

Registered number: 12007217

**THE BRUSH GROUP (2013) PENSION SCHEME
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024**

THE BRUSH GROUP (2013) PENSION SCHEME

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THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE AND ITS ADVISERS YEAR ENDED 31 DECEMBER 2024

Trustee	Brush Scheme Trustees Limited
Company Appointed Directors	T Burgess Z Zeinalova (resigned 30 September 2024) The Law Debenture Pension Trust Corporation (represented by L Rawcliffe) (appointed 27 December 2024)
Member-Nominated Directors	G Dallard G Peters
Independent Director	A McKinnon, Independent Chairman
Principal Employer	Brush Electrical Machines Limited
Secretary to the Trustee	I Emery Aon Solutions UK Limited
Actuaries	A Shah, FIA (resigned 15 May 2024) Aon Solutions UK Limited L Olding, FIA (appointed 16 May 2024) Aon Solutions UK Limited
Administrator	Aon Solutions UK Limited
Independent Auditors	Ernst & Young LLP (resigned 12 March 2024) Assure (UK) Limited (appointed 14 March 2024)
Banker	HSBC Bank plc
Investment Adviser	Aon Investments Limited
AVC Providers	Aviva plc ('Aviva') Royal London Group ('Royal London') Utmost Life and Pensions Limited ('Utmost')
Fiduciary Manager	Reviewer: PricewaterhouseCoopers LLP ('PricewaterhouseCoopers') Manager: Cardano Risk Management Limited ('Cardano')
Legal Adviser	Squire Patton Boggs (UK) Limited
Contact Details	The Brush Group (2013) Pension Scheme The Colmore Building 20 Colmore Circus Birmingham B4 6AT brushpensions@aon.com 0345 268 8475

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Introduction

The Trustee of the Brush Group (2013) Pension Scheme (the 'Scheme') is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2024.

Constitution and management

The Scheme is an occupational Defined Benefit ('DB') pension scheme. The Scheme is governed by a Trust Deed, as amended from time to time, and is administered by Aon Solutions UK Limited in accordance with the establishing document and Rules solely for the benefit of its members and other beneficiaries.

The Trustee Directors are shown on page 1.

Under the Trust Deed and Rules of the Scheme, the Trustee is appointed and removed by the Principal Employer subject to the Member-Nominated arrangements.

The power of appointing and removing the Trustee Directors is contained in the Articles of Association of Brush Scheme Trustees Limited, subject to the Member-Nominated arrangements.

In accordance with the Pensions Act 2004, at least one third of the total number of Trustee Directors must be nominated by Scheme members. The Member-Nominated Trustee Directors ('MNTDs') are elected from the membership.

A Trustee Director can choose to retire from office at any time. A Member-Nominated Trustee Director can only be removed with the agreement of all other Trustee Directors. Company Appointed Directors are removed by the Principal Employer.

The Trustee Directors have appointed professional advisers and other organisations to support them in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustee Directors have written agreements in place with each of them.

Trustee meetings

The Trustee Board met formally four times during the year to consider the business of the Scheme.

Change of Independent Auditor

The Trustee appointed Assure (UK) Limited as the Scheme auditor on 14 March 2024. Ernst & Young LLP had previously been the Scheme auditor. In a statement to the Trustee, Ernst & Young LLP confirmed that they knew of no circumstances connected to their resignation which affected the interests of members, prospective members or beneficiaries of the Scheme.

Change of Actuary

On 15 May 2024 A Shah, resigned as the Actuary and was replaced on 16 May 2024 by L Olding. As required under legislation the outgoing Actuary confirmed that there were no circumstances connected with her resignation which significantly affects the interests of the current or prospective members and beneficiaries of the Scheme.

Scheme changes

There were no changes to the Scheme in the year.

Financial statements

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

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Membership

Details of the membership changes of the Scheme in the year are as follows:

	Deferreds	Pensioners	Total
Members at the start of the year	728	683	1,411
Adjustments to members	(5)	5	-
New spouses and dependants	-	5	5
Retirements	(57)	57	-
Deaths	(2)	(4)	(6)
Cessation of pension	-	(2)	(2)
Members at the end of the year	664	744	1,408

Pensioners include 34 (2023: 28) individuals receiving a pension upon the death of their spouse who was a member of the Scheme. Pensioners also include 2 (2023: 4) child dependants in receipt of a pension.

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

The adjustments to members shown above are the result of retrospective updating of member records.

Pension increases

Pensions in payment in excess of the Guaranteed Minimum Pension ('GMP') were increased on 1 May 2024 by 3.0% for both pensions earned prior to 6 April 1997 and for pension earned after 6 April 1997.

All pensions in payment received a 3.0% increase and there were no additional discretionary increase in the year.

Deferred benefits are increased in line with legislation and the Scheme Rules.

Transfers

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary increases.

Transfers into the Scheme are not allowed.

Contributions

The expenses of administering the Scheme (including the Pension Protection Fund Levy) are met directly by the Employer, with the Scheme then reimbursing the Employer.

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Going concern

The Trustee has assessed the Scheme as a 'going concern'. The Trustee's reasons for this assessment are detailed below:

Full Scheme buy-in with the Pensions Insurance Corporation (PIC) effected in May 2025

The usual considerations that apply in assessing whether the Scheme meets the 'going concern' requirements are now largely irrelevant given the full Scheme buy-in with PIC that was effected in May 2025. The full Scheme buy-in is supported by the 'back to back' (B2B) agreement with the Principal Employer, that was signed at the same time as the buy-in was effected with PIC. This effectively guarantees the funding of any residual premium required to convert the buy-in to a full Scheme buy-out.

Despite the full Scheme buy-in, no decision has been made yet to wind up the Scheme and no event triggering wind up has occurred. The Trustee expects that in due course the Scheme will be wound up but this is not expected to occur within the next 12 months.

