore, the direct impact of the conflict on the Scheme is currently considered minimal. The Trustees are aware of the heightened risks around cyber security and continue to monitor this accordingly.

LDI- Gilts

During the Scheme year there has been significant market volatility, particularly in relation to inflation concerns and interest rates (in the UK and globally). UK fiscal and economic policy initiatives have also impacted government bond yields and foreign currency values. Financial markets have experienced, war in Ukraine, UK Government policy announcements, and the long-term impact of the pandemic. As a result the value of the Scheme's assets has decreased. As the liabilities of the Scheme track gilt yields and the hedging ratios have been unaffected, the Trustee believes the liabilities have fallen by the same amount; however, at the date of signing the financial statements the Trustee had not conducted a revaluation of the liabilities. Through the investment arrangements that are in place, the Trustee has an established monitoring framework for the collateral levels in relation to liability driven investment ("LDI") funds. This includes a framework for ensuring that suitable levels of collateral are in place in the event of extreme market movements. The Trustee continues to monitor the position in conjunction with the Scheme's advisers.

**THE SIR ROBERT M'ALPINE LIMITED
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TRUSTEES' REPORT (continued)

Compliance Statement

Tax Status of Scheme

The Scheme is a registered scheme under the Finance Act 2004, and therefore certain of the Scheme's income and gains are free from taxation. Members of the DB section of the Scheme were, until 5 April 2016, contracted out of the State Second Pension whereas members of the DC section are not. From 6 April 2016, members of the DB section were no longer contracted out.

Complaint Resolution

Most formal complaints are expected to be resolved under the Disputes Resolution Procedure. Complainants may wish to contact the Pension Ombudsman to assist in the process and they can be contacted at 10 South Colonnade, Canary Wharf, London, E14 4PU (tel: 0800 917 4487) or at enquiries@pensions-ombudsman.org.uk or www.pensions-ombudsman.org.uk.

In addition, the Pensions Regulator can become involved if the Trustees, Employer or any of the Scheme's advisors are considered not to be correctly carrying out their duties. They can be contacted at Napier House, Trafalgar Place, Brighton, BN1 4DW (tel: 0345 600 1011) or at customersupport@tpr.gov.uk or www.thepensionsregulator.gov.uk.

Signed on behalf of the Trustees

KATHERINE A JARVIS
Date: 31 May 2023

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Trustees' 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 ("FRS 102"), are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;
- 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 the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparing of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

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

This Report will be available on the Employer's website. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Responsibilities in Respect of Contributions

The Trustees are responsible under pensions legislation for preparing, maintaining and, from time to time, reviewing and, if necessary, revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and to the members.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SIR ROBERT MCALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the Sir Robert M^cAlpine Limited Staff Pension and Life Assurance Scheme (the 'Scheme'):

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 October 2022 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements which comprise:

- the fund account;
- the statement of net assets (available for benefits); and
- the related notes 1 to 18.

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).

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 Financial Reporting Council's (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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Trustees' report other than the financial statements and our auditor's report thereon. The Trustees are 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.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SIR ROBERT MCALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME (CONTINUED)**

Report on the audit of the financial statements (Continued)

Other information (continued)

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

We have nothing to report in this regard.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Scheme's industry and its control environment, and reviewed the Scheme's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Scheme operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Pensions Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Scheme's ability to operate or to avoid a material penalty. These included the Pensions Regulator.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SIR ROBERT MCALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME (CONTINUED)**

Report on the audit of the financial statements (Continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Pensions Regulator.

Use of our report

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



Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
31st May 2023

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

INDEPENDENT AUDITOR'S REPORT

Independent auditor's statement about contributions to the trustees of the Sir Robert M^cAlpine Limited Staff Pension and Life Assurance Scheme

We have examined the summary of contributions to the Sir Robert M^cAlpine Limited Staff Pension and Life Assurance Scheme for the Scheme year ended 31 October 2022 as set out on page 6.

In our opinion contributions for the scheme year ended 31 October 2022 as reported in the summary of contribution and payable under the schedule of contributions have in all material respects been paid for the period 1 November 2021 to 31 October 2022 in accordance with the schedule of contributions certified by the Scheme actuary 31 August 2021.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions on page 6 have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme and the timing of those payments under the schedule of contributions.

Respective responsibilities of trustees and the auditor

As explained more fully in the statement of trustees' responsibilities, the Scheme's trustees are 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 schedule of contributions and to report our opinion to you.

Use of our report

This statement is made solely to the trustees, 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 has been undertaken so that we might state to the trustees 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 trustees as a body for our work, for this statement, or for the opinion we have formed.



Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
31st May 2023

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

FUND ACCOUNT

For the year ended 31 October 2022

	Notes	DB 2022 £000	DC 2022 £000	Total 2022 £000	DB 2021 £000	DC 2021 £000	Total 2021 £000
CONTRIBUTIONS AND BENEFITS							
Contributions:	3(d), 4						
Employers - normal		-	17,819	17,819	-	16,033	16,033
- deficit		13,700	-	13,700	9,375	-	9,375
Additional contributions		22,701	-	22,701	8,500	-	8,500
Members - normal		-	102	102	-	105	105
- additional voluntary		1	1,870	1,871	5	1,534	1,539
Total Contributions		36,402	19,791	56,193	17,880	17,672	35,552
Transfers in		-	804	804	-	2,120	2,120
		36,402	20,595	56,997	17,880	19,792	37,672
Benefits paid and payable	5	20,613	518	21,131	21,448	1,127	22,575
Payments to and on account of leavers	6	7,608	7,718	15,326	3,415	7,361	10,776
Provision for pension back payments	14	(1,600)	-	(1,600)	(1,400)	-	(1,400)
Life assurance premiums		-	64	64	-	78	78
Administration expenses	7	1,211	42	1,253	1,696	46	1,742
		27,832	8,342	36,174	25,159	8,612	33,771
Net additions/(withdrawals) from dealings with members		8,570	12,253	20,823	(7,279)	11,180	3,901
NET RETURNS ON INVESTMENTS							
Investment income	3(a), 9	14,890	-	14,890	12,683	-	12,683
Change in market value of investments	11	(214,133)	(16,728)	(230,861)	26,350	22,799	49,149
Foreign exchange differences on cash		186	-	186	(86)	-	(86)
Investment management expenses	10	(978)	(2)	(980)	(808)	-	(808)
Net Returns on Investments		(200,035)	(16,730)	(216,765)	38,139	22,799	60,938
Net (decrease)/increase in the fund during the year		(191,465)	(4,477)	(195,942)	30,860	33,979	64,839
NET ASSETS OF THE SCHEME							
At Beginning of Year		530,941	152,069	683,010	500,081	118,090	618,171
At End of Year		339,476	147,592	487,068	530,941	152,069	683,010

The accompanying notes on pages 16 to 29 are an integral part of these financial statements.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NET ASSETS STATEMENT (AVAILABLE FOR BENEFITS)

As at 31 October 2022

	Notes	DB 2022 £000	DC 2022 £000	Total 2022 £000	DB 2021 £000	DC 2021 £000	Total 2021 £000
Investment Assets	11						
Equities		28,349	-	28,349	26,642	-	26,642
Bonds		164,705	-	164,705	171,927	-	171,927
Pooled investment vehicles							
- designated to members		7,408	144,532	151,940	8,881	149,410	158,291
- not designated to members		141,007	-	141,007	294,428	-	294,428
Property		6,000	-	6,000	7,000	-	7,000
Derivatives – gross assets		26,608	-	26,608	37,854	-	37,854
Funds with brokers		43,465	-	43,465	10,155	-	10,155
		417,542	144,532	562,074	556,887	149,410	706,297
Investment Liabilities	11						
Derivatives - gross liability		(76,128)	-	(76,128)	(23,102)	-	(23,102)
Total Investments	11	341,414	144,532	485,946	533,785	149,410	683,195
Current assets	13	4,664	3,114	7,778	5,522	2,711	8,233
Current liabilities	14	(6,602)	(54)	(6,656)	(8,366)	(52)	(8,418)
Net assets (available for benefits)		339,476	147,592	487,068	530,941	152,069	683,010

The accompanying notes on pages 16 to 29 are an integral part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. 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 does take account of such obligations, is dealt with in the Actuarial Liabilities disclosed in the Trustees' Report on page 4 and these financial statements should be read in conjunction with it. DC assets are allocated to provide benefits to the individuals on whose behalf the contributions were paid.

