



# **The Salvation Army**

## **Employees' Pension Fund**

Fund Registration Number: 10023548

**Trustees' Annual Report and Financial Statements  
For the Year Ended 31 March 2024**

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> ) Mrs S Wright ( <i>employers' appointee</i> ) (resigned 29 March 2024) Mr A Gray ( <i>employers' appointee</i> ) (appointed 29 May 2024) Mr J McCaughren ( <i>members' appointee</i> ) 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:	Mrs D Simon FIA, BWCI Consulting Limited, (resigned 31 January 2024) Ms D Smith FIA, BWCI Consulting Limited, (appointed 6 February 2024)
Administrator:	Capita Pension Solutions Limited <a href="mailto:salvationarmy@capita.com">salvationarmy@capita.com</a>
Auditor:	BDO LLP (resigned 14 December 2023) RSM UK Audit LLP (appointed 15 December 2023)
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:	Captain 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 2024.

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, 101 Newington Causeway, London SE1 6BN (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.

Five 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 Fund Advisers

##### *Change of Fund Actuary*

On 31 January 2024, Mrs D Simon FIA of BWCI Consulting Limited resigned as the Fund's Actuary. The letter of resignation included the following statement: "I declare that I know of no circumstances connected with my resignation which, in my opinion, significantly affect the interests of the members or prospective members of, or beneficiaries under, the Fund."

Ms D Smith, also of BWCI Consulting Limited was appointed on 6 February 2024 as the replacement Fund Actuary.

##### *Change of Fund Auditor*

On 14 December 2023, BDO LLP resigned as auditor to the Fund and the Trustees subsequently appointed RSM UK Audit LLP on 15 December 2023. The following statement has been received from BDO LLP, "There are no circumstances connected with our resignation which we consider significantly affect the interests of the members or prospective members of, or beneficiaries under, the Fund."

## 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 2023 report	272	
Late adjustments	(3)	
Revised active members at the beginning of the year	<b>269</b>	
Withdrawals with deferred pensions	(3)	
Members retiring	(12)	<b>254</b>

##### Pensioners

Pensioners at beginning of the year per 31 March 2023 report	1,031	
Late adjustments	7	
Revised pensioner members at the beginning of the year	<b>1,038</b>	
Early retirements	24	
Late retirements	14	
Members retiring	13	
New dependants	12	
	<b>1,101</b>	
Suspended Pensioners	(6)	
Pensioners who died during the year	(29)	<b>1,066</b>

##### Deferred pensioners

Deferred pensioners at beginning of the year per 31 March 2023 report	817	
Late adjustments	(3)	
Revised deferred pensioners at the beginning of the year	<b>814</b>	
Deferred pensioners during the year	3	
	<b>817</b>	
Deferred pensioners leaving with transfer values	(1)	
Deferred pensioners retiring	(39)	
Deferred pensioners retiring – commuted	(15)	<b>762</b>

##### Total Membership at 31 March 2024

**2,082**

\* 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 E Simon FIA (BWCI Consulting Limited) as at 31 March 2021. The valuation showed a past service surplus of £2,547,000 relative to the technical provisions which corresponds to a funding ratio of 101.2%.

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 2024 were £199,546,616 (2023: £213,862,544). The decrease comprised of net withdrawals from dealings with members/Scheme expenses of £6,488,297 and a decrease in investments of £7,827,631 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 is currently underway.

#### 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 2021 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.
- Scheme 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 realization 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 realize investments in potentially unfavourable circumstances. However, as the majority of the Fund's investments are in assets that can be realized should the income be insufficient, the Fund's liquidity requirement can still be met.
- Scheme funding levels – the Trustees receive funding updates from the Scheme 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 on an annual basis 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. Contributions payable since the year end have been paid on a timely basis.

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 2024:

Pensions in Payment accrued prior to 6 April 2006	4.9%
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 is the administrator for the 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 2024 the contributions payable to the Fund, both under and in addition to the Schedule of Contributions, were as follows:

	£
Employer normal contributions	274,781
Member normal contributions	<u>73,297</u>
<b>Total contributions payable under the Schedule of Contribution</b>	<b>348,078</b>
Employer additional contributions	12,952
Member additional voluntary contributions	<u>17,072</u>
<b>Total contributions payable to the Fund</b>	<b><u>378,102</u></b>

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

.....

