HALCROW PENSION SCHEME (NO. 2)

Report and Financial Statements for the period ended 31 March 2025

Scheme Registration No: 12013455

XPS Group

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TRUSTEE AND ADVISERS

Trustee:	Jacobs Four Limited
Jacobs Four Limited Trustee Directors:	S Fern-Deans J F Irwin K Lindsey S Miles L Power - Chairperson Vidett Trustee Services Limited (Represented by M Cliff up to 5 December 2024 and by S Walters from 6 December 2024)
Pensions Manager:	P J Gibbons
Scheme Actuary:	W Jones (FIA) XPS Pensions Limited
Independent Auditor:	RSM UK Audit LLP
Legal Adviser:	Linklaters LLP
Bank:	HSBC Bank plc Victoria Branch London
Investment Adviser:	Lane Clark & Peacock LLP
Investment Managers:	Barings LLC BlackRock Investment Management (UK) Limited M&G Investments Limited
Annuity Providers:	Canada Life (Annuity ceased 11 March 2024) The Prudential Assurance Company Limited
Custodian:	Bank of New York Mellon (International) Limited
DC/AVC Providers:	Prudential Assurance Company Limited Mercer (previously AVIVA plc) Utmost Life and Pensions
Principal Employer:	Jacobs UK Limited (JUK)
Ultimate Parent Company:	Jacobs Solutions Inc.

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Introduction

The Trustee presents its report for the 15 month period ending 31 March 2025. The Trustee has made the decision to align the scheme year end with some of the other Jacobs UK Pension Schemes so this report covers the period 1 January 2024 to 31 March 2025. In the future reports will cover the period 1 April to 31 March.

Halcrow Pension Scheme (No.2) ('the Scheme) is a "defined benefit" scheme that was established on 11 March 2016 to provide retirement and death benefits for former members of the Halcrow Pension Scheme. Under the Finance Act 2004, the Scheme is registered with His Majesty's Revenue & Customs. Membership transferred from Halcrow Pension Scheme with effect 4 October 2016.

In 2017, the assets and liabilities of the Pension and Life Assurance Plan of Halcrow Fox and Associates were merged into the Scheme.

The Principal Employer may at any time, by deed, appoint one or more persons or a body corporate (whether or not a trust corporation) to be a new Trustee Director (in place of a person who ceases to be Trustee Director for any reason) or an additional Trustee Director. The Principal Employer may also at any time, by deed, remove any of the Trustee Directors from office. This rule is subject to such of the provisions of Sections 241-243 of the Pensions Act 2004 and the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006 as may apply to it from time to time.

Common Trustee Board

Jacobs Four Limited was appointed by Jacobs UK Limited on 26 September 2022 to act as Trustee to the following schemes:

- Halcrow Pension Scheme (No.2);
- Babtie Group Limited Superannuation and Life Assurance Scheme
- Jacobs Engineering UK Limited Pension Scheme;
- MEDA Pension and Death Benefits Scheme; and
- The Pension and Life Assurance Plan of Allott and Lomax.

Whilst the five pension schemes are managed by the Common Trustee Board, the schemes and their assets remain legally separate and the Rules governing the level of members benefits and pension payments are not changed in any way.

The Company had appointed a professional trustee to the Common Trustee Board, namely Vidett Trustee Services Limited, represented by Mark Cliff up to 5 December 2024 and by Stuart Walters from 6 December 2024.

Trustee meetings

Over the period of this report. the Trustee Board held Trustee meetings on the following dates i.e. 14 March 2024, 11 June 2024, 17 September 2024, and 5 December 2024.

The Financial Statements for the period ended 31 March 2025 as set out on pages 23 to 37, have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025 (continued)

Equalisation of Guaranteed Minimum Pension benefits

On 26 October 2018, the High Court ruled in the Lloyds Banking Group case that contracted out defined benefit schemes should equalise pension benefits for men and women in relation to Guaranteed Minimum Pension (GMP) benefits.

On 20 November 2020, in a follow up hearing to the Lloyds case, the High Court determined the need for schemes to equalise for the effect of GMPs on past transfer values. Under the ruling, Trustees are required to review historic transfer values paid from May 1990 to assess if any top up payment is required to the receiving scheme, to reflect the members right to equalised benefits. The impact on the Scheme of any backdated benefits and related interest that might be payable and due before the effective date of the accounts is not expected to be material. The Trustee therefore has not included a liability in respect of such payments in these financial statements.

Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustee has put in place a project with our advisers to complete the necessary work with data gathering and calculations currently being undertaken for affected members. Once completed this will enable the Trustee to determine the equalisation method to be used. The impact on the Scheme of any backdated benefits and related interest that might be payable and due before the effective date of the accounts is not expected to be material. The Trustee therefore has not included a liability in respect of such payments in these financial statements. They will be accounted for in the year they are determined.

Members that request a transfer value of their pension are being quoted figures that include an appropriate allowance for GMP equalisation.

Covenant Monitoring and Going Concern

Jacobs Solutions Inc. (the ultimate parent company of Jacobs UK Limited, being the employer of the Scheme) filed its 10Q quarterly financial report on 6 May 2025 which had been prepared on a going concern basis. Furthermore, on 22 May 2025 the Trustee was presented with the annual accounts of Jacobs UK Limited as at 27 September 2024, which it noted was also prepared on a going concern basis.

Trustee received a formal covenant assessment from Cardano Advisory in June 2025. Cardano Advisory considered the covenant was "Strong" (an upgrade from its last formal assessment for the Trustee in March 2023) and that the employer's ability to continue to support the scheme (i.e., covenant longevity, as defined by TPR) was at least 10 years.

This assessment incorporated prior covenant advice from Cardano Advisory on the spin-off of Critical Mission Solutions (CMS) businesses from Jacobs Solutions Inc. (completed September 2024), which reduced the size of Jacobs Solutions Inc. as well as Jacobs UK Limited relative to the Scheme. Cardano Advisory had concluded that this reduction was not significant for the Scheme's covenant given its funding position and maturity.

Accordingly, the Trustee is satisfied that the Scheme remains a going concern for the foreseeable future, meaning at least 12 months from the signing of the Scheme's Financial Statements.

Material events after the Scheme year-end

There have been no material events after the Scheme year-end.

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025 (continued)

Membership

The following summarises the changes during the period to the number of members of the Scheme:

	Deferred Members	**Pensioners**	**Total**
Number of members at 31 December 2023	**1,188**	**1,576**	**2,764**
Retirements	(93)	93	-
Transfers out	(6)	-	(6)

Trivial commutations	(1)	-	(1)
Deceased	(1)	(54)	(55)
New spouse/dependants	-	25	25
Spouse/dependants pensions ceased	-	(7)	(7)
Number of members at 31 March 2025	**1,087**	**1,633**	**2,720**

Note: Included in the above pensioners are 281 (2023: 276) spouses and dependant pensioners, and 3 (2023: 3) members who are paid pensions by annuity purchases.

Pension increases

Pensions are increased in January each year except for former members of the Pension and Life Assurance Plan of Halcrow Fox Associates Ltd whose pensions are increased in October each year.

Members who had "contracted-out" benefits under the Halcrow Pension Scheme (HPS) continue to be entitled to those benefits under the Scheme. This means pension entitlements accrued between 6 April 1978 and 5 April 1997 are subject to a minimum value known as a Guaranteed Minimum Pension (GMP). This effectively replaces the state benefits members would have earned in SERPS had they not been "contracted - out".

Pension increases for 2024

GMP entitlement earned before 6 April 1988 does not attract any increase. For GMP entitlement earned after 5 April 1988, from age 60 for females and 65 for males, the Scheme increases this value in payment by a rate published by the Government each year. This is the lesser of 3% or the increase in the CPI (and the Government measures this to the previous September each year). The CPI rate was 6.7% so with effect the January 2024 payment there was an increase of 3%, applied to members' post 1988 GMP.

For pension, or transferred-in pension entitlement, that relates to benefit accrued before 6 April 1997, that pension, in excess of the Guaranteed Minimum Pension (GMP), does not attract any increase.

For pension, or transferred-in pension entitlement, that relates to benefit accrued on or after 6 April 1997 to 5 April 2005, the increase to that pension is the lower of 5% or the change in the CPI. The Trustee used the increase in the Consumer Prices Index (CPI) in the 12 months to October 2023, which was the latest published CPI index available in December. The CPI rate was 4.6% so with effect the January 2024 payment an increase of 4.6% was applied.

For pensionable service on or after 6 April 2005 the increase to a member's pension is the lower of 2.5% or the change in the CPI in the 12 months to October 2023. With effect the January 2024 payment an increase of 2.5% was applied.

Any Additional Voluntary Contribution (AVC) pension payable was increased by the level of increases selected and costed for at retirement. For AVC pension increasing at LPI, the increase to that pension is the lower of 5% or the change in the RPI. The Trustee used the increase in the Retail Prices Index (RPI) in the 12 months to October 2023, which was the latest published RPI index available in December. The RPI rate was 6.1% so, with effect the January 2024 payment an increase of 5% was applied.

The Scheme has been designed to ensure, as far as possible, that if at any point members or their survivors would have received more pension if they had chosen to go into the Pension Protection Fund at the date of transfer, the Scheme will pay the amount the PPF would have paid based on the law in force on 5 October 2016.

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025 (continued)

Pensions for members who transferred from the Pension and Life Assurance Plan of Halcrow Fox Associates Ltd (the Plan) are increased in October each year.

For pension that relates to benefit accrued before 6 April 1997 or transferred-in pension entitlement that was received by the Plan on a non-increasing basis, that pension does not attract any increase.

For pension that relates to benefit accrued on or after 6 April 1997 to 5 April 2005 or transferred-in pension entitlement where a CPI increase was agreed, the increase to that pension is the lower of 5% or the change in the CPI. The Trustee used the increase in the Consumer Prices Index (CPI) in the 12 months to July 2024, which was the latest published CPI index available in October. The CPI rate was 2.2% so, with effect the October 2024 payment an increase of 2.2% was applied.

For pensionable service on or after 6 April 2005 the increase to a member's pension is the lower of 2.5% or the change in the CPI. Accordingly, with effect the October 2024 payment an increase of 2.2% was applied.

There were no discretionary increases paid during the period.

Pension increases for 2025

GMP entitlement earned before 6 April 1988 does not attract any increase. For GMP entitlement earned after 5 April 1988, from age 60 for females and 65 for males, the Scheme increases this value in payment by a rate published by the Government each year. This is the lesser of 3% or the increase in the CPI (and the Government measures this to the previous September each year). The CPI rate was 1.7% so, with effect the January 2025 payment there was an increase of 1.7%, applied to members' post 1988 GMP.

For pension, or transferred-in pension entitlement, that relates to benefit accrued before 6 April 1997, that pension, in excess of the Guaranteed Minimum Pension (GMP), does not attract any increase.

