

**The Morris & Spottiswood Limited Pension Scheme
Annual Report and Financial Statements
for the period ended 30 November 2022**

Pension Scheme Registry Number – 10233997

The Morris & Spottiswood Limited Pension Scheme

Annual Report and Financial Statements

for the Period ended 30 November 2022

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The Morris & Spottiswood Limited Pension Scheme

Trustees and advisors for the Period ended 30 November 2022

Trustees

G Morris
P Brown
S Hughes
G R Clyne: Member Nominated
S J Hedges: Member Nominated

Investment Manager

Prudential Assurance Company Limited
10 Fenchurch Avenue
London
EC3M 5AG

Scheme Advisers

Isio Group Limited
319 St Vincent Street
Glasgow
G2 5AS

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers

Royal Bank of Scotland plc
10 Gordon Street
Glasgow
G1 3PL

The Morris & Spottiswood Limited Pension Scheme

Report of the Trustees for the Period ended 30 November 2022

Introduction

The Trustees present their report and audited financial statements for the period ended 30 November 2022. The report and financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Authorised Accounts and a statement from the Auditor) Regulations 1996.

Constitution of the Scheme

The Scheme, which is a money purchase arrangement, was established on 1 August 1997 and is currently governed by the Trust Deed and Rules dated 13 August 1997 and subsequent updates.

The Scheme is a registered pension scheme with HMRC and is contracted into the state scheme.

Trustees' meetings are held as and when required.

Wind up of the scheme and transfer of assets

The main Employer, Morris & Spottiswood Limited, has decided to wind up the Scheme with written notice given to the Trustees to formally commence wind up procedures from 13 May 2022. This followed a review of its pension arrangements by the Employer and a decision to bulk transfer the pension funds to the Standard Life Master Trust investment arrangements. This was after a detailed selection process by the Employer for a new provider. The bulk transfer completed on 27 July 2022.

As the Scheme is now in the process of being wound up accounting for the Scheme on a going concern basis of accounting is no longer appropriate. For this reason, the financial statements have been prepared on a basis of accounting other than going concern. No adjustments were necessary to remeasure assets to their recoverable value, to provide for any liabilities or to reclassify any assets or liabilities as a result of the change in basis of accounting.

Investment strategy and principles

The Trustees are responsible for determining the Scheme's investment strategy. In accordance with section 35 of the Pensions Act 1995, the Trustees have agreed a statement of investment principles ("SIP"). This was last revised in April 2019.

The Trustees investment strategy considers investment in pooled investment vehicles to be the best way of providing a range of fund types which allows members to invest according to their own approach to risk. Available funds include those invested in equities, property, bonds, cash and diversified funds which allow members to spread their investments across different areas, including funds which adopt investment profiling as members approach retirement.

The Trustees have delegated management of investments to Prudential Assurance Company Limited, which is regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom.

Appointment and removal of Trustees

In accordance with the Trust Deed, the Principal Employer, Morris & Spottiswood Limited, has the power to appoint and remove company appointed Trustees. Consistent with the requirements of the Pensions Act 2004, at least one third of the Trustees are member nominated. Member Nominated Trustees are elected by the full membership and serve for a period of five years. They may stand for re-election at the end of their term. The positions of Member Nominated Trustees are currently filled.

The Morris & Spottiswood Limited Pension Scheme

Report of the Trustees for the period ended 30 November 2022 (continued)

Statement of trustees' responsibilities

Trustees' responsibilities in respect of the financial statements

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

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

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

The 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 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.

Trustees' responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The 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 that fall due to be paid are paid into the Scheme in accordance with the payment schedule.

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

The Morris & Spottiswood Limited Pension Scheme

Report of the Trustees for the period ended 30 November 2022 (continued)

Principal Employer

The Principal Employer is Morris & Spottiswood Limited. The Principal Employer pays the majority of administrative expenses relating to the Scheme.