Date: .....

Trustee

.....

Date: .....

Trustee

## 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 2024. 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 Trustees aim to invest the assets of the Fund in the best interest of members and beneficiaries. The Trustees aim to generate sufficient return, in a risk-averse manner and in-line with the Ethical Code, to enable the Fund to meet its future liabilities. 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.

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

#### Fund Asset Allocation

At 31 March 2024 the Sarasin investments had a market value of £88,237,799 (2023: £93,140,366), the LGIM investments had a market value of £94,333,604 (2023: £106,290,181) and the RLUTM investments had a market value of £14,847,705 (2023: £13,490,058). As at 31 March 2024 the asset allocation was as follows:

Defined Benefit Section	Fund Allocation %	Fund Valuation £
<b>Sarasin</b>		
<b>Asset Class</b>		
UK Bonds	<b>97.5</b>	<b>86,003,913</b>
Cash and accrued interest	<b>2.5</b>	<b>2,233,886</b>
	<b>100.0</b>	<b>88,237,799</b>

## Trustees' Report

## Investment Matters

## Fund Asset Allocation (continued)

Defined Benefit Section		Fund Allocation	Fund Valuation
		%	£
<b>LGIM</b>			
<b>Asset Class</b>			
UK Bonds PIV		100.0	94,333,604
AVC Section		Fund Allocation	Fund Valuation
		%	£
<b>RLUTM</b>			
<b>Asset Class</b>			
UK Equities PIV		5.7	852,179
Global Equities PIV		60.0	8,905,960
UK Bonds PIV		29.1	4,323,411
Cash PIV		5.2	766,155
		<b>100.0</b>	<b>14,847,705</b>

## Review of Investment Performance – Defined Benefit Section

The performance of Sarasin and LGIM over 1 and 3 years to 31 March 2024 is set out in the table below.

Manager	1 Year to 31 March 2024		3 Year to 31 March 2024	
	Fund	Benchmark	Fund	Benchmark
	%	%	%pa	%pa
Sarasin	-5.3	-4.5	-4.5	-3.4
LGIM	-4.5	-4.5	2.6	2.4

Sarasin underperformed the benchmark over the 3 years to 31 March 2024.

LGIM performance showed good tracking of the benchmark over 1 and 3 years to 31 March 2024.

## Trustees' Report

### Investment Matters

#### Fund Asset Allocation (continued)

#### Review of Investment Performance – AVC Section

For the one, three and five years ended 31 March 2024 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 2024		3 Year to 31 March 2024		5 Year to 31 March 2024	
	Total Return	Index	Total Return	Index	Total Return	Index
	%	%	%pa	%pa	%pa	%pa
RL UK Equity Income Fund	11.33	8.43	9.65	8.05	6.22	5.44
RL Corporate Bond Fund	10.41	6.11	-0.76	-3.33	1.81	-0.39
RL Ethical Bond Fund	8.49	6.11	-2.04	-3.33	0.85	-0.39
RL UK Government Bond Fund	0.77	-0.04	-6.52	-7.38	-3.10	-3.77
RL Short Term Money Market Fund	5.19	4.93	2.47	2.41	1.64	1.59
Sustainable Leaders Trust	11.83	8.43	8.36	8.05	9.74	5.44
RL Global Sustainable Equity Fund	24.07	20.6	11.43	10.15	n/a	n/a

#### 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.

<b>Assets</b>	<b>AMC (%pa)</b>
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:

<b>Fund</b>	<b>FMF* %</b>
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 2024.