Funding Position of the Scheme at 31 December 2024

The funding level of the Scheme as at 31 December 2024 was estimated to be 97% on the Technical Provisions basis and 87% on the Gilts flat basis. However, this is now largely irrelevant given the full Scheme buy-in with PIC which means that the Scheme is almost 100% funded on a solvency basis.

These results raise no issues which lead the Trustee to alter its view that the Scheme is a going concern.

Assessment by Independent Employer Covenant provider

Given the full Scheme buy-in, the Scheme is now far less reliant on the sponsor covenant than it was prior to the buy-in and signing of the B2B.

PwC were appointed specifically to advise on the issues arising ahead of the full Scheme buy-in with PIC that was effected in May 2025. In particular, they advised on which employer would stand behind any post buy-out indemnity and on the financial strength of the chosen insurer (PIC). No issues were raised in either case.

Based on this assessment the Trustee is comfortable that the Scheme remains a going concern for the time being.

Company update on the business

The Company provides an update on the business at each Trustee meeting. Again, the Scheme is now far less reliant on the sponsor covenant than it was prior to the buy-in and signing of the B2B so these updates are less relevant.

Scheme Assets

The Scheme's assets are now invested entirely in the insurance policy secured with PIC with a small amount retained in cash to meet immediate cash flow requirements ahead of PIC funding the pension and other payments due. In addition, an escrow account has been established with the Principal Employer so that it can provide any liquidity that may be required as the Scheme heads towards eventual buy-out.

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE’S REPORT
YEAR ENDED 31 DECEMBER 2024

Going concern (continued)

Scheme Assets (continued)

Taking all these factors into consideration, in particular the purchase of an insurance policy with PIC to effect a full Scheme buy-in and the signing of the B2B agreement with the Company, it seems entirely reasonable for the Trustee to treat the Scheme as a going concern for the time being and to have confidence in the covenant support provided for at least the next twelve months. There is no reason to suppose that the Scheme would not be able to continue to meet all benefits in full as they fall due over the next twelve months.

Report on Actuarial Liabilities

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

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

The most recent full actuarial valuation of the Scheme carried out as at 31 December 2022 and the annual update as at 31 December 2023 are shown below:

	31 December 2022	31 December 2023
The value of the technical provisions was:	£186.1 million	£182.9 million
The value of the assets at that date was:	£189.5 million	£189.0 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

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

Significant actuarial assumptions

Discount interest rate: term dependent rates set by reference to the UK government fixed interest gilt prices only nominal yield curve at the valuation date plus an addition of 0.75% p.a.

Future Retail Price inflation (‘RPI’): term dependent rates derived from the UK government gilt prices only breakeven RPI curve at the valuation date.

Future Consumer Price inflation (‘CPI’): derived used Aon’s prevailing best estimate of the difference between RPI and CPI inflation. As at 31 December 2022 this difference was RPI inflation less 1.0% p.a. pre-2030 and 0.1% p.a. post-2030.

Pension increases: derived from the RPI or CPI price inflation as appropriate, allowing for the maximum and minimum annual increases, and for inflation to vary from year to year.

Mortality: for the period in retirement standard ‘Middle’ tables S3PMA for male members and S3PFA for female members with a scaling factor of 102% for all members with an allowance for improvements in mortality in line with the CMI 2022 core projections with parameters Sk=7.0 and A=0.5%, subject to a long-term rate of improvement of 1.25% p.a.

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE’S REPORT
YEAR ENDED 31 DECEMBER 2024

Investment matters

Management of investments

As required by Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles (‘SIP’).

A copy of the SIP can be found on the Scheme’s website <https://www.brushpensions.co.uk/investment/> and is available on request from the Secretary to the Trustee.

The Trustee has delegated management of investments to the investment managers shown on page 1. These managers, who are regulated by the Financial Conduct Authority in the United Kingdom, manage the investments in line with the investment managers agreements which are designed to ensure that the objectives and policies captured in the SIP are followed.

The Trustee has considered environmental, social and governance (‘ESG’) factors for investments (including but not limited to climate change) and has delegated to the investment managers the responsibility for taking these considerations into account when assessing the financial potential and suitability of an investment and for exercising the rights (including voting rights) relating to the Scheme’s investments.

The investment managers are paid fees for their services. The fees are calculated as a percentage of the market value of the part of the Scheme that they manage.

The Trustee has not appointed a custodian to the Scheme as the investment managers appoint a custodian for the assets underlying the investments they manage for the Trustee. The Custodian appointed by the investment managers is shown below:

Manager	Custodian
Cardano	State Street Custodial Services (Ireland) Limited

The Custodian is responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the Custodian's nominee company, in line with common practice for pension scheme investments.

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

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Investment report

Performance

Total Scheme Performance to 31 December 2024 (p.a.)		
1 Year	3 Years	5 Years
(7.2)%	(17.7)%	(9.1)%

Source: Aon/Fund Managers.

Over the year to December 2024, the value of the liabilities fell by 8.1% due to the rise in interest rates over that period. The performance of the Scheme's assets moved in a similar way but, due the growth assets held by the Scheme, the total assets only fell by 7.2% thus outperforming the change in the liabilities.

Performance over all periods shown above continues to be impacted by the Gilts Crisis of 2022 combined with the continued rise in interest rates during 2024. Most UK pension schemes with Liability Driven Investment (LDI) strategies saw the value of their assets fall significantly over these periods due to rising gilt yields. However, this was largely a reflection of the LDI assets mirroring the change in the value of the liabilities which also fell significantly as interest rates rose over the same period.

Investment policy and objectives

The Trustee aims to invest the assets of the Scheme to meet members' benefits as and when they fall due. The Trustee is responsible for determining the Scheme's investment strategy and have set the investment strategy after taking appropriate professional investment advice.