Benefits

The Scheme is designed to provide benefits at retirement and to provide dependants' benefits on earlier death. Details of these benefits are contained in the members' copy of the Scheme booklet. The booklet also explains in detail the eligibility conditions for membership.

Membership statistics

The total membership position for the period ended 30 November 2022 is as follows:

	Active members	Members with preserved benefits
Membership as at 1 January 2022	213	483
New entrants	5	-
Leavers	(218)	218
Retirals / refunds	-	(15)
Deceased	-	(3)
Transfers out	-	(683)
Membership as at 30 November 2022	-	-

New entrants joining a re-stated net of auto-enrolment opt-outs where contributions were never remitted to the Scheme.

Contributions Receivable

The Employer contributes 3%, 5%, 7.5%, 10% or 12% of members' Pensionable Salaries to the Scheme. The different contribution rates are applied to Scheme members on the basis of their staff grading / salary level. Employees contributed a minimum of 3% after 1 April 2019 when the scheme ceased to become a non-contributory scheme. Total contributions received in the period to 30 November 2022 amounted to £99,039 (2021: £1,059,129).

Additional Voluntary Contributions

Members may elect to pay additional voluntary contributions (AVCs) to enhance their benefits. Members' contributions are invested with Prudential Assurance Company Limited. Where members pay AVC contributions, their annual statement sets out their total contributions, including AVCs, and the accumulation of their fund value.

The Morris & Spottiswood Limited Pension Scheme

Report of the Trustees for the period ended 30 November 2022 (continued)

Transfer values

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

Review of the financial development of the Scheme

As at 30 November 2022, the net assets of the Scheme stood at £Nil (2021: £14,196,754). The audited financial statements, which appear on pages 11 to 19, record the financial transactions of the Scheme during the period.

The Trustees have offered members of the Morris & Spottiswood Employees Pension Scheme the opportunity to transfer their benefits to The Morris & Spottiswood Limited Pension Scheme.

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

Investment Report

Management of investments

Responsibility for the administration and management of The Morris & Spottiswood Limited Pension Scheme assets is vested in the Trustees who are responsible for the overall investment policies of the Scheme. Under these, the Scheme neither holds Morris & Spottiswood Limited shares nor makes loans to Morris & Spottiswood Limited or any of its associates. The Trustees do not make day to day investment decisions although approval of the Trustees must be obtained for exceptional investment proposals.

Contributions for retirement benefits are applied to one of ten funds provided by Prudential Assurance Company Limited, at the members' discretion. The default arrangement is the Prudential Dynamic Growth IV Lifestyle targeting retirement options.

Prudential Assurance Company Limited is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority.

Prudential Assurance Company Limited reports directly to the Trustees.

There are no Employer related investments in the scheme at the period end. Please also see note 8.6 of the financial statements.

The Trustees believe that good stewardship and environmental, social and governance (ESG) issues may have a material impact on investment returns. The Trustees have given the investment managers full discretion when evaluating ESG issues and in exercising right and stewardship obligations attached to the Scheme's investments.

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

The Morris & Spottiswood Limited Pension Scheme

Report of the Trustees for the period ended 30 November 2022 (continued)

Overall Fund Performance

The Scheme's overall performance, reflecting the different investments held over the past five years, is as follows.

	1 Year	3 Years	5 Years
Investment performance	-8.3%	2.5%	10.8%

Comparative investment performance at 31 December 2021 was:

	1 Year	3 Years	5 Years
Investment performance	5.8%	24.3%	28.4%

Prudential Dynamic Growth IV Lifestyle targeting retirement options

Refer to the Statement regarding DC governance for the objectives of the fund.

The Prudential Dynamic Growth IV Lifestyle targeting retirement options fund, the Scheme's default arrangement, was launched on 27 February 2015. The fund is actively managed. In the period ended 30 November 2022, the fund saw a decrease in unit price of -11.6% (2021: increase of 7.4%), reflecting the high proportion of assets invested in UK and overseas equities and mirroring stock market movements over that period.