The financial statements on pages 14 to 29 were approved by the Trustees on 31 May 2023

Signed on behalf of the Trustees

KATHERINE A JARVIS
(Trustee)

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

1. IDENTIFICATION OF FINANCIAL STATEMENTS

The Scheme is established under English Trust Law. The address for any enquiries is:

The Secretary to the Trustees, Sir Robert McAlpine Limited Staff and Life Assurance Scheme, Eaton Court, Maylands Avenue, Hemel Hempstead, Herts, HP2 7TR

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004 and therefore contributions made by the employers and employees are normally eligible for tax relief, and any income or capital gains earned by the Scheme receive preferential tax treatment.

There are two sections within the Scheme – a DB section, which is closed to both new entrants and any future accrual (other than those applicable to deferred members) and a DC section, which is open to new members.

2. BASIS OF PREPARATION

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

3. ACCOUNTING POLICIES

The financial statements have been prepared on an accruals basis. The following accounting policies have been applied consistently in the current and preceding years

(a) Investment income

Investment income is recognised on the following bases:

- Interest and dividends on securities declared on or before 31 October 2022 and;
- Interest on deposits on a day-to-day basis and;
- Investment income is recognised in the accounts net of associated tax credits which are not recoverable by the Scheme and;
- Any overseas withholding tax is recognised as income, but where this is not recoverable by the Scheme, it is shown separately as a tax charge.

(b) Investments

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

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

- Pooled investment vehicles are included at the closing bid price or, if single priced, at the closing single price as advised by the investment managers.
- Equities are included at the closing bid price. Bonds are included at clean price excluding interest.
- Accrued interest is shown separately.
- Forward foreign currency contracts have been put in place by the Trustees to reduce the currency exposure of overseas investments to a targeted level. These are over the counter contracts and are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date. They are shown at their fair value in the Net Assets Statement.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022

3. ACCOUNTING POLICIES (continued)

(b) Investments (continued)

The Trustees have implemented a bespoke liability hedging strategy, via interest and inflation rate swaps, which aims to reduce the sensitivity to changes in interest and inflation rates by reducing the impact of any movements. The current value of future cash flows arising from such swaps is determined using discounted cash flows and market data at the reporting date.

The unquoted investments relate to Public-Private Partnership (PPP) investments held in the year. One of these is an employer-related investment as noted in Note 11 on page 23. The PPP investments are valued at an appropriate fair value based on discounted cash flows, taking into account any changes to anticipated returns on investment (including distributions and assumed RPI) and the discount rate used. The unwinding of the discount is taken as investment income.

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

Investment properties have been valued at least every three years at open market value by an appropriately qualified professional valuer. The only investment property held was valued as at 31 October 2022 internally.

(c) Presentation currency

The Scheme functional and presentation currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

(d) Contributions receivable

Contributions are accounted for on an accruals basis. Contributions are paid in accordance with the relevant Schedule of Contributions in force.

(e) Benefits payable

Benefits payable are payable monthly in advance and include all valid benefit claims notified to the Trustees during the Scheme year. A Member may choose to take part of their pension benefits as a lump sum (current legislation allows up to 25% to be taken tax free) at the commencement of the benefits being paid.

(f) Death benefits

Death benefits are paid out of the Scheme assets and include all valid claims notified to the Trustees during the Scheme year.

(g) Transfer values

Transfer values from and to other pension arrangements represent the amounts received and paid, and relate to leavers whose transfers have been agreed by the Trustees during the Scheme year.

(h) Additional Voluntary Contributions (AVCs)

All AVC are recognised as forming part of the overall assets under the supervision and stewardship of the Trustees, and accordingly they have been included within the net assets of the Scheme. Contributions received from members, and monies payable by the Trustees in respect of benefits arising under AVC arrangements, have similarly been included within the Fund Account.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

4. CONTRIBUTIONS RECEIVABLE

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Employer Contributions						
Employers' normal contributions	-	17,819	17,819	-	16,033	16,033
Deficit contributions	13,700	-	13,700	9,375	-	9,375
Additional contributions	22,701	-	22,701	8,500	-	8,500
	<u>36,401</u>	<u>17,819</u>	<u>54,220</u>	<u>17,875</u>	<u>16,033</u>	<u>33,908</u>
Employee contributions						
Members' normal contributions	-	102	102	-	105	105
Members' additional voluntary contributions	1	1,870	1,871	5	1,534	1,539
	<u>1</u>	<u>1,972</u>	<u>1,973</u>	<u>5</u>	<u>1,639</u>	<u>1,644</u>
Total	<u><u>36,402</u></u>	<u><u>19,791</u></u>	<u><u>56,193</u></u>	<u><u>17,880</u></u>	<u><u>17,672</u></u>	<u><u>35,552</u></u>

Employers' normal contributions include salary sacrifice contributions. Members' contributions to the DB section of the Scheme are no longer permitted, other than payments made to correct an error.

During the year, total payments were made by the employers of £36,401,000 comprising £13,700,000 of Deficit Reduction Contributions, a further £22,701,000 being additional contributions. The Schedule of contribution is dated 31 August 2021 and applies from 1 August 2021 until 31 August 2033.

DC payments into the Scheme were paid on a timely basis.

All contributions outstanding at the year-end were received on or before 19 November 2022 as required by the Schedule of Contributions.

5. BENEFITS PAID AND PAYABLE

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Pensions	19,465	-	19,465	18,983	-	18,983
Annual and lifetime allowance tax deductions	-	-	-	-	24	24
Commutations and lump sum retirement benefits	1,119	518	1,637	2,465	274	2,739
Lump sum death benefits	29	-	29	-	829	829
Total	<u>20,613</u>	<u>518</u>	<u>21,131</u>	<u>21,448</u>	<u>1,127</u>	<u>22,575</u>

6. PAYMENTS TO AND ACCOUNT OF LEAVERS

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Transfer out	7,608	7,718	15,326	3,415	7,361	10,776

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

7. ADMINISTRATION EXPENSES

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Actuarial and administrative fees	499	-	499	307	-	307
Legal and other professional fees	169	3	172	306	4	310
Audit	25	25	50	25	34	59
Statutory levy	500	12	512	1,042	6	1,048
Other costs	18	2	20	16	2	18
	<u>1,211</u>	<u>42</u>	<u>1,253</u>	<u>1,696</u>	<u>46</u>	<u>1,742</u>

The Scheme does not reimburse Sir Robert M^cAlpine Limited for any expenses that are incurred by the company except where it is acting as agent for the Scheme.

8. TAXATION

The Scheme was an exempt approved scheme under the Income and Corporation Taxes Act 1988 and is now registered under the Finance Act 2004. It therefore does not bear United Kingdom income tax or capital gains tax.

9. INVESTMENT INCOME

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Income from bonds	1,518	-	1,518	1,787	-	1,787
Dividends from equities	1,711	-	1,711	1,850	-	1,850
Income from pooled investment vehicles	11,688	-	11,688	9,564	-	9,564
Net income from property	(172)	-	(172)	(586)	-	(586)
Interest on cash deposits	78	-	78	2	-	2
Management fees	67	-	67	66	-	66
	<u>14,890</u>	<u>-</u>	<u>14,890</u>	<u>12,683</u>	<u>-</u>	<u>12,683</u>

Income from property is net of costs, which include refurbishment costs not capitalised and dilapidation recoveries.