Asset allocation decisions are delegated to Cardano Risk Management Limited (the 'fiduciary manager'). There is no target allocation to growth or matching elements. The fiduciary manager will size the respective allocations in order to target the investment objective. The investment objective given to the fiduciary manager is to outperform the Scheme's liabilities by 1.2% p.a. net of fees.

Investment principles

The Trustee have produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995.

The Statement summarises how the Trustee:

- Sets the investment policy and chooses the most suitable types of investments for the Scheme;
- Delegates buying and selling investments to the Scheme's investment manager; and
- Monitors the performance of the Scheme's investments.

In setting the Scheme's investment strategy, the Trustee's primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. These risks include the risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly. The Trustee will monitor the actual asset allocation chosen by the fiduciary manager.

Engagement Policy Implementation Statement ('EPIS')

The Trustee has prepared an Engagement Policy Implementation Statement in accordance with legislation. This statement is shown on pages 31 to 37.

Employer related investments

The investments of the Scheme are invested in accordance with Section 40 of the Pensions Act 1995. Details of any Employer related investments are disclosed in note 19 to the financial statements.

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TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Further information

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries together with all recognised trade unions. In particular, the documents constituting the Scheme, the Rules and a copy of the latest actuarial report and the Trustee's SIP can be inspected.

If members have any queries concerning the Scheme or their own pension position, or wish to obtain further information, they should contact Aon Solutions UK Limited at the contact details on page 1 who will also be able to provide them with a further copy of the Scheme's booklet should they require one and answer any queries that they may have about entitlement to benefits.

Aon Solutions UK Limited processes the personal data as contained in this report and financial statements for the purpose of providing the Trustee with a report and financial statements on the operation of the Scheme. Aon Solutions UK Limited processes personal data in the context of providing pension scheme administration services on behalf of the Trustee, the data controller. Aon Solutions UK Limited, when operating in its capacity as a data processor who provides the members of the Scheme with pension scheme administration services on behalf of the Trustee, will comply with the applicable legislation including any data protection legislation and the instructions of the Trustee.

The Trustee or the Employer will ensure the data subjects of whom personal data is processed for the purposes of this report and financial statements are informed of the processing activities in accordance with the requirements of the applicable data protection legislation.

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Governing bodies, regulators and sources of reference

Pension Tracing

The Scheme is registered with the Pension Tracing Service which maintains a list of up to date addresses of schemes to assist ex-members in tracing their rights if they have lost contact with the previous Employers' scheme. The address for the Pension Tracing Service is:

The Pension Tracing Service
Post Handling Site A
Wolverhampton
WV98 1LU

0800 731 0469
www.gov.uk/find-pension-contact-details

The Pensions Regulator

The Pensions Regulator ('TPR') is the United Kingdom ('UK') regulator of work-based pension schemes.

TPR's role is to act to protect the interest of pension scheme members and to enforce the law as it applies to occupational pension schemes.

The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify trustee for acting unlawfully, and can impose fines.

TPR can be contacted at:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

0345 600 0707
customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Governing bodies, regulators and sources of reference (continued)

The Pension Protection Fund

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

The Pension Protection Fund can be contacted at:

PPF Member Services
Pension Protection Fund
PO Box 254
Wymondham
NR18 8DN

0330 123 2222
ppfmembers@ppf.co.uk
www.ppf.co.uk

Questions about pensions

If you have any questions about your pension, MoneyHelper, which is part of the Money and Pensions Service, provides professional, independent and impartial help with pensions for free. Services include independent information and general guidance on pension matters.

MoneyHelper can be contacted at:

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

0800 011 3797
www.moneyhelper.org.uk

Resolving difficulties/Internal Dispute Resolution

It is expected that most queries relating to benefits can be resolved with the Scheme's Administrator. In the event that a member's complaint cannot be resolved by the Administrator they may make a formal complaint using the Scheme's Internal Dispute Resolution ('IDR') procedure, details of which can be obtained from the Administrator or use the Pensions Ombudsman's informal Early Resolution Service.

The Government appointed Pensions Ombudsman can investigate complaints brought by members and beneficiaries against the Trustee or the Scheme's Administrator in relation to maladministration or disputes of fact of law. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

0800 917 4487
enquiries@pensions-ombudsman.org.uk
www.pensions-ombudsman.org.uk

THE BRUSH GROUP (2013) PENSION SCHEME

TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2024

Statement of Trustee's Responsibilities

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

- show a true and fair view of the financial transactions of the Scheme during the Scheme year, and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulations 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 Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report. The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

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

Approval

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

Trustee Director:

Date:

THE BRUSH GROUP (2013) PENSION SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE BRUSH GROUP (2013) PENSION SCHEME

We have audited the financial statements of The Brush Group (2013) Pension Scheme (the 'Scheme') for the year ended 31 December 2024 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, The Brush Group (2013) Pension Scheme financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2024, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

THE BRUSH GROUP (2013) PENSION SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE BRUSH GROUP (2013) PENSION SCHEME

Other information (continued)

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

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 11, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Capability of the audit in detecting irregularities, including fraud irregularities

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

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

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

THE BRUSH GROUP (2013) PENSION SCHEME

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE BRUSH GROUP (2013) PENSION SCHEME

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

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

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

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

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

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

Use of the audit report

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

Assure UK

Assure UK
Chartered Accountants and Statutory Auditor
London

Date: 24-07-2025 | 11:41:36 PM BST

THE BRUSH GROUP (2013) PENSION SCHEME

FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Benefits paid or payable	4	(7,294)	(6,765)
Payments to and on account of leavers	5	(19)	(178)
Administrative expenses	6	(755)	(471)
Net withdrawals from dealing with members		(8,068)	(7,414)
Returns on investments			
Investment income	7	50	87
Change in market value of investments	8	(12,856)	4,070
Investment management expenses	9	(72)	(59)
Net returns on investments		(12,878)	4,098
Net decrease in the fund during the year		(20,946)	(3,316)
Opening net assets		183,883	187,199
Closing net assets		162,937	183,883

The notes on pages 17 to 27 form part of these financial statements.