COVID-19

During the scheme period COVID-19 had minimal impact on the scheme either in terms of fluctuation in value of investment values or to the administration of the scheme.

Ukraine

The war in Ukraine in 2022 has had a detrimental impact on the value of scheme funds with members investments seeing a reduction in line with the financial markets across the world. The Trustees will monitor the long term impact on investments resulting from the conflict.

The Morris & Spottiswood Limited Pension Scheme

Report of the Trustees for the period ended 30 November 2022 (continued)

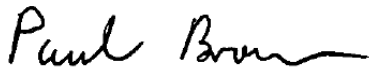
Further Information

Enquiries about the Scheme generally or about an individual's entitlement to benefit should be addressed to:

The Trustees of The Morris & Spottiswood Limited Pension Scheme
54 Helen Street
Glasgow
G51 3HQ

Email: paul.brown@morrisandspottiswood.co.uk

Approved by the Trustees on 19th June 2023



Trustee.....



Trustee.....

The Morris & Spottiswood Limited Pension Scheme

Independent auditors' report to the Trustees of The Morris & Spottiswood Limited Pension Scheme

Report on the audit of the financial statements

Opinion

In our opinion, The Morris & Spottiswood Limited Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the Scheme during the 11 month period ended 30 November 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included in the Annual Report and Financial Statements, which comprise: the Statement of Net Assets available for Benefits as at 30 November 2022; the Fund Account for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the Trustees' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

The Morris & Spottiswood Limited Pension Scheme

Independent auditors' report to the Trustees of the Morris & Spottiswood Limited Pension Scheme (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The Trustees are also responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of 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 wind up the Scheme, 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.

Based on our understanding of the Scheme and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Scheme in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the Trustees and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting in appropriate journals to conceal misappropriation of assets. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the period end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the Trustees to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

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

The Morris & Spottiswood Limited Pension Scheme

Independent auditors' report to the Trustees of the Morris & Spottiswood Limited Pension Scheme

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

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
19th June 2023

The Morris & Spottiswood Limited Pension Scheme

Fund Account for the period ended 30 November 2022

	Note	2022 £	2021 £
Employer contributions		54,355	577,103
Employee contributions		44,684	482,026
Total contributions	4	99,039	1,059,129
Transfers in	5	-	12,599
Other income		248	4
		99,287	1,071,732
Benefits paid or payable	6	(143,948)	(415,144)
Transfers to other schemes	7	(12,962,676)	(608,306)
Administrative expenses		(65,078)	-
Net (withdrawals) / additions from dealings with members		(13,072,415)	48,282
Change in market value of investments	8.1	(1,124,339)	795,200
Net returns on investments		(1,124,339)	795,200
Net (decrease) / increase in the fund		(14,196,754)	843,482
Opening net assets		14,196,754	13,353,272
Closing net assets		-	14,196,754

The notes on pages 13 to 19 form part of these financial statements.

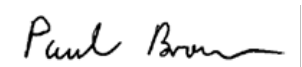

The Morris & Spottiswood Limited Pension Scheme

Statement of Net Assets available for benefits as at 30 November 2022

	Note	2022 £	2021 £
Investment assets			
Pooled investment vehicles	8.2	-	14,039,405
Current assets			
Current assets	9	-	157,349
Total net assets available for benefits		-	14,196,754

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

The notes on pages 13 to 19 form part of these financial statements. These financial statements on pages 11 to 19 were approved by the Trustees on 19th June 2023 and signed on their behalf by:

	
Signature _____	Signature _____
Name <u>Paul Brown</u>	Name <u>Susan Hughes</u>

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022

1 General information

The Scheme, which is a money purchase arrangement, was established on 1 August 1997 as a Trust under Scottish law and is currently governed by the Trust Deed and Rules dated 13 August 1997 and subsequent updates. The Scheme is open to new members. Enquiries in relation to the Scheme should be sent to the registered address for the Scheme shown below.