For pension, or transferred-in pension entitlement, that relates to benefit accrued on or after 6 April 1997 to 5 April 2005, the increase to that pension is the lower of 5% or the change in the CPI. The Trustee used the increase in the Consumer Prices Index (CPI) in the 12 months to October 2024, which was the latest published CPI index available in December. The CPI rate was 2.3% so, with effect the January 2025 payment an increase of 2.3% was applied.

For pensionable service on or after 6 April 2005 the increase to a member's pension is the lower of 2.5% or the change in the CPI. Accordingly, with effect the January 2025 payment an increase of 2.3% was applied.

Any Additional Voluntary Contribution (AVC) pension payable was increased by the level of increases selected and costed for at retirement. For AVC pension increasing at LPI, the increase to that pension is the lower of 5% or the change in the RPI. The Trustee used the increase in the Retail Prices Index (RPI) in the 12 months to October 2024, which was the latest published RPI index available in December. The RPI rate was 3.4% so, with effect the January 2025 payment an increase of 3.4% was applied.

There were no discretionary increases paid either year.

Deferred pensions

Preserved pensions were increased in accordance with the Scheme Rules, which are in line with statutory requirements.

Transfer Values

Transfer values paid during the period of this report were calculated and verified in the manner prescribed by regulations under Part IV of the Pension Schemes Act 1993 and do not take into account discretionary benefits.

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025 (continued)

Financial Development of the Scheme

Changes in the Scheme's net assets during the period were as follows:

	£'000s
Net assets at 31 December 2023	460,549
Net withdrawals from dealings with members	(33,126)
Net returns on investments	(17,789)
Net assets at 31 March 2025	409,634

The financial statements for the period have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

GENERAL INFORMATION

Trustee Website

The Trustee has a website for its members. The Trustee stores copies of all member communications and Reports and Statements which are issued from time to time which you can review or download as you might require.

You will need to register at https://pensions.jacobs.com to gain access to the private areas. The new member site offers:

- Communications and Documents library
- Trustee and Trustee director details
- Access to download commonly used forms
- Information on the Scheme's AVC providers

Halcrow Pension Scheme (No.2) documents, that are required to be publicly available, are accessible from https://halcrow.com

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances, copies of documents can be provided but a charge may be made for printed copies of the Trust documents (Deed and Rules) and of the Scheme Actuary's report.

Personal Data

The Trustee holds certain personal data about Scheme members, dependants and beneficiaries. The Trustee needs this to be able to run the Scheme and to look after benefits and pay benefits. The Trustee has to comply with certain legal requirements relating to the personal data it holds, including the General Data Protection Regulation and the Data Protection Act 2018.

The Trustee has a privacy notice that sets out the kind of personal data it holds, how that data is used and who the Trustee shares it with. The privacy notice also sets out individual rights relating to personal data and who to contact to exercise those rights, make a complaint, or if you have any questions. The Trustee's privacy notice can be found online at https://pensions.jacobs.com. Alternatively, if you prefer to receive a hard copy, please contact Jacobs' UK & Ireland Pensions Team.

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025 (continued)

Payroll Administrator

The contact details for any payroll related queries are:

XPS Administration
PO Box 562
Middlesbrough TS1 9JA

Email: PayrollAdmin@xpsplc.com
Phone: 0191 341 0669

Enquiries or Complaints

All enquiries or complaints about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustee:

Halcrow Pension Scheme No.2
c/o Jacobs' UK and Ireland Pensions Team
13th Floor - Thames Tower
Station Road
Reading
Berkshire RG1 1LX
Email: PensionsTeam@Jacobs.com
Tel: 01189 467 942

Disputes Resolution Procedure

Under the Pension Act 1995 there is a requirement for the Scheme to set up its own formal procedures for resolving any dispute with the Trustee or administrators. It is to be used when a member or potential beneficiary has a dispute which has not been satisfactorily resolved informally. If the complaint is not resolved satisfactorily, the Government appointed Ombudsman can investigate complaints of injustice by maladministration and disputes of fact or law with the Trustee, managers, or employer.

Pensions Ombudsman

If you have a complaint concerning your Scheme pension arrangements, you should first make a formal complaint to the Scheme Trustee. Complaints should be addressed to the Scheme Trustee at the address above under Enquiries.

If you are unhappy with the response, you can refer your complaint to The Pensions Ombudsman free of charge. The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

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

The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London E14 4PU

Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

You can also submit a complaint online: www.pensions-ombudsman.org.uk/making-complaint

TRUSTEE'S REPORT FOR THE PERIOD ENDED 31 MARCH 2025 (continued)

MoneyHelper

MoneyHelper provides pension guidance, money guidance and debt advice. MoneyHelper can be contacted at:

MoneyHelper
Bedford Borough Hall
138 Cauldwell Street
Bedford MK42 9AP

Tel: 0800 011 3797
Email: pensions.enquiries@moneyhelper.org.uk
Website: www.moneyhelper.org.uk

The Pensions Regulator (tPR)

The Pensions Regulator can intervene if they consider that a scheme's trustees, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Telecom House
125-135 Preston Road
Brighton BN1 6AF

Tel: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

The Pension Scheme Registry

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 12013455. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

The Pension Service
Post Handling Site A
Wolverhampton WV98 1AF

Tel: 0800 731 0193
Website: www.gov.uk/find-pension-contact-details

INVESTMENT REPORT

General

The Trustee is responsible for appointing investment managers, after taking appropriate advice. The day-to-day management of the Scheme's assets, including full discretion for stock selection, is the responsibility of the Scheme's investment managers. This is subject to complying with the agreed strategy, which specifies the target proportions of the Scheme's assets which should be invested in the principal asset classes.

The Scheme's principal investment managers are BlackRock Investment Management (UK) Ltd ("BlackRock"), M&G Investments Limited ("M&G"), and Barings LLC ("Barings"). The Scheme's investment managers are authorised under the Financial Services and Markets Act 2000 to carry out investment activities.

The Trustee has a Statement of Investment Principles, as required by Section 35 of the Pensions Act 1995, the Occupational Pension Schemes (Investment) Regulations 2005 (as amended) and the Pension Regulator's guidance for defined benefit pension schemes (March 2017), which sets out the Scheme's policy on investment matters. This document is available to members on request and can also be accessed from the Trustee's member site https://halcrow.com.

Investment strategy

The Trustee, with the help of its advisers and in consultation with the employers, periodically reviews the investment strategy taking into account the objectives described in the Statement of Investment Principles. The Trustee has set an investment strategy which targets an allocation of 90% to a lower-risk Matching Portfolio and 10% to a higher-risk Growth Portfolio.

The Trustee monitors the split between the Matching and Growth Portfolios from time to time and would generally expect the actual allocations to remain within 5% of the target allocations. If a deviation of more than this occurs, the Trustee will consider with its advisers whether it is appropriate to rebalance the assets, taking into account factors such as market conditions, liquidity of the assets and anticipated future cash flows.

The Matching Portfolio consists of assets which are considered by the Trustee to be relatively low risk. The Matching Portfolio includes segregated portfolios holding fixed interest and index-linked gilts, investment grade corporate bonds, interest rate and inflation swaps, and gilt repurchase agreements. The Trustee invests in these assets as it considers appropriate to help manage the risk from changes in interest rate and inflation. This approach is commonly referred to as "Liability Driven Investment". The Matching Portfolio also holds short-duration credit and asset backed securities in pooled funds.

The Growth Portfolio consists of long lease property and private credit. The Trustee anticipates these growth assets will provide higher investment returns than the Matching Portfolio over periods of ten years or more, albeit with greater risk.

INVESTMENT REPORT (continued)

Strategic asset allocation

The table below shows the Scheme's asset allocation as at 31 March 2025.

	BlackRock	M&G	Barings	Trustee Bank Account & ex-CHW policy	Total assets
Proportion of the Scheme assets as at 31 March 2025	85.5%	6.5%	6.7%	1.3%	100.0%
Asset allocation	Matching	Property	Private Credit	Cash	Proportion of Scheme assets
Segregated LDI & credit portfolios	81.4%				69.6%
Short duration credit	9.4%				8.0%
Asset-backed securities	9.2%				7.9%
Property		100.0%			6.5%
Private credit			100.0%		6.7%
Cash and other balances				100.0%	1.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

INVESTMENT REPORT (continued)

Performance objectives

Below are the managers' mandates and performance objectives

Manager	Mandate	Benchmark	Performance objective
BlackRock	Segregated LDI portfolio	Bespoke investable Benchmark[1]	Outperform the Investable Benchmark by 25 bps pa (gross of fees) over a rolling 3-year period.
Blackrock	Segregated Credit portfolio	Bespoke investable Benchmark[1]	Outperform the Investable Benchmark by 75 bps pa (gross of fees) over a rolling 3-year period.
Blackrock	Sterling Short Duration Credit	3 Month SONIA	To deliver a return of 3 Month SONIA Compounded in arrears + 1.5% pa.
Blackrock	Senior Securitised Fund (Asset backed securities)	3 Month SONIA	To seek to provide a return for investors by investing in high grade tranches of global securitised assets, in a manner consistent with the principles of environmental, social and governance (ESG)-focused investing.
M&G	Property	Retail Price Index (RPI)	The Trustee has agreed that performance should be reported against inflation (RPI) plus 5% p.a.
Barings	Private Credit	N/A[2]	To provide consistently attractive returns, primarily through current income and secondarily through capital appreciation while emphasising principal preservation.

[1] Composite of the iBoxx Sterling Non-Gilt Index and Government Bonds.

[2] The Barings private credit mandate has no official benchmark, but we understand from Barings that investors should expect target net returns of 6.5-7.5% p.a. (in EUR) over the life of the fund.

Custody arrangements

The Trustee has appointed Bank of New York to be responsible for the safekeeping of the Scheme's assets managed by BlackRock.

The Trustee has also invested in various unit-linked investments. Custody for these assets is arranged within the unit-linked funds by the investment managers.

INVESTMENT REPORT (continued)

Scheme assets and performance

The market value of Scheme's major asset holdings as at 31 March 2025 is shown in the table below:

	BlackRock (Matching assets)	M&G (Property)	Barings (Private credit)	Trustee bank (inc cash in transit)	TOTAL
Value (£m)	350.7	26.8	27.3	5.6	410.4
Value (%)	85.5%	6.5%	6.7%	1.3%	100%

The performance of the Scheme's assets over a one year, fifteen month and three-year period to 31st March 2025 is set out in the table below. Performance is shown after the deduction of investment management fees, with the exception of BlackRock where performance is before fees are deducted.

Scheme's Investment returns	1 year	Benchmark return 1 year	15 months	Benchmark 15 months	3 years (p.a.)	Benchmark 3 years (p.a.)
BlackRock (Matching assets)	-3.1%	-3.7%	-4.3%	-5.5%	-9.8%	-10.7%
M&G (Property)	5.6%	4.4%	6.8%	10.4%	-3.7%	-4.6%
Barings (Private Credit)	8.7%	10.1%	10.6%	12.7%	N/A	N/A
Total	**-1.8%**	**-2.1%**	**-2.7%**	**-3.3%**	**-7.9%**	**-7.1%**

Source: LCP

The Scheme has no direct employer-related investments at year end.

