



The Salvation Army

Employees' Pension Fund

Fund Registration Number: 10023548

**Trustees' Annual Report and Financial Statements
For the Year Ended 31 March 2025**

CL2874254.2

CONFIDENTIAL

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Trustees and Advisers

Trustees:	Mr D Wills (chair) (<i>employers' appointee</i>) Mrs P Murdoch (<i>members' appointee</i>) Ms R Rudran (<i>members' appointee</i>) Mr A Gray (<i>employers' appointee</i>) Mr J McCaughren (<i>members' appointee</i>) Mrs S Griffin (<i>members' appointee</i>) appointed 24 July 2025 Mr K Basson (<i>employers' appointee</i>) Mr Lloyd Watkins (<i>employers' appointee</i>) Ms G Bedford (<i>employers' appointee</i>)
Principal Employer:	The Salvation Army
Actuary:	Ms D Smith FIA, BWCI Consulting Limited
Administrator:	Capita Pension Solutions Limited (services ended on 30 June 2025) Isio Group Limited (services commenced 1 July 2025)
Auditor:	RSM UK Audit LLP
Banker:	Reliance Bank Limited
Investment Managers:	Sarasin & Partners LLP Royal London Unit Trust Managers Limited Legal & General Investment Management Limited
Investment Advisor:	Investment Advisory Committee of The Salvation Army
Solicitor:	Burgess Salmon Company Limited
Secretary:	Major Julia Cozens, The Salvation Army
Enquiries:	The Salvation Army Employees' Pension Fund 1 Champion Park London SE5 8FJ

Trustees' Report

The Trustees of The Salvation Army Employees' Pension Fund ("the Fund") present their annual report together with the actuarial statement and financial statements for the year ended 31 March 2025.

This report constitutes the document required under the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

The report is available free of charge for inspection on request to specified persons including members of the Fund, beneficiaries under the Fund and appropriately recognised independent trade unions.

Fund Management

Contents

This report includes the information required by the Regulations including the audited accounts of the Fund and the actuarial statement.

The financial statements summarise the transactions and net assets of the Fund.

The Fund

The Employees' Pension Fund provides defined pension and lump sum benefits payable to members on their retirement from the Salvation Army or to their dependants on death before or within five years after retirement and to spouses on death of a member. Additional Voluntary Contributions are invested in separate unitised funds managed by Royal London Unit Trust Managers Limited and are used to provide additional benefits for or in respect of, the member in relation to the amount of that individual's voluntary contributions. The Fund closed to new entrants on 31 December 2011. On 30 April 2023 the Scheme closed to future accrual for active members. Active members of the Fund, as at 30 April 2023 are categorised as an "Employed Deferred Member". "Employed Deferred Members" are entitled to a deferred pension from the Fund which will increase in line with statutory requirements. As part of the Employer's proposal a link to your salary remains. This acts as an underpin so that if the final salary link was more valuable than inflation protection, the final salary link would prevail. If an Employed Deferred Member leaves employment before their retirement, the salary link will be broken. In this scenario the Employed Deferred Member's pension will be recalculated to reflect the better of salary increases or the rise of inflation. The recalculated deferred pension which has been accrued prior to 6 April 2009 will increase in line with "deferred revaluation orders," broadly the increase in Price Inflation each year, subject to a maximum of 5% per annum, for each complete year from the date of leaving until Normal Retirement Age.

The Fund was established by a Trust Deed dated 25 June 1948 as amended on 14 November 1980 and is now governed by a Definitive Deed and Rules dated 13 October 1988, incorporating all amendments made at Special General Meetings on 5 May 1989, 13 September 1990, 6 December 1991, 4 August 1995, 25 April 1997, 24 April 1998, 16 February 2001, 18 January 2002, 23 March 2006, 30 November 2006 and 16 December 2010.

Principal Employer

The Principal Employer is The Salvation Army, Territorial Headquarters 1 Champion Park London SE5 8FJ (Registered No. 00259322).

Trustees' Report

Fund Management

Trustees

The names of the current Trustees are included at the front of this report. Under the Definitive Trust Deed, the power to appoint new Trustees and remove Trustees is vested in The General of The Salvation Army. The number of Trustees shall never be less than four or more than nine. Five such Trustees shall be nominated by the Territorial Commander and four of the Trustees shall be Trustees who are staff employees nominated by the Members.

There are currently three Member Nominated Trustees. The Member Nominated Trustee Procedure was put in place during 2016.

Four main Trustee meetings took place during the accounting period. The voting arrangement is by majority.

The Trustees are responsible for the administration and investment policy of the Fund.

The Trustees have adopted a Conflicts of Interest Policy.

Participating Employers

The Salvation Army International Trustee Company

The Salvation Army Trustee Company

The Salvation Army General Insurance Corporation Limited

Reliance Bank Limited

Salvation Army Trading Company Limited

Fund Advisers

There are written agreements in place between the Trustees and each of the Fund's advisers listed on page 1 of this report.

Changes to administrator

Effective as of 1 July 2025 the administration of the Scheme moved from Capita Pension Solutions Limited to Isio Group Limited

Trustees' Report

Fund Management

Membership

The change in the membership of the Fund during the year is given below:

Employed Deferred members*

Active members at the beginning of the year per 31 March 2024 report	254	
Late adjustments	(3)	
Revised active members at the beginning of the year	251	
Withdrawals with deferred pensions	(10)	
Members retiring	(15)	226

Pensioners

Pensioners at beginning of the year per 31 March 2024 report	1,066	
Late adjustments	5	
Revised pensioner members at the beginning of the year	1,071	
Early retirements	20	
Late retirements	14	
Members retiring	9	
New dependants	9	
	1,123	
Suspended Pensioners	(1)	
Pensioners who died during the year	(25)	1,097

Deferred pensioners

Deferred pensioners at beginning of the year per 31 March 2024 report	762	
Deferred pensioners during the year	10	
Deferred pensioner who died during the year	(3)	
Deferred pensioners leaving with transfer values	(1)	
Deferred pensioners retiring	(28)	
Deferred pensioners retiring – commuted	(10)	730

Total Membership at 31 March 2025**2,053**

* The Fund closed to future accrual as at 30 April 2023. At this date all the active members became employed deferred members.

Trustees' Report

Fund Management

Review of Financial Development of the Fund

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

The Trustees are required under Section 224 of the Pensions Act 2004 to obtain periodical valuations to value the Fund's assets and calculate its technical provisions.

The most recent valuation was carried out by D Smith FIA (BWCI Consulting Limited) as at 31 March 2024. The valuation showed a past service surplus of £33,286,000 relative to the technical provisions which corresponds to a funding ratio of 120%.

Taking account of the movement in investment values and of the current assets and liabilities at the year end, the net assets of the Fund at 31 March 2025 were £177,754,923 (2024: £199,546,616). The decrease comprised of net withdrawals from dealings with members/Scheme expenses of £7,445,871 and a decrease in investments of £14,345,822 over the year.

The Fund's investment policy and performance during the year are detailed in the Investment Matters section. The day-to-day management of the investments of the Fund was delegated by the Trustees to Sarasin & Partners LLP for actively managed investments, and Legal & General Investment Management Limited for passively managed investments during the year under review. AVC funds are invested in separate unitised funds which are managed by Royal London Unit Trust Managers Limited.

With the exception of certain actuarial costs, which are borne by the employers, the Fund bears the full cost of administration including the cost of buying and selling investments.

An actuarial valuation as at 31 March 2024 was finalised on 6 March 2025.

The General Code of Practice

The Pensions Regulator's (TPR) long-awaited General Code of Practice came in to force on 27 March 2024. The code consolidates existing codes of practice into one document, as well as introducing some new requirements for pension schemes.