The Trustees of The Morris & Spottiswood Limited Pension Scheme
54 Helen Street
Glasgow
United Kingdom
G51 3HQ

The Scheme is a registered pension scheme with HMRC and is contracted into the state scheme. 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.

2 Basis of preparation

The financial statements of Morris & Spottiswood Limited Pension Scheme 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' (Revised June 2018) ('the SORP').

The main Employer, Morris & Spottiswood Limited, has decided to wind up the Scheme with written notice given to the Trustees to formally commence wind up procedures on the 13 May 2022. This followed a review of its pension arrangements by the Employer and a decision to bulk transfer the pension funds to the Standard Life Master Trust investment arrangements. This was after a detailed selection process by the Employer for a new provider. The bulk transfer was completed on the 27th July 2022.

As the Scheme is now in the process of being wound up accounting for the Scheme on a going concern basis of accounting is no longer appropriate. For this reason, these financial statements have been prepared on a basis of accounting other than going concern. No adjustments were necessary to remeasure assets to their recoverable value, to provide for any liabilities or to reclassify any assets or liabilities as a result of the change in basis of accounting.

3 Accounting policies

A summary of the main accounting policies, which have been applied consistently in the preparation of these financial statements, is set out below.

a) Currency

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

b) Investments

The managed funds used to secure the Scheme's benefits is provided by Prudential Assurance Company Limited, a company registered in the UK. The Fund has been valued at bid price at the period end. Investment management expenses are reflected within the bid offer spread. Investment income is not recognised but is wrapped up within the overall fund value.

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022 (continued)

3 Accounting policies (continued)

c) Benefits

Members have the option of taking their benefits as a lump sum on retirement, annuity, or a combination of both. Benefits are accounted for on an accruals basis on the date of exercising a retirement option.

Benefits on ill health or death are paid as a lump sum to the member / member's beneficiary as appropriate and are accounted for on an accruals basis on the date of the benefit being approved by the Trustees.

Transfers and refunds are accounted for when the Trustees are notified of the member's decision to leave the Scheme.

d) Transaction costs

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

e) Contributions

Contributions are accounted for on an accruals basis in line with the payment schedule. However, contributions in respect of employees in the first 30 days following a auto-enrolment are accounted for when their right to opt-out has expired, unless remitted to the Scheme earlier. All contributions payable under salary sacrifice arrangements are classified as employer contributions.

f) Expenses (excluding transfer values)

The Principal Employer meets most expenses of the Scheme. Where expenses are met by the Scheme (excluding transfer values), they are accounted for on an accruals basis.

g) Transfers to and from other schemes

Transfer values represent the capital sums either received from or paid to other pension schemes on request of the members. They are accounted for when the liability passes to or from the Scheme.

4 Contributions

	2022 £	2021 £
From employers		
Normal contributions required by the payment schedule	54,355	577,103
From members		
Regular monthly contributions / AVCs	44,684	482,026
	99,039	1,059,129

5 Transfers in

	2022 £	2021 £
Individual transfers in from other schemes	-	12,599

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022 (continued)

6 Benefits paid or payable

	2022 £	2021 £
Lump sum retirement benefits	(73,197)	(303,944)
Lump sum death benefits	(70,751)	(3,200)
Partial Encashment	-	(108,000)
	(143,948)	(415,144)

7 Transfers to other schemes

	2022 £	2021 £
Individual transfers out to other schemes	(249,252)	(608,306)
Bulk transfer out to other scheme	(12,713,424)	-
	(12,962,676)	(608,306)

The bulk transfer was completed on the 27th July 2022 to the Standard Life Master Trust

8.1 Pooled investment vehicles

	Market Value at 1 January 2022 £	Purchases at cost £	Sales Proceeds £	Change in Market Value £	Market Value at 30 November 2022 £
Pooled investment vehicles					
Designated to members	14,039,405	414,497	(13,329,563)	(1,124,339)	-

All investment vehicles are provided by Prudential Assurance Company Limited which is registered in the United Kingdom. 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 profit and losses realised on sales of investments during the period. Purchases at cost includes any indirect costs if applicable.