10. INVESTMENT MANAGEMENT EXPENSES

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Bank and interest charges	2	-	2	1	-	1
Investment management costs	976	2	978	807	-	807
	<u>978</u>	<u>2</u>	<u>980</u>	<u>808</u>	<u>-</u>	<u>808</u>

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

11. INVESTMENTS

Reconciliation of net investments

	Market value at 31.10.21 £000	Purchases at cost and derivative payments £000	Sales proceeds and derivative receipts £000	Change in market value £000	Market value at 31.10.22 £000
Defined Benefit Section					
<i>(not designated to members other than where stated)</i>					
Equities	26,642	-	-	1,707	28,349
Fixed interest securities	171,927	271,298	(204,748)	(73,772)	164,705
Pooled investment vehicles					
- designated to members	8,881	369	(899)	(943)	7,408
- not designated to members	294,428	179,994	(306,074)	(27,339)	141,007
Property	7,000	-	-	(1,000)	6,000
Derivatives	14,752	51,475	(5,946)	(109,801)	(49,520)
	<u>523,630</u>	<u>503,136</u>	<u>(517,667)</u>	<u>(211,148)</u>	<u>297,949</u>
Funds with brokers	10,155			(2,985)	43,465
	<u>533,785</u>			<u>(214,133)</u>	<u>341,414</u>
Defined Contribution Section					
Pooled investment vehicles					
<i>(designated to members)</i>	149,410	30,364	(18,514)	(16,728)	144,532
	<u>683,195</u>			<u>(230,861)</u>	<u>485,946</u>

Pooled Investment Vehicles

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

Defined Benefit Section	2022	2021
	£000	£000
Equity	102,885	232,223
Bonds	45,498	71,055
Property	32	31
	<u>148,415</u>	<u>303,309</u>

Pooled Investment Vehicles designated to Members within the DB Section relate to DB Section contributions (Employer and Member) invested into DC investment funds, while Members remained within the DB section of the Scheme.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

11. INVESTMENTS (continued)

Defined Contribution Section	2022	2021
	£000	£000
Diversified growth funds	144,532	149,410
	<hr/> <hr/>	<hr/> <hr/>

Investment Transaction Costs

Direct transaction costs during the year were as follows:

Defined Benefit Section	2022	2021
	£000	£000
Custody fees	66	27
Custody transaction fees	3	3
	<hr/> <hr/>	<hr/> <hr/>
	69	30

In addition to the costs noted above, indirect costs were also incurred such as bid-offer spread on investments. It has not been possible for the Trustees to quantify such indirect transaction costs.

Property

The wholly-owned investment property is situated in the United Kingdom. The property was internally valued in 2022, based on market value, at £6,000,000, and assumed a reduced cost psf of £117 per sq ft.

The property was last externally valued in 2020 at £7,000,000 which equates to a cost of £137 psf. The independent valuation was carried out by a Knight Frank LLP (RICS Registered) Valuer and was based on the market value. This valuation assumed a market rent of £15 per sq ft and a yield of 7.75%.

Forward Foreign Exchange Contracts and Interest and Inflation Rate Swaps

The Trustees have authorised the use of derivatives by their Investment Manager as part of their overall investment strategy for the Scheme.

	2022	2022	2021	2021
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Forward FX Contracts	27	216	4	93
Interest Rate Swaps	3,687	65,305	19,517	23,302
Inflation Rate Swaps	22,921	-	13,611	-
Total Return Swaps	-	10,834	4,405	201
Derivative options	253	53	571	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	26,888	76,408	38,108	23,596

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022

11. INVESTMENTS (continued)

Swaps Nature

The Scheme held the following Over The Counter (“OTC”) swaps:

	Notional Amount £000	Asset value £000	Liability value £000
Interest Rate Swaps			
0-10 Years (12 contracts)	391,090	2,492	33,637
11-20 Years (6 contracts)	109,320	1,195	23,270
21-30 Years (2 contracts)	23,900	-	8,398
	<u>524,310</u>	<u>3,687</u>	<u>65,305</u>
Inflation Rate Swaps			
0-10 Years (6 contracts)	105,964	18,617	-
11-20 Years (3 contracts)	23,651	4,304	-
	<u>129,615</u>	<u>22,921</u>	<u>-</u>
Total Return Swaps			
0-10 Years (7 contracts)	37,570	-	10,834
	<u>37,570</u>	<u>-</u>	<u>10,834</u>
Derivative Options			
0-10 Years (6 contracts)	-	253	53
	<u>-</u>	<u>253</u>	<u>53</u>
Total Swap Contracts 2022	<u>691,495</u>	<u>26,861</u>	<u>76,192</u>
Total Swap Contracts 2021	<u>849,767</u>	<u>38,104</u>	<u>23,503</u>

The notional amounts shown above are the amounts on which interest is payable/receivable as described in the nature of the swap. At the end of the year, the Scheme held the following collateral in respect of the OTC Swaps:

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022

11. INVESTMENTS (continued)

Gilt Valuation

	2022 Nominal £000	2022 Fair Value £000	2021 Nominal £000	2021 Fair Value £000
Barclays Bank: Bonds	51,662	38,760	8,758	16,101
Citi Bank: Cash	-	-	-	760
Bonds	6,051	3,670	-	-
Credit Suisse: Bonds	363	91	-	-
Lloyds Bank: Bonds	-	-	1,267	3,023
		<u>42,521</u>		<u>19,884</u>

Forward Foreign Exchange Contracts

The Trustees aim to mitigate the investment portfolio foreign exchange exposure by means of forward exchange contracts, all of which mature within one year from the year end.

Contract	Settlement Date	Currency Bought	Currency Value	Aggregate Asset £000	Aggregate Liability £000
Forward OTC	27/01/2023	EUR	2,008,200	15	-
Forward OTC	27/01/2023	JPY	184,888,000	12	-
Forward OTC	27/01/2023	GBP	777,933	-	9
Total 2022				<u>27</u>	<u>9</u>
Total 2021				<u>4</u>	<u>93</u>

Employer-Related Investments

One investment, included within Equities, consists of 2,800 BM\$1.00 shares in Paget Health Services (Holdings) Limited acquired at a cost of BM\$ 10,091,766 on 27 November 2010. The Newarthill group, of which the principal employer, Sir Robert M^cAlpine Limited, is a member, owns 58.0% of the share capital of Paget Health Services (Holdings) Limited. The value of this investment at 31 October 2022 was £15,855,527 being 4.7% of total investments (2021 – £12,098,377 being 2.1% of total investments).

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

11. INVESTMENTS (continued)

Investment Fair Value

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

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable for the asset or liability.

A fair value measurement is based upon the lowest level input which is significant to the fair value measurement of the entire asset.

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

<i>Defined Benefit</i> As at 31 October 2022	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equities	-	7,300	21,049	28,349
Bonds	-	164,705	-	164,705
Pooled investment vehicles	-	148,415	-	148,415
Property	-	-	6,000	6,000
Derivatives	-	(49,520)	-	(49,520)
	-----	-----	-----	-----
	-	270,900	27,049	297,949
Funds with brokers	=====	=====	=====	43,465

				341,414
				=====
 <i>Defined Benefit</i> As at 31 October 2021	 Level 1 £000	 Level 2 £000	 Level 3 £000	 Total £000
Equities	-	10,173	16,469	26,642
Bonds	-	171,542	385	171,927
Pooled investment vehicles	-	303,307	-	303,309
Property	-	-	7,000	7,000
Derivatives	-	14,753	-	14,752
	-----	-----	-----	-----
	-	499,775	23,854	523,630
Funds with brokers	=====	=====	=====	10,155

				533,785
				=====

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022

11. INVESTMENTS (continued)

<i>Defined Contribution</i> As at 31 October 2022	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Pooled investment vehicles	-	144,532	-	144,532
<hr/>				
<i>Defined Contribution</i> As at 31 October 2021	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Pooled investment vehicles	-	149,410	-	149,410
<hr/>				

Investment Risks Disclosures

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

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

Market risks: comprising of currency risk, interest rate risk and other price risk.

- Currency risk: as a result of changes in foreign exchange rates.
- Interest rate risk: as a result of changes in market interest rates.
- Other price risk: arising from changes in market prices (other than those arising from interest rate risk or currency risk).

The Trustees determine the investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy as detailed below. The Trustees monitor its investment objectives and risks using reports produced by the Scheme's investment adviser and through the investment management agreements in place.

Investment Strategy

The investment objectives of the Scheme are:

- The acquisition of suitable assets, having due regard to the risks, which will generate income and capital growth to pay, together with contributions from the Principal Employer, the benefits which the Scheme provides as they fall due;
- To limit the risk of the assets being assessed as failing to meet the liabilities over the long term, having regard to any Statutory Funding requirement; and
- To achieve a return on investments which is expected to at least meet the Scheme Actuary's assumptions over the long term.

The Trustees set the investment strategy for the Scheme taking into account the strength of the Employer Covenant, the long-term liabilities of the Scheme and the funding agreed with the Employer. The investment strategy is set out in its SIP.