THE BRUSH GROUP (2013) PENSION SCHEME

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Investment assets			
Pooled investment vehicles	11	160,048	181,689
AVC investments	12	777	943
Cash in transit	13	750	550
Total net investments		161,575	183,182
Current assets	17	1,842	1,501
Current liabilities	18	(480)	(800)
Net assets available for benefits at 31 December		162,937	183,883

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included in the Trustee's Report on page 5. These financial statements and Actuarial Certificate should be read in conjunction with this report.

The notes on pages 17 to 27 form part of these financial statements.

These financial statements on pages 15 to 27 were approved by the Trustee and were signed on its behalf by:

Trustee Director:

Date:

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Basis of preparation

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

2. Identification of financial statements

The Brush Group (2013) Pension Scheme is a Defined Benefit occupational pension scheme established under trust under English Law.

The address of the Scheme's principal place of business is Brush Electrical Machines Limited, Power House, Excelsior Road, Ashby-De-La-Zouch, England, LE65 1BU.

3. Accounting policies

The principal accounting policies applied to the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Functional and presentational currency

The Scheme's functional and presentational currency is GBP.

Benefits paid or payable

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

Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type and amount of the benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Payments to and on account of leavers

Individual transfers to other schemes are accounted for when member liability is discharged which is normally when the transfer amount is paid.

Administrative expenses

Administrative expenses are accounted for on an accruals basis, net of recoverable VAT.

Investment income

Income from cash and short-term deposits is accounted for in these financial statements on an accrual basis.

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. Accounting policies (continued)

Change in market value of investments

The change in market value of investments during the year comprise 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 and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Transaction costs

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.

Investment management expenses

Investment management fees are accounted for on an accruals basis, net of recoverable VAT.

Valuation of investment assets

Investments

Pooled investment vehicles which are traded on an active market are included at quoted price, which is usually bid price.

Pooled investment vehicles which are unquoted or not actively traded are stated at bid price or single price where there is no bid/offer spread as provided by the investment managers at the year end.

With profits insurance policies held as AVC investments are reported at the policy value provided by the insurer based on cumulative reversionary bonuses declared and the current terminal bonus.

Aviva AVC fund is included within the Statement of Net Assets (Available for Benefits) on the basis of the previous valuation adjusted for subsequent cash movements.

4. Benefits paid or payable

	2024	2023
	£000	£000
Pensions	5,439	4,785
Commutations of pensions and lump sum retirement benefits	1,696	1,899
Lump sum death benefits	159	81
	<u>7,294</u>	<u>6,765</u>

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. Payments to and on account of leavers

	2024 £000	2023 £000
Individual transfers to other schemes	19	178

6. Administrative expenses

	2024 £000	(Reclassified) 2023 £000
Administration and actuarial	443	310
Audit fees	32	6
Legal fees	78	37
Other professional fees	168	98
Scheme levies	11	5
Trustee fees and expenses	23	15
	755	471

7. Investment income

	2024 £000	2023 £000
Interest on cash deposits	50	87

8. Investments

	Opening value at 1 Jan 2024 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Closing value at 31 Dec 2024 £000
Pooled investment vehicles	181,689	66,046	(74,830)	(12,857)	160,048
AVC investments	943	-	(167)	1	777
	182,632	66,046	(74,997)	(12,856)	160,825
Cash in transit	550				750
Total net investments	183,182				161,575

Transaction costs

There are no direct transaction costs in the year nor in the previous year. Indirect costs are incurred through the bid-offer spread on pooled investment vehicles. It is not possible for the Trustee to quantify these indirect costs.

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

9. Investment management expenses

	2024 £000	2023 £000
Consultancy fees	72	59

10. Taxation

The Scheme is a registered pension scheme in accordance with the Finance Act 2004 and is exempt from income tax and capital gains tax except for withholding tax on overseas investment income. This means that the contributions paid by both the Employer and the members qualify for full tax relief.

11. Pooled investment vehicles

The legal nature of the Scheme's pooled arrangements is:

	2024 £000	2023 £000
Common contractual funds	160,048	181,689
	160,048	181,689

The Scheme is the sole investor in Cardano Solutions Fund 4 which is managed by Cardano. A breakdown of the underlying assets at the year end is set out below:

	2024 £000	2023 £000
Equity	-	14,278
LDI	27,088	120,116
Cash	39,092	24,867
Bonds	98,891	11,993
Derivatives	(5,023)	10,435
	160,048	181,689

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

12. AVC investments

	2024 £000	2023 £000
Aviva	668	829
Utmost	44	43
Royal London	65	71
	<u>777</u>	<u>943</u>

The Trustee holds assets which are separately invested from the main Scheme to secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement made up to 31 December each year confirming the amounts held to their account and movements during the year.

A valuation at the year end for Aviva has not been received, as a result the valuation shown above is based on the previous valuation adjusted for subsequent cash movements.