Central to the Code are the Regulator's expectations as to the features of a well-run scheme and how the governing body (those in charge of pension schemes) should comply with their legal duties. Governing bodies will need to have in place an Effective System of Governance (ESOG), which is a collection of internal controls and procedures in relation to running a pension scheme. The code sets out TPR's expectations of how occupational pension schemes should be managed and the policies, practices and procedures that should be in place, which includes the obligation to conduct an Own Risk Assessment (ORA).

While the ORA is a new provision, TPR anticipates that many of the stipulations are already being adhered to by schemes. The Trustees are working with their advisers to identify any gaps and assess what actions need to be taken to ensure compliance with the General Code.

Trustees' Report

Fund Management

Going Concern

The Trustees have undertaken a review of whether the going concern assumption is appropriate, we have assessed a period of at least 12 months from the date of approval of the accounts, based on information available at the time of approval of the accounts.

In making this assessment, the following key factors have been considered relevant:

- Employer Covenant – as part of the 2024 Actuarial Valuation of the Fund an external covenant review was carried out. This has deemed that the covenant of the Employers is tending to strong. Annual internal reviews of the covenant are also carried out and updates are requested from the Employers during uncertain times, for example at the start of the Covid-19 Pandemic the Employers were requested to provide an update on their ability to continue contributing to the Fund.
- Fund cashflow forecast – as part of the Asset Liability Study cashflow projections are produced and presented to the Trustees. These consider when net cashflows from the Fund may become negative and asset income required to cover benefit payments.
- Liquidity of assets – as part of the Statement of Investment Principles the liquidity of assets and realisation of them is considered. It is expected that the income on the assets held by the Fund will likely be sufficient to cover benefit payments without the need to realise investments in potentially unfavourable circumstances. However, as the majority of the Fund's investments are in assets that can be realised should the income be insufficient, the Fund's liquidity requirement can still be met.
- Fund funding levels – the Trustees receive funding updates from the Fund Actuary on a quarterly basis. These set out the movements in the Fund's assets and liability and allow the Trustees to assess the ongoing position of the Fund. They also include a trigger level assessment. The trigger level is set as the expected funding position based on the actuarial valuation results less 10%. The trigger is met if the position is below this level for 2 consecutive quarters.
- Catastrophic Events – the Risk Register considers a number of different risks that could affect the Fund. This is reviewed at least twice a year, and controls are put in place in order to mitigate the risks and their likelihood of arising.
- Review of contributions in line with Schedule of Contributions – each quarter a review is carried out on the timings and amounts of contributions against the Schedule of Contribution. On the basis of the evidence above, the trustees have concluded that there are no material uncertainties and that it is appropriate to produce financial statements for the Fund on a going concern basis.

Trustees' Report

Fund Management

Benefits

The financial statements show the costs of the pension's payroll.

The financial statements also show lump sum benefits paid, transfer values paid to receiving schemes and the cost of purchasing annuities for members.

The following pension increases were applied as at 1 April 2025:

Pensions in Payment accrued prior to 6 April 2006 3.6%

Pensions in Payment accrued on or after 6 April 2006 2.5%

The Rules of the Fund provide for deferred pensions to be increased during the period between the date a member leaves the Fund and planned retirement date by statutory increases specified by the Government.

The statutory increases are based on increases in the Consumer Price Index (CPI).

Increases to deferred pensions in the Fund will be based on increases in the CPI, capped as follows:

- 5.0% p.a. for service to 5 April 2009
- 2.5% p.a. for service from 6 April 2009

AVC Arrangements

Members' additional voluntary contributions are matched by additional contributions from the Employer up to a set maximum and these contributions are invested in separate unitised funds which are managed by Royal London Unit Trust Managers Limited. These members' additional voluntary contributions are used to acquire benefits within the provisions of the Fund. Capita Pension Solutions Limited was the administrator for the members' additional voluntary contributions up to 30 June 2025. From 1 July 2025 Isio Group Ltd will administrate members' additional voluntary contributions.

Rule Changes

There have been no changes to the Fund Rules during the period under review.

Further Information

Further details of investment performance are included in the Investment Matters section. Further disclosures required by legislation are included in the Compliance Matters section. Requests for additional information about the Fund generally, or queries relating to members own benefits, should be made to The Salvation Army Employees' Pension Fund whose address appears on page 1 of this report.

Trustees' Report

Fund Management

Summary of Contributions

During the year ended 31 March 2025 the contributions payable to the Fund, both under and in addition to the Schedules of Contributions, were as follows:

	£
Employer normal contributions	-
Member normal contributions	-
Total contributions payable under the Schedule of Contribution	-
Employer additional contributions	-
Member additional voluntary contributions	-
Total contributions payable to the Fund	-

Signed on behalf of the Salvation Army Employees' Pension Fund by:

.....

Trustee

Date:

.....

Trustee

Date:

Trustees' Report

Investment Matters

Overview

The Trustees, with the assistance of their appointed investment adviser, determine the overall investment strategy for the Fund and set out the broad policy to be adopted by each of the appointed fund managers.

Investment Managers

The names of those who have managed the Fund's investments during the year are listed on page 1. The Trustees have delegated the day-to-day management of investments to their appointed fund managers. A written agreement between the Trustees and each manager sets out the terms on which the manager will act.

The managers' duties include the consideration of social, environmental, and ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Fund's assets. The Trustees have reviewed each of the investment managers' policies on these issues. The Trustees believe that the policies adopted by the managers are consistent with their own views.

Investment Principles

In accordance with Section 35 of the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles ("SIP") which includes the Trustees' policy relating to ethical investment and the exercise of the rights attaching to investments. Any member may request a copy. This Statement may change from time to time according to advice received from the investment managers or advisers.

Departures from Investment Principles

To the best of their knowledge, the Trustees can report that there has not been any departure from the SIP by the Fund's investment managers during the year ended 31 March 2025. The SIP was updated during the year to reflect the current investment strategy.

Custodial Arrangements

Investments managed by Sarasin & Partners LLP are held with The Bank of New York Mellon who act as custodian for the assets.

Investments managed by LGIM are held with HSBC Bank PLC and Citibank, NA (London Branch).

HSBC Securities Services is the custodian for the Royal London Unit Trust Managers Limited funds.

Employer-related Investments

There were no employer related investments held during the year.

Trustees' Report

Investment Matters

The investment of the Fund's defined benefit section assets was managed by Sarasin & Partners LLP (Sarasin) and Legal & General Investment Management Limited ("LGIM") during the year under the authority of the Trustees. The AVC section assets were invested in a range of Open-Ended Investment Company (OEIC) funds managed by Royal London Unit Trust Managers Limited and RLUM Limited ("Royal London").

Investment performance and strategy are reviewed from time to time by the Trustees.

Investment Principles

The Fund's Statement of Investment Principles is summarised below.

Defined Benefit Section

The Investment Advisory Committee ("IAC") of The Salvation Army advise the Trustees.

The Fund's investments over the year were predominantly in government bonds. The investment managers can purchase any new investments, as long as they do not breach the provisions of the investment management agreements. The investment managers will bring to the Trustees' attention, in writing, any proposed new category of investment which in their judgement has become suitable for the Fund before investing in that category.

The following restrictions were placed on the investment of the Fund's assets:

- The assets of the Fund must consist predominantly of investments that are traded on regulated markets.
- Investment in derivative instruments, if permitted, may be used only in so far as they contribute to a reduction of risk or they facilitate efficient portfolio management.

The Salvation Army maintains a Code of Ethical Practice to ensure that its funds are invested in accordance with its ethical and moral stance. Responsibility for taking social, environmental, and ethical considerations into account in relation to assessing the suitability of investments is delegated to the investment managers.

The performance objective of the Fund's defined benefit section was for Sarasin to match its benchmark, gross of fees, measured over rolling three-year periods, and for each LGIM fund to match its respective benchmark gross of fees measured over rolling three-year periods. The Trustees determined the composite benchmark with the intent of broadly matching the liabilities of the Fund. The composite benchmark is outlined below.

Trustees' Report

Investment Matters

Defined Benefit Section (continued)

The Fund's benchmark is as follows.