The DB strategy as at 31 October 2022 is to hold:

- a. 30% in investments which move in line with the long-term liabilities of the Scheme. This is referred to as Liability Driven Investment (LDI) and comprises gilt and leveraged index-linked gilt and swaps held with Schroders Solutions, the purpose of which is to hedge against the impact of interest rate and inflation movements on long term liabilities.
- b. 60% in return seeking investments comprising UK and overseas equities (including the use of pooled investment vehicles), investment property, PPP investments and swaps (to hedge against the impact of interest rate and inflation movements).
- c. 10% in Cashflow matching investments comprising global investment grade corporate bonds that will pay coupon and maturity proceeds to the Scheme, the purpose of which is to reduce the need to sell other assets over the short to medium term.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

11. INVESTMENTS (continued)

Risk Exposures

The following table summarises the extent to which various classes of investments are affected by the risks noted above:

	Credit Risk	Currency	Market Risk			2022 %	2021 %
			Interest Rates	Other			
Defined Benefits							
Equities	-	○	-	●	8.19	5.02	
Fixed-interest securities	○	-	●	-	43.60	29.52	
Index-linked securities	○	-	●	-	3.98	2.84	
Pooled-investment vehicles	○	○	○	○	42.87	57.09	
Property	○	-	-	●	1.73	1.32	
Derivatives	○	-	○	○	(14.24)	2.78	
Funds with brokers	○	○	-	-	12.56	0.62	
Cash	○	-	○	-	1.31	0.81	
					100.00	100.00	

● Significant

○ Partial

- None/immaterial

A summary of pooled investment vehicles by type of arrangement at market value is included below:

	2022
	£000
Authorised Unit Trust	9,028
Cayman Islands Exempted Company	3,919
Closed Ended Fund of Hedge Funds	1,344
Depository Receipt	6,489
Exchange Traded Fund	15,981
ICVC	9,425
Life Fund	15
Limited Liability Company	5,451
Limited Partnership	1,802
Mutual Fund	27,282
OEIC	55,436
SICAV	4,835
Unit Linked Insurance Contract	7,407
	148,415

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

11. INVESTMENTS (continued)

Credit Risk

The Scheme is subject to credit risk because it directly invests in bonds, OTC derivatives and has cash balances.

The Scheme has a direct risk in so far as it has invested in pooled arrangements, although these are mitigated by the underlying assets being, in part, ring-fenced from the investment pool manager, the regulatory environments in which these managers operate, and diversification of investments. Through the use of its adviser, the Trustees monitor the appointment of any new investment pool managers and on an ongoing basis review their performance.

For pooled investment vehicles, the Scheme is indirectly exposed to credit risk in relation to the instruments it holds.

The Scheme is also exposed to credit risks arising from its use of swaps in the event of a default by the underlying issuer.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer.

To achieve this, the Trustees have ensured that the Scheme uses a number of issuers in order to minimise the impact of any individual default. The risk is further mitigated by the types of investments held and the due diligence undertaken before any contract is entered into.

Credit risk on properties relates to the tenants continued ability to pay its obligations and so the Trustees regularly monitor the financial strength and payment record.

Currency Risk

The Scheme is subject to currency risk as some of its investments are held in overseas markets and priced in the local currency. Currency risk is mitigated by River and Mercantile Solutions Limited implementing currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX Forward contracts.

The Trustees expect that the investment managers consider the impact of currency movements as part of their ongoing management of the portfolios.

Interest Rate Risk

The Scheme's investments are affected by interest rate movements as the Scheme does invest in index-linked gilts and interest rate swaps, which are intended to move in line with the Scheme's liabilities as a consequence of changing interest rates (and inflation). Hedging is used to mitigate these risks.

Other Price Risk

The Scheme has indirect exposure to other price risks, principally in relation to equities, alternatives (which include PPP investments) and properties.

The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets and geographical regions.

Defined Contribution Risks

Assets held under the DC section, and assets within the DB section which are shown as Designated to Members, are primarily held within Pooled Investment Vehicles. A member can choose the levels of risk they wish to be exposed to in terms of currency (in relation to assets held overseas) and interest rates (by including or excluding index linked funds). All funds are exposed to credit risk (as noted above for other Pooled Investment Vehicles).

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022

11. INVESTMENTS (continued)

Concentration of Investments

The following investments account for more than 5% of the Scheme's net assets as at 31 October 2022:

	Market Value at 31 October 2022 £000	2022 %	Market Value at 31 October 2021 £000	2021 %
Insight Invnt Maturing Buy & Mntn Fnd 21-25 Cl B GBP	30,846	6.3	43,142	6.3
BNY Mellon Global Equity Fund	22,339	-	81,436	12.0
Threadneedle Dynamic Real Return Fund	-	-	43,801	6.4
Stable Growth	43,061	8.8	43,149	6.4
Cautious growth	32,378	6.6	-	-
River and Mercantile 0.125% Treasury Gilt 31/01/2023	43,960	9.0	-	-
Schroders Liability Hedge Cash	30,524	6.3	-	-

Direct Transaction Costs

The purchase and sale of investments during the year resulted in net direct transaction costs amounting to £6,775 (2021 – £12,219).

12. AVC INVESTMENTS

The Trustees hold assets invested as part of the Scheme to secure additional benefits, on a money purchase basis, for those members electing to pay additional voluntary contributions. Members receive an annual statement confirming the contributions paid on their behalf and the value of their money purchase rights. The value of the AVC funds at 31 October 2022 was £2,459,814 (2021 – £2,420,359) and is included in the DB section of the Scheme assets.

13. CURRENT ASSETS

	DB 2022 £000	DC 2022 £000	Total 2022 £000	DB 2021 £000	DC 2021 £000	Total 2021 £000
Taxation	-	-	-	5	-	5
Cash	4,427	2,802	7,229	4,801	2,677	7,478
Other debtors	237	312	549	716	34	750
	4,664	3,114	7,778	5,522	2,711	8,233

All contributions were paid by the due date and in line with the Schedule of Contributions.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022

14. CURRENT LIABILITIES

	DB	DC	Total	DB	DC	Total
	2022	2022	2022	2021	2021	2021
	£000	£000	£000	£000	£000	£000
Taxation and social security	334	-	334	320	-	320
Unpaid benefits	58	9	67	788	9	797
Accrued expenses	627	36	663	588	34	622
Other creditors	583	9	592	70	9	79
Provision for pension back payments	5,000	-	5,000	6,600	-	6,600
	6,602	54	6,656	8,366	52	8,418

Provision for pension back payments

In 2019, a number of benefit calculations in relation to non-GMP Equalisation for pre-1988 male members were identified as being incorrect. The detailed corrections are ongoing, but a prudent estimate of the required back-pay has been included. It is assumed that once finalised, this will be paid out within one year, so is included within Current Liabilities. This charge has been included as an expense during 2019 and was updated in 2021 and 2022 following further investigative work, scheme specific legal guidance and the recent ruling in relation to the correction of GMP benefits (see Note 17). The provision shown is considered a prudent estimate.

15. SELF INVESTMENT

As at the Net Asset Statement date, no investments were held in shares of any of the participating employers (2021 – Nil). Included in investments at the year end are shares in an employer-related company as disclosed in note 11.

16. RELATED PARTIES

Sir Robert M^cAlpine Limited provides the day-to-day administration and other services (including the fees and expenses of two of the Trustees) to the Scheme. Total fees due to the independent Trustee amount to £81,075 (2021- £63,575) of which £17,500 relates to the current period (2021- £17,500). In addition, total fees due to another Trustee amount to Nil (2021- £14,843). The Scheme does not reimburse the company for these expenses (as referred to in note 7). There have been no other related party transactions during the year (2021- Nil).

One of the trustees retired in the year and received a lump sum payment in line with the scheme rules. They remain a Trustee of the scheme.

Three of the Trustees were members of the Scheme at the year-end (2021 – four). The contributions paid on behalf of these members were in line with the Schedule of Contributions.

Investment transactions with related parties are disclosed in “Employer-related Investments” within Note 11 above.

17. CONTINGENT LIABILITIES

The recent ruling in relation to addressing past transfers during the GMP Reconciliation exercise means that past transfers (including payments made on a member’s death) need to be topped up by the transferring scheme. This ruling will increase the eventual liability, and also adds to the complexity of the calculations, so it remains impracticable to estimate the financial effect, timing or probability of such an uplift for GMP Reconciliation purposes. This same ruling applies to the correction of errors identified in relation to non-GMP Equalisation (see Note 14) but a prudent estimate of the effect has been included within the Provision for pension back payments.

18. POST BALANCE SHEET EVENT

There were no post balance sheet events to report at the year end.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

INVESTMENT REPORT FOR THE YEAR TO 31 OCTOBER 2022

Fund Valuation and Performance

As at 31 October 2022, the value of the Fund, was £485.7m, taking quoted assets at their market value. This represents a decrease of £197.3m over the year.

The return for the Defined Benefit Section for the year to 31 October 2022 was -38.41%. The compound return for the three years ending on this date was -29.63% and the annualised return was -11.05%. The compound return for the five years ending on this date was -16.62% and the annualised return was 3.57%. A full investment report from the Investment Manager is included within the Appendix to these financial statements.