The values and movements shown in the table above include AVCs, which are invested in the same funds as other contributions. All members receive statements annually setting out their total contributions, including AVCs, and the accumulation of their fund value at the period end.

Purchases at cost and sales proceeds include £222,939 (2021: £427,150) from the switching of assets within lifestyle funds.

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022 (continued)

8.2 Pooled investment vehicles - types of investment

	2022 £	2021 £
Equities	-	494,289
Bonds	-	233,403
Diversified growth	-	13,010,996
Cash	-	300,717
	-	14,039,405

8.3 Concentration of investments

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

	2022 £	Percentage of net assets	2021 £	Percentage of net assets
Prudential Dynamic Growth IV Fund	-	-	11,128,559	78.4%
Prudential Dynamic Growth II Fund	-	-	1,860,572	13.1%

All investments are provided by Prudential Assurance Company Limited which is registered in the United Kingdom.

8.4 Fair value of investments

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

- Category 1: the unadjusted quoted price in an active market for identical assets or liabilities that the Scheme can access at the measurement date.
- Category 2: inputs other than quoted prices included within Category 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Category 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

All of the Scheme's investment assets and liabilities have been included at fair value within Category 2 for the period ended 30 November 2022 and year ended 31 December 2021.

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022 (continued)

8.5 Investment risks

The Trustees investment strategy considers investment in pooled investment vehicles to be the best way of providing a range of fund types which allows members to invest according to their own approach to risk. Available funds include those invested in equities, bonds, cash and diversified growth funds which allow members to spread their investments across different areas, including funds which adopt investment profiling as a members approach retirement. The risks within each fund type vary and therefore individual members will have a different risk profile depending on their investment choice.

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 of 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 of 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 of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate 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 Scheme has exposure to these risks because of the investments it makes in pooled investment vehicles, which are invested in a number of different asset types. The Trustees manage these risks by regular reviews of the investment portfolio and individual fund performance.

The Scheme is affected by financial risks as noted below; information applicable for both current period and prior year investments:

	Credit risk	Market risk			2022	2021
		Currency risk	Interest rate	Other price		
Pooled investment vehicles					-	14,039,405
Direct	Significant exposure	No exposure	No exposure	Partial exposure		
Indirect	Partial exposure	Significant exposure	Partial exposure	Significant exposure		

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022 (continued)

8.5 Investment risks (continued)

Direct risks

Direct credit risk is present, across all investments for both the current period and the prior year, with investments being via pooled investment vehicles with Prudential. Investing in a range of investments, with a AA rated Insurance Company, serves to mitigate this risk.

There is no direct exposure to currency risk with all investments being held by Prudential in the UK via pooled investment vehicles.

There is no direct interest rate risk with all investments being held via pooled investment vehicles.

The Scheme is exposed to direct other price risk across all investments for both the current period and the prior year, with all investments targeting a positive return. The range of different investments held within pooled investment vehicles helps to spread and therefore mitigate this risk.

Indirect risks

Indirect credit risk is present in some of the underlying investments held in pooled investment vehicles. Investments in bonds, gilts and cash amount to £Nil (2021: £6,441,356) and circa 0% (2021: 46%) of the Scheme's assets. Risk is mitigated with investment in bonds across a wide range of yields and maturity dates and UK investments being in either government bonds which carry a minimal risk or corporate bonds which are also considered to be lower risk.