	Long term target asset allocation (%)	Benchmark index
Asset Class		
	34.0	FTSE A UK Conventional Gilts Over 15 Years Index
Conventional Gilts	18.0	FTSE A UK Conventional Gilts Under 15 Years Index
	32.0	FTSE A UK Index Linked Gilts Over 15 Years Index
Index Linked Gilts	16.0	FTSE A UK Index Linked Gilts Under 15 Years Index

Fund Asset Allocation

At 31 March 2025 the Sarasin investments had a market value of £81,101,013 (2024: £88,237,799), the LGIM investments had a market value of £82,401,460 (2024: £94,333,604) and the RLUTM investments had a market value of £13,746,131 (2024: £14,847,705). As at 31 March 2025 the asset allocation was as follows:

Defined Benefit Section	Fund Allocation %	Fund Valuation £
Sarasin		
Asset Class		
UK Bonds	99.3	80,516,004
Cash and accrued interest	0.7	585,009
	100.0	81,101,013

Trustees' Report

Investment Matters

Fund Asset Allocation (continued)

Defined Benefit Section		Fund Allocation	Fund Valuation
		%	£
LGIM			
Asset Class			
UK Bonds PIV		100.0	82,401,460
AVC Section		Fund Allocation	Fund Valuation
		%	£
RLUTM			
Asset Class			
UK Equities PIV		6.8	938,241
Global Equities PIV		56.1	7,707,085
UK Bonds PIV		31.3	4,304,641
Cash PIV		5.8	796,164
		100.0	13,746,131

Review of Investment Performance – Defined Benefit Section

The performance, (gross of fees) of Sarasin and LGIM over 1 and 3 years to 31 March 2025 is set out in the table below.

Manager	1 Year to 31 March 2025		3 Year to 31 March 2025	
	Fund	Benchmark	Fund	Benchmark
	%	%	%pa	%pa
Sarasin	-8.1	-7.6	-6.7	-6.2
LGIM	-7.6	-7.6	-4.0	-4.1

Sarasin underperformed the benchmark over the 3 years to 31 March 2025.

LGIM performance showed good tracking of the benchmark over 1 and 3 years to 31 March 2025.

Trustees' Report

Investment Matters

Fund Asset Allocation (continued)

Review of Investment Performance – AVC Section

For the one, three and five years ended 31 March 2025 the performance, net of fees, of the RLUTM funds available to members in the AVC section was as follows:

Fund	1 Year to 31 March 2025		3 Year to 31 March 2025		5 Year to 31 March 2025	
	Total Return	Index	Total Return	Index	Total Return	Index
	%	%	%pa	%pa	%pa	%pa
RL UK Equity Income Fund	6.44	10.46	6.60	7.22	12.54	12.04
RL Corporate Bond Fund	5.17	2.38	1.74	-0.82	2.65	-0.21
RL Ethical Bond Fund	4.43	2.38	0.60	-0.82	1.45	-0.21
RL UK Government Bond Fund	-0.58	-1.19	-4.99	-6.14	-5.02	-5.81
RL Short Term Money Market Fund	5.13	4.90	4.19	4.01	2.51	2.43
Sustainable Leaders Trust	4.08	10.46	4.89	7.22	10.16	12.04
RL Global Sustainable Equity Fund	-4.42	4.87	4.77	7.62	12.86	14.26

Marketability of Investments

All investments are considered to be marketable on a short-term basis.

Trustees' Report

Investment Matters

Basis of Remuneration

Investment fees were 0.10% p.a. of average funds under management for assets held by Sarasin.

LGIM applies the below tiered fee structure separately to each bond fund.

Assets	AMC (%pa)
First £5m	0.100
£5-10m	0.075
£10-30m	0.050
Over £30m	0.030

The AVC AMCs on each of the RLUTM funds were as follows:

Fund	FMF* %
RL UK Equity Income Fund	0.72
RL Corporate Bond Fund	0.56
RL Ethical Bond Fund	0.55
RL UK Government Bond Fund	0.30
RL Short Term Money Market Fund	0.10
RL Sustainable Leaders Trust**	0.50
RL Global Sustainable Equity Fund	0.72

* Fund Management Fee is the single fee covering all fees and expenses

** Annual Management Charge

The administration charges for the AVCs administered by Capita Pension Solutions Limited are 0.26%.

Investment Risk Disclosures

Investment risks are disclosed in note 15 on pages 44 to 46.

Trustees' Report

Implementation Statement

1. Purpose of this Statement

This Statement sets out how, and the extent to which, the Trustees of The Salvation Army Employees' Pension Fund ("the Fund") have implemented the principles set out in the Statement of Investment Principles ("SIP") regarding the exercising of rights attaching to investments and undertaking engagement activities. It has been prepared to comply with The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. In accordance with these requirements this Statement is included as part of the Trustees' annual report and accounts and to be made freely available online.

The first part of this Statement provides an overall review of Trustee actions in relation to voting and engagement, then more detail is provided on voting activities.

This Statement considers the scheme year to 31 March 2025.

2. Background

The Fund is a UK defined benefit arrangement, denominated in Sterling. The Fund is closed to new members and contributions to the AVC section ceased with effect from 1 May 2023. However, AVC benefits built up until 30 April 2023 can remain invested in the AVC Section until benefits are taken. The monies representing AVC are managed separately by unit funds with the AVC investment manager and are used to provide money-purchase benefits.

The Investment Advisory Committee of The Salvation Army ("the IAC") is the investment advisor to the Trustees.

The defined benefit investment managers are Sarasin & Partners LLP ("Sarasin") and Legal & General Investment Management ("LGIM").

The Investment Managers have their engagement and voting monitored against the policies set out in the SIP.

The main portfolio was de-risked to an all gilts strategy during January 2023 that broadly matched the Fund's liabilities. Both Sarasin and LGIM separately implemented the gilts strategy. As such, this report does not give details of their voting and engagement activity as these are not relevant for an all-gilts portfolio.

Sarasin managed its proportion of the main portfolio via a segregated mandate.

LGIM managed its proportion of the main portfolio via investment in pooled funds.

The AVC section investment manager is Royal London Asset Management Limited ("RLAM"). A range of RLAM pooled funds is offered to members.

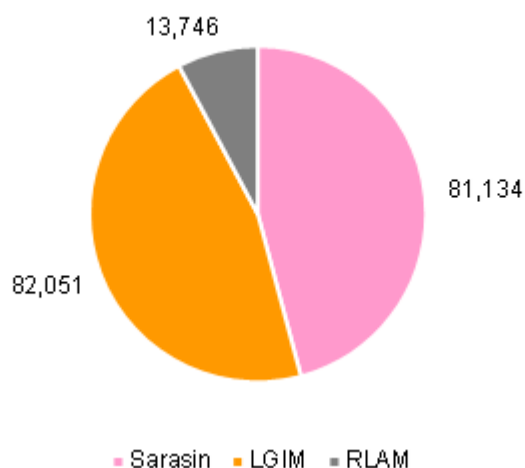
Trustees' Report

Implementation Statement

2. Background (continued)

The chart below outlines the asset split between the Fund's asset managers as at 31 March 2025.

EPF Assets as at 31 March 2025 (£'000s)



3. SIP implementation

The following section reviews the implementation of the SIP policies in relation to voting and engagement over the scheme year.

The following assessment criteria were used to demonstrate the level of performance.

- Action completed or objective achieved.
- Action or objective partly achieved.
- Action not completed or objective not achieved.

3.1 Actions

The table below outlines the relevant actions set out in the SIP and how, and the extent to which, these have been completed.

Action	Assessment	Comment
The Trustees monitor any engagement and voting activity of the investment managers through regular reporting and an annual review.	●	The 2025 Engagement Activities Report was produced and considered by the Trustees providing a summary of the investment managers' stewardship activities.