The assets of the Defined Contribution Section are invested on a passive basis in a range of pooled funds. Since its inception in 2003, the returns generated by these funds have generally matched the indices by reference to which they are invested with only insignificant deviation. Where any differences are not considered insignificant, then the Trustees have sought explanations from the investment manager. To 31 October 2022, the returns have varied between -36.7% p.a. and 1.1% p.a. (for 1 year), between -12.2% p.a. and 2.3% p.a. (over 3 years) and between -5.3% p.a. and 3.0% p.a. (over 5 years) depending on the fund invested.

Investment principles

The Scheme's investments have been made in accordance with the Statement of Investment Principles ("SIP"). This Statement was adopted by the Trustees on 18 February 1997 and subsequently amended. Separate SIPs are now issued for the Defined Benefit and the Defined Contribution sections, copies of which are available online at <https://www.srm.com/pensions/>.

The SIPs adopted in the year were amended in September 2020 for both sections of the Scheme. There have since been amendments made to the DB SIP in January 2022. All of the investments are regarded as marketable by the Trustees.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Statement of the Chair of the Trustees of the Sir Robert McAlpine Limited Staff Pension & Life Assurance Scheme for the Scheme year ending 31 October 2022

This statement is produced in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the Regulations)

I hereby confirm that I, Cullum McAlpine, am the appointed Chair of the Sir Robert McAlpine Limited Staff Pension & Life Assurance Scheme ('the Scheme'). In accordance with section 23 of the Regulations I hereby confirm, on behalf of the Trustee Board, in relation to the Scheme that:

1. The Defined Contribution ("DC") Statement of Investment Principles ("SIP") is attached (Appendix D). The Trustees carry out a general review of the SIP at least every three years and the latest DC SIP was issued in September 2020. The DC SIP covers policies regarding risk, return, monitoring, fees and responsibilities.
2. The DC Investment Strategy was reviewed in 2020 and new funds and a new default strategy were subsequently implemented. The new funds introduced either replaced existing funds and were considered more appropriate to the objectives of the Scheme or were in addition to other funds in order to provide Members with a wider choice. A new default strategy was also introduced as this was felt to be more in line with Members' objectives when they start to access their benefits. In view of the implementation in 2020, no review of the default strategy has taken place during the Scheme year ending 31 October 2022.
3. The aims and objectives are noted in the SIP (under Advice and Management) and the Trustees confirm that the returns, which are reviewed at least quarterly, are consistent with these objectives, subject to the following. Four blended funds were reviewed during the year and as a result, revised short term Benchmarks were introduced in order to allow a more meaningful comparator. Original Targets remain as long term goals, although using these as benchmarks against the actual performance during the year have not been successful due to limited historical data and the recent market turmoil.. Item 16 compares the performance of the various funds with the Targets and Benchmarks.
4. The default investment strategy seeks to de-risk the investments as the Member approaches retirement in order to protect their savings. Funds are initially invested in a Long-Term Growth Fund until a Member is 28 years before their Retirement Age (which a Member can define) after which the funds are gradually moved over a five-year period into the Stable Growth Fund. When the Member reaches 16 years before Retirement Age, these funds are then transferred over a five-year period into the Cautious Growth Fund. When a Member reaches 3 years before Retirement Age, the funds are then gradually moved into the Retirement Focus Fund, so at the point of retirement all funds are invested in this Fund.
5. The Trustees continue to review the appropriateness of the Investment Strategy in terms of changes to regulatory expectations and the introduction of pension freedoms in April 2015.
6. The Scheme Accounts (including the Chair's Statement) and SIPs are available on the SRM Company website on srm.com/pensions.
7. The roles of Secretary to the Trustees and Pensions Manager are separated in order to limit any conflicts of interest and utilise more appropriate resources. The Pensions Manager's role is undertaken by the "Pensions Dept", being a Pensions Accountant who is overseen by the Head of Finance. Some of the processing has also been delegated to other suitably qualified accountants.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Statement of the Chair of the Trustees of the Sir Robert McAlpine Limited Staff Pension & Life Assurance Scheme for the Scheme year ending 31 October 2022 (continued)

8. The core financial transactions (investment of contributions, transfers in / out and transfers of assets between different funds within the Scheme) have been processed promptly, accurately and in accordance with the Service Level Agreement with the Service Provider. This is monitored by way of quarterly Administration Reports issued by the Service Provider. In accordance with the reporting arrangements, controls are in place to monitor and ensure that core financial transactions continue to be processed promptly and accurately. Serious breaches or excessive delays to the Service Level Agreements are monitored by the Pensions Dept and reported quarterly to the Trustees. If an issue remains unresolved, then details are presented to the Trustees to consider further action. The processing of Member contributions is reconciled directly by the Pensions Dept in order to ensure timeliness and accuracy. Transfers in and out are monitored by the Pensions Dept and this acts as a control over the processing of these transactions by the Service Provider. Further scrutiny of transactions and reporting and controls can be found in the Audit Report which is included in the Scheme's Annual Report & Accounts. There were no significant issues during the year.
9. Some charges applicable to the Scheme are borne by the Employer and therefore have no bearing on Member charging. However, for completeness we have included these as part of our assessment of Value for Members, to be found in Appendix A.
10. All Members pay an Annual Management Charge ("AMC"), details of which are included in Appendix A item 5. Active DC Scheme Members are also charged a 1.5% deduction from monthly contributions primarily to cover life assurance. Members are informed of this deduction and any changes. This was last reviewed in May 2021 and has since been reviewed post year-end in February 2023 and in both cases, concluded that this deduction remains appropriate. A further discussion of this charging structure is included in the Value for Members assessment.
11. The DC section of the Scheme has a bundled charging structure. The AMCs for the default strategy range between 0.29% and 0.37%. More details are provided in Appendix A (below) and examples of the cumulative effects of these charges on the Member's benefits are shown in Appendix B.
12. For the non-default funds, the AMCs range from 0.21% to 0.45% The funds which are not part of the default arrangement are listed within the Value for Member assessment (Appendix A) and examples of the cumulative effects of these charges on the Member's benefits are shown in Appendix B.
13. The Trustees have had regard to the relevant statutory guidance when preparing this statement, including the cumulative examples shown in Appendix B.
14. In addition to the AMCs noted above, there are investment managers' charges for explicit dealing costs (brokerage fees, taxes and levies). These average charges (by fund) range between 0.020% and 0.040-2% of the fund value for the default strategy funds and 0.00% and 0.300% for the non-strategy funds.
15. The Trustees of the Scheme continue to review the service standards being provided in terms of Scheme administration (including processing core financial transactions, Scheme records and Scheme governance), Member communication and investment returns. The Trustees attach the Value for Members assessment, the cumulative effect of the costs on Member benefits (including additional details on each Fund cost) and the SIP for the Scheme. The charges borne by Scheme Members are monitored regularly by the Trustees and it is their view that this represents Value for Members at this time. The Trustees will continue to consider improvements which could be made in terms of the clarity and transparency of the charging structure.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Statement of the Chair of the Trustees of the Sir Robert McAlpine Limited Staff Pension & Life Assurance Scheme for the Scheme year ending 31 October 2022 (continued)

16. All funds are compared to an objective, which reflects a targeted, long-term rate of return. The variances between the actual return and the Target are reviewed regularly by the Trustees, and suitable action taken if the variances are considered too high. The performance of the default funds (as at 30th September 2022) were:

	One year's performance			
	Actual	Target	Variance	
	%	%	%	
Retirement Focus	-14.9	-3.2	-11.7	(#)
Cautious Growth Fund	-13.7	+12.0	-25.7	(*)
Stable Growth Fund	-10.5	+13.1	-23.6	(*)
Long-Term Growth Fund	-9.3	+14.2	-23.5	(*)

(*) The Targets of these funds were monitored during the year. Due to the large variances, it was determined that new benchmarks, based on market indices for similarly blended funds, would be more appropriate for short and medium-term monitoring (especially given the recent market volatility). These new Benchmarks were introduced in the latter part of 2022. Also see note 3 above. The figures above continue to show the original Target, as the new Benchmarks do not have a full year's history. In order therefore to compare these performances, below are the 3 Month performance figures (also at 30th September 2022) using the new Benchmarks and the Targets:

	Actual	Benchmark	Variance	Original	
				Target	Variance
	%	%	%	%	%
Cautious Growth Fund	-4.7	-4.5	-0.2	+2.4	-7.1
Stable Growth Fund	-3.0	-4.1	+1.1	+2.7	-5.7
Long-Term Growth Fund	-1.8	-3.1	+1.3	+2.9	-4.7

None of these funds has three-year performance histories as all were only established in September 2020

The Trustees continue to consider these funds as appropriate in terms of achieving the aims as outlined in 2 and 4 above.

