
HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2023

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

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HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

TRUSTEES AND THEIR ADVISERS Year ended 30 April 2023

Trustees

During the year the Trustees of the scheme were:

R G Higgins ACIOB

M K Francis BSc FCA

P H Lewellen BSc FCA - Member-nominated

Administrative details:

Actuarial Adviser

Hymans Robertson LLP, 45 Church Street, Birmingham, B3 2RT

Scheme Administrator

Hymans Robertson LLP, 45 Church Street, Birmingham, B3 2RT

Auditors

Haslers, Old Station Road, Loughton , Essex, IG10 4PL

Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

Scheme Adviser

AWD Chase de Vere Consulting Limited, Arnhem House, 31 Waterloo Way, Leicester, LE1 6LR

Solicitors

Burges Salmon LLP, One Glass Wharf, Bristol, BS2 0ZX

Principal employer

Higgins Group PLC

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

TRUSTEES' REPORT YEAR ENDED 30 APRIL 2023

Introduction

The Trustees of Higgins Group PLC Pension and Life Assurance Scheme (the 'Scheme') are pleased to present the annual report together with the audited financial statements for the year ended 30 April 2023. The Scheme is a defined benefit scheme and is administered by Hymans Robertson LLP in accordance with the establishing document and rules (see below), solely for the benefit of its members and other beneficiaries. All members of the Scheme are contracted-in to the State Second Pension.

The Scheme, which provides retirement and death benefits for all eligible members, is subject to the terms of an amending Definitive Trust Deed dated 28 May 2010. All retirement benefits are funded (that is they are backed by investments) whilst the lump sum death in service benefit is insured with the Legal & General Assurance Society.

The scheme comprises a defined benefit and a defined contribution section. The defined benefit section was closed to further service accrual with effect from 30 April 2010. The defined contribution section was closed with effect from 1 September 2008.

Members of each section as at the date of closure were offered the opportunity to join a Group Personal Pension Plan managed by Scottish Widows.

Defined benefits scheme

Establishing document Trust deed

Date: 28 May 2010

The principal employer

The principal employer of the Scheme is: Higgins Group PLC.

The Scheme is provided for all eligible employees of the principal employer.

Trustee meetings, voting arrangements and sub-committees

The Trustees met formally 4 times during the year.

Pension increases

Pensions and deferred pensions are increased as required by law.

The Trustees have power to grant additional increases, over and above these amounts, in respect of all or any individual members. The Trustees have not granted any increases, other than statutory increase in the year.

Transfer values

Contributions

Contributions received from members and participating employers were in accordance with the Schedule of Contributions.

Employer-related investments

There was no employer-related investment at any time during the year.

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TRUSTEES' REPORT YEAR ENDED 30 APRIL 2023

Scheme changes

There were no major changes to the Scheme during the year.

Benefit Changes

There were no changes to the benefit structure of the Scheme during the year.

Management of investments

The day to day management and the safe custody of the Scheme's investments has been delegated by the Trustees to the investment managers as shown on page 1 of this report. A report from each investment manager appears in the appendices to this report.

The Trustees have produced a Statement of Investment Principles as required by Section 35 of the Pensions Act 1995 and a copy is available on request.

The investments of the Scheme are invested in accordance with the Occupational Pension Schemes (Investment) Regulations 2005.

Investment performance

Details of investment performance can be found in the Investment report on pages 8 to 9.

Administrative expenses

Except as shown in the Notes to the accounts, administrative expenses of the Scheme are borne by the contributing company.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

TRUSTEES' REPORT YEAR ENDED 30 APRIL 2023

Membership

Details of the membership of the Scheme as at 30 April 2023 are given below:

	Active members 2023	Pensioners 2023	Members with preserved and deferred benefits 2023	- Total 2023
Defined benefits section				
Members at the start of the year	-	107	-	107
Sub total	-	107	-	107
Defined contributions section				
Members at the start of the year	-	121	99	220
Members leaving with preserved benefits	-	(2)	(2)	(4)
Sub total	-	119	97	216
TOTAL MEMBERSHIP AT THE END OF THE YEAR	-	226	97	323

Financial development of the Scheme

The financial statements on pages 16 to 28 show that the value of the Scheme's assets decreased by 8,412,661 to 34,828,471 as at 30 April 2023. The decrease was comprised of net additions from dealings with members of 105,085 together with a net reduction in the value of investments of £8,517,746.