AVC can be further analysed as:

	2024 £000	2023 £000
With profits	668	829
Unit trusts	44	43
Crest secure fund	65	71
	<u>777</u>	<u>943</u>

13. Cash in transit

	2024 £000	2023 £000
Cash in transit	<u>750</u>	<u>550</u>

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. Fair value hierarchy

FRS 102 requires for each class of financial instrument an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for an identical asset or liability that the entity can access at the assessment dates;

Level 2: Inputs other than quoted prices included within Level 1 which are observable (i.e. developed using market data) for the asset or liability either directly or indirectly;

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets fall within the above hierarchy as follows:

	Level 1 £000	Level 2 £000	Level 3 £000	2024 Total £000
Investment assets				
Pooled investment vehicles	137,984	22,064	-	160,048
AVC investments	-	44	733	777
Cash	750	-	-	750
	<u>138,734</u>	<u>22,108</u>	<u>733</u>	<u>161,575</u>

	Level 1 £000	Level 2 £000	Level 3 £000	Reclassified 2023 Total £000
Investment assets				
Pooled investment vehicles	92,170	27,890	61,629	181,689
AVC investments	-	44	899	943
Cash	550	-	-	550
	<u>92,720</u>	<u>27,934</u>	<u>62,528</u>	<u>183,182</u>

Valuation techniques in determining fair value are described in note 3 are applied.

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Investment risks

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

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

Market risk: This is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables.

The maximum risk resulting from financial instruments, except for written options and securities sold short, equals their value.

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

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate risk: This is the risk that the fair value or future cash flows of a financial asset – primarily bonds, interest rate swaps and pooled investment vehicles held mainly in bonds – will fluctuate because of changes in market interest rates.

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

Risk management structure

The Trustee is responsible for identifying and managing risks, including risks arising from the investment activities.

The Trustee have appointed a fiduciary manager to manage the investments of the Scheme. The Trustee requires the fiduciary manager to operate within agreed constraints as set out within an Investment Management Agreement.

The Trustee reviews the performance of the fiduciary manager against the agreed performance objectives.

Risk measurement and reporting

The Trustee monitors the Scheme's risks periodically with appropriate reference to potential losses.

The Trustee measures risks both qualitatively and quantitatively.

The Trustee monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities, including employer covenant and funding risks.

Risk mitigation

The Trustee have delegated all day-to-day decisions about the investments, including the realisation of investments, to the fiduciary manager through a written contract. When choosing investments, the fiduciary manager is required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4).

The Trustee acknowledges that the investment manager may use derivatives and other instruments for trading purposes in connection with its risk management activities. The Scheme has indirect exposure to derivatives through its matching assets portfolio (managed by Cardano).

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Investment risks (continued)

Credit risk

Direct credit risk

The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the pooled investment vehicles.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of the investments amongst a number of pooled arrangements.

Indirect credit risk

The Scheme's assets include a credit investment fund managed by Cardano. These investments include exposure to credit risk in an effort to generate returns.

The Scheme also has an allocation to a bespoke matching portfolio with Cardano. The Scheme is therefore indirectly exposed to credit risk through the underlying derivative contracts held within the pooled funds. This risk is mitigated by the fund manager through the collateralisation process operated within the matching funds. There is no direct link between the Scheme and the counterparties the fund manager trades with on behalf of the Scheme.

Indirect currency risk

The Scheme is not subject to indirect currency risk due to assets being held within pooled funds being sterling denominated.

The fund manager will decide whether or not to hedge the currency risks associated with any non-Sterling denominated investments and may take currency positions as part of their strategy to generate investment returns.

Indirect interest rate risk

The Scheme is subject to indirect interest rate risk on the matching portfolio.

The principal purpose of the matching portfolio is to match movements in the value of the liabilities due to changes in interest rates and inflation expectations. If interest rates fall, the value of the matching portfolio should rise with the value of the pension liabilities.

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Investment risks (continued)

Other price risk

Other price risk arises in relation to all of the Scheme's invested assets. The Scheme manages this exposure by constructing a diverse portfolio of investments across various asset classes and markets.

		2024			
Manager	Fund	Credit risk	Currency risk	Interest rate risk	Other price risk
Cardano – Matching Fund	Cardano CCIF I	●	○	●	●
Cardano – Matching Fund	Cardano LDI	○	○	●	●
		2023			
Cardano Growth Fund	Cardano CIPF 3	●	●	●	●
Cardano – Matching Fund	Cardano CCIF I	●	●	●	●
Cardano – Matching Fund	Cardano LDI	●	○	●	●

Source: Aon / Fund Managers

[●] Significant exposure [●] Limited exposure [○] No exposure

16. Concentration of investments

The following investments, excluding UK Government securities, account for more than 5% of the net assets of the Scheme.

	2024 £000	%	2023 £000	%
Cash	39,136	24	9,615	5
UKT 1 1/2 07/22/47 - Bond Dirty Units	38,666	24	44,546	24
0 1/8% Index-linked Treasury Gilt 2029 - Bond Dirty Units	27,128	17	-	-
CCIF I	27,086	17	28,250	15
UKT 2.5 22/07/65 - Bond Dirty Units	14,804	9	-	-
0% Index-linked Treasury Gilt 2047 - Bond Dirty Units	9,573	6	23,770	13
CIPF III PIP	-	-	61,629	34
UKT 0H 61 - Bond Dirty Units*	-	-	9,038	5

*Disinvested during the year.

17. Current assets

	2024 £000	2023 £000
Prepayments	385	349
Cash balances	1,457	1,152
	<u>1,842</u>	<u>1,501</u>

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

18. Current liabilities

	2024 £000	2023 £000
Accrued expenses	333	379
Accrued benefits	147	421
	480	800

19. Employer related investments

There were no direct Employer related investments during the year or at the year end (2024: Nil).

The Trustee recognises that indirect investment in the Employer's sponsor group, is possible through holdings in pooled investment vehicles. The Trustee believes that any indirect exposure to shares in the Employer sponsor group was no more than 1.0% of the Scheme assets at any time during the year and was 0.0% (2023: 0.0%) at year end.

20. Related party transactions

Any benefits paid in respect of the Trustee Directors who are members of the Scheme have been made in accordance with the Trust Deed and Rules.

Fees and expenses were paid to two of the Trustee Directors in the amount of £22K (2023: £6K) by the Employer. The Employer is reimbursed by the Scheme for these expenses.