Trustees' Report

Implementation Statement

3. SIP implementation (continued)

3.2 Objectives

The below table outlines the objectives set out in the SIP and assesses how, and the extent to which, these have been achieved.

Objective	Assessment	Reasoning
The Trustees expect ownership rights (including voting and engagement rights) to be exercised by the investment managers in order to safeguard sustainable returns in the long-term.	●	The 2025 Engagement Activities Report considered the investment managers' voting and engagement behaviour. Relevant extracts from this report are shown in the sections below

4. Voting and engagement activities

The 2025 Engagement Activities Report considered the investment managers' engagement and voting behaviour. A summary of the results of the report is shown below, with extracts from the report shown in the next sections.

Year to 31 March 2025	
Engagement and voting consideration	RLAM
Environmental (excluding climate change)	●
Social	●
Governance	●
Climate change	●

Alignment with Statement of Investment Principles

- Policy and examples satisfactory
- Policy or examples satisfactory, but not both
- Policy and examples unsatisfactory

RLAM's voting and engagement policies align with those of the SIP.

Trustees' Report

Implementation Statement

5. RLAM

5.1 Voting policy

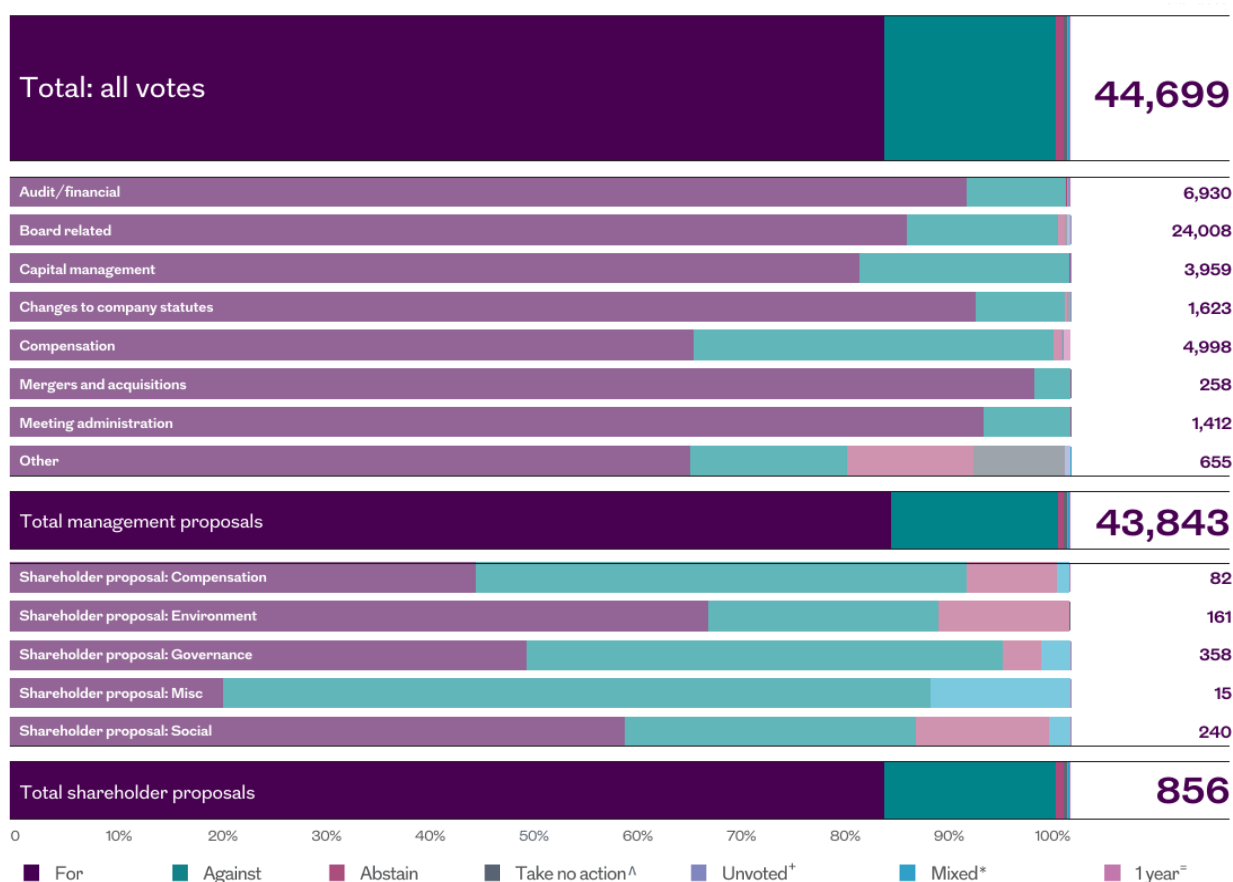
RLAM's "Stewardship and responsible investment report 2024" states that it attempts to make use of its voting rights across equity and fixed income holdings to maximise influence and safeguard client interests.

RLAM does not pre-declare its votes. This allows it to be able to incorporate any last minute new information into its voting decisions.

RLAM was ranked 23rd out of 70 investment managers for its ESG voting practices in ShareAction's "Voting Matters 2024" report, with RLAM voting in favour of 84% of the 279 environmental and social shareholder resolutions assessed.

5.2 Voting activity

The following breakdown of RLAM's voting activity for all actively held stock across all assets under management for calendar year 2024 was provided by RLAM.



[^]RLAM endeavour to vote at all meetings other than in markets where voting would result in shareblocking.

⁺Unvoted resolutions are rare but can occur for example when the number of board candidates exceeds the available seats.

^{*}Mixed votes may include meetings voted by proxy card instead of via the voting platform, client directed voting in segregated accounts or due to the late settlement of trading.

⁼1 year refers to a vote specific to remuneration in the US. RLAM will vote for remuneration to be put to a vote every year rather than every 2 or 3 years.

Trustees' Report

Implementation Statement

5. RLAM (continued)

5.3 Significant votes cast

The tables below outline the most significant votes cast over the scheme year for each of the ESG factors. The following votes were deemed most significant as they each relate to votes on key financially material ESG matters and where possible relate to funds held in the default option.

5.3.1 Environmental

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Amazon.com Inc.	22/05/2024	Shareholder Proposal Regarding Just Transition Reporting	FOR – RLAM supports further disclosures on just transition and the development of a plan to address the social impacts of climate transition.	Defeated	1.26%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for voting against management. Following this, RLAM would welcome further engagement to discuss climate matters.
National Grid Plc	10/07/2024	Approval of Updated Climate Transition Plan	ABSTAIN – Although RLAM were pleased to see that a 1.5°C aligned target for power generation has now been set, the reduction target covering the emissions from sold gas still appeared insufficient for the alignment.	Approved	0.11%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for the vote. Following this, RLAM would welcome further engagement to discuss climate matters.

*Approximate percentage of total AVC holdings held with RLAM

Trustees' Report

Implementation Statement

5. RLAM (continued)

5.3 Significant votes cast (continued)

5.3.2 Social

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Microsoft Corporation	10/12/2024	Shareholder Proposal Regarding Report on Risks of AI (Artificial Intelligence) Data Sourcing	FOR – RLAM believes that support for this proposal would encourage the company to ensure that its forthcoming planned disclosures are robust and provide a solid context for shareholders to allow them to assess the potential risks to the company from its use of external data in the development of its AI technology.	Defeated	2.56%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for voting against management. Following this, RLAM would welcome further engagement to discuss social matters.