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

Further details of the financial developments of the Scheme may be found in the audited financial statements on pages 16 to 28

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

TRUSTEES' REPORT YEAR ENDED 30 APRIL 2023

Actuarial liabilities

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

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

The Trustees and the Sponsor are responsible for setting the funding assumptions and method, once the Trustees have taken advice from the Scheme Actuary. The advice in relation to the statement of funding principles for the 30 April 2022 actuarial valuation was given in a paper by Hymans Robertson LLP in our paper dated July 2023.

The Trustees are required to adopt a 'statutory funding objective'. The statutory funding objective is that the Scheme must have 'sufficient and appropriate' assets to meet the expected cost of providing members' past service benefits which we refer to as 'technical provisions'.

The main results of the actuarial valuation at 30 April 2022 are as follows:

Value of Scheme Assets = £41 million

Value of Technical Provisions (the obligation to provide benefits to members which relate to their past service) = £47 million

Scheme deficit = £6 million

Like many UK pension schemes, the valuation of the Scheme demonstrates a funding deficit and so additional contributions are necessary. This recovery plan sets out the Scheme's strategy to eliminate the deficit from the 30 April 2022 actuarial valuation, which revealed a funding shortfall (technical provisions minus the value of the assets) of £6 million. This plan applies from 1 July 2023 until 31 May 2026. It replaces the previous Recovery Plan dated July 2019.

This recovery plan has been prepared after consultation with the Sponsor and after taking the advice of Shani McKenzie ('the Scheme Actuary').

Sponsors deficit reduction contributions

To eliminate this shortfall, the Sponsor shall pay the following deficit reduction contributions:

- £126,678 per month with effect from 1 May 2022 to 31 May 2026. These contributions will be increased by 3% in April each year. The first such increase will be effective from 1 May 2023.

Based on the above recovery plan, the technical provisions deficit as at the 30 April 2022 valuation date was expected to be eliminated before the end of the recovery period, i.e. 2 years and 11 months from 1 July 2023, which is by 31 May 2026.

At the date of this Recovery Plan, the Scheme holds an annuity in respect of one pensioner member ('the annuity policy'). The amount received under this annuity policy exceeds the benefit being paid out in respect of the member covered by the annuity policy, and the excess is being returned to the Scheme in monthly amounts.

The value of this income has not been included when assessing the Scheme's funding position relative to its statutory funding objective. As such, the excess annuity income whilst the annuity policy is providing

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

TRUSTEES' REPORT YEAR ENDED 30 APRIL 2023

payments to the Scheme will shorten the period to pay off the deficit however, the income received is not expected to make a material difference to the funding position.

The method and significant actuarial assumptions used to determine the technical provisions are as follows:

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 before retirement: market implied gilt yield curve plus 1.75% p.a.

Discount interest rate after retirement: market implied gilt yield curve plus 0.25% p.a.

Future Retail Price inflation: Bank of England inflation curve less an inflation risk premium of 0.2% p.a.

Future Consumer Price inflation: RPI curve less 1.0% p.a.

Pension increases: measured by reference to the CPI or RPI inflation assumptions described above with an appropriate adjustment for any caps and floors which apply.

An approximate reserve of 0.72% of total liabilities has been included in respect of GMP equalisation.

Expenses: No allowance will be included in the past service liabilities for expenses. Expenses are met directly by the Sponsor.

Recovery plan

The expected cost of providing members' benefits was calculated using the method and assumptions described in the Scheme's Statement of Funding Principles dated July 2023. This recovery plan is based on the same assumptions, together with an assumed future rate of return on assets also specified in the Statement of Funding Principles.