INVESTMENT REPORT (continued)

Investment activity to 31 March 2025

In Q1 2024, £59m was invested in the BlackRock portfolio, being the proceeds from growth asset sales of Ballie Gifford and Legal & General investments which occurred at the end of 2023 and were held in the Trustee bank account over the year-end.

In Q4 2024 BlackRock carried out an internal rebalance back towards its strategic benchmark. This involved switching c£3m from the BlackRock ABS fund and circa £2.3m from BlackRock Short Duration Credit into the LDI portfolio.

Over the period, there were thirteen £2m monthly disinvestments from the BlackRock Matching portfolio for cashflow (these were typically once a month, but didn't occur in January and February 2025 as there was sufficent cash in the Trustee's bank account).

The Scheme received five quarterly income payments from the M&G Fund during the period, totalling around £1.7m.

During the period, the Barings European Private Loan Fund made one capital call for £2.55m in January 2024. The call was funded from the cash balance held in the Trustee's bank account. The Scheme received five distributions from the Barings Fund during the period, totalling circa £3.9m.

Investment monitoring

The Trustee receives monthly and quarterly reports from the investment managers, plus quarterly summaries and six-monthly performance monitoring reports from Lane Clark & Peacock LLP, its investment adviser.

Trustee's policies on financially material considerations and non-financial matters

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members.

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations) when making investment decisions. It seeks to appoint managers that have appropriate skills and processes to do this and may consider investing in funds (where available) that demonstrate the incorporation of ESG factors, including climate-related factors, into the investment process. The Trustee will, from time to time, review how its managers are taking account of these issues in practice, for example by meeting with managers at regular Trustee meetings.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds. However, it encourages its managers to improve their practices where appropriate.

The Trustee has considered the extent to which non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) should be taken into account in the selection, retention and realisation of investments. At present, the Trustee has decided not to allow for such non-financial matters.

Stewardship

While the Scheme no longer invests in equities, the Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, protect and enhance the long-term value of investments and is in the best interests of the Scheme's members.

The Trustee seeks to appoint investment managers that have strong stewardship policies and processes, reflecting the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council.

The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights if any, and engagement with issuers of debt, stakeholders and other investors about relevant matters such as performance, strategy, risks and ESG considerations. The Trustee expects the managers to undertake voting if any and engagement in line with their stewardship policies, considering the long-term financial interests of investors.

As all of the Scheme's investments are held through managers or pooled funds, the Trustee does not monitor or engage directly with issuers or other holders of debt.

INVESTMENT REPORT (continued)

Stewardship (continued)

The Trustee monitors managers' activities in relation to ESG factors and engagement on a regular basis. The Trustee seeks to understand how the managers implement their stewardship policies in practice to check that their stewardship is effective and aligned with the Trustee's expectations.

The Trustee has selected some priority ESG themes to provide a focus for its monitoring of investment managers' engagement activities. The Trustee's priority ESG themes are Climate Change and Human Rights. The Trustee reviews the themes regularly and updates them if appropriate. The Trustee communicates these stewardship priorities to its managers. If its monitoring identifies areas of concern, the Trustee will engage with the relevant manager to encourage improvements.

Implementation of the investment arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

The Trustee has signed agreements with the investment managers, setting out in detail the terms on which the portfolios are to be managed. The investment managers' primary role is the day-to-day investment management of the Scheme's investments. The managers are authorised under the Financial Services and Markets Act 2000 (as amended) to carry out such activities.

The Trustee can influence managers' investment practices where it is invested in segregated mandates, however it has limited influence over managers' investment practices where the Scheme's assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover. However, this is not the case for the segregated mandates where the Trustee has control over the objectives, guidelines and restrictions of the funds.

It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). It assesses this when selecting and monitoring managers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustee's policy is to evaluate each of its investment managers by reference to the manager's individual performance as well the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management. Since the impact of these costs is reflected in performance figures used in the Trustee's assessment of the investment managers, the Trustee does not explicitly monitor portfolio turnover. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

REPORT ON ACTUARIAL LIABILITIES

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 as at 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 was carried out as at 31 December 2022. This showed that on that date:

The value of the technical provisions was: £442.3 million

The value of the assets was: £461.7 million

Funding level: 104%

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 to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Discount interest rate: Bank of England yield curve plus 0.9% p.a. reducing to 0.5% p.a. by 31/12/2026.

Future Retail Price inflation: Bank of England Gilt RPI inflation curve.

Future Consumer Price inflation: RPI less 1.0% p.a. until 2030, RPI less 0.1% p.a. thereafter.

Pension increases: derived from the term dependent rates for future consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Scheme's rules.

Mortality: 92%/98% of S3PA table, with CMI 2021 projections, long term improvement rates of 1.75% and 1.5% p.a. for all members, initial addition to mortality improvements of 0.50%

ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Schedule of contributions

Halcrow Pension Scheme (No.2) ("the Scheme")

This Schedule of Contributions ("the Schedule") has been prepared by the Trustee after obtaining the advice of [illegible], the Actuary to the Scheme. It sets out the contributions the employer must pay and the dates these contributions must be paid to the Trustee and has been agreed by the [illegible] UK Limited (the "Employer").

Period covered by the Schedule

This Schedule covers contributions payable in the period 1 October 2023 to 30 September 2028. This Schedule replaces the previous Schedule in force, dated 17 March 2023.

Contributions

Contributions to be paid by members
As the Scheme is closed to future accrual there are no members' contributions payable.

Contributions to be paid by the Employer
Deficit contributions: At the valuation date (31 December 2022), the Scheme was in surplus and hence the statutory funding objective was met. It is expected that the Scheme is still in surplus. Therefore, there is no requirement for a formal recovery plan and the Trustee and Employer have agreed that no deficit contributions will be paid to the Scheme.

Expenses: From 1 October 2023 to 30 September 2026, the majority of expenses, including the PPF levy, will be paid by the Trustee from the Scheme's assets. It was agreed that the Employer will meet the following expenses:

- Direct employment costs of Jacobs employees who provide administration services to the Scheme
- Costs of Independent Trustee and Covenant advice
- Cost incurred by the Trustee in relation to any Employer instigated projects

The Trustee and Employer also agreed that, if the funding position were to deteriorate and an actuarial report were to reveal a deficit, the Employer will recommence the payment of all Scheme expenses.

Further details are set out in the document "HPS2 – Treatment of Expenses", dated 2 August 2023.

Notes
Nothing in this Schedule shall prevent the Employer paying contributions in addition to those payable in accordance with this Schedule. In particular, contributions payable in respect of individual augmentations or general benefit improvements are to be paid in addition to those set out in this Schedule.

Signed on behalf of the Trustee	2 August 2023
	Date
Signed on behalf of the Employer	2 August 2023
	Date

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 and Republic of Ireland (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme period ending 31 March 2025 and of the amount and disposition at the end of the Scheme period ending 31 March 2025 of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme period ending 31 March 2025, and
- contain the information specified in Regulation 3A of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the 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 judgements 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 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 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 trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee's Report, which includes the Investment Report, the Report on Actuarial Liabilities and the Statement of Trustee's Responsibilities was approved by the Trustee on:

....	9 October 2025
Trustee Director	Date

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE HALCROW PENSION SCHEME (NO. 2)

Opinion

We have audited the financial statements of Halcrow Pension Scheme (No. 2) for the 15 month period ended 31 March 2025 which comprise the Fund Account, the Statement of Net Assets available for benefits and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the period ended 31 March 2025, 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 period;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Scheme 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 Scheme's 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. 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE HALCROW PENSION SCHEME (No2) (continued)

Responsibilities of Trustees

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud:

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non- compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Scheme operates in and how the Scheme is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE HALCROW PENSION SCHEME (No2) (continued)

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the Scheme's Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements 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 and the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Statutory Auditor, Chartered Accountants
Portland
25 High Street
Crawley
West Sussex RH10 1BG

Date...............09/10/25...................................

FUND ACCOUNT

For the 15 month period ended 31 March 2025

	Note	Period ended 31 March 2025 £'000s	Year ended 31 Dec 2023 £'000s
CONTRIBUTIONS AND BENEFITS			
Employer contributions		-	333
Total contributions	4		333
Transfers in	5	-	7
Other income	6	22	-
		22	340
Benefits paid or payable	7	(30,492)	(23,391)
Payments to and on account of leavers	8	(1,547)	(866)
Administrative expenses	9	(1,109)	(295)
		(33,148)	(24,552)
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		(33,126)	(24,212)
RETURNS ON INVESTMENTS			
Investment income	10	16,854	5,989
Change in market value of investments	12	(33,690)	16,745
Investment management expenses	11	(953)	(697)
NET RETURNS ON INVESTMENTS		(17,789)	22,037
NET DECREASE IN THE FUND FOR THE PERIOD		(50,915)	(2,175)
OPENING NET ASSETS		460,549	462,724
CLOSING NET ASSETS		409,634	460,549

The notes on pages 25 to 38 form part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 31 March 2025

	Note	Period ended 31 March 2025 £'000s	Year ended 31 Dec 2023 £'000s
INVESTMENT ASSETS			
Bonds	12	374,417	403,452
Pooled investment vehicles	13	125,893	122,831
Derivatives	14	7,461	15,309
AVC investments	16	668	925
Money Purchase investments	15	680	757
Insurance Policies	17	83	134
Cash	12	1,933	10,627
Other investment balances	18	21,398	20,611
		532,533	574,646
INVESTMENT LIABILITIES			
Cash	12	-	(7,005)
Derivatives	14	(3,467)	(8,775)
Other investment balances	18	(123,477)	(165,853)
		(126,944)	(181,633)
TOTAL NET INVESTMENTS		405,589	393,013
CURRENT ASSETS	22	4,558	68,440
CURRENT LIABILITIES	23	(513)	(904)
CLOSING NET ASSETS		409,634	460,549

The notes on pages 25 to 38 form 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 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 takes into account such obligations is dealt with in the Report on Actuarial Liabilities on page 17 of the Annual Report and these financial statements should be read in conjunction with this report.

These financial statements were approved by the Trustee on ....9 October 2025.... (date)

Signed on behalf of the Trustee

....

Trustee Director

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2025

1. BASIS OF PREPARATION

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

The financial statements have been prepared on the going concern basis as noted in the Trustee's report on page 5. At the date of signing these financial statements the Trustee is satisfied that the Scheme remains a going concern for the foreseeable future, meaning at least 12 months from the signing of the Scheme's Financial Statements.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

Halcrow Pension Scheme (No.2) ('the Scheme) is a "defined benefit" scheme that was established on 11 March 2016 to provide retirement and death benefits for former members of the Halcrow Pension Scheme. The Scheme is registered under Chapter 2, Part 4 of the Finance Act 2004.