The membership status of the Trustee Directors at the year end is as below:

T Burgess – non-member
 G Dallard – non-member (2023: non-member)
 A McKinnon – non-member (2023: non-member)
 G Peters – pensioner (2023: pensioner)
 L Rawcliffe* – non-member

*appointed 27 December 2024

The Principal Employer is considered a related party. All transactions involved with these entities relate to remittance of monthly contributions required under the Rules of the Scheme. The Principal Employer recharges the Scheme for costs.

The Principal Employer meets all administrative expenses of the Scheme except for those in note 6.

THE BRUSH GROUP (2013) PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

21. GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee Directors of the Scheme are aware that the issue will affect the Scheme and a project is currently underway. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee Directors do not deem these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the period they are determined.

There has been a further High Court judgement in relation to the equalisation GMP benefits. This judgement focused on the GMP treatment of historic transfers out of members, an issue which had not been addressed in the 2018 GMP ruling. Under the ruling, Trustee is required to review historic transfers values paid from May 1990 to assess if any top up payment is required to the receiving scheme, to reflect the member's right to equalised GMP benefits. The impact of this court case will be considered by the Trustee Directors at a future meeting and decisions will be made as to the next steps. It is not possible to estimate the cost of any rectification adjustments at this time. Following advice from the Actuary the Trustee Directors do not believe at this stage that the additional liability will be material.

22. Virgin Media

In June 2023 the High Court found in the Virgin Media case that changes to member benefits in contracted-out defined benefit pension schemes between April 1997 and April 2016 required an actuarial confirmation in line with section 37 of the Pensions Schemes Act 1993, and that changes without this confirmation are to be considered void. This requirement applies to both past service rights and future service rights related to section 9(2B) rights. The Court of Appeal upheld the High Court's decision in July 2024.

The Trustee is currently considering the judgment in the Virgin Media case and, as such, the extent of any impact on the Scheme is not known. In the absence of any indication to the contrary and given that it has been the Trustee's consistent policy to engage reputable advisers, the Trustee has no reason to doubt that past amendments complied with the requirements of section 37. The Trustee has taken initial advice from its advisers on the issue and will continue to assess the implications of the case with its advisers and take appropriate action as necessary.

THE BRUSH GROUP (2013) PENSION SCHEME

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE BRUSH GROUP (2013) PENSION SCHEME 31 DECEMBER 2024

Statement about contributions

We have examined the Summary of Contributions payable to The Brush Group (2013) Pension Scheme ('the Scheme') for the year ended 31 December 2024 which is set out on the following page.

In our opinion contributions for the Scheme year ended 31 December 2024 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 15 June 2020 and 24 January 2024.

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 29 have in all material respects been paid at least in accordance with the Schedules 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 Schedules of Contributions.

Respective responsibilities of Trustee and the Auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedules of Contributions.

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

Use of the audit report

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

Assure UK

Assure UK

Chartered Accountants and Statutory Auditor
London

Date: 24-07-2025 | 11:41:36 PM BST

THE BRUSH GROUP (2013) PENSION SCHEME

SUMMARY OF CONTRIBUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2024

During the year ended 31 December 2024 the contributions payable to the Scheme were £Nil.

	Employer £	Total £
Contributions payable under the Schedules of Contributions and as reported by the Scheme auditor	Nil	Nil

The Summary of Contributions was approved by the Trustee and signed on their behalf by:

Trustee Director:

Date:

THE BRUSH GROUP (2013) PENSION SCHEME

ACTUARIAL CERTIFICATE

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

Name of scheme: Brush Group (2013) Pension Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2022 to be met by the end of the period specified in the recovery plan dated 24 January 2024.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles effective from 24 January 2024.

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

Signature

Date:

24 January 2024



Name: Alka Shah

Qualification:

Fellow of the Institute
and Faculty of Actuaries

Address: The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Name of employer:

Aon Solutions UK Limited

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee’s Report)

Engagement Policy Implementation Statement (‘EPIS’)

Introduction

This implementation statement (‘Statement’) is produced alongside the Trustee Report and Accounts and is required by pensions regulations. The Trustee of Brush Group Pension Scheme (the ‘Trustee’, ‘we’ or ‘our’) has prepared this Statement to provide stakeholders with a transparent and accurate review of how it has acted in line with the stewardship and engagement policies set out in the Statement of Investment Principles (the ‘SIP’) for the Brush Group (2013) Pension Scheme (the ‘Scheme’) during the accounting year.

This Statement includes details of:

- Compliance against the stewardship and voting policies;
- Any changes made to the stewardship and voting policies (‘Stewardship Policy’) during the year; and
- Specifically, how the Scheme’s investment managers voted and engaged on our behalf.

This statement has been prepared by the Trustee to cover the period 1 January 2024 to 31 December 2024. The statement is publicly available at www.brushpensions.co.uk

Executive summary

The day to day management of the Scheme’s assets is delegated to Cardano Risk Management Limited (the ‘Fiduciary Manager’). In advance of the appointment, the Trustee took steps to ensure that the management of the Scheme’s assets and the Fiduciary Manager’s policies were aligned with the Trustee’s own policies. The Trustee continues to monitor the Fiduciary Manager, as part of its regular interactions with them.

We monitor the voting and engagement activity of the Scheme’s investment managers, and, through the Fiduciary Manager, challenge their decisions.

The Trustee focuses its efforts on those investment managers where voting and engagement is material. The policies of those investment managers are summarised in this Statement, along with examples of the type of activity which took place during the period covered by this Statement. Some of the investment managers use investment approaches where stewardship is less likely to be relevant or significant. The Trustee is comfortable that our Fiduciary Manager has an appropriate approach to assess the stewardship and voting policies for all investment managers, and we receive a summary of the Fiduciary Manager’s overall assessments once a quarter.