(#) The Retirement Focus Fund also has a large variance for the period, which is explained by the unprecedented turmoil in the markets. This is being closely monitored to ensure that it remains an appropriate option now that the markets have regained some stability.

17. Each Trustee of the Scheme is expected to ensure that he or she meets the Trustee knowledge and understanding requirements, including a working knowledge of the Scheme Rules, SIPs, documents setting out the Trustees' policies, sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relating to funding and investment. Where there is uncertainty, relevant advisors are referred to when necessary. Throughout the Scheme year, advisors provide regular and formal updates to the Trustees, either at specific events or as part of Trustee Meetings. Over the year, this has included sessions on the Code of Practice and further sessions on ESG. A Skills and Training Log has been developed and is maintained by the Secretary to the Trustees on an on-going basis. Knowledge gaps are expected to be identified on a self-evaluation basis, and where any gaps are considered to be applicable to a number of Trustees, general training is made available as part of, or in addition to, Trustee Meetings.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

**Statement of the Chair of the Trustees of the Sir Robert McAlpine Limited Staff Pension & Life Assurance Scheme
for the Scheme year ending 31 October 2022 (continued)**

18. New Trustees are given a general briefing of the Scheme and have introductory meetings with the advisors. They are also expected to complete all relevant sections of The Pensions Regulator's Trustee Toolkit or be in a position to demonstrate they have the necessary skills and knowledge from other sources.

FIL Life Insurance Ltd, Hymans Robertson, Cardano Advisory Ltd, CMS Cameron McKenna Nabarro Olswang LLP and Schroders Investment Solutions Ltd (formerly River & Mercantile Solutions Ltd) provide advice to the Trustees to help ensure that Scheme governance, controls, skills and knowledge are current and meeting the expectations of the Pensions Regulator and Scheme Members and enable the Trustees to properly exercise their functions. Signed for and on behalf of the Trustees of the Scheme on **31 May 2023** by Katherine A Jarvis in my capacity as acting Chair of the Trustees.

Katherine A Jarvis
Acting Chair of the Trustees of the Scheme

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

List of evidence represented in appendices:

Appendix A: Value for Members Statement

Appendix B: Statement Regarding DC Governance

Appendix C: Implementation Statement

Appendix D: Statement of Investment Principles (DC Section), dated September 2020

Appendix E: Statement of Investment Principles (DB Section), dated January 2022

Further evidence available on request:

DC Member booklet

Example quarterly administration report, provided by FIL Life Insurance Ltd

Example quarterly investment report, provided by FIL Life Insurance Ltd

Trustee training log

Risk Register

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Appendix A: Value for Members Assessment

To make an assessment of the Scheme in terms of whether and how it represents value for money for Members, the Trustees have considered the following evidence:

- Member Investment Guide available on the FIL Life Insurance Ltd (“Fidelity”) website
- Statement of Investment Principles DC Section, dated September 2020
- Quarterly Investment Reports
- DC member booklet

The benefits available to Members from being in the Scheme include:

- A range of fund choices, which are regularly monitored;
- A default strategy to reflect Member suitability and manage risk;
- Member communication;
- Retirement modelling;
- Retirement support;
- Record keeping;
- Carrying out transactions (purchasing, selling, switching);
- Error and complaint handling;
- Governance, taking into account professional advice;
- Secretarial and audit compliance; and
- Life assurance (4 times salary).

The Trustees have taken into account the following considerations and decisions:

1. The costs borne by Scheme Members have been assessed and a fee of 1.5% on contributions is deducted monthly. This primarily covers death in service benefits (life assurance) and is clearly presented in the DC member booklet. The deduction is constantly monitored, with the most recent formal review being in May 2021 (and more recently, post year-end in February 2023) and it was concluded within both reviews that the costs to be covered by this charge were appropriate.
2. An analysis of the Scheme charges to determine how much of the 1.5% represents pension-specific costs (described in Scheme literature as ‘fund administration’) shows this to be 0.3% per annum, being the amount required to cover DC specific costs. The remaining charges (i.e. 1.2%) cover costs relating to the life assurance cover – both internally funded and an insurance stop-loss premium.
3. The Trustees, along with their Advisors, undertook a review of the objectives and strategy in order to provide Members with a wider and more appropriate options. This was implemented in 2020.
4. Investment returns are assessed by Trustees in liaison with their investment advisors on a quarterly basis using performance reports from the provider.
5. The fund administration costs levied to members are monitored over time and assessed alongside investment performance to ensure they remain appropriate. The most recent review of these charges (in May 2021 and February 2023) concluded that these remained appropriate. The Scheme operates a bundled investment portfolio which is managed by Fidelity who charge an AMC which varies by fund.

During the year, some funds also charge explicit dealing costs, which include brokerage fees, taxes and levies and these range between 0.00% and 0.042% of the fund value.

For the default DC funds, these charges are:

	AMC	Total (incl explicit costs)
Long Term Growth Fund	0.34%	0.36%
Stable Growth Fund	0.37%	0.40%
Cautious Growth Fund	0.36%	0.40%
Retirement Focus Fund	0.29%	0.31%

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Appendix A: Value for Members Assessment (continued)

The AMCs for the remaining funds range from 0.21% to 0.45% (from 0.21% to 0.75% when including explicit costs).

The non-default funds consist of Annuity Focus Fund, Corporate Bond Fund, Ethical Fund, Global Equity Fund, Inflation Linked Annuity Focus Fund, UK Equity Fund, Cash Fund, Shariah Fund and Diversified Fund.

Some funds which were available prior to the 2020 review are only available to Members of the default strategy who decided not to transfer to the new default strategy. These funds will be withdrawn in 5 years.

For the old default DC funds, which as noted above, are still available for some Members, these charges (as at 31st October 2022) are:

	AMC	Total (incl explicit costs)
Global Equity Index Weights (60:40) Fund	0.21%	0.21%
Diversified Fund	0.30%	0.31%
Pre-Retirement Fund	0.23%	0.23%
Cash Fund	0.23%	0.23%

Full details of the AMCs are shown in Appendix B – Illustrative Examples of the Cumulative Effect of Relevant Costs and Charges on the Value of Member’s Benefits

Examples of the cumulative effect of costs on Members’ funds (based on the new Service Provider costs) are included in Appendix B.

6. The Scheme benefits from the presence of a full-time Secretary to the Trustees and a Pensions Dept to ensure that it is demonstrably run in the interests of all beneficiaries.

Contribution deductions to provide for pension costs and life assurance/death in service benefits.

Having assessed the way the costs of the Scheme are calculated; the Trustees are satisfied that this charge is fair and broadly represents Value for Members. However, for the sake of clarity and transparency, it is felt appropriate to explain this in further detail.

Members are currently charged 1.5% of contributions on a monthly basis. This deduction covers both fund administration costs (not covered by the AMC) and life assurance (described in the DC Member booklet as “death in service”). For 2022, this split is approximately 0.30% for administration costs and 1.2% for life assurance (covering both internal funding and the premium). Administration costs cover audit fees, levies and sundry expenses. This analysis is available on request.

The life assurance benefit is self-funded and is based on 4x salary. The Member cost is based on the need to maintain a fund which can be used to make any death-in-service payments when necessary. The pay-out from the Scheme is capped and any excess above the capped value is covered by an insurance policy.

The Trustees have discussed whether it would be in the interest of Members to specifically publish the relevant costs for fund administration. A decision was taken that this information would not be published for fear of over-complicating Member communications. Instead, the Trustees and the Pensions Manager regularly review the costs of fund administration on the Members’ behalf to ensure this continues to be appropriate.

The Trustees reviewed the charging strategy in 2021 (and post year-end in February 2023) and concluded, on both occasions, that the percentage charges remain appropriate.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Appendix A: Value for Members Assessment (continued)

Costs borne by the Employer:

1. Cost of running the Trustee Board and pensions management support
2. In-house administration costs

Most costs incurred by the Employer relate to the costs of employees who work on both the Scheme and for the Employer directly. Due to cost restraints, it is difficult to provide a figure of the actual costs borne by the Employer on the Scheme's behalf. However, a high-level analysis has been carried out which indicates these costs to be in the region of £150,000 to £250,000 per year, excluding Trustees' time. However, it should be noted that this covers both the DC and DB Sections of the Scheme.