The address for enquiries to the Scheme is Ms PJ Gibbons, Jacobs' UK and Ireland Pensions team, 13th Floor – Thames Tower, Station Road, Reading, Berkshire, RG1 or email: pensionsteam@jacobs.com

3. ACCOUNTING POLICIES

(a) Contributions

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the employer and the Trustee.

(b) Payments to Members

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

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

Individual transfers out of the Scheme are accounted for when member liability is discharged which is normally when the transfer amount is paid.

(c) Administrative expenses

All in house administration costs are borne by the Principal Employer. Most other fees and expenses are borne by the Scheme. Further details are provided in the Schedule of Contributions.

(d) Income from investments

Income from bonds is accounted for on an accruals basis and includes interest bought or sold on investment purchases and sales.

Income from pooled investment vehicles is accounted for when declared by the fund managers.

Income from annuity policies is accounted for on an accruals basis.

(e) Change in market value

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

3. ACCOUNTING POLICIES (continued)

(f) Investments and cash deposits

Accrued interest is excluded from the market value of bonds and is included in investment income receivable.

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Exchange traded futures are valued at fair value using the daily mark-to-market, which is a calculated difference between the settlement prices at the period end and the inception date. Amounts due from the broker represent the amounts outstanding in respect of the initial margin (representing collateral on the contracts) and any variation margin which is due to or from the broker. The amounts included in the change in market value are the realised gains or losses on closed contracts and the unrealised gains or losses on open contracts.

Over the counter (OTC) swaps are valued taking the current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the period-end. The amounts included in the change in market value are the realised gains or losses on closed contracts and the unrealised gains or losses on open contracts. Net receipts or payments on swap contracts are reported within investment income.

The Scheme holds forward foreign exchange contracts. A forward foreign exchange contract is an agreement to buy or sell currency on a future date at an agreed exchange rate, irrespective of the actual exchange rate on the future date concerned. Forward foreign exchange contracts outstanding at the period-end are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the period-end with an equal and opposite contract.

Monetary items denominated in foreign currency are translated into Sterling using the closing exchange rates at the Scheme period end. Foreign currency transactions are recorded in Sterling at the spot exchange rate at the date of the transaction.

Annuities in the name of the Scheme have been valued by the Scheme Actuary at the present value of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

Repurchase agreements are accounted for as follows:

Repurchase agreements – the Scheme continues to recognise and value the securities that are delivered out as collateral and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.

Reverse repurchase agreements – the Scheme does not recognise the securities received as collateral in its financial statement. The Scheme does recognise the cash delivered to the counterparty as a receivable in the financial statements.

(g) Functional and presentation currency

The functional and presentation currency of the Scheme is Sterling. The financial statements are rounded to the nearest £'000s. Numbers may not add up due to rounding.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

3. ACCOUNTING POLICIES (continued)

(h) Critical accounting judgements and estimation uncertainty

The Trustee makes estimate and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Fund, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Fund investments and, in particular, those classified in Level 3 of the fair-value hierarchy in note 19.

4. CONTRIBUTIONS

	31.03.2025	31.12.2023
	£'000s	£'000s
Employer contributions		
Deficit funding	-	333

Under the Schedule of Contributions dated 13 July 2021, the Scheme Actuary calculated the average daily deficit over the 3 months to 31 December 2022 which meant deficit contributions of £333,333 per month are payable from 1 January 2024 to 20 September 2024.

Under the Schedule of Contributions certified on 18 March 2023, it was agreed with the Company that no deficit contributions would be payable from 1 February 2023 to 31 December 2023 (the "Suspended Contributions").

Under the Schedule of Contributions dated 2 August 2023 the Trustee and Employer have agreed that no deficit contributions will be paid to the Scheme.

The Trustee reserves the right to demand at any time payment of an amount up to the total value of the Suspended Contributions.

5. TRANSFERS IN

	31.03.2025	31.12.2023
	£'000s	£'000s
Transfers in from AVC arrangements	-	7

6. OTHER INCOME

	31.03.2025	31.12.2023
	£'000s	£'000s
Other income	22	-

Included within other income is £20k monies received from Capita in relation to the closing of their bank account.

7. BENEFITS PAID OR PAYABLE

	31.03.2025	31.12.2023
	£'000s	£'000s
Pensions	28,959	22,479
Commutations and lump sum retirement benefits		
- provided by the Scheme	1,269	777
- provided from AVCs	264	48
Death benefits		
- provided by the Scheme	-	87
	30,492	23,391

8. PAYMENTS TO AND ON ACCOUNT OF LEAVERS	31.03.2025 £'000s	31.12.2023 £'000s
Individual transfers out to other schemes	1,547	866

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

9. ADMINISTRATIVE EXPENSES	31.03.2025 £'000s	31.12.2023 £'000s
Actuary and consulting	446	126
Administration	124	11
Audit fees	71	-
Bank charges	3	1
Legal fees	37	13
Investment advisor fees	420	144
Scheme levy	8	-
	1,109	295

With effect from 1 October 2023 it was agreed between the Company and the Trustee that the Scheme would meet directly certain fees and charges. These were previously paid by the Employer.

The Company agreed it would continue to pay direct employment costs of Jacobs employees who provide administration services to the Scheme, fees for the Independent Trustee costs of covenant advice and costs incurred by the Trustee in relation to any Employer-instigated projects.

The PPF levy for 2023 was paid by the Company.

10. INVESTMENT INCOME	31.03.2025 £'000s	31.12.2023 £'000s
Income from bonds	15,871	10,892
Income from pooled investment vehicles	6,163	4,098
Interest on cash deposits	111	169
Swap income paid	3,327	(2,228)
Interest on repurchase agreements	(7,928)	(6,635)
Annuity Income	28	26
Gains/(losses) on foreign exchange	(718)	(333)
	16,854	5,989

The annuity policies held are valued by the Scheme Actuary, as show in note 17 of the accounts.

11. INVESTMENT MANAGEMENT EXPENSES	31.03.2025 £'000s	31.12.2023 £'000s
Investment fees - management & custody	953	697

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

12. RECONCILIATION OF INVESTMENTS

	Value at 31.12.2023	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 31.03.2025
	£'000s	£'000s	£'000s	£'000s	£'000s
Bonds	403,452	505,546	(498,795)	(35,786)	374,417
Pooled investment vehicles	122,831	257,485	(256,338)	1,915	125,893
Derivatives	6,534	24,609	(27,329)	181	3,995
AVC investments	925	-	(334)	77	668
Insurance policies	134	-	-	(51)	83
Money purchase investments	757	-	(51)	(26)	680
	534,633	787,640	(782,847)	(33,690)	505,736
Cash	(3,089)				1,933
Cash in transit	6,711				-
Other investment balances	(145,242)				(102,079)
	393,013				405,590

Over the 15 months to 31 March 2025, the Scheme incurred the following transaction costs from buying and selling investments: BlackRock estimated the transaction costs within the Scheme's segregated bond mandate to be c£671k, of which c.£339k and c.£332k were in respect of the LDI portfolio and corporate bond portfolio respectively.

13. POOLED INVESTMENT VEHICLES

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

	31.03.2025	31.12.2023
	£'000s	£'000s
Property	26,823	26,947
Alternative	65,043	56,614
Loans	27,307	25,695
Cash	6,720	13,575
	125,893	122,831

14. DERIVATIVES

Objectives and policies

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the Scheme as follows.

Futures – the Trustee did not want cash held to be "out of the market" and therefore bought exchange traded index based futures contracts which had an underlying economic value broadly equivalent to cash held.

Swaps – the Trustee's aim is to match as far as possible the fixed income portfolio and the Scheme's long term liabilities, in particular in relation to their sensitivities to interest rate movements. Due to the lack of available long dated bonds the Trustee has entered into OTC interest rate swaps during the period that extend the duration of the fixed income portfolio to better match the long term liabilities of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

14. DERIVATIVES (continued)

Forward foreign exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

At the period end the Scheme held the following derivatives:

	March 2025 Asset £'000s	March 2025 Liability £'000s	Dec 2023 Asset £'000s	Dec 2023 Liability £'000s
Futures	80	(522)	987	(1,157)
Swaps	6,936	(2,835)	14,195	(7,551)
Forward foreign exchange contracts	445	(110)	127	(67)
	7,461	(3,467)	15,309	(8,775)
	3,995		6,534	

Futures

Nature	Expiration	Economic exposure £'000s	Asset £'000s	Liability £'000s
UK Gilt	3 months	10,169	21	-
UK Sonia	> 1 year	(25,217)	-	(124)
Overseas Bonds	3 months	35,301	59	(398)
Total 2025		20,253	80	(522)
Total 2023		(1,903)	987	(1,157)

Included within other investment balances is £8 (2023: £39,669) in respect of initial and variation margins arising on open future contracts at the period end.

Swaps

Nature	Expiration	Notional principal £'000s	Asset £'000s	Liability £'000s
Overnight index swaps (OTC)	1 - 50 years	50,658	1,538	(1,760)
Inflation swaps (OTC)	1 - 50 years	77,676	5,120	(854)
Synthetic swaptions	1 - 5 Years	(30,000)	101	(89)
Currency swap	1 - 50 years	4,855	177	(132)
Total 2025		103,189	6,936	(2,835)
Total 2023		4,055,667	14,195	(7,551)

Included in cash and gilts is collateral of £1,000 (2023: £1,000) which has been pledged to the counterparties.

At the period-end the Scheme held £8,905,000 (2023: £8,905,000) of collateral belonging to the counterparty. This collateral is not reported within the Scheme's net assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

14. DERIVATIVES (continued)

Forward Foreign Exchange

Contract	Settlement Date	Currency bought	Currency sold	Asset £'000s	Liability £'000s
Forward OTC	Under 1 month	EUR	GBP	232	(87)
Forward OTC	Under 1 month	USD	GBP	213	(23)
Total 2025				445	(110)
Total 2023				127	(67)

15. MONEY PURCHASE INVESTMENTS

The Trustee holds money purchase investments for specific members. The Scheme held money purchase investments at the period-end as follows:

	31.03.2025 £'000s	31.12.2023 £'000s
Mercer	680	757

16. AVC INVESTMENTS

The Trustee holds assets invested separately from the main fund investments to secure additional benefits on a money purchase basis for those members who elected to pay additional voluntary contributions. Members participating in these arrangements receive an annual statement made up to the period-end confirming the value of their fund and the movements in the period. The aggregate amounts of AVC investments are as follows:

	31.03.2025 £'000s	31.12.2023 £'000s
Mercer	603	805
Prudential	52	107
Utmost (was Equitable Life)	13	13
	668	925

17. INSURANCE POLICIES

The Scheme held two (2023: three) annuity insurance policies at the period-end as follows:

	31.03.2025 £'000s	31.12.2023 £'000s
Annuities	83	134

Certain pensions in payment are covered by annuities held by the Trustee. These policies specifically provide for the payment of benefits under the Scheme to those members and remain the assets of the Trustee. All of these policies were issued by Prudential and are valued by the Scheme actuary.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

17. INSURANCE POLICIES (continued)

The assumptions we have used to produce this value are those set out in the Statement of Funding Principles dated 2 August 2023, updated for market conditions at 31 March 2025. A summary of the key assumptions in included in the table below:

Assumption	At 31 March 2025
Discount rate – post-retirement	90% p.a. above the Bank of England fixed interest yield curve at 31 December 2022, reducing linearly to 0.50% above the fixed interest yield curve by 31 December 2026 and thereafter
Price inflation – RPI	Bank of England implied RPI inflation yield curve
Price inflation – CPI	RPI inflation less 1.0% p.a. prior to 2030 RPI inflation less 0.1% p.a. thereafter
Post-retirement mortality	92% / 98% of S3PMA / S3PFA CMI 2021 projection model with the default smoothing parameter, initial addition of 0.30%, long term improvement rates of 1.75% p.a. for males and 1.50% p.a. for females and w2020 and w2021 parameters of 10%

18. OTHER INVESTMENT BALANCES

	31.03.2025 £'000s	31.12.2023 £'000s
Investment trades - cash in transit	4,650	163
Dividends and interest receivable	3,463	4,617
Repurchase agreements assets	13,285	15,831
	21,398	20,611
Repurchase agreement liabilities	(109,739)	(155,953)
Repurchase agreement interest payable	(1,522)	(2,914)
Investment trades - cash in transit	(8,082)	(6,986)
Derivative collateral cash	(4,134)	-
	(123,477)	(165,853)
	(102,079)	(145,242)

The Derivative cash shown above has been reallocated from cash to other investment balances.