During the period covered by this Implementation Statement, the Scheme complete a meaningful investment strategy and asset re-organisation, in preparation for a possible insurance transaction. For the avoidance of doubt, the information and data contained in this statement relates to the entire period (1 January 2024 to 31 December 2024), although for some investments the Scheme was not invested in these for the entire period.

1. Scheme stewardship policy

The Stewardship Policy in force during the financial year was:

‘The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Scheme invests, as this ultimately creates long-term financial value for the Scheme and its beneficiaries.’

‘The Trustee reviews annually the stewardship activity of the fiduciary manager. The Trustee receives annual reports on stewardship activity carried out by the fiduciary manager, these reports include detailed voting and engagement information from underlying asset managers.’

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee’s Report)

1. Scheme stewardship policy (continued)

The Trustee will engage with their fiduciary manager, who in turn is able to engage with underlying asset managers, investee company or other stakeholders, on matters including the performance, strategy, risks, social and environmental impact, corporate governance. Where a significant concern is identified, the Trustee will consider, on a case by case basis, a range of methods by which they would monitor and engage so as to bring about the best long-term outcomes for the Scheme.

Engagement

The Fiduciary Manager is responsible on an ongoing basis for engaging with our investment managers. For managers where it is expected to have a meaningful impact, the Fiduciary Manager monitors voting records and the level of engagement with underlying investments.

The Trustee has selected three stewardship priorities for manager engagement in order to improve alignment against our policies and beliefs as well as enhance disclosure. These priorities are linked to the UN Sustainable Development Goals with an international endeavour in mind and aim to improve sustainability within the portfolio and have a direct real world impact to our members’ current and future landscape. The Trustee’s three stewardship priorities are:

- Climate crisis (with a focus on climate change and net zero greenhouse gas emissions),
- Environmental impact (with a focus on biodiversity, deforestation and water),
- Human rights (with a focus on living wages gender equality and health & nutrition).

The Trustee expects the investment managers to incorporate these themes into their future voting practices and the Fiduciary Manager will monitor future manager disclosures to ensure alignment against our priorities.

Fund structuring

The Trustee holds investments only on an indirect basis through a pooled fund. The reason for this approach is that:

- It provides a broader range of investment opportunities, which helps to improve the diversification of investments, which in turn helps to manage risk;
- Fixed costs are shared amongst other investors, thereby reducing our overall costs; and
- It simplifies the implementation process as existing funds can be used with standard terms and agreements, reducing the overall governance burden both on the Trustee and the Sponsor.

Where investments are made in pooled funds the Trustee follows the voting and engagement policies of the investment managers of the pooled funds. However, the Trustee remains responsible for ensuring that the investment managers our Fiduciary Manager appoints act consistently with the Scheme’s Stewardship Policy.

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee’s Report)

External engagements

The Trustee assesses that the Fiduciary Manager has been aligned with our Stewardship Policy throughout the year. The Fiduciary Manager has been a signatory to the UN Principles for Responsible Investment since 2011 and they are a signatory to the UK Stewardship Code 2020.

In addition, the Fiduciary Manager is a member of a range of sustainable investment organisations noted below:



Engagement beliefs

The development of engagement beliefs is an important Trustee responsibility. We have delegated the day-to-day implementation of our beliefs to the Fiduciary Manager, having concluded that the Fiduciary Manager’s core beliefs are consistent with our own. The beliefs driving the Fiduciary Manager’s approach to engagement are as follows.

- **Quality over quantity** - The Fiduciary Manager is interested in a few meaningful quality engagements, with strong reporting (rather than, being interested in the quantity of votes). They want managers to prioritise the highest sustainability impacts in their portfolios.
- **Long-term** - The Fiduciary Manager encourages underlying managers to form long-term relationships with companies. Successful stewardship can take many months, maybe even years.
- **Real world impact** - The Fiduciary Manager is interested in engagement on topics that contribute to positive real-world sustainability impact (such as, reduction in absolute carbon emissions).
- **Transparency** - The Fiduciary Manager is realistic that not all engagement will be successful, and they prefer transparency from managers.
- **Collaboration** - Engagement is more efficient when managers collaborate – not just for the managers, but for the companies too (who will field fewer, but higher conviction, engagements from their investors). The Fiduciary Manager encourages underlying managers to participate in collaborative initiatives, such as Climate Action 100+.
- **Innovation** - The Fiduciary Manager welcomes innovation, for example, third-party tools to assess a company’s conviction on sustainability topics.
- **Integration** - The Fiduciary Manager is interested in how (if at all) stewardship contributes to the investment thesis and whether managers link their stewardship to other engagement activity (for example, policy engagement)

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee’s Report)

Engagement beliefs (continued)

Manager selection and monitoring

When selecting investment managers, the Fiduciary Manager scrutinises the stewardship, voting and engagement policies. Activities of investment managers are assessed before the initial investment to ensure they align with our Stewardship Policy. The Fiduciary Manager monitors our investment managers on an ongoing basis; ensuring their activities align with our Stewardship Policy and engaging with our investment managers to help them improve their stewardship approach.

The Fiduciary Manager closely monitors investment managers who do not meet the stewardship standards and actively works with them to improve their policies, processes and reporting.

The Trustee monitors voting and engagement activity of our investment managers and challenges their activity through the Fiduciary Manager. Managers are categorised according to how material voting and engagement is in their mandate. The Fiduciary Manager focuses its efforts on any managers where voting and engagement is material.

Compliance statement

To the best of our knowledge, the Trustee has complied with the Stewardship Policy over the year.