*Approximate percentage of total AVC holdings held with RLAM

Trustees' Report

Implementation Statement

5. RLAM (continued)

5.3 Significant votes cast (continued)

5.3.3 Governance

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Visa Inc.	28/01/2025	Advisory Vote on Executive Compensation	AGAINST – RLAM has long-standing concerns over the discretionary nature of the bonus plan, which can call into question the link between pay and performance. RLAM would prefer to see longer performance periods for performance share awards.	Approved	1.38%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale for voting against management. Following this, RLAM would welcome further engagement to discuss governance matters.
Taiwan Semiconductor Manufacturing	04/06/2024	Election of Director	ABSTAIN – Lack of attendance, the nominee had attended less than 75% of meetings without a valid excuse.	Approved	1.92%	A voting engagement letter was sent to the company. RLAM would welcome further engagement to discuss governance matters.
Ferguson Enterprise Inc.	05/12/2024	Election of Director	AGAINST – RLAM has concerns that a Senior Independent Director or equivalent has not been appointed as the nominee is Chair of the Nomination Committee.	Approved	1.30%	A voting engagement letter was sent to the company. RLAM would welcome further engagement to discuss governance matters.

*Approximate percentage of total AVC holdings held with RLAM

Trustees' Report

Implementation Statement

6. Proxy voting services

RLAM uses Glass Lewis' Viewpoint as a voting platform to execute its proxy votes. However, RLAM will use its own voting policy to make the final voting decisions.

Trustees' Report

Compliance Matters

This section discloses additional information required by law.

Tax and Contracting-Out Status of the Scheme

The Fund was approved as an "exempt approved Scheme" under the terms of the Income and Corporation Taxes Act 1988 until the 4 April 2006. In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Fund became a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 with effect from 5 April 2006.

There is no reason why such approval should be prejudiced or withdrawn. The Fund is not contracted out of the State Second Pension.

Scheme's Investments

There were no employer-related investments held at any time during the year.

The investment managers appointed on behalf of the Trustees to manage funds under Section 34(4) of the Pensions Act 1995 are appropriately authorised under the Financial Services and Markets Act 2000 to manage investments. The Investment Managers appointed have the appropriate knowledge and experience necessary to manage the particular investments delegated to them.

A Statement of Investment Principles has been produced as required by Section 35 of the Pensions Act 1995 and is available on request or at the following:

<https://www.isio.com/app/uploads/2025/09/Final-TSA-EPF-SIP-2024-No-Last-Page4559840.1.pdf>

The Fund's investments were exempt from UK income and capital gains tax.

Calculation of Transfer Payments

Transfer payments are calculated on a basis prescribed by the Fund's Actuary to meet the requirements of the Pension Schemes Act 1993.

Data Protection

The Trustees have registered with the applicable Data Protection Legislation to act as Data Controllers for The Salvation Army Employees' Pension Fund.

The Administrator has also registered under the applicable Data Protection Legislation to hold information necessary for the management of the Pension Fund.

Internal Dispute Resolution Procedure

Under the Pensions Act 1995, the Fund is required to put in place and maintain an Internal Dispute Resolution Procedure (IDRP) to deal with members' disputes. Although the Trustees always try to resolve disputes informally and swiftly, an IDRP has been put in place and a copy is available from the Trustees. A formal internal dispute resolution procedure applies to the Fund. Any complaint should be addressed in writing to

Head of Pensions for The Salvation Army, The Salvation Army Territorial Headquarters, 1 Champion Park, London SE58FJ. The Trustees will consider the complaint. The Head of Pensions will respond within four months with either a decision or an explanation of the delay and an expected date of issuing a decision.

Trustees' Report

Compliance Matters

Internal Dispute Resolution Procedure (continued)

Members may at any stage refer their complaints to MoneyHelper. If the member is unhappy with the Trustees' response to their complaint they may at this stage, but not before, contact the Pensions Ombudsman.

Members can obtain information about their own pension benefits or further information about the Fund from the Pensions Manager at The Salvation Army, whose address for enquiries appears on page 1 of this report. Copies of the Fund's documentation are available for reference at the same address (or for retention at a small charge).

Taxation

The Fund is a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004.

Related Party Transactions

Aspects of the administration of the Fund were undertaken by The Salvation Army United Kingdom Territory which is the Principal Employer of the Fund's members.

Further details of related party transactions are given in note 19 to the financial statements.

GDPR

The General Data Protection Regulation ("GDPR") is a regulation by the European Parliament intended to strengthen and unify data protection for all individuals within the EU. It also addresses the export of personal data outside of the EU. GDPR came into force from 25 May 2018 and the Trustee worked with its advisers to formulate its GDPR policy so that it was compliant.

From 1 January 2021, the UK GDPR came into effect which will run alongside the DPA 2018, and the EU GDPR to which all EU nations remain subject, and this includes where Capita Pension Solution Limited operate in the EU. This ensures that we have adequate provision for the safe processing of data in the UK and in the EU/EEA.

Our obligations under the UK GDPR are fundamentally the same as our obligations under the EU GDPR and we continue to remain subject to UK Data Protection laws.

Trustees' Report

Compliance Matters

MoneyHelper

MoneyHelper (formerly The Money and Pensions Service (MaPs)) was created in 2019 as a single body providing information to the public on matters relating to workplace and personal pensions.

Telephone: 0800 011 3797

Email: pensions.enquiries@moneyhelper.org.uk

Website: <https://www.moneyhelper.org.uk/en>

Pensions Ombudsman

The Pensions Ombudsman will assist members and beneficiaries of the Fund in connection with difficulties which they have failed to resolve with the Trustee or Administrator of the Fund and may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme.

The Pensions Ombudsman may be contacted at 1st Floor, 10 South Colonnade, Canary Wharf, London E14 4PU

Telephone: 0800 917 4487

Early resolution email: helpline@pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

Pensions Regulator

The Pensions Regulator is able to intervene in the running of schemes where Trustees, Employers or Professional Advisers have failed in their duties.

The Pensions Regulator may be contacted at Telecom House, 125-135 Preston Road, Brighton BN1 6AF.

Telephone: 0345 600 0707

Pension Tracing

A pension tracing service is carried out by the Department for Work and Pensions.

The Pension Tracing Service may be contacted at The Pension Service 9, Mail Handling Unit A, Wolverhampton, WV98 1LU.

Telephone: 0800 731 0193

Trustees' Report

Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) are the responsibility of the 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 Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year, and
- contain the information specified in Regulation 3A of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

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

The Trustees are also responsible for making available certain other information about the Fund 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 Fund 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 Fund by or on behalf of the employer and the active members of the Fund 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 Fund and for adopting risk-based processes to monitor whether contributions are made to the Fund by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Trustees' Report

Report on Actuarial Liabilities

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

The Fund closed to future accrual in April 2023. The most recent full actuarial valuation of the Fund was carried out as at 31 March 2024. This showed that on that date:

The value of the Technical Provisions was: £166,261,000

The value of the assets at that date was: £199,547,000

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

Method

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

Significant Actuarial Assumptions

Discount interest rate: The Bank of England gilt curve at the valuation date.

Future Retail Price Inflation: The Bank of England Retail Prices Index inflation curve at the valuation date.

Future Consumer Price Inflation: 0.75% pa below the Retail Price Inflation assumption up until 2030 and is equal to the Retail Price Inflation assumption from 2030.

Pension increases: derived from the assumption for future Retail Price Inflation allowing for the caps on pension increases according to the provisions of the Fund's Rules.

Pensionable salary increases: 0.5% above the Retail Price inflation assumption, capped at 2% pa for the first three years.

Mortality: for the period in retirement, standard SAPS S4 tables for males and SAPS S4 Light tables for females with a scaling factor of 100%, together with allowance for future improvements in line with CMI_2023 Core Projections with an initial addition to mortality improvement rates of 0.25% and an annual long-term rate of improvement in mortality rates of 1.5%.

Expenses: A ten-year expense reserve of £675,000 pa (increasing in line with inflation).

Trustees' Report

Report on Actuarial Liabilities

Recovery Plan

Recovery Plan

As there was a surplus on the technical provisions basis at the valuation date, no shortfall contributions are required to be paid into the Fund at the current time and therefore a recovery plan is not required.

Next Actuarial Valuation

The next triennial valuation will be performed as at 31 March 2027, following which the calculation of the Scheme's technical provisions and any required Recovery Plan will be agreed by the statutory deadline of 30 June 2028.