Repurchase and reverse repurchase agreements

At the period-end amounts payable under reverse repurchase agreements amounted to £110,638k (2023: £158,903k) and amounts receivable under repurchase agreements amounted to £12,612k (2023: £15,933k). At the period-end £105,605k (2023: £157,632k) of bonds reported in the Schemes assets are held by counterparties under repurchase agreements.

The Scheme held £12,612k (2023: £4,814k) of bonds at the period-end relating to reverse repurchase agreements. These bonds are not reported within the Scheme's net assets. The Scheme held £Nil (2023: £8,905k) and pledged £1,809k (2023: £1k) of Gilts as collateral. This collateral is used to cover daily changes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

19. FAIR VALUE DETERMINATION

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

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

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

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

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

	At 31 March 2025			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Bonds	-	374,417	-	374,417
Pooled investment vehicles	-	98,587	27,306	125,893
Derivatives	-	3,995	-	3,995
Cash	1,933	-	-	1,933
Money purchase Investments	-	680	-	680
AVC Investments	-	-	668	668
Insurance policy	-	-	83	83
Other investment balances	(102,079)	-	-	(102,079)
	(100,146)	477,679	28,057	405,590

	At 31 December 2023			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Bonds	-	403,452	-	403,452
Pooled investment vehicles	-	97,136	25,695	122,831
Derivatives	(170)	6,704	-	6,534
Cash	3,622	-	-	3,622
Money purchase Investments	-	757	-	757
AVC Investments	-	-	925	925
Insurance Policy	-	-	134	134
Other investment balances	(145,242)	-	-	(145,242)
	(141,790)	508,049	26,754	393,013

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the vehicles are included in level 3.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

20. INVESTMENT RISK DISCLOSURES

Investment risks

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

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

Market risk: this comprises 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 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.

The Trustee determines its 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 set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

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

	Pooled fund Credit Risk	Market Risk				Total at 31 Mar 2025	Total at 31 Dec 2023
		Currency	Credit	Interest rates	Other price	Value £000	Value £000
Segregated LDI and credit portfolios	-	○	●	●	-	285,428	281,780
Short duration credit	●	○	●	○	-	32,475	29,117
Asset backed securities	●	○	●	○	-	32,568	27,497
Property	●	-	-	○	-	26,824	26,947
Private Credit	●	-	●	○	-	27,307	25,696
Cash	-	-	-	-	-	6,521	69,190
Money purchase	●	-	○	○	●	680	757
AVC Investments	●	-	○	○	●	668	925

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

20. INVESTMENT RISK DISCLOSURES (continued)

In the previous table, the risk noted affects the asset class as follows:

●	Significantly
○	Partially
-	Hardly/ not at all

Further information on the Trustee's approach to risk management, credit and market risk is set out below.

Investment strategy

The Trustee sets the investment strategy by taking into account considerations such as the strength of the employer covenant, the long term liabilities and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles ("SIP").

Credit risk

The Scheme's investments are directly exposed to credit risk in relation to the solvency of the custodian of its pooled fund holdings. The Scheme's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled funds being ring-fenced from the investment managers, the regulatory environments in which the pooled fund managers operate and diversification of the Scheme's investments across a number of pooled funds.

The Trustee carries carry out due diligence checks prior to the appointment of any new investment manager or fund and on an ongoing basis monitors any changes to the operating environment of the funds.

BlackRock's LDI and credit portfolios are managed on a segregated basis and the Trustee uses the custodian services offered by Bank of New York for this mandate. The Scheme is subject to direct credit risk within these portfolios as they invest in bonds and derivatives.

The Scheme is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds, for example where they invest in bonds (i.e. the BlackRock Short duration credit and Asset Backed Securities funds, and the Barings European Private Loan Fund III).

The managers manage credit risk by having a diversified exposure to bond issuers, conducting thorough research on the probability of default of those issuers, and having only a limited exposure to bonds rated below investment grade. The magnitude of credit risk within each fund will vary over time, as the manager changes the underlying investments in line with its views on markets, asset classes and specific bonds.

Market risk: Currency risk

As the Scheme's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk.

The non-Sterling currency exposure of the Scheme's assets is generally hedged to Sterling. The Trustee considers any small residual overseas currency exposure to be small in the context of the overall investment strategy.

Within the segregated BlackRock LDI and credit mandates, non-Sterling denominated securities are predominantly hedged back to Sterling.

All of the Scheme's pooled funds are accessed via a Sterling share class. Therefore, the Scheme is not subject to direct currency risk through the pooled investments. However, there is some indirect currency risk in relation to the Scheme's pooled investments, where they invest in overseas assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

20. INVESTMENT RISK DISCLOSURES (continued)

Market risk: Currency risk (continued)

The exposure to foreign currencies within the pooled funds will vary over time as the manager changes the underlying investments but is not expected to be a material driver of returns over the longer term. Decisions about the exposure to foreign currencies within the pooled funds held are at the discretion of the appointed fund managers.

Market risk: Interest rate risk

Some of the Scheme's assets are subject to interest rate risk. However, the overall interest rate exposure of the Scheme's assets hedges part of the corresponding risks associated with the Scheme's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustee believes that it is appropriate to have exposure to interest rate risk in this manner. The BlackRock bond mandate has significant exposure to changes in interest rates.

Market risk: Other price risk

The Scheme's assets are exposed to risks of market prices other than currencies and interest rates, such as property prices within the M&G.

The Trustee monitors this risk on a regular basis, looking at the performance of the Scheme as a whole as well as each individual portfolio. The Trustee believes that the Scheme's assets are adequately diversified between different asset classes and within each asset class to manage this risk.

21. CONCENTRATION OF INVESTMENTS

The following investments represented over 5% of the net assets of the Scheme:

	31.03.2025		31.12.2023	
	£'000s	%	£'000s	%
M&G SPIF	26,824	6.5	26,947	5.9
Barings European Private Loan Fund III	27,307	6.7	25,695	5.6
BlackRock Short Duration Credit	32,475	7.9	29,117	6.3
BlackRock ABC Portfolio	32,568	8.0	27,497	6.0

22. CURRENT ASSETS

	31.03.2025	31.12.2023
	£'000s	£'000s
Cash at bank	4,558	66,893
Pensions paid in advance	-	1,536
Other assets		
- interest receivable	-	11
	4,558	68,440

23. CURRENT LIABILITIES

	31.03.2025	31.12.2023
	£'000s	£'000s
Accrued expenses	506	784
Unpaid benefits	7	120
	513	904

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2025

24. RELATED PARTY TRANSACTIONS

The Principal Employer provides certain administrative services to the Trustee and bears these costs. The costs borne by the Principal Employer in relation to the Scheme are not reflected in these accounts. All of the above transactions were made in accordance with the Scheme rules.

Any fees paid to the Independent Trustee are covered by the Sponsoring Employer.

At the period-end, one Director of the Trustee Company (John Irwin) was in receipt of a pension from the Scheme, which is included in the pensions payable figure. The amount is calculated in accordance with the Trust Deed and Rules of the Scheme.

With effect from 1 October 2023 it was agreed between the Company and the Trustee that the Scheme would meet directly certain fees and charges. These were previously paid by the Employer.

25. CONTINGENT LIABILITIES

There were no contingent liabilities at the period end other than the liability to pay future benefits.

26. EMPLOYER RELATED INVESTMENTS

There were no Employer Related Investments at the period-end.

27. CONTINGENT LIABILITIES IN RESPECT OF GMP EQUALISATION

As explained on page 5 of the Trustee's Report, the High Court handed down a judgement concluding that contracted out defined benefit schemes should equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

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 does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters. They will be accounted for in the year they are determined.

On 20 November 2020, in a follow up hearing to the Lloyds case, the High Court determined the need for schemes to equalise of the effect of GMPs on past transfer values. Under the ruling, Trustees are 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 benefits. This is a complex issue on which the Trustee is seeking advice. An initial estimate of the financial impact has indicated that the additional liability is not material, and consequently the Trustee has concluded that no provision is required at this time.

28. PENSION SCHEME ACT 1993 - SECTION 37

In June 2023, the English High Court confirmed in Virgin Media Limited v NTL Pension Trustees ll Limited and others that certain changes made between 6 April 1997 and 5 April 2016 in relation to schemes that were contracted-out on a salary related basis are void unless the appropriate actuarial confirmations were obtained at the time. This decision was upheld by the Court of Appeal in July 2024.

At this stage, and based on its initial enquiries, the Trustee has no reason to believe that the Schemes are affected by this decision. However, it recognises that this is an area in which further developments may arise, including recent draft legislation intended to remedy defective amendments for those schemes which may be affected. Accordingly, the Trustee continues to monitor the impact of this decision.

29. CAPITAL COMMITMENTS

During 2024 and Quarter 1 2025, the Barings European Private Loan Fund made one capital call of £2.55m. The call was funded from cash in the Trustee's bank account. As at 31 March 2025, Barings has drawn down £28.3m, or 83% (2023: £25.5m, or 75%), of the Scheme's £34.0m commitment. The Barings Fund made five quarterly distributions during the period, totalling around £3.9m.

30. TAXATION STATUS

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS, UNDER REGULATION 4 OF THE OCCUPATIONAL PENSION SCHEMES (REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR) REGULATIONS 1996, TO THE TRUSTEE OF THE HALCROW PENSION SCHEME (No2)

Statement about contributions payable under the Schedule of Contributions

We have examined the summary of contributions payable to the Halcrow Pension Scheme (No. 2) on page 39, in respect of the Scheme period ended 31 March 2025.