The technical provisions deficit will be removed by 31 May 2026 if all the assumptions used are borne out exactly over the period to 31 May 2026. To the extent that the assumptions are not borne out in practice, the technical provisions deficit will either be eliminated more quickly than anticipated or will not be removed by the end of this recovery plan.

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TRUSTEES' REPORT YEAR ENDED 30 APRIL 2023

Auditors

A resolution proposing that Haslers be re-appointed as auditors of the Scheme will be put to the Annual General Meeting.

This report, including the Investment Report and Compliance Statement, was approved by the Trustees on 30 November 2023 and signed on its behalf by:


Mr R G Higgins ACIOB (Trustee)


M K Francis BSc FCA (Trustee)

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

INVESTMENT REPORT

INVESTMENT REPORT BY PRUDENTIAL ASSURANCE

In February 2002, a money purchase scheme was established with Prudential for new joiners into the Higgins Group PLC Pension and Life Assurance Scheme. This investment only policy invests in Prudential's With-Profits Fund which is managed by various asset management companies of Prudential Assurance. The investment returns earned on the underlying assets of the With-Profits Fund are converted into benefits for policyholders by way of bonus additions. The regular bonus declared in April 2023 was 1.502% (April 2022 – 1.50%).

On 30 April 2023 the Scheme had a total realisable value of £1,198,472.

INVESTMENT REPORT BY LEGAL & GENERAL

The policy is designed for corporate and public sector Pension Schemes and takes full advantage of the tax exemptions available to an insurance policy of this type. It is a unitised policy and the value of the units fluctuates directly in relation to the value of the underlying assets. All the units are redeemable at bid prices that are calculated from independent, external pricing sources. The assets underlying the units are held by independent corporate custodians, which are regularly reviewed by external auditors.

Legal & General's investment brief is to apply cash flows to or from and make switches between the funds shown below (which are sections within the policy) in accordance with instructions from the Trustees or their authorised Administrators.

The value of the units held under the policy at the end of the reporting period were:

	30 April 2023
	£
All World Equity Index	5,376,092
Future World Fund	5,530,402
Matching Core Fix Long Ser 1	1,787,641
Matching Core Real Short Ser 1	287,933
Matching Core Real Long Ser 1	6,534,952
Invt Grade Corp Bond >15Yr Ind	6,067,673
Total	25,584,693

The unit prices for these valuations were based on market closing prices on the previous working day. The values shown include any activity that took place on the valuation days.

Performance

The time-weighted investment returns on the Scheme's assets were:-

Investment Funds	Fund %	Benchmark %
All World Equity Index	+2.38	+2.42
Future World Fund	+2.95	+3.03
Matching Core Fix Long Ser 1	-93.3	-92.52
Matching Core Real Long Ser 1	-76.53	-76.34
Matching Core Real Short Ser 1	-92.47	-91.3
Invt Grade Corp Bond >15Yr Ind	-18.56	-18.59

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INVESTMENT REPORT

INVESTMENT REPORT BY BNY MELLON

The objective of the Fund is to achieve significant real rates of return in Sterling terms predominantly from a portfolio of UK and international securities.

On 30 April 2023 the Scheme had a total realisable value of £6,639,691

The fund has a performance aim of cash (1 month GBP LIBOR) +4% per annum over 5 years before fees. In so doing the aim is to achieve a positive return on a rolling 3 year basis.