**THE SIR ROBERT M^cALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Value for Members Statement:

The Trustees believe the Scheme represents good value for Scheme Members. The reasons for this are based on the evidence listed above and include, but are not limited to, the following:

- The Scheme costs are regularly monitored by the Trustees and compare well with the guidance for auto-enrolment funds (although it should be noted that this is not an auto-enrolment fund);
- The Scheme governance provided by the Pensions Dept, Secretary to the Trustees and advisors ensure that the running of the Scheme is of a satisfactory quality, both in terms of Good Member Outcomes and regulatory compliance;
- The Trustees of the Scheme carry out regular (at least quarterly) performance monitoring in liaison with investment advisers and investment providers; and
- The Trustees give on-going consideration to the appropriateness of investment options and strategies with a view to improve wherever they deem necessary, as reflected in the change of investment options and default strategy introduced in 2020.

**THE SIR ROBERT M'ALPINE LIMITED
STAFF PENSION AND LIFE ASSURANCE SCHEME**

Statement Regarding DC Governance

For the Twelve Months Ending 31 October 2022

Annual Governance Statement by the Chair of the Trustees

Charges paid by members

'Charges' means administration charges other than transaction costs (see below). Members bear charges that are deducted from the funds in which their benefits are invested. The charges differ between the investment funds that are available. The Trustees are required to calculate the charges and transaction costs paid by members during the assessment period and assess the extent to which these charges and transaction costs represent good value for members.

Transaction costs are a complicated issue as they are associated with different member, Trustees or manager actions. Transaction costs can be split into three areas:

1. Transaction costs incurred by members as part of changes in the fund range

There have been no changes to the fund range at a member level; therefore those members invested in the default lifestyle or self-selecting their investment options would not have incurred any transaction costs due to changes in the fund range over the year.

2. Transaction costs incurred by members buying and selling funds as part of the default lifestyle option

A member in the default lifestyle is required to buy and sell assets when automatically switching between funds within the lifestyle. We estimate that over a member's life, the cost of entering the lifestyle option, switching between funds and subsequently redeeming assets upon retirement for each £1 of income invested is c.1.74% in a worst case scenario. This equates to an average of 0.04% per annum, as at 31 October 2022.

A breakdown of the cost estimate on a worst case basis is provided in the table below. Our calculations do not take account of netting trades within the funds (e.g. cancelling out selling common underlying funds between the blends). It also assumes that a member pays a cost of "bid price – mid price" for any sale of assets and "mid price – offer price" for any purchase of assets (hence the "worse case scenario").

Members will experience varying levels of cost depending on their position within the lifestyle. Actively contributing members would have experienced at least one source of transition cost on the contributions they made over the year. Deferred members may or may not have experienced transition costs of this nature, depending on if they phased between funds or not. These costs will continue in the future at a level expected to be similar to below.

Lifestyling is carried out automatically for members who are invested in the default lifestyle. Market conditions are considered in the context of deciding on the composition of the funds in the lifestyle, but not when automatically phasing members between funds. The funds are established and governed in a way which is cognisant of market conditions, therefore it is not necessary (or practical) to consider market conditions for each member each month when lifestyling.

The funds are priced on a "single swinging basis", meaning they may be priced at bid or offer on any day, depending on the net cashflow (from all investors in/out of the fund) that day. Therefore, in practice, the cost incurred is unlikely to be the full amount above and may even provide an uplift, should fund prices swing favourably. Members will also experience varying levels of costs depending on their position within the lifestyle. Therefore, it is not practical to split out the actual costs incurred by each member.

The table below sets out the total "worst-case" transaction costs for each fund within the default lifestyle. Transaction costs are shown over the 12 months to 31 October 2022 and have been sourced from the Scheme's investment platform provider, Fidelity.

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Movement between funds	Worst case cost
Buy Long Term Growth Fund	0.23%
Sell Long Term Growth Fund -> Buy Stable Growth Fund	0.44%
Sell Stable Growth Fund -> Buy Cautious Growth Fund	0.47%
Sell Cautious Growth Fund -> Buy Retirement Focus Fund	0.41%
Sell Retirement Focus Fund	0.18%
Total:	1.74%
Total (p.a.)	0.04%

Source: Fidelity (data, as at 31 October 2022), Schroders Solutions (calculations, as at February 2023).

Assumption: (1) members join the Scheme 40 years from retirement

(2) price swings are all unfavourable to members

(3) no netting of trades occurs

(4) no investment return (i.e., the only effect on the amount invested is from transaction costs)

3. “Frictional costs” incurred by members due to funds internally buying and selling underlying assets (e.g. stocks or bonds)

As part of day-to-day trading activities, the funds may incur “frictional costs”. Frictional costs are categorised as explicit costs and implicit costs. Explicit costs are directly observable and in most cases managers are in position to report them. Examples of explicit costs include broker fees, transaction taxes and custody fees. Implicit costs cannot be observed in the same way but do have an impact on fund performance. Examples of implicit costs include bid-offer spreads and market impact.

These costs would be incurred every time a fund manager makes a trade within that fund and are intended to improve investment returns, reduce risk, or contribute to the smooth running of a fund. Some costs will be cognisant of market conditions (e.g. some active investment decisions), and some costs are in respect of decisions not linked to market conditions.

The table below sets out the total transaction costs for each fund within the default and self-select range.

	Fund	Frictional transaction costs 1 October 2021 to 30 September 2022 ¹
Default Lifestyle Funds	Long Term Growth	0.04%
	Stable Growth	0.06%
	Cautious Growth	0.05%
	Retirement Focus	0.03%
Self-Select Funds	Annuity Focus Fund	0.00%
	Inflation-Linked Annuity Focus Fund	0.00%
	Cash Fund	0.00%
	Corporate Bond	0.00%
	Ethical Fund	0.00%
	Global Equity	0.00%
	Shariah Fund	0.00%
	UK Equity Fund	0.00%
	L&G Global Equity Fixed Weights (60:40) Index Fund ²	0.02%
	L&G Pre-Retirement ²	0.00%
L&G Diversified Fund ²	0.00%	

Source: Fidelity (data for Cautious Growth and At-retirement as at 30 June 2022, data for other funds as at 30 September 2022).

¹ Transaction costs are shown as at 30 June 2022 for the Cautious Growth and Retirement Focus funds, and as at 30 September 2022 for the Long Term Growth, Stable Growth and self-select funds. This is due to transaction cost data being produced on a quarterly basis and data availability at the time of reporting.

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The Total Expense Ratios (“TERs”) applicable to the funds underlying the default lifestyle, and the self-select options, as at 30 September 2022 are set out in the table below:

	Fund	Total Expense Ratios (TERs) p.a.
Default Lifestyle Funds	Long Term Growth	0.36%
	Stable Growth	0.40%
	Cautious Growth	0.40%
	Retirement Focus	0.31%
Self-Select Funds	Annuity Focus Fund	0.23%
	Inflation-Linked Annuity Focus Fund	0.26%
	Cash Fund	0.23%
	Corporate Bond	0.23%
	Ethical Fund	0.35%
	Global Equity	0.21%
	Shariah Fund	0.75%
	UK Equity Fund	0.21%
	<i>L&G Global Equity Fixed Weights (60:40) Index Fund²</i>	<i>0.21%</i>
	<i>L&G Pre-Retirement²</i>	<i>0.23%</i>
<i>L&G Diversified Fund²</i>	<i>0.31%</i>	

Source: Fidelity (as at 30 September 2022).

Below is an illustrative example of the cumulative effect over time of the application of charges and costs on the value of a member’s accrued rights. The example outlines the effects of fund charges (the TERs above) and transaction costs (also above) across the Scheme’s fund range.

Projected pension pot, in today’s terms										
Years	Default Lifestyle Fund		Cash Fund		UK Equity Fund		Global Equity Fund		Annuity Focus Fund	
	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£13,400	£13,300	£13,200	£13,100	£13,500	£13,500	£13,500	£13,500	£13,100	£13,100
3	£19,800	£19,600	£19,000	£18,900	£20,400	£20,300	£20,400	£20,300	£18,900	£18,800
5	£26,400	£26,100	£24,900	£24,700	£27,600	£27,500	£27,600	£27,400	£24,700	£24,500
10	£44,300	£43,200	£39,800	£39,300	£48,000	£47,400	£48,000	£47,300	£39,400	£38,800
15	£63,800	£61,500	£55,200	£54,100	£71,700	£70,500	£71,700	£70,300	£54,300	£53,300
20	£85,300	£81,300	£72,300	£70,500	£100,800	£98,600	£100,800	£98,200	£70,900	£69,200
25	£108,300	£102,100	£89,900	£87,200	£134,500	£130,900	£134,500	£130,300	£87,800	£85,300
30	£131,500	£122,700	£107,900	£104,200	£173,500	£167,900	£173,500	£167,100	£105,000	£101,500
35	£155,300	£143,400	£126,500	£121,500	£218,500	£210,300	£218,500	£209,100	£122,600	£118,000
40	£178,300	£163,400	£145,300	£138,900	£269,300	£257,900	£269,300	£256,100	£140,300	£134,500

² As part of the changes implemented in 2020, the fund is no longer available as a self-select option.