In our opinion, contributions for the Scheme period ended 31 March 2025 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 2 August 2023.

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 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 the Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities on page 19, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

Use of our statement

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

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor, Chartered Accountants
Portland
25 High Street
West Sussex RH10 1BG

Date ....09/10/25..................................

SUMMARY OF CONTRIBUTIONS PAID IN THE PERIOD

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

	£'000s
Reconciliation to the financial statements:	Nil

This summary was approved by the Trustee on 9 December 2025 (date)

Signed on behalf of the Trustee

....

Trustee Director

Draft DC Chair's Statement

Halcrow Pension Scheme (no. 2)

11 September 2025

This paper has been prepared for the Trustee of the Halcrow Pension Scheme (no. 2) (the "Scheme") in response to your request that we provide a draft DC Chair's Statement for the Scheme.

There is a requirement for most trust based defined contribution ("DC") schemes to produce an annual Chair's Statement (the "Statement"). The Statement should outline how the Scheme has complied with the prescribed minimum governance standards for DC schemes. You requested that we provide a draft Statement for the Scheme, which we have enclosed. The draft is based on the industry wide template that was created from a project driven by LCP, working with the Pensions and Lifetime Savings Association (now known as Pensions UK).

In producing the draft Statement, we have relied on information provided by the Jacobs' Pensions Team and the Scheme's AVC and DC providers. We have highlighted some sections (in yellow) for review by the Jacobs' Pensions Team prior to publishing. This includes information around processing core financial transactions and Trustee knowledge and understanding to ensure our understanding is aligned with the internal team.

The Pensions Regulator ("TPR") has issued fines for non-compliant Statements. We have produced the draft Statement based on our template, which has been guided by our understanding of the requirements. However, it is the Trustee's responsibility to produce a compliant Statement, and therefore we suggest that you may want to obtain legal advice to confirm that all requirements have been met. In previous years you have obtained a high level review of the essential legal points.

TPR has issued a "Quick guide to the chair's statement", which includes a checklist of items to include for each section of the Statement. It also gives some examples of good practice for each requirement, as well as some common misunderstandings and omissions TPR has seen in statements so far.

Once you are comfortable with the Statement, then it should be physically pen & paper signed by the Chair of the Trustee and included in your Report and Accounts, which cover the 15 months to 31 March 2025, to comply with the relevant regulations. The Statement needs to be finalised within seven months of the end of the Scheme year.

Statements must include the investment return, net of charges and transaction costs, of each investment option that members can select or were in the past able to select, and in which member assets were invested during the scheme year. DWP guidance indicates that figures for net investment returns should be shown for the scheme year at a minimum, but recommends including returns for at least five years where possible. To reduce costs we have taken a pragmatic approach and shown the figures for one and five years.

Chair's statements should also include certain information in respect of schemes' default arrangements, eg a breakdown of the asset allocation of the default arrangement. As there is no default arrangement in the Scheme, we have not included this information.

Requirement for publication on the internet

You are required to publish the charges and transaction costs illustration and certain other parts (see below) of the Statement on a website for public access (including, potentially, viewing by TPR).

- The information should be publicly available in a manner which allows for the content to be indexed by search engines. No passwords or personal information can be required to view it.
- It can be published on the Scheme's or employer's website or another website such as a social media site.
- A specific web address for the location of the published materials on the internet must be included in members' Annual Benefit Statement (where members do not receive one, they must be sent a separate notification containing this information).

At a high level the minimum material required to be published is:

- member borne charges (including the amount of any performance-based fees incurred in relation to each default during the scheme year), transaction costs, and net investment returns for each investment option in which members were able to select during the scheme year and had member assets invested in during the year;

- the illustration of charges and transaction costs; and
- an explanation of the value for members' assessment.

In other words, most of the Statement apart from details of the Scheme's administration and Trustee knowledge and understanding. However, TPR's guidance encourages schemes to publish the full Chair's Statement. Although the original Statement must be physically signed, we recommend that the signature is removed from the version which is published (to help prevent fraud).

You should satisfy yourselves that you have considered any additional needs of members of the Scheme in publishing the information (for example whether the text can be enlarged so it can be read by visually impaired people).

Contact

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Partner

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Enc: Draft Chair's Statement

The use of our work

This work has been produced by Lane Clark & Peacock LLP under the terms of our written agreement with [illegible] Four Limited as Trustee of the Halcrow Pension Scheme (no. 2) ("Our Client").

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Chair's DC Governance Statement, covering 1 January 2024 to 31 March 2025

1. Introduction and members' summary

The **Halcrow Pension Scheme (no. 2)** (the "Scheme") is an occupational pension scheme providing defined contribution ("DC") benefits (a DC pension scheme is where employee and employer contributions are paid into it, members choose their investments and bear the investment risk). Some members also have Additional Voluntary Contributions ("AVCs") in the Scheme.

Although the Scheme members' benefits are predominantly defined benefit in nature, there is a small group of members who transferred in DC benefits from the Crouch Hogg Waterman (CHW) Scheme. For these members their benefit is the greater of:

- the benefit that can be provided from the members' individual DC accounts; and
- any Guaranteed Minimum Pension ("GMP") accrued in respect of the period of the contributions (a GMP is the minimum amount of income that a workplace pension must provide to a member in retirement and, where GMPs are present they are a valuable benefit for members).

In almost all cases, these members are expected to receive the Guaranteed Minimum Pension benefit, rather than the benefit based on their individual DC account.

At 1 January 2024 there were 45 members remaining in the Scheme with DC accounts. 5 members left the Scheme over the 2024/2025 period, leaving 40 members remaining with DC accounts at 31 March 2025.

There is no default option (as there is no requirement for one as indicated on the next page), and all DC members' assets are invested in the Aviva Life & Pension UK Limited (formerly Friend's Life) Secure Growth Fund. This is a with-profits fund, which aims to smooth some of the highs and lows of short-term investment performance to provide a more stable return.

The following table has a full list of the Scheme's DC and AVC policies:

Provider	AVC or DC	Number of members	Approx. value as at 31 March 2025
Aviva (Friends Life) former CHW Scheme – Main Section	DC	40	[illegible]
Aviva (Friends Life) former CHW Scheme	AVC	6	£21k
Aviva	AVC	36	£581k
Prudential*	AVC	13	£55k
Utmost	AVC	2	£15k
Total		**88****	**£1,392k**

*Prudential's values are at 31 December 2024. At the time of writing they have not been able to provide more recent figures. **Some members are invested in more than one policy so this figure does not sum to the total number in the column.

Governance requirements apply to the Scheme's DC and AVC accounts to help members achieve a good outcome from their pension savings. We, the Trustee Directors of the Scheme, are required to produce a yearly statement (signed by the Chair of the Trustee) covering:

- processing of core financial transactions (ie administration of the Scheme, such as investment of contributions);
- the charges and transaction costs borne by members for all investment options members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Scheme is assessed; and
- Trustee knowledge and understanding.

The governance requirements relating to default investment arrangements do not apply to the DC section of the Scheme because the DC section is closed to new contributions and no contributions have been received since well before April 2015. The Scheme is not used as a qualifying Scheme for auto-enrolment purposes.

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the DC and AVC investment arrangements, and we are satisfied they remain suitable for the membership.
- The administrators have processed core financial transactions promptly and accurately to an acceptable level during the Scheme year, and we remain comfortable with the administrators' performance.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns.
- Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are reasonable given the circumstances of the Scheme and represent value for the benefits members obtain.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

2. Requirements for processing core financial transactions

The Jacobs' Pensions Team carries out the processing of core financial transactions for the DC arrangement and the AVC providers do so for the AVC arrangements. For DC and AVC members these are mainly transfers and payments out of the Scheme to members as no new contributions are being paid. The Jacobs' Pensions Team ensures internal controls are operated so core financial transactions relating to the Scheme are processed promptly and accurately. These include:

- recording all member payment or transfer requests on a workflow system;
- issuing of authorised disinvestment instructions to DC / AVC providers;
- recording and daily monitoring of DC and AVC monies on the Scheme cashbook;
- ensuring payments are made to, or in respect of, members within 10 working days of receipt of funds from DC / AVC providers;

v7.1

- Sending of payment confirmation letters within 10 working days of receipt of funds from DC / AVC providers.
- All member processing is reviewed by an authoriser.

We have requested specific details on internal controls from the AVC providers, but at the time of writing these have not been received.

The Scheme auditor also conducts a sample check on accuracy of administration undertaken as part of its annual audit of the Trustee's Annual Report and Financial Statements.

To help the Trustee Directors monitor whether service levels are being met, the Trustee receives reports at each Operations and Governance committee meeting (4 times a year) about administration and how internal controls have been met; based on these reports the Trustee is satisfied that over the period covered by this Statement:

- there have been no material administration errors in relation to processing core financial transactions; and
- all core financial transactions have been processed promptly and accurately during the Scheme year.

3. Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds. The stated charges are shown as a per annum ("pa") figure and exclude administration charges, since these are not met by the members.

We are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds but are exclusive of any costs incurred when members invest in and switch between funds. Transaction costs are borne by members.

The information below has been supplied by Aviva, Prudential and Utmost. When preparing this section of the Statement we have taken account of the relevant statutory guidance. Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market

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movements are favourable between the time a trade is placed and it is executed. Any negative figures are shown as provided in the tables, but for the costs and charges illustrations zero is used where a transaction cost is negative to give a more realistic projection (ie. we would not expect transaction costs to be negative over the long-term).

Fund options

Former CHW members – DC and AVCs

Members' assets held in the DC section are invested in the Aviva Life & Pension UK Limited (formerly Friends Life) Secure Growth Fund. The annual management charge on this fund is 2.0% pa. The transaction costs over the year to 31 March 2025 were 0.04%.

Members' AVCs assets are held in two unitised funds managed by Aviva (Managed and UK Equity funds). Over the period to 31 March 2025 the annual management charge on these funds was 0.5% pa. The transaction costs over the year to 31 March 2025 were 0.12% for the Managed Fund and 0.04% for the UK Equity Fund.

Halcrow Pension Scheme (No. 2) members - AVCs

For the Scheme's other AVC providers, the level of charges for each fund that members invested in over the period covered by this Statement is set out in the following table:

Manager – Fund name	Annual charge (per annum)	Transaction costs
Aviva – UK Equity	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.01%
Aviva – Global Equity	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.02%
Aviva – UK Equity	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.20%
Aviva – European Equity	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.12%
Aviva – Pacific Equity	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.30%
Aviva – Global Bond	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.03%
Aviva – Property	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.08%
Aviva – Mixed Invest	PG20817 Policy – 0.88% PY91183 Policy – 0.80%	0.06%
Aviva – Gilt	PG20817 Policy – 0.88%	0.08%
Aviva – Index Linked Gilt Fund	PY91183 Policy – 0.80%	0.07%
Aviva – With-Profit	PG20817 Policy – 0.88%	0.03%
Aviva – With-Profit Guaranteed	PG20817 Policy – 0.88%	0.03%
Aviva – With-Profit 1	PY91183 Policy – 0.80%	0.02%
Prudential – Deposit	Not applicable*	Not applicable*
Liontrust – Multi Asset	0.75%	0.31%

*Annual interest awards are paid net of fees

None of the Scheme's investments has performance fees associated with them.