1. Voting activity

The Shareholder Rights Directive (SRD II) and the UK Stewardship Code 2020 both emphasise the importance of institutional investors and asset managers engaging with the companies in which they invest. They stress the importance of exercising shareholder voting rights effectively. Voting only applies to equities held by the Scheme and given the use of pooled funds, there is limited scope for the Trustee to directly influence voting. Voting is carried out by the investment managers on behalf of the Trustee.

2.1 How did our managers vote?

The tables below provide a summary of the voting activity undertaken by our managers during the year. Given that the Scheme gains the majority of its exposure through derivatives, there are only two managers to report on.

Note: All investment managers that the Scheme invests with, directly or indirectly, are subject to the Scheme’s engagement policy and monitored accordingly. The managers included in this section denote those where voting and engagement are seen as material aspects of their investment process, rather than necessarily those investments we have the largest exposure to. In some cases, aspects of a manager’s voting activity may not be included in this document; where we have concerns that public disclosure prohibit the investment strategy of the Scheme.

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

Compliance statement (continued)

Cardano Global Sustainable Equity Fund

	Manager response
Number of meetings the manager was eligible to vote at over the year	1,955
Number of resolutions the manager was eligible to vote on over the year	25,878
% of eligible resolutions the manager voted on	99.74%
% of votes with management	74.34%
% of votes against management	23.40%
% of resolutions the manager abstained from	0.87%
% of resolutions linked to theme of Climate Change	0.31%
% of resolutions linked to theme of Environmental Impact	0.13%
% of resolutions linked to theme of Human Rights	0.45%

*Numbers may not sum due to rounding. Data provided relates to entire period covered by this implementation statement. Fund was held by the Scheme between January 2024 and October 2024 **Data not provided by manager

2.2 Use of proxy voting services?

Proxy voting services are specialist firms that provide an outsourced voting service. Some investment managers choose to use these services (rather than vote themselves). The reasons for using proxy voting services could include:

- The investment manager lacks the resource to research each vote and submit votes
- The investment manager wants to follow a recognised code of practice and the proxy voting service is an easy way to implement this

Using a proxy voting service does not necessarily mean that voting is done poorly. In fact, many professional proxy voting services are able to devote significant resource to researching AGM motions and are able to follow best practice guides like the Financial Reporting Council's (FRC) Stewardship Code.

We recognise that by having a suitable Stewardship Policy in place and using our Fiduciary Manager to monitor voting activity, investment managers can create more engagement over time; particularly smaller, more boutique managers with less in-house expertise and resource.

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee’s Report)

2-2 Use of proxy voting services? (continued)

The table below outlines the use of proxy voting services by the Scheme’s investment managers where voting is deemed to be of material importance.

Manager	Use of proxy voting service
Cardano Global Sustainable Equity Fund	We use Glass Lewis as a proxy provider to deliver vote recommendations and execution services. Glass Lewis applies the custom voting policy of Cardano.

2.3 Examples of significant votes

When collating voting statistics for our managers, we also asked our managers to provide examples of significant votes cast. The tables below outline a sample of responses received.

Cardano Global Sustainable Equity Fund

Company Name	Date of Vote	Summary of the resolution	How the manager voted	Rationale / Outcome
Amazon	22 May 2024	Shareholder proposal regarding the human rights impacts of facial recognition technology.	For (against management)	There are human rights risks linked to the use of facial recognition technology. We therefore believe that a third-party assessment of Amazon Recognition technology would help mitigate potential reputational, regulatory and legal risks arising through customer’s misuse of Amazon’s technology as systems of monitoring and mass surveillance that could contribute to human and civil rights violations 19% of shareholders supported the resolution

3. Engagement activity

Engagement is considered to be purposeful dialogue with a specific and targeted objective to achieve positive change in the interests of beneficiaries, thereby a key action required for delivering good stewardship. The Fiduciary Manager is passionate about active engagement, as opposed to disinvestment or exclusions practices, in order create positive real-world change. Through engagement, asset managers can build relationships with the companies in which they invest, helping to steward companies on a range of topics, including sustainability.

The tables below provide examples of engagement activity of the Scheme’s investment managers where engagement should be a material activity in the management of the assets..

THE BRUSH GROUP (2013) PENSION SCHEME

APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

3. Engagement activity (continued)

Wellington

Key points	Engagement activity
<p>Engagement Theme: Climate Crisis</p> <p>Industry: Sovereign</p> <p>Outcome:</p> <ul style="list-style-type: none"> Wellington learnt that the country is undertaking a project to improve power transmission lines and correct this issue funded in part by green credits for the financing of environmental projects 	<p>During the third quarter, Wellington engaged with the Ministry of Finance of a Latin American country to assess progress as it relates to key climate transition challenges and opportunities. Energy generation is the primary driver to the country's greenhouse gas emissions and, in recent years, the country has increased solar and wind energy capacity, however underdeveloped transmission infrastructure has been unable to keep up with the pace of energy development. As such, large quantities of renewable energy does not make it to the grid.</p>

Barrings

Key points	Engagement activity
<p>Engagement Theme: Climate crisis</p> <p>Industry: Maritime</p> <p>Outcome:</p> <ul style="list-style-type: none"> Company is planning to incorporate an environmental strategy with KPIs on issues raised through engagement in their 2024 sustainability report. 	<p>Barings holds an investment in a global tugboats business with a large fleet operating from a network of ports. Due diligence on the issuer by their investment analyst highlighted areas of potential improvement on environmental topics. Environmental standards are expected to become increasingly important for port tender renewals requiring a leading environmental profile to reduce operational and financial risk. Barings undertook an engagement with the CEO and CFO at a conference event regarding emissions reduction. It requested that (i) the company continues to work with port authorities to install electric charging points across the port network to reduce idling emissions (ii) the company explores options for use of lower emissions fuels types on new vessels and its existing fleet. This is viewed as a multiyear engagement request with regular semi-annual interactions with senior management expected</p>