The emphasis is on the traditional asset classes, utilising a return-seeking core of assets with particular security characteristics, including global diversification, balance-sheet strength and low leverage. The Fund employs a set of risk-offsetting positions which are intended to dampen volatility and aid the preservation of capital.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

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

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

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

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 principal 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 principal employer in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Act 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of Higgins Group PLC Pension and Life Assurance Scheme (the 'Scheme') for the year ended 30 April 2023 which comprise the Fund account, the Statement of Net Assets and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 April 2023, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the Scheme's Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

In order to assess the susceptibility of the entity to material misstatement due to irregularities, including fraud, the audit team carried out the following procedures:

- We have reviewed manual journals made in the year and identified and tested journal entries, in particular any unusual journal entries posted around the year-end; and
- We tested a sample of purchases incurred during the year to ensure that they represented bonafide business expenses.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Use of our report

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



Haslers

Statutory auditor

Old Station Road
Loughton
Essex
IG10 4PL

Date: 30 November 2023

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

SUMMARY OF CONTRIBUTIONS FOR THE YEAR ENDED 30 APRIL 2023

Summary of contributions payable during the Scheme year ended 30 April 2023

Contributions payable to the Scheme by the employer under the Schedule of Contributions in respect of the year ended 30 April 2023 were as follows:

	£
Defined benefits section	
Employer deficit funding	1,520,136
Employer contributions	<u>1,520,136</u>
Employee contributions	<u>-</u>
Total contributions	<u><u>1,520,136</u></u>
	£
Defined contributions section	
Employer contributions	<u>-</u>
Employee contributions	<u>-</u>
	<u><u>-</u></u>

Signed for and on behalf of the Trustees:



.....
Mr R G Higgins ACIOB (Trustee)



.....
M K Francis BSc FCA (Trustee)

Date: 30 November 2023

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

STATEMENT ABOUT CONTRIBUTIONS FOR THE YEAR ENDED 30 APRIL 2023

Independent Auditors' Statement about Contributions to the Trustees of the Higgins Group PLC Pension and Life Assurance Scheme.

We have examined the summary of contributions to the Scheme, for the scheme year ended 30 April 2023 which is set out on page 14.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' responsibilities on page 10 the scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

Scope of work on Statement about Contributions

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


Statement about contributions payable under the Schedule of Contributions

In our opinion contributions for the Scheme year ended 30 April 2023 as reported in the summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the scheme actuary on 3 May 2022.

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

Haslers

Statutory Auditors


Old Station Road
Loughton
Essex
IG10 4PL
Date: 30 November 2023

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

FUND ACCOUNT FOR THE YEAR ENDED 30 APRIL 2023

	Note	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
Contributions and benefits					
Contributions	4	1,520,136	-	1,520,136	1,475,856
		<u>1,520,136</u>	<u>-</u>	<u>1,520,136</u>	<u>1,475,856</u>
Benefits	6	(1,407,738)	-	(1,407,738)	(1,078,532)
Transfer to other plans	5	(7,209)	-	(7,209)	(928,462)
Administrative expenses	7	(104)	-	(104)	(688)
		<u>(1,415,051)</u>	<u>-</u>	<u>(1,415,051)</u>	<u>(2,007,682)</u>
Net additions/(withdrawals) from dealings with members		<u>105,085</u>	<u>-</u>	<u>105,085</u>	<u>(531,826)</u>
Returns on investments					
Investment income	8	241,143	-	241,143	218,368
Change in market value of investments	9	(8,743,419)	(14,970)	(8,758,389)	(1,403,153)
Investment management expenses	10	-	(500)	(500)	(4,966)
		<u>(8,502,276)</u>	<u>(15,470)</u>	<u>(8,517,746)</u>	<u>(1,189,751)</u>
Net returns on investments		<u>(8,502,276)</u>	<u>(15,470)</u>	<u>(8,517,746)</u>	<u>(1,189,751)</u>
Net increase (decrease) in the fund during the year		<u>(8,397,191)</u>	<u>(15,470)</u>	<u>(8,412,661)</u>	<u>(1,721,577)</u>
Net assets of the scheme At 1 May 2022		<u>42,027,691</u>	<u>1,213,441</u>	<u>43,241,132</u>	<u>44,962,709</u>
Net assets of the scheme At 30 April 2023		<u>33,630,500</u>	<u>1,197,971</u>	<u>34,828,471</u>	<u>43,241,132</u>