Illustration of charges and transaction costs

The table below sets out an illustration of the impact of charges and transaction costs on the projection of an example member's DC account in one fund and AVC account in another fund, selected to demonstrate the impact of investing in the fund with the highest charges and lowest charges. Note that most members are expected to receive the Guaranteed Minimum Pension benefit, rather than the benefit based on their individual DC account. In preparing this illustration, we had regard to the relevant statutory guidance.

i. The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges (ie the annual charge) or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.

- The transaction cost figures used in the illustration are those provided by the managers over the past two years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). We have used the average annualised transaction costs over the past two years as this is the longest period over which figures were available, and should be more indicative of longer-term costs compared to only using figures over the year.
- The Trustee will continue to work with its providers through follow-up requests for information to the providers, with the aim of providing complete cost information in future annual Statements.
- The illustration is shown for two of the funds available to members:
  - the fund with highest annual member borne costs (TER plus transaction costs) – this is the Aviva Secure Growth Fund.
  - the fund with lowest annual member borne costs – this is the Aviva UK Equity Fund.

Projected pension pot in today's money

	Aviva Secure Growth Fund		Aviva UK Equity Fund	
Years invested	Before costs	After costs	Before costs	After costs
1	£13,500	£13,200	£4,700	£4,700
3	£13,900	£13,100	£5,100	£5,000
5	£14,300	£13,000	£5,600	£5,400
10	£15,400	£12,800	£7,000	£6,800
15	£16,600	£12,300	£8,700	£8,000

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long term annual inflation assumption used is 2.5%.

- The starting pot size used for the Secure Growth Fund projection is £13,300, and the starting pot size used for the UK Equity Fund projection is £4,500. This is the median pension pot size for each fund in the Scheme's DC arrangements.
- All arrangements are closed, so new contributions are assumed to be nil and there is no need to make assumptions about salaries or salary growth.
- The projection is for 15 years, being the approximate duration that the youngest Scheme member has until they reach the scheme's Normal Pension Age.
- The projected annual returns used are based on information provided by the relevant provider.
- The projected annual returns (before costs) used are as follows:
  - Aviva UK Equity Fund: 4.5% pa above inflation
  - Aviva Secure Growth Fund: 1.5% pa above inflation
- No allowance for active management outperformance has been made.

4. Investment returns

This section shows the annual return, after the deduction of member borne charges and transaction costs, for all investment options in which member assets were invested during the Scheme year.

DC and AVC fund net returns over periods to scheme year end

Fund name	1 year (%)	5 years (% pa)
Aviva (Friends Life) Secure Growth Fund*	2.7	-0.4
Aviva (Friends Life) UK Equity Fund	9.5	12.2
Aviva (Friends Life) Managed Fund	4.0	7.3
Aviva US Equity Fund (PG20617)	5.2	16.5
Aviva US Equity Fund (PY91163)	5.0	16.4
Aviva Global Equity Fund (PG20617)	2.9	11.9
Aviva Global Equity Fund (PY91163)	2.8	11.8
Aviva UK Equity Fund (PG20617)	8.0	10.9
Aviva UK Equity Fund (PY91163)	7.8	10.8
Aviva European Equity Fund (PG20617)	-0.1	11.7
Aviva European Equity Fund (PY91163)	-0.2	11.5

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Fund name	1 year (%)	5 years (% pa)
Aviva Pacific Equity Fund (PG20617)	-1.9	8.7
Aviva Pacific Equity Fund (PY91163)	-2.0	8.6
Aviva Global Bond Fund (PG20617)	3.0	-0.8
Aviva Global Bond Fund (PY91163)	2.9	-1.0
Aviva Property Fund (PG20617)	5.2	1.2
Aviva Property Fund (PY91163)	5.1	1.0
Aviva Mixed Invest (40-85% Shares) Fund (PG20617)	3.6	7.1
Aviva Mixed Invest (40-85% Shares) Fund (PY91163)	3.5	7.0
Aviva Gilt	-1.6	-6.2
Aviva Index Linked Gilt Fund	-11.0	-9.9
Aviva With-Profit Fund*	14.0	3.3
Aviva With-Profit Guaranteed Fund*	11.2	3.2
Aviva With-Profit 1 Fund*	12.4	3.2
Prudential Deposit Fund	5.0	2.4
Ukmod Multi Asset Fund	4.2	6.1

*The With-Profits fund returns stated are those of the underlying investments, which are the only figures that can be quoted. With-Profits Funds are designed to smooth the returns members receive over their investment journey and underlying investment returns are not the only factor determining the return members receive.

We have reviewed the investment performance of the funds and are satisfied that it has been mostly positive (over the periods shown above) except for a small number of funds.

5. Value for members assessment

We are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. However, having taken advice from our investment consultant and legal advisors, we interpret this as meaning that the combination of costs and quality of what is provided is appropriate for the members investing in the funds. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The date of the last review was September 2025, in concurrence with this Statement. We note that value for members does not necessarily mean the lowest fee, and the types of investment and the overall quality of the service received has also been considered in this assessment.

The Trustee considered the "value for members" on the DC assets for the former CHW Scheme at the review in September 2025. While it is recognised that the fees on the Aviva Secure Growth Fund are high, early disinvestments can be subject to a Market Value Reduction ("MVR") and members are expected to receive the Guaranteed Minimum Pension benefit, rather than the benefit based on their individual DC account. Taking all these factors into account, it is therefore considered unlikely to be beneficial for members to move these assets to another provider.

In carrying out the assessment, we also consider the other benefits members receive from the Scheme, which include:

- our oversight and governance, including ensuring the Scheme is compliant with relevant legislation, and holding regular meetings to monitor the Scheme and address any material issues that may impact members;
- the range of investment options;
- the quality of communications delivered to members;
- the efficiency of administration.

As detailed in the earlier section covering the processing of core financial transactions, based on the information reported to us by the Jacobs' Pensions Team, we are comfortable with the quality and efficiency of the administration processes. With respect to the investment options, on the basis of the advice from LCP, we concluded these provide an appropriate range given the circumstances of the Scheme.

Communications with members are generally focused on giving them specific statements of their entitlements and to remind them periodically of their options. We currently consider the communications appropriate given the number of members invested and that no further contributions are being made.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and the ability to change investments allows members to take action to increase their investment returns net of costs over time.

Overall, having taken advice from LCP, we believe that members of the Scheme are receiving fair value for money for the costs and charges that they incur across the DC and AVC policies, for the reasons set out in this section. Our rating of the schemes overall value is unchanged from the rating assigned last year. In summary:

- Most of the DC and AVC assets are invested in the with-profits type investments, which generally benefit from capital guarantees and / or terminal bonus at contractual events (eg. retirement).
- These may be lost if members leave early, therefore this needs to be balanced against the higher charges incurred. The Trustee believes that the returns achieved by the unit-linked funds are commensurate with the objectives for each of the funds, and that the annual management charges for each of the funds are reasonable.

6. Trustee knowledge and understanding

The Scheme's Trustee Directors are required to maintain appropriate levels of knowledge and understanding to run the Scheme effectively. The Trustee Directors have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment principles, pensions and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

An induction programme is in place for new Trustee Directors when they join the Trustee Board. This requires new Trustee Directors to complete the Pensions Regulator's Trustee Toolkit online training and also become familiar with the Scheme's governing documentation. It is a requirement that the Trustee Directors are fully conversant in their role within six months of their appointment, and the Jacobs' Pensions Team monitors progress with this requirement.

All the Trustee Directors have completed the Pension Regulator's Trustee Knowledge and Understanding Toolkit apart from one who is in the process of completing it. The Trustee Directors are familiar with the key terms of, and have access to copies of, the current Scheme governing documentation, including the Trust Deed & Rules (together with any amendments) and Statement of Investment Principles (SIP) (which sets out the Trustee's policies on investment matters).

In particular, the Trustee refers to the Trust Deed and Rules with its legal advisors as part of considering its powers and duties when providing benefits under the Scheme, and the SIP is formally reviewed annually and as part of making any change to the Scheme's investments. Further, the Trustee Directors consolidate and develop their knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes through training at Trustee meetings and external training courses, and in the case of the professional independent trustee on the Trustee Board, from continuing professional development and experience from other schemes.

A training log is maintained by the Jacobs' Pensions Team in line with best practice and the training programme is reviewed annually to ensure it is up to date.

The Trustee, with the help of its advisors, periodically considers training requirements to identify any knowledge gaps. In particular, this is done in the context of issues arising at Trustee meetings. The Trustee's advisors proactively raise any changes in governance requirements and other relevant matters as they become aware of them.

The Trustee's advisors would typically deliver training on changes impacting the Scheme at Trustee meetings if they were material, and otherwise updates are included in Trustee meeting packs for review by the Trustee Directors ahead of meetings, with questions being raised with advisors in meetings. During the period covered by this Statement, the Trustee Directors received updates on topical issues from the Trustee's advisors, via quarterly update documents.

Considering the knowledge and experience of the Trustee Directors and the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (eg investment consultants, legal advisors), the Trustee believes it is well placed to exercise its functions as Trustee of the Scheme properly and effectively.

The Trustee has published this Statement on a public website for viewing by members. The address for this website is http://halcrow.com/pensions

____________________ Date: ________________

Signed by the Chair of the Trustee of the Halcrow Pension Scheme (no. 2)

Implementation Statement, covering the Scheme Year from 1 January 2024 to 31 March 2025

The Trustee of the Halcrow Pension Scheme (No.2) (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-4 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 5 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement is based on and uses the same headings as the Scheme's latest SIP, which was in place during the Scheme Year, dated December 2023. This Statement should be read in conjunction with the December 2023 SIP which, at the time of writing, can be found here:
http://halcrow.com/wp-content/uploads/2024/02/2023-12-HPS2-SIP-FINAL.pdf

1. Introduction

No changes were made to the SIP during the Scheme Year. The last time the SIP was updated was December 2023.

The Trustee has, in its opinion, followed all of the policies in the Scheme's SIP during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

Further information about the Scheme's DC assets is set out in the annual Chair's statement, available here:
http://halcrow.com/pensions

2. Investment objectives

Progress against the long-term funding is reviewed as part of the quarterly dashboards and semi-annual performance monitoring reports provided the Scheme's advisers. As at 31 March 2025 the Scheme was fully funded on its long-term (Gilts + 0.25%) funding objective. In addition, the Trustee remains comfortable that the level of risk and expected returns remains appropriate.