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Projected pension pot, in today's terms										
Years	Corporate Bond Fund		Inflation-Linked Annuity Focus Fund		Shariah Fund		Ethical Fund		Diversified Fund	
	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£13,100	£13,100	£13,100	£13,100	£13,500	£13,500	£13,100	£13,100	£13,500	£13,500
3	£18,900	£18,800	£18,900	£18,800	£20,400	£20,000	£18,900	£18,800	£20,400	£20,200
5	£24,700	£24,500	£24,700	£24,500	£27,600	£26,900	£24,700	£24,500	£27,600	£27,400
10	£39,400	£38,900	£39,400	£38,800	£48,000	£45,700	£39,400	£38,900	£48,000	£47,100
15	£54,300	£53,300	£54,300	£53,100	£71,700	£67,000	£54,300	£53,300	£71,700	£69,900
20	£70,900	£69,200	£70,900	£68,900	£100,800	£92,400	£70,900	£69,200	£100,800	£97,600
25	£87,800	£85,300	£87,800	£84,900	£134,500	£120,900	£87,800	£85,300	£134,500	£129,300
30	£105,000	£101,600	£105,000	£101,000	£173,500	£152,800	£105,000	£101,600	£173,500	£165,500
35	£122,600	£118,100	£122,600	£117,300	£218,500	£188,500	£122,600	£118,100	£218,500	£206,700
40	£140,300	£134,600	£140,300	£133,600	£269,300	£227,600	£140,300	£134,600	£269,300	£252,800

Projected pension pot, in today's terms										
Years	Long Term Growth Fund		Stable Growth Fund		Cautious Growth Fund		Retirement Focus Fund		Old Default Lifestyle Fund*	
	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs	Gross of all charges	Net of TER and frictional transaction costs
1	£13,400	£13,300	£13,300	£13,300	£13,300	£13,200	£13,200	£13,200	£13,500	£13,500
3	£19,800	£19,600	£19,600	£19,400	£19,400	£19,200	£19,100	£18,900	£20,400	£20,300
5	£26,400	£26,100	£26,000	£25,600	£25,600	£25,200	£25,000	£24,800	£27,600	£27,400
10	£44,300	£43,200	£43,000	£41,800	£42,000	£40,800	£40,300	£39,500	£48,000	£47,300
15	£64,000	£61,800	£61,400	£59,000	£59,300	£57,100	£56,000	£54,400	£71,700	£70,300
20	£87,200	£83,400	£82,700	£78,700	£79,200	£75,500	£73,700	£71,100	£100,800	£98,200
25	£112,700	£106,700	£105,700	£99,500	£100,300	£94,600	£91,900	£88,100	£134,500	£130,000
30	£140,700	£131,900	£130,500	£121,500	£122,600	£114,600	£110,800	£105,400	£173,500	£166,300
35	£171,400	£159,100	£157,100	£144,800	£146,300	£135,400	£130,300	£123,200	£218,500	£207,700
40	£204,300	£187,900	£185,200	£169,000	£170,900	£156,700	£150,200	£141,000	£250,200	£236,300

*The old Default lifestyle fund (closing December 2025)

Notes:

- Values shown are estimates and are not guaranteed;
- Transaction costs used are an average of previous years' transaction costs (up to 5 years, but in this case 3 years of data has been used for the funds implemented in 2020 and 5 years of data for the legacy funds based on availability of consistent data);
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Assumes inflation of 2.5% per annum;
- Assumes a starting pot size of £10,000;
- Assumes charges in future years are equal to charges today;
- Assumes a member is aged 25 years old now and stops contributing at age 65;
- Assumes an overall contribution rate of 12% of annual salary, increasing by 1% after 15 years of service, the £ amount of which increases in line with assumed salary inflation;
- Assumes a contribution charge of 1.5% of the value of the overall contribution rate – the additional 1% contribution after 15 years of service is exempt from this charge;
- Assumes the contribution charge applies for both gross and net values in the tables above;
- Assumes a member salary of £25,000 in Year 0, increasing at 1% per annum above inflation;
- The accumulation rates used, as set out below, are those provided by Fidelity. Returns are as follows:

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	Fund	Real accumulation rate per annum (gross of charges)
Default Lifestyle Funds	Long Term Growth	1.2%
	Stable Growth	0.7%
	Cautious Growth	0.3%
	Retirement Focus	-0.4%
Self-Select Funds	Annuity Focus Fund	-0.8%
	Inflation-Linked Annuity Focus Fund	-0.8%
	Cash Fund	-0.6%
	Corporate Bond	-0.8%
	Ethical Fund	2.4%
	Global Equity	2.4%
	Shariah Fund	2.4%
	UK Equity Fund	2.4%
	<i>L&G Global Equity Fixed Weights (60:40) Index Fund³</i>	2.4%
	<i>L&G Pre-Retirement³</i>	-0.8%
	<i>L&G Diversified Fund³</i>	2.4%

Source: Fidelity (data, as at 31 December 2022), Schroders Solutions (calculations, as at January 2023).

The above illustration has been prepared with due regard to the Department for Work and Pensions' guidance ("Cost and charge reporting: guidance for trustees and managers of occupational schemes"), published in February 2018.

Net investment returns

From 1 October 2021, the Trustees are required to calculate and state the return on investments from the Scheme's default and self-select funds, net of transaction costs and charges. The Trustees should include as a minimum the net return for the scheme year or longer where possible.

The information set out below shows the net performance for the funds in which members were invested or have been able to invest during the scheme year. The performance has been calculated using the method provided in the Department for Work and Pensions' guidance ("The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations'), published in June 2021.

Default strategy

Age of member in 2022 (years)	3 years (p.a.) (1 Oct 2019 - 31 Oct 2022)	2 years (p.a.) (1 Oct 2020 - 31 Oct 2022)	1 year (1 Oct 2021 - 31 Oct 2022)
25	7.3%	5.3%	-8.7%
45	4.6%	2.1%	-9.7%
55	0.3%	-2.9%	-12.9%

³ As part of the changes implemented in 2020, the fund is no longer available as a self-select option.

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Old Default strategy*

Age of member in 2022 (years)	3 years (p.a.) (1 Oct 2019 - 31 Oct 2022)	2 years (p.a.) (1 Oct 2020 - 31 Oct 2022)	1 year (1 Oct 2021 - 31 Oct 2022)
25	2.8%	11.4%	-6.5%
45	1.1%	1.8%	-9.6%
55	1.1%	1.8%	-9.6%

*The old Default lifestyle fund (closing December 2025)

Self-select funds

Self-select Funds	3 years (p.a.)	2 years (p.a.)	1 year
Annuity Focus Fund	-9.6%	-16.8%	-28.7%
Inflation-Linked Annuity Focus Fund	-11.8%	-18.3%	-34.3%
Cash Fund	0.1%	0.2%	0.7%
Corporate Bond	-12.8%	-22.0%	-37.3%
Ethical Fund	11.5%	14.6%	-1.1%
Global Equity	11.0%	9.4%	-9.0%
Shariah Fund	7.9%	7.5%	-8.2%
UK Equity Fund	2.0%	14.9%	-2.6%
<i>L&G Global Equity Fixed Weights (60:40) Index Fund⁴</i>	<i>2.8%</i>	<i>11.4%</i>	<i>-6.5%</i>
<i>L&G Pre-Retirement⁴</i>	<i>-9.6%</i>	<i>-16.8%</i>	<i>-28.7%</i>
<i>L&G Diversified Fund⁴</i>	<i>1.1%</i>	<i>1.8%</i>	<i>-9.6%</i>

The scheme was transferred to Fidelity in late 2018 and therefore the net performance data is available from the date of transition onwards.

⁴ As part of the changes implemented in 2020, the fund is no longer available as a self-select option.