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

STATEMENT OF NET ASSETS AS AT 30 APRIL 2023

	Note	30 April 2023 £	30 April 2022 £
Defined benefits section			
Investment assets			
Equities	12	32,911,384	41,713,528
Total investments		<u>32,911,384</u>	<u>41,713,528</u>
Current assets	15	745,532	314,163
Current liabilities	16	(26,416)	-
Total assets designated to members		<u><u>33,630,500</u></u>	<u><u>42,027,691</u></u>

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

STATEMENT OF NET ASSETS AS AT 30 APRIL 2023

	Note	30 April 2023 £	30 April 2022 £
Defined contributions section			
Investment assets			
Equities	12	1,198,471	1,213,441
Total investments		1,198,471	1,213,441
Current liabilities	16	(500)	-
Total		1,197,971	1,213,441
 TOTAL NET ASSETS AT 30 APRIL 2023		34,828,471	43,241,132

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

The actuarial position of the scheme, which does take account of such obligations for the defined benefit scheme, is dealt with in the Trustees' Report and actuarial statement included in the Annual Report and these accounts should be read in conjunction with them.

The notes on page pages 19 to 28 form an integral part of these financial statements.

These financial statements were approved by the Trustees at a meeting held on 21 November 2023 and were signed on their behalf by:

.....
Mr R G Higgins ACIOB (Trustee)

.....
M K Francis BSc FCA (Trustee)

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidelines set out in the Statement of Recommended Practice (Revised 2018).

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

The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the statements by the Actuary on page 5 of the Annual report and these financial statements should be read in conjunction therewith.

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

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

- 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 Trustees determine their investment strategy after taking advice from a professional investment advisor. The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustees' Report. The Trustees manage investment risks, including 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 Trustees by regular reviews of the investment portfolio.

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

Investment strategy

Management of investments are included in the Trustees' Report.

Market risk

The Scheme is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by the

2. IDENTIFICATION OF FINANCIAL STATEMENTS

The Scheme is established as a trust under Please Select law. The address for enquiries to the Scheme are included in the Trustees' report.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

3. ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements.

3.1 ACCRUALS CONCEPT

The financial statements have been prepared on an accruals basis with the exception of individual transfers which are recognised when received or paid.

3.2 CONTRIBUTIONS AND BENEFITS

Contributions and benefits are accounted for in the period in which they fall due.

Normal contributions received during the year have been paid in accordance with the payment schedule.

Augmentations relate to the cost of augmenting benefits of certain retiring members, as advised by the Actuary.

AVCs are accounted for on an accruals basis, and the resulting investments are included within the statement of net assets.

3.3 INVESTMENT INCOME

Investment income on cash deposits is accounted for on an accruals basis. Dividends and interest on securities are accounted for to the extent that they are declared and payable. Dividends and interest on securities are accounted for to the extent that they are declared and payable.

Income from managed funds is not distributed but is reinvested and included within the closing value of the fund at the year end.

3.4 VALUATION OF INVESTMENTS

Quoted securities have been valued at the middle market price at the close of business at the year end.

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

- Level 1 - The quoted price for an identical asset in an active market at the reporting date.
- Level 2 – When quoted prices are unavailable, other observable market data either directly or indirectly.
- Level 3 – Where market data is unavailable, unobservable data.

Quoted Investments (Managed Funds) (Level 1 above), that is those for which an established market exists, are stated at the current bid price at the reporting date.

Annuity policies (Level 3 above) are valued by the scheme actuary at the present value of future cash flows expected to be paid by the policy to the scheme, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

3. ACCOUNTING POLICIES (continued)

3.5 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Additional Voluntary Contributions which members elect to make for direct investment with Prudential Corporation are dealt with in these accounts. They are subject to separate annual statements given to the members concerned.

3.6 CONTRIBUTIONS AND BENEFITS

Current service contributions are accounted for when receivable. Benefits payable are accounted for when payable.