#### 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.

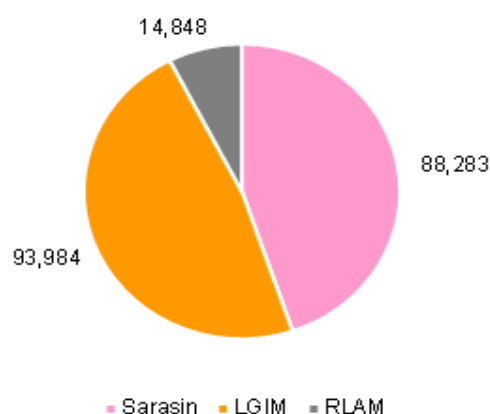
## Trustees' Report

### Implementation Statement

#### 2. Background (continued)

The chart below outlines the asset split between the Fund's asset managers as at 31 March 2024.

**EPF Assets as at 31 March 2024 (£'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 2024 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 2024 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 2024 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.

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.

Year to 31 March 2024	
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

## Trustees' Report

### Implementation Statement

#### 5. RLAM

##### 5.1 Voting policy

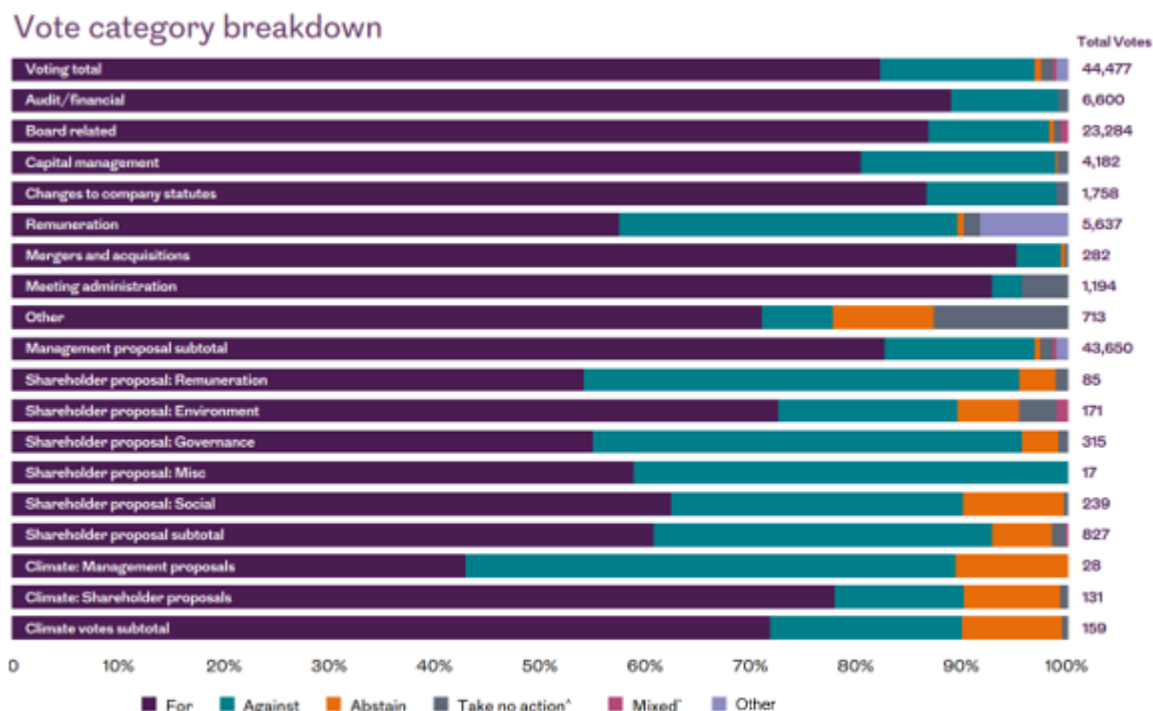
RLAM's "Stewardship and responsible investment report 2023" states that it attempts to make use of its voting rights across equity and fixed income holdings to maximise influence and safeguard client interests.

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 20<sup>th</sup> out of 69 investment managers for its ESG voting practices in ShareAction's "Voting Matters 2023" report, with RLAM voting in favour of 91% of the 257 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 2023 was provided by RLAM.



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

†RLAM endeavour to vote at all meetings other than in markets where voting would result in share blocking.

## 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. The managers voting and engagement policies align with those in the SIP.