The Scheme has a DC arrangement in respect of former Crouch Hogg Waterman ("CHW") Scheme members. This section provides a benefit based on the better of the member's Guaranteed Minimum Pension (GMP) and the accumulated value of the member's DC account – most members are expected to receive the GMP benefit. Members' DC accounts are invested in a with-profits type fund.

3. Investment strategy

The Trustee did not make any changes to the high-level DB investment strategy over the Scheme Year.

The Trustee monitored the asset allocation on a quarterly basis and compared this to the strategic asset allocation. The actual asset allocation did not deviate materially from the strategic allocation over the Scheme Year and therefore the Trustee did not carry out any rebalancing action. The Scheme's cash flow requirements over the Scheme Year were met from regular disinvestments from the BlackRock LDI and credit portfolios, income from the M&G property fund and distributions from Baring's private credit fund.

In the Scheme Year, the Trustee reviewed the investment arrangements for the DC assets (former CHW members) and AVCs in July 2024. This review included a "value for members" assessment considering the investment performance of the funds, suitability of the range of funds and charges borne by members. No changes were made to the DC and AVC arrangements.

4. Considerations in setting the investment arrangements

When reviewing the DB investment strategy, the Trustee considers the investment risks set out in Section 4.1 of this Statement. It also considered a range of asset classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. The Trustee also considered the need for diversification and specific circumstances of the Scheme eg the investment objectives, funding position, any sponsor contributions and strength of the sponsor covenant.

The Trustee set its investment beliefs in November 2021 particularly around Environmental, Social and Governance ("ESG") issues. The Trustee last reviewed these beliefs in December 2023 as part of the last SIP update and concluded that their beliefs remained appropriate and did not make any changes.

The Trustee invests for the long term, to provide for the Scheme's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship[1] activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Scheme's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of regarding the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

The Trustee monitors the performance of the Scheme's investment managers on a quarterly basis, using a shorter monitoring report prepared by the investment adviser. The report shows the performance of each fund over the quarter, one year, three years, five years, and ten years. Performance is considered in the context of the manager's benchmark and objectives. The Trustee also monitors its managers' responsible investment capabilities using scores provided by its investment adviser on an annual basis.

4.1 Policy towards risk

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee maintains a risk register, and this is reviewed at quarterly meetings.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme's investment adviser or information provided to the Trustee by the Scheme's investment managers. These include the risk of inadequate returns, credit risk, equity risk, currency risk, collateral adequacy risk and ESG (including climate) risks. The Trustee's implementation of its policy for these risks during the year is summarised below.

With regard to the risk of inadequate returns, the Scheme is considered to be fully funded on its long-term funding objective. The expected return on the Scheme's assets is expected to be sufficient to maintain the current level of funding.

The Scheme's interest and inflation hedging levels are monitored on an ongoing basis in the quarterly monitoring report. Over the Scheme Year the Scheme's hedging levels were broadly in line with the target levels. With regard to collateral adequacy risk, the Trustee holds 90% of its investments in the asset classes that it deems to be readily realisable and are invested with the LDI manager within a collateral waterfall that the LDI manager has delegated authority to trade. The Trustee believes there are sufficient assets with BlackRock to meet any potential LDI capital calls.

Together, the investment and non-investment risks give rise generally to funding risk. During the Scheme Year, the Trustee formally reviewed the Scheme's funding position as at 31 December 2023 as part of its annual actuarial report. The Trustee also receives a quarterly dashboard which monitors key metrics regarding funding, investment, and covenant on a quarterly basis at both IRM (Integrated Risk Management) and Trustee meetings.

The following risks are covered later in this Statement: liquidity/marketability risk in Section 5 and ESG risks in Section 6.

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[1] The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

The quarterly reports reviewed during the year showed that all managers have produced performance broadly in line with expectations over the long-term.

5. Implementation of the investment arrangements

The Trustee has not made any changes to its manager arrangements over the Scheme Year.

The Trustee evaluates manager performance over both shorter and longer periods, encourages managers to improve practices and considers alternative arrangements where managers are not meeting performance objectives. Section 8 provides more detail on the activities carried out over the year.

The Trustee carried out a "value for members" assessment for the Scheme's DC and AVC arrangements in July 2024, which assessed a range of factors, including the fees payable to managers. The Trustee concluded that it has not identified any concerns about the providers or the specific investments currently used by members. The DC and AVC arrangements offer reasonable value particularly as for the DC benefits, almost all members are expected to receive a benefit based on their GMP, rather than the value of their DC account.

6. Realisation of investments

For the DB arrangements, the Trustee reviews the Scheme's net current and future cashflow requirements on a regular basis. The Trustee's policy is to have access to sufficient liquid assets in order to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

The Trustee makes regular disinvestments from the BlackRock LDI and credit portfolios to the Trustee's bank account to pay benefit payments and other Scheme expenses. In addition, the Scheme receives distributions from the M&G property fund and Baring's private credit fund.

For the DC and AVC arrangements, it is the Trustee's preference to offer funds that offer daily dealing to enable members to readily realise and change their investments.

7. Financially material considerations, non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

In March 2025, the Trustee carried out an annual review of the Responsible Investment aspects of the Scheme's investments. This included reviewing:

- Stewardship expectations of trustees
- LCP's Annual RI survey
- Stewardship review of BlackRock's active credit mandate
- Systemic stewardship and LCP policy asks

8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. These policies are:

https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf

https://www.barings.com/globalassets/2-assets/content/global-investment-policies/barings-global-proxy-voting-policy.pdf

https://www.mandg.com/~/media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/2025/mg-investments-voting-policy-2025.pdf

However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance, the Trustee received training on the DWP's guidance on stewardship and setting priorities. The Trustee discussed and agreed their stewardship priorities for the Scheme in March 2023. The Trustee's agreed stewardship priorities are climate change and human rights, and the Scheme's investment managers have been informed of these priorities. The Trustee periodically invites the Scheme's investment managers to present at Trustee meetings.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

5. Description of voting behaviour during the Scheme Year

Over the Scheme Year to 31 March 2025, the Scheme did not hold any listed equities either directly or via pooled funds. The Scheme's assets were invested with BlackRock, M&G and Barings in a range of Liability Driven Investments, credit securities and funds, an ABS fund, and a property fund. There was no voting activity in any of these mandates that was considered significant such that it should be reported in this Statement.

The Scheme has a DC arrangement managed by Aviva (formerly Friend's Life) in respect of former CHW members. We have omitted the DC arrangement from the voting behaviour section of the Statement on grounds of materiality – these assets are invested in a fund that is predominately invested in bonds and Aviva has not provided voting information.

5.1 Votes in relation to assets other than listed equity

The following comments were provided by the Scheme's asset managers who do not hold listed equities. Whilst the managers do not have any voting rights in respect of the Scheme's assets, the managers provided details on their engagement activities which we have included below.

BlackRock

BlackRock stewardship analysts engage with the boards and management of companies in which clients are invested to listen to their perspectives on material business risks and opportunities they are facing. Through direct dialogue with company leadership, BlackRock seeks to understand their businesses and how they manage risks and opportunities to deliver durable, risk-adjusted financial returns. Portfolio managers and stewardship specialists may engage jointly on substantive stewardship matters. BlackRock's discussions focus on topics relevant to a company's success over time including governance and leadership, corporate strategy, capital structure and financial performance, operations and sustainability-related risks, as well as macro-economic, geopolitical and sector dynamics. They aim to build and maintain strong relationships with company leadership based on open dialogue and mutual respect in order to make better informed voting decisions.

For clients who have authorised BlackRock to vote on their behalf, BlackRock Active Investment Stewardship (BAIS) works with active portfolio managers to vote their holdings, in manner that, in BAIS' assessment serves the financial interests of clients. For the vast majority of companies, BlackRock anticipate voting in favour of management recommendations, consistent with their active investment decisions and support for management teams that have a strong track record of financial value creation.

BlackRock can convey concerns through voting in two forms: 1) they might not support the election of directors or other management proposals, or 2) they might not support management's voting recommendation on a shareholder proposal. Voting to elect directors to the board is a near-universal right of shareholders globally and an important way they can convey support for, or concern about, the performance of the board in overseeing and advising management.

The BAIS Engagement and Voting Guidelines provide clients and companies factors BlackRock considers when they vote on matters that are common on shareholder meeting agendas. They are not prescriptive and are applied in the context of a company's operating environment and an active equity portfolio manager's investment strategy, anchored in BlackRock's fiduciary duty to clients. These guidelines are available on their website.

Barings

Barings policy is to act as stewards of clients' capital through four main mechanisms:

1. Robust investment process, where ESG information is integrated into their analysis;

1. Engagement with companies, issuers, policymakers and industry bodies in support of sustainable practices, improved transparency and a durable financial system;

2. Influence and control over certain assets in which they invest; and

3. Voting activities, where this is possible.

Barings understands that exercising their rights and responsibilities is an integral part of their investment management responsibilities to pursue competitive risk-adjusted returns. As an investment manager whose assets are largely fixed income or private markets in nature, exercising those rights and responsibilities often takes place without voting rights. Barings recognise this situation as an opportunity to further integrate ESG considerations and undertake engagement activity across public and private asset classes, in pursuit of risk-adjusted returns for clients.

M&G

SPIF is a real estate fund, thus M&G own buildings rather than investments within companies. As such, they engage in a different way to shareholders/bondholders (i.e. they do not attend AGMs/Company meetings/have voting rights). M&G do however frequently engage with the Fund's underlying tenants at asset level on a regular basis, typically with the Head of Property/CFO/Head of Sustainability.

For example, SPIF engages with tenants, typically quarterly, on ESG initiatives such as net zero targets and energy efficiency of the underlying assets. One example is on their WPP Southbank office asset, where M&G engineered the build phase to minimise embedded carbon in conjunction with WPP. SPIF has agreed to fund the additional costs to achieve a BREEAM New Construction 'Outstanding' rating.

Below are examples/ways M&G engage with their tenants:

- M&G have regular quarterly / monthly meetings with tenants and record any feedback and keep track of the tenants projects to upgrade the buildings.
- M&G benefit from the fact they only have 23 tenants in the fund and therefore have deep landlord / tenant relationships – typically over the very long term given their long hold periods.
- M&G receive very high levels of ESG data as can be evidenced by their GRESB score of 1st and c. 90% energy data collection of the portfolio (based on floor area).
- M&G receive trading data on a quarterly basis for majority of assets in the fund, which helps them understand the performance of the assets, identify any areas of concern and ways to mitigate these.
- Work with tenants to suggest improvements to assets to make assets more energy efficient – M&G have previously funded BREEAM In Use assessments with accompanying 'Optimisation Reports' tailored to specific assets and shared the outputs with their tenants.
- M&G have just received results of their net zero carbon analysis via Evora Global to see the cost of getting to net zero and once the team has finalised with their dedicated ESG team they will be working out the landlord / tenant split to fund the cost on the buildings and will report to investors in due course.
- Engage with tenants to ensure they have up to date EPCs and are working to upgrade the ratings to A / B to ensure the fund meets future MEES regulations.