3.7 TRANSFERS TO/FROM OTHER SCHEMES

Transfer values are accounted for as they fall due, at values determined by the Actuary advising the Trustees.

3.8 LIFE COVER

Contributions due from the employing Company in respect of life cover for the members are not included within these accounts. Such contributions are paid direct by Higgins Group PLC.

4. CONTRIBUTIONS

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
Member's Contributionsn				
Normal	1,520,136	-	1,520,136	1,475,856

5. TRANSFERS

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
Transfers to other plans	(7,209)	-	(7,209)	(928,462)

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

6. BENEFITS

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
On or during retirement:				
Pensions	1,215,770	-	1,215,770	1,007,471
Commutations and lump sum retirement benefits	191,968	-	191,968	71,061
	<u>1,407,738</u>	<u>-</u>	<u>1,407,738</u>	<u>1,078,532</u>

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Scheme in exchanges for the Scheme settling their tax liability.

7. ADMINISTRATIVE EXPENSES

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
Sundry	-	-	-	688
Bank charges	104	-	104	-
	<u>104</u>	<u>-</u>	<u>104</u>	<u>688</u>

The Scheme bears all costs of administration. Direct costs are charged to the section to which they relate. Indirect costs are allocated between sections based on an allocation methodology agreed by the Trustees.

8. INVESTMENT INCOME

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
Interest on cash deposits	5,099	-	5,099	171
Other investment income	236,044	-	236,044	218,197
	<u>241,143</u>	<u>-</u>	<u>241,143</u>	<u>218,368</u>

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

9. INVESTMENTS

MOVEMENTS IN INVESTMENTS

Defined benefits section

	Value at 01/05/2022	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 30/04/2023
	£	£	£	£	£
Equities	41,713,529	12,858,698	(12,917,424)	(8,743,419)	32,911,384

Defined contributions section

	Value at 01/05/2022	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 30/04/2023
	£	£	£	£	£
Equities	1,213,441	-	-	(14,970)	1,198,471

10. INVESTMENT MANAGEMENT EXPENSES

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
Administration, management & custody	-	500	500	4,966

11. TAXATION

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. The tax charge in the Revenue Accounts represents irrecoverable withholding taxes arising on investment income.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

12 EQUITIES

	Defined benefits section 2023 £	Defined contributions section 2023 £	For the year ended 30 April 2023 £	For the year ended 30 April 2022 £
UK quoted	32,911,384	1,198,471	34,109,855	42,926,969

13. FAIR VALUE

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 Scheme 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.

	At 30 April 2023			Total
	Level 1 £	Level 2 £	Level 3 £	£
Equities	32,195,384	-	716,000	32,911,384
Sub total	32,195,384	-	716,000	32,911,384
Equities	1,198,471	-	-	1,198,471
Sub total	1,198,471	-	-	1,198,471
	33,393,855	-	716,000	34,109,855

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

At 30 April 2023, the investments in Legal & General, BNY Mellon and Aviva represented 96.5% (2022 – 97.1%) and in Prudential Assurance represented 3.5% (2022 – 2.9%) of the net assets of the Scheme.

There were no employer related investments at any time in the year.

Transaction costs

There are no direct transaction costs. Transaction costs borne by the scheme are in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid/offer spread of these investments and are not separately reported.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

14. INVESTMENT RISK

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

Credit risk: 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: comprising currency risk, interest rate risk and other price risk

- **Currency risk:** the risk that the fair value of future cash flows of a financial asset will fluctuate due to changes in foreign exchange rates.
- **Interest rate risk:** the risk that the fair value of future cash flows of a financial asset will fluctuate due to changes in market interest rates
- **Other price risk:** the risk that the fair value of future cash flows of a financial asset will fluctuate due to 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 similar financial instruments traded in the market.

The scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustees' report. The Trustees manage 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 Trustees by regular reviews of the investment portfolios.

Defined benefit section

(i) Credit risk

The defined benefit section is subject to credit risk as the scheme invests in bonds and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles. Credit risk arising on bonds is mitigated by investing largely in government bonds where the credit risk is minimal. Cash is held within financial institutions which are at least investment grade credit rated. The trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager.