Further Details

The Trustees of the Fund have produced the Summary Funding Statement for 2024, a copy of which is included from page 48 of this annual report. A copy of the Scheme Actuary's 2024 valuation report is available on request to the Fund secretary at the address on page 1.

Contact for Further Information

Members can obtain information about their own pension benefits or further information about the Fund from:

The Salvation Army Employees' Fund

Isio

P O Box 108

Blyth

NE24 9DY

Alternatively, Isio can be contacted via e-mail at: salvationarmy@isio.com. Copies of the Fund's documentation are available for reference at the same address (or for retention at a small charge).

Approval

This Trustee Report was approved by the Trustee of The Salvation Army Employee Pension and signed on its behalf by:

.....

Date:

Trustee

.....

Date:

Trustee

Actuary's Certification of the Schedule of Contributions

CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Name of Scheme: Salvation Army Employees Pension Fund

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2024 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles signed on 6 March 2025

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

Signature:

Date: 6 March 2025

Name: Debra Smith

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: PO Box 68
Albert House
South Esplanade
St Peter Port
Guernsey
GY1 3BY

Employer: BWCI Consulting Limited

Independent Auditor's Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of The Salvation Army Employees' Pension Fund

Statement about contributions payable under schedules of contributions

We have examined the summary of contributions payable to The Salvation Army Employees' Pension Fund on page 8 in respect of the Fund year ended 31 March 2025.

In our opinion the contributions for the Fund year ended 31 March 2025 as reported in the attached summary of contributions on page 8 and payable under the schedules of contributions have in all material respects been paid at least in accordance with the schedules of contributions certified by the actuary on 14 June 2022 and 6 March 2025.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 8 in the attached summary of contributions have in all material respects been paid at least in accordance with the schedules of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the schedules of contributions.

Respective responsibilities of Trustees and auditor

As explained more fully on page 26 in the Statement of Trustees' Responsibilities, the Fund'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 Fund by or on behalf of the employer and the active members of the Fund. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Fund and for monitoring whether contributions are made to the Fund by the employer in accordance with the schedule of contributions.

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

Use of our statement

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

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date

Independent Auditor's Report to the Trustees of The Salvation Army Employees' Pension Fund

Opinion

We have audited the Financial Statements of The Salvation Army Employees' Pension Fund for the year ended 31 March 2025 which comprise the Fund Account, Statement of Net Assets available for benefits and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Fund's 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 Fund'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 Fund's Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report (continued)

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Fund's 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 determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, the Trustees are responsible for the preparation of Financial Statements and for being satisfied that they 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 Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Independent Auditor's Report (continued)

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

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

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

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

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

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

Use of our report

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

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date

Fund Account

For the year ended 31 March 2025

	Note	2025 £	2024 £
Contributions and benefits			
Employer contributions		-	287,733
Employee contributions		-	90,369
Total contributions	4	-	378,102
Other Income			
Compensation	5	20,895	-
		20,895	378,102
Benefits paid or payable	6	(6,121,851)	(5,808,897)
Payments to and on account of leavers	7	(634,290)	(377,152)
Administrative expenses	8	(710,625)	(680,350)
		(7,466,766)	(6,866,399)
Net withdrawals from dealings with members		(7,445,871)	(6,488,297)
Returns on investments			
Investment income	9	1,754,870	1,592,447
Change in market value of investments	10	(15,940,391)	(9,264,784)
Investment management expenses	11	(160,301)	(155,294)
Net return on investments		(14,345,822)	(7,827,631)
Net decrease in the fund during the year		(21,791,693)	(14,315,928)
Net assets of the Fund at 1 April		199,546,616	213,862,544
Net assets of the Fund at 31 March		177,754,923	199,546,616

The notes on pages 37 to 47 form an integral part of these financial statements.

Statement of Net Assets available for Benefits

As at 31 March 2025

		2025 £	2024 £
	Note		
Investment assets:			
UK Bonds		80,516,005	86,003,913
Pooled investment vehicles	12	82,401,460	94,333,604
AVC's	13	13,746,131	14,847,705
Cash		153,325	1,840,879
Other investment balances		431,684	393,007
Total net investments	10	<u>177,248,605</u>	<u>197,419,108</u>
Current assets	17	1,263,785	2,446,871
Current liabilities	18	<u>(757,467)</u>	<u>(319,363)</u>
Net current assets		506,318	2,127,508
Net assets of the Fund at 31 March		<u>177,754,923</u>	<u>199,546,616</u>

The financial statements summarise the transactions of the Fund 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 Fund year. The actuarial position of the Fund, which takes into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on pages 27 and 28 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 37 to 47 form an integral part of these financial statements.

Signed on behalf of The Salvation Army Employees' Pension Fund by:

.....

Date:

Trustee

.....

Date:

Trustee

Notes to the Financial Statements

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 with guidance set out in the Statement of Recommended Practice (Revised 2018).

The Trustees have undertaken a review of whether the going concern assumption is appropriate and assessed a period of at least 12 months from the date of approval of the accounts. Based on information available at the time of approval of the accounts, the trustees have concluded that there are no material uncertainties and that it is appropriate to produce financial statements for the Fund on a going concern basis.

2. Identification of the financial statements

The Plan is established as a trust under English Law. The registered address of the Fund is The Salvation Army, 1 Champion Park, London SE5 8FJ.

3. Accounting policies

The principal accounting policies of the Fund, which were consistently applied throughout both years, are as follows:

Contributions

Employee contributions, including AVCs, are accounted for by the Trustees when they are deducted from pay by the Employer.

Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions in force during the year.

Employer other contributions are accounted for in accordance with the agreement under which they are payable.

Payments to members

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

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

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

Expenses

Expenses are accounted for on an accruals basis.

Notes to the Financial Statements

3. Accounting policies (continued)

Investment income

Income from cash and short-term deposits is accounted for on an accruals basis.

Dividends from equities are accounted for on the ex-dividend date.

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

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

Investments

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

Investments are included at fair value as described below:

Quoted securities in active markets are usually valued at the current bid prices at the reporting date.

Accrued interest is excluded from the market value of Bonds and is included in invested income receivable.

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

Presentational currency

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

Taxation

The Fund 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.

Notes to the Financial Statements

4. Contributions

The Employers pay the balance required to fund the benefits and to meet fund management and administration costs paid. The rate during the year was 0% (2024: 30.2%) of pensionable salaries as contribution ceased on 1 May 2023. Members' additional voluntary contributions are matched by additional contributions from the employer up to a set maximum.

Members contributed 8% of pensionable salary prior to accrual ceasing. Some members have also made voluntary contributions to secure additional benefits.

The actuarial valuation as at March 2024 showed a surplus, and consequently, contribution ceased with effect from 1 May 2023. For further details are set out in Fund's Summary Funding Statement on page 48.

	2025 £	2024 £
Employer contributions		
Normal	-	274,781
Additional	-	12,952
	-	287,733
Employee contributions		
Normal	-	73,297
Additional voluntary contributions	-	17,072
	-	90,369
	-	378,102

5. Other income

	2025 £	2024 £
Compensation from administrator	20,895	-

Notes to the Financial Statements

6. Benefits paid or payable

	2025 £	2024 £
Pensions payroll	4,401,238	4,095,540
Commutations and lump sum retirement benefits	1,609,457	1,689,682
Death benefits	111,156	23,675
	6,121,851	5,808,897

7. Payments to and on account of leavers

	2025 £	2024 £
Individual transfers out to other schemes	82,057	28,883
AVC transfers out	552,233	348,269
	634,290	377,152

8. Administrative expenses

	2025 £	2024 £
Administration and processing	211,562	266,852
Actuarial fees	386,389	233,526
Audit fees	38,200	21,845
Legal fees	48,155	66,338
Pension protection levy	18,594	85,027
Trustee expenses	39	-
Insurance	7,686	6,762
	710,625	680,350

Actuarial fees were higher in this financial year as the entirety of the triennial valuation was completed within the reporting period. Normally a valuation is completed over a 15-month period, so fees cross two accounting periods.