There is a significant exposure to indirect currency risk with circa 0% (2021: 56%) of the Scheme's assets invested in either overseas equities or bonds, within pooled investment vehicles which amount to £Nil (2021: £7,886,247). This is managed as part of the overall equity and bond investment strategy, with investment in international equities spread across four funds and investment in international bonds spread across three funds. The balance of international and UK investments is monitored to spread and mitigate risk at any point in time. The main exposures to currencies are in the United States of America: £Nil (2021: £2,563,367), South Korea: £Nil (2021: £469,714) Japan: £nil (2021: £430,675), Australia: £Nil (2021: £397,925) France: £Nil (2021: £96,448), and Netherlands: £Nil (2021: £83,781).

Indirect interest rate risk is present with investments in bonds, gilts and cash amount via pooled investment vehicles. Assets invested in these products amount to £Nil (2021: £6,441,356) and circa 0% of the Scheme's assets at the period end (2021: 46%). The level of interest rates at present and the likelihood that these will remain stable for a period of time, means that this risk is not considered to be significant.

Indirect other price risk is present primarily in relation to investments in equities and property, given the volatility of such investments and the number of different factors which can influence valuation and performance. Investments exposed to this risk amount to £Nil (2021: £7,088,457) and circa 0% of Scheme assets at the period end (2021: 50%). The range of equities within the fund, split across both UK and international markets, is designed to mitigate this risk, whilst still targeting a higher return from investment.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2022 £	2021 £
Unit Linked insurance contracts	-	14,039,405

The Morris & Spottiswood Limited Pension Scheme

Notes to the Financial Statements for the period ended 30 November 2022 (continued)

8.6 Employer related investments

There was no employer related investment at the period end or at the prior year end.

9 Current assets

	2022 £	2021 £
Current assets		
Cash at bank	-	64,612
Contributions receivable		
Employer - normal	-	51,325
Employee - Regular monthly contributions / AVCs	-	41,412
Net current assets	-	157,349

Contributions receivable

Employer and employee contributions for 2021 as shown in the current assets table above were paid in accordance with the payment schedule.

10 Related party transactions

The Principal Employer pays the majority of administrative expenses relating to the Scheme, including death in service premiums, audit fees, legal fees and consultancy fees however the scheme did pay some legal and consultancy fees from excess funds.

G R Clyne, P Brown, S Hughes and S J Hedges are current Trustees and were also contributing members of the Scheme until being transferred out. A spouse of a Trustee was also a contributing member of the Scheme.

The Morris & Spottiswood Limited Pension Scheme

Independent auditors' statement about contributions to the Trustees of The Morris & Spottiswood Limited Pension Scheme

Statement about contributions

Opinion

In our opinion, the Contributions payable under the payment schedule for the Scheme period ended 30 November 2022 as reported in The Morris & Spottiswood Limited Pension Scheme's summary of contributions have, in all material respects, been paid in accordance with the payment schedule dated 1 April 2019.

We have examined The Morris & Spottiswood Limited Pension Scheme's summary of contributions for the Scheme period ended 30 November 2022 which is set out on the following page.

Basis for opinion

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

Responsibilities for the statement about contributions

Responsibilities of the Trustees in respect of contributions

As explained more fully in the statement of Trustees' responsibilities, the Scheme's Trustees are responsible for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Scheme by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
19th June 2023

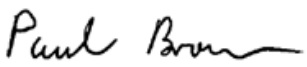
The Morris & Spottiswood Limited Pension Scheme

Summary of Contributions payable in the period for the period ended 30 November 2022

During the period, the contributions payable to the Scheme by the Employer under the payment schedule dated 1 April 2019 were as follows:

	Employee £	Employer £
Required by the payment schedule		
Normal contributions	-	54,355
Regular monthly contributions / AVCs	44,684	-
Contributions payable under the payment schedule (as reported on by the Scheme Auditors)	44,684	54,355

This summary of contributions was approved by the Trustees on 19th June 2023 and signed on their behalf by:


Signature _____

Name Paul Brown


Signature _____

Name Susan Hughes