(ii) Currency risk

The defined benefit section is subject to currency risk as some of the scheme's investments are held in overseas markets via pooled investment vehicles. The Trustee limits overseas currency exposure through currency hedging.

(iii) Interest rate and inflation risk

The defined benefit section is subject to interest rate risk on its investments in bonds and inflation swaps held through pooled vehicles and cash.

(iv) Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes equities and alternative assets held in pooled investment vehicles. The Scheme manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

Defined contribution section

(i) Credit risk

Prudential is regulated by the Financial Conduct Authority. In the event of default by Prudential, the Scheme is protected by the Financial Services Compensation Scheme.

(ii) Market risk

The defined contribution section is subject to market risk arising from the underlying investments held in the funds. Market risk is considered in a similar manner to the defined benefit scheme, (see above).

15. CURRENT ASSETS

	Defined benefits section 2023 £	Defined contributions section 2023 £	30 April 2023 £	30 April 2022 £
Designated				
Trustee bank account	671,278	-	671,278	240,408
Sub total	<u>671,278</u>	<u>-</u>	<u>671,278</u>	<u>240,408</u>
Not designated				
Prepayments	73,754	-	73,754	73,755
Other debtors	500	-	500	-
Sub total	<u>74,254</u>	<u>-</u>	<u>74,254</u>	<u>73,755</u>
	<u>745,532</u>	<u>-</u>	<u>745,532</u>	<u>314,163</u>

16. CURRENT LIABILITIES

	Defined benefits section 2023 £	Defined contributions section 2023 £	30 April 2023 £	30 April 2022 £
Contributions	<u>26,416</u>	<u>500</u>	<u>26,916</u>	<u>-</u>

17. RELATED PARTY TRANSACTIONS

Pension payments to Mr P H Lewellen are included within pensions payable. The pensions are calculated in accordance with the rules of the Scheme.

Higgins Group Plc bear the cost of some of the administrative expenses.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

18. ADDITIONAL VOLUNTARY CONTRIBUTIONS

The Trustees operate an additional voluntary contribution (“AVC”) scheme with Prudential Corporation (“Prudential”) on behalf of those members wishing to make AVC payments. These payments are paid over direct to Prudential by the Operating Company and accordingly are not shown in either the Fund Account or the Net Assets Statement. A statement of AVC benefits for individual members is sent to each contributing member annually. Movement in the total AVC funds is as follows:

	Defined benefits section 2023 £	Defined contributions section 2023 £	30 April 2023 £	30 April 2022 £
Brought forward	-	84,790	84,790	155,787
Interest & bonuses	-	-	-	1,244
Retirement benefits	-	-	-	(132,095)
Change in Market Value	-	1,550	1,550	59,854
	<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	-	86,340	86,340	84,790
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19. TRUST DEED

The Definitive Trust Deed was executed on 30 January 2002 and includes employees of Higgins Group PLC, Higgins Construction PLC, Higgins Homes PLC and Higgins City Limited. Deeds of Amendment were executed 4 April 2006, 13 February 2007, 10 October 2007 and 28 May 2010. The Scheme has been approved by the Occupational Pensions Board and the Inland Revenue as an exempt approved scheme for tax purposes.

HIGGINS GROUP PLC PENSION AND LIFE ASSURANCE SCHEME

COMPLIANCE STATEMENT FOR THE YEAR ENDED 30 APRIL 2023

Introduction

The Scheme is a defined benefit scheme and is administered by Hymans Robertson LLP in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Schemes is **SF8/10770**.

HMRC registration

The scheme has been registered in accordance with Chapter 2 of Part 4 of the Finance Act 2004. This means that the contributions paid by both the company and the members qualify for full tax relief, and enables income earned from investments by the Trustees to receive preferential tax treatment.

Employer related investments

There was no employer-related investment at any time during the year.