With the exception of certain actuarial costs, the Fund bears all costs of administration.

9. Investment income

	2025 £	2024 £
Income from bonds	1,718,554	1,545,686
Interest on cash deposits	36,316	46,761
	1,754,870	1,592,447

Notes to the Financial Statements

10. Reconciliation of investments held at the beginning and end of the year

	Value at 1 April 2024 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 March 2025 £
Defined Benefit Section					
Sarasin & Partners					
UK Bonds	86,003,913	28,689,227	(25,286,182)	(8,890,953)	80,516,005
Legal & General					
Pooled Investment Vehicles	94,333,604	-	(4,950,000)	(6,982,144)	82,401,460
AVC Section					
Royal London					
Pooled Investment Vehicles	14,847,705	1,104,176	(2,138,456)	(67,294)	13,746,131
	195,185,222	29,793,403	(32,374,638)	(15,940,391)	176,663,596
Cash deposits	1,840,879				153,325
Accrued income	393,007				431,684
	197,419,108				177,248,605

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. Due to the restructuring of the investments, the scheme incurred nil (2024: £ nil) brokerage, commission, and custodian charges.

Sarasin & Partners LLP and Legal & General Investment Management Limited, the investment managers of the Fund, are registered in the United Kingdom. Royal London Unit Trust Managers Limited is also a United Kingdom registered company.

The Fund's AVC section assets are invested in a range of Open-Ended Investment Company funds managed by Royal London Unit Trust Managers Limited. Members are given the discretion as to how their AVCs are invested within this fund range.

Disclosure of any investments which comprise more than 5% of the total net assets is shown in note 16.

Notes to the Financial Statements

11. Investment management expenses

	2025 £	2024 £
Administration, management and custody	160,697	155,568
Rebates on investment expenses	(396)	(274)
	<u>160,301</u>	<u>155,294</u>

12. Pooled investment vehicles

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

	2025 £	2024 £
Legal & General		
UK Bonds	<u>82,401,460</u>	<u>94,333,604</u>

13. AVC investments

The Trustees hold assets invested separately from the main Fund investments to secure additional benefits on a money purchase basis for those Fund members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in the year.

AVC investments held are as follows:

	2025 £	2024 £
RLUTM		
Managed and unitised funds		
CIS Sustainable leaders	380,968	321,789
Ethical bond	4,145,832	4,107,507
Short term money market	796,164	766,155
UK Equity income	557,273	530,390
UK government bond	104,446	164,548
Corporate bond	54,363	51,356
Global Sustainable Equity	7,707,085	8,905,960
	<u>13,746,131</u>	<u>14,847,705</u>

Notes to the Financial Statements

14. Fair value determination

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

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

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety. The Fund's investment assets and liabilities fall within the above hierarchy levels as follows:

As at 31 March 2025	Level 1 £	Level 2 £	Level 3 £	Total £
UK Bonds	-	80,516,005	-	80,516,005
Pooled investment vehicles	-	82,401,460	-	82,401,460
Additional voluntary contributions	-	13,746,131	-	13,746,131
Cash	153,325	-	-	153,325
Other trades and income	431,684	-	-	431,684
	585,009	176,663,596	-	177,248,605

As at 31 March 2024	Level 1 £	Level 2 £	Level 3 £	Total £
UK Bonds	-	86,003,913	-	86,003,913
Pooled investment vehicles	-	94,333,604	-	94,333,604
Additional voluntary contributions	-	14,847,705	-	14,847,705
Cash	1,840,879	-	-	1,840,879
Other trades and income	393,007	-	-	393,007
	2,233,886	195,185,222	-	197,419,108

Notes to the Financial Statements

15. Investment risk disclosures

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: 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 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 their investment advisers. The Fund has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Fund's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Fund's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include the AVC investments as these are not considered significant in relation to the overall investments of the Fund.

Investment strategy

The investment objective of the Fund is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with any future contributions, the benefits payable under the trust deed and rules as they fall due.

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

The current strategy is to hold:

- a. 52% in fixed interest gilts.
- b. 48% in index-linked gilts.

Notes to the Financial Statements

15. Investment risk disclosures (continued)

Credit risk

The Fund is subject to credit risk because the Fund directly invests in bonds and has cash balances. The Fund also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the fund providers. The Fund is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Credit risk has been reduced as all bonds are held in Gilts. Credit risk arising on cash is mitigated by limiting the allocation to cash to a maximum of 5% and investing in institutions that are at least investment grade credit rated.

A summary of direct credit risk arising from direct investment in bond holdings is set out below.

	2025 £	2024 £
Bond holdings	80,516,005	86,003,913

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, and the regulatory environments in which the pooled manager operates.

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

	2025 £	2024 £
Unit linked insurance contracts	82,401,460	94,333,604

Indirect credit risk arises in relation to underlying investments held in bond pooled investment vehicles (including AVCs). The Fund's exposure to indirect credit exposure is set out below.

	2025 £	2024 £
Bond PIV DB	82,401,460	94,333,604
Bond PIV AVC	4,304,641	4,323,410
	86,706,101	98,657,014

Notes to the Financial Statements

15. Investment risk disclosures (continued)

Currency risk

Currency risk arises where Fund investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. At the year end the exposure to currency risk represented 0% (2024: 0%).

Interest rate risk

The Fund is subject to interest rate risk because some of the Fund's investments are held in bonds, either as segregated investments or through pooled vehicles, and cash. The Trustees have set a benchmark allocation (excluding AVCs) to bonds of 100% of the total investment portfolio to provide some protection against increases in the Fund's liabilities as a result of a fall in interest rates. At the year end the bond portfolio (excluding AVCs) represented 99% of the total investment portfolio (2024: 94%).

Other price risk

Other price risk arises in relation to any return-seeking assets held by the Fund which includes directly held equities and equities held in pooled vehicles. At the year end the direct exposure to other price risk represented 0% (2024: 0%).

Self-investment

The Fund has no self-investment.

16. Concentration of investments

The investments (other than UK Government Securities) at the year-end which are more than 5% of the total value of the net assets of the Scheme comprise:

	2025 £	2025 %	2024 £	2024 %
LGIM Over 15y Gilts Index	28,135,921	15.8	31,769,087	15.9
LGIM Under 15 Year Gilts Index	15,343,072	8.6	16,659,377	8.3
LGIM <15 Yr Index-Linked Gilts Ind	13,567,935	7.6	14,823,983	7.4
LGIM Over 15yr Index-Linked Gilts	25,354,532	14.3	31,081,157	15.6

While investment in pooled investment vehicles may exceed 5%, the investment managers are required to provide an adequate level of diversification within the funds.

17. Current assets

	2025 £	2024 £
Cash at bank	1,263,460	2,418,774
Other debtors	325	28,097
	<u>1,263,785</u>	<u>2,446,871</u>

Notes to the Financial Statements

18. Current liabilities

	2025 £	2024 £
Benefit accruals	412,037	27,882
Administration expenses	192,586	187,103
Investment manager's charges	38,152	40,739
Due to HMRC	114,692	58,925
Cash in transit to RLAM	-	3,495
Other	-	1,219
	757,467	319,363

19. Related party transactions

Aspects of the administration of the Fund were undertaken by The Salvation Army United Kingdom Territory which is the Principal Employer of the Fund's members. A management charge of £41,640 (2024: £41,461) was levied during the year. During the year a trustee was paid £39 for travel expenses.

The Fund's banker is Reliance Bank Limited which was a subsidiary company of The Salvation Army until 31 October 2018 and is a participating employer in the Fund. At the year end, the Fund had a current account balance of £926,298 (2024: £2,402,911) with that bank.

During the year, insurance expenses of £8,913 were paid to The Salvation Army General Insurance Corporation Limited which is a participating employer in the Fund.

Of the Trustees, Mrs P Murdoch and Mr J McCaughren are pensioners of the Fund.