## 5.3.1 Environmental

Company	Date of vote	Summary	RLAM's voting decision and reasoning	Vote outcome	% of holdings at vote date*	Next steps
Shell Plc	23/05/2023	Approval of Energy Transition Progress	<b>AGAINST</b> – Following RLAM's voting decision to abstain on this resolution in 2022 and seeing no progress made by the company on the issues brought up by RLAM, they have escalated to voting against this resolution.	Approved	0.25%	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.
Aviva plc	04/05/2023	Approval of the Company's Climate-related Financial Disclosure	<b>FOR</b> – Whilst RLAM would welcome further information into the company's decarbonisation plans and emissions, they generally approve of Aviva's climate-related financial disclosures.	Approved	0.09%	Given RLAM's support and the passing of the resolution, there were no further issues to address.
Glencore plc	26/05/2023	Shareholder Proposal Regarding Climate Action Transition Plan at 2024 AGM	<b>ABSTAIN</b> - Whilst RLAM does not oppose the proponents' objectives, in this instance they believe there is a greater benefit continuing to engage with the company on their future plans to bring it into line with investor expectations.	Defeated	0.08%	As part of RLAM's standard procedures a voting engagement letter was sent to the company after the vote detailing the rationale to abstain. Following this, RLAM would welcome further engagement to discuss climate matters.

\*Approximate

## 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	07/12/2023	Shareholder Proposal Regarding Risks of Developing Military Weapons	<b>FOR</b> – Given the substantial reputational and human-capital-related risks that come from operating in this area, further disclosure and consideration is considered warranted.	Defeated	0.04%	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

## 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
Novo Nordisk	21/03/2024	Directors' Fees	<b>FOR</b> – RLAM acknowledge the company's reason for a larger increase in member fees for the R&D committee as a strategically important focus of the business. Future increase will be monitored but RLAM holds no further concerns at this time.	Approved	0.02%	Given RLAM's support and the passing of the resolution, there were no further issues to address.
Astrazeneca plc.	27/04/2023	Election of Director	<b>AGAINST</b> – RLAM have long-standing concerns over the additional external time commitments held by the nominee, as he serves as chair at two external companies compounded with three further non-executives roles, including this company.	Approved	0.37%	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.

\*Approximate

## 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://salvationarmydb.pensions-directory.co.uk/~media/document-libraries/pensionsdirectory/salvation-army-db/final\\_tsa\\_epf\\_sip\\_2023\\_no\\_last\\_page](https://salvationarmydb.pensions-directory.co.uk/~media/document-libraries/pensionsdirectory/salvation-army-db/final_tsa_epf_sip_2023_no_last_page)

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 the Pension Fund Secretary at the Pension Fund office. The Trustees will consider the complaint. The Pension Fund Secretary 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](mailto:pensions.enquiries@moneyhelper.org.uk)

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

#### 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](mailto:helpline@pensions-ombudsman.org.uk)

Email: [enquiries@pensions-ombudsman.org.uk](mailto: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 7060

#### 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 (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 most recent full actuarial valuation of the Fund was carried out as at 31 March 2021. This showed that on that date:

The value of the Technical Provisions was:	£211,113,000
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The value of the assets at that date was:	£213,660,000
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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

Non-pensioner discount interest rate: the Bank of England gilt curve at the valuation date plus 2.0% pa reducing to 0.5% pa over 20 years.

Pensioner discount interest rate: the Bank of England gilt curve at the valuation date plus 0.5% pa throughout.

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 followed by 0% pa below 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.

Mortality: for the period in retirement, standard SAPS S3 tables for males and SAPS S3 Light tables for females with a scaling factor of 100%, together with allowance for future improvements in line with CMI\_2020 Core Projections, incorporating an annual long-term rate of improvement in mortality rates of 1.5%.

## Trustees' Report

### Report on Actuarial Liabilities

#### Recovery Plan

##### **Recovery Plan**

In accordance with the recovery plan agreed between the Trustees and the participating employers, as part of the 2018 actuarial valuation, the following shortfall contributions were outstanding at the 2021 actuarial valuation:

Reliance Bank – annual payments of £40,047 for 2 years until 31 March 2023 (which have been completed).

These arrangements were formalised in a schedule of contributions which the Scheme Actuary