At the year end, Ms R Rudran and Mr A Gray were the only Trustees to be Employed Deferred Members of the Fund. Mr Gray is Employer Nominated Trustee to the Fund and board. Note, Mrs Griffin joined the board after the year ended, but like Mrs Rudran and Mr Gray is an Employed Deferred Member of the Fund.

20. Virgin Media

In June 2023 the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pensions Schemes Act 1993, and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members.

The court decision was subject to appeal, with the Court of Appeal judgement published on 25 July 2024, upholding the High Court's ruling. Following industry lobbying, the government announced in June 2025 that legislation would be introduced to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Having consulted with their advisors, the Trustees have determined that there is no need for action, but the Trustees will monitor developments and take further action as required.

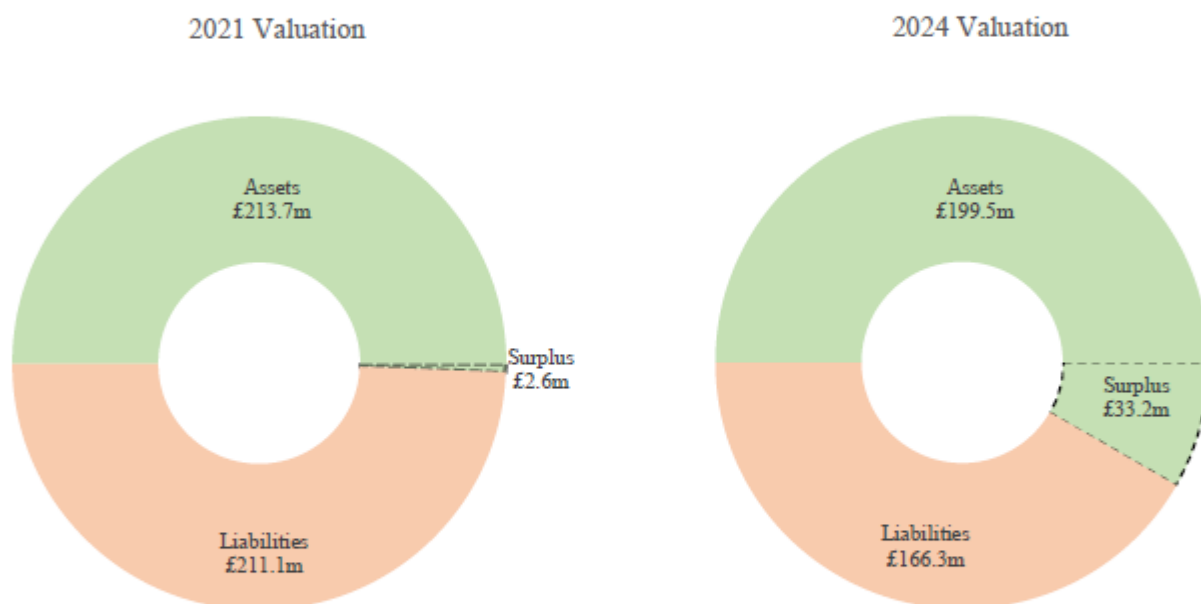
Summary Funding Statement

Introduction

The Trustees of the Salvation Army Employees Pension Fund ("the Scheme") are pleased to provide members with their Summary Funding Statement covering the funding position as at 31 March 2024. The Trustees are required by legislation to provide such a Statement to let you have updated information about the funding of the Scheme after each actuarial valuation and annual funding update. This Statement summarises the results of the formal actuarial valuation of the Scheme which was carried out as at 31 March 2024 and the previous formal actuarial valuation as at 31 March 2021.

Results of the formal actuarial valuation of the Scheme as at 31 March 2024

The results of the actuarial valuation carried out as at 31 March 2024, assuming that the Scheme continues into the future, are illustrated below, together with the results of the 2021 actuarial valuation for comparison purposes.



As the Scheme remains in surplus, no shortfall contributions are required at this time.

The Scheme closed to future accrual of benefits with effect from 30 April 2023 and regular contributions to the Scheme ceased on this date.

How has the position changed since 2023?

The Summary Funding Statement that we sent to you last year showed the Scheme's funding position at the latest valuation as at 31 March 2021, together with an update as at 31 March 2023. As at 31 March 2023 the Scheme had a surplus of £65.5m. The primary reason for the reduction in surplus since 2023 is that the assumptions used to value the Scheme's liabilities have been made more prudent, reflecting the reduced level of investment risk now being taken by the Scheme.

Summary Funding Statement (continued)

What would happen if the Scheme started to wind up?

As part of the valuation, the actuary investigates the Scheme's solvency position if it had started to wind up (come to an end) at the valuation date. This is part of the standard funding requirements and it does not mean that the Army is thinking of ending the Scheme.

To assess solvency, the actuary looks at whether the Scheme had enough money at the valuation date to buy insurance policies to provide members' benefits in full using assumptions that broadly reflect those used by insurance companies in setting their prices.

If the Scheme had started winding up at 31 March 2024, the actuary estimates that the amount it would have needed to ensure all benefits were paid in full (the full solvency position) was £164.7m. The assets were £199.5m. On this basis the solvency surplus is £34.8m and the solvency level is 121.1%.

Payment to the Army or any of the other Participating Employers and modifications imposed by the Pensions Regulator

We are obliged to tell you that there has not been any payment to the Army or any of the other participating employers out of the Scheme's assets in the previous twelve months. The participating employers currently have no intention of receiving any payment from the Scheme. We also confirm that the Pensions Regulator has not modified the Scheme, nor made any directions regarding the contributions the participating employers are required to pay to the Scheme or the calculation of the Scheme's funding position.

Contact Information

We hope you have found this information useful. If you have any questions about this Statement or about your own pension, please do not hesitate to contact us via:

The Trustees of the Salvation Army Employees Pension Fund
Territorial Headquarters
1 Champion Park
London
SE5 8FJ

Email: pensions@salvationarmy.org.uk
Telephone: 020 7367 4668

Summary Funding Statement (continued)

Data Privacy Notice

The Trustees and the Scheme Actuary Debra Smith are joint data controllers for the purposes of data protection regulations. The Trustees have a written contract with each employer and the Scheme Actuary has a written contract with the Trustees. We comply with these contracts and appropriate professional standards when processing personal data.

The Trustees collect information from you and may receive information about you from your employer or the trustees of other pension schemes which hold data about you. The Scheme Actuary may receive information about you from your employer or the Trustees. We hold this personal data and use it to:

- Calculate and pay your benefit entitlements in the Scheme;
- Monitor and report on the funding position of the Scheme;
- Calculate and deduct any tax due from your benefits;
- Administer the Scheme in accordance with legal requirements; and
- Maintain your Scheme records

The data we hold includes your contact details and information required to calculate your benefits, such as dates of birth, sex, marital status and employment history. In some circumstances, we may collect limited health information to assess eligibility for certain Scheme benefits. We may also collect bank details for benefit payments. We strive to collect only that information needed to administer your benefits, perform actuarial calculations, and to comply with our legal obligations.

We will typically only share your information with certain regulatory bodies or as legally required for tax purposes. In some circumstances, we may share your information with other providers to the Scheme as part of the administration process. The Trustees may also share your information with your employer and their professional advisers in connection with their responsibilities towards the Scheme. If we transfer your data to other jurisdictions, we comply with applicable data protection laws.

You have the right to:

- request copies of the personal data we hold about you by contacting us at the address above;
- correct any information that is incorrect, inaccurate or incomplete;
- restrict what we do with your information until we correct it or if you believe we are using your data unlawfully.

Your personal information is held for only as long as it is needed to perform our duties. In some cases, legal requirements dictate that we continue to keep some records until a period of time has elapsed. Your information will be deleted, destroyed, or returned when we no longer have a legitimate reason to retain it.

More information is available from the Information Commissioner's office (<https://ico.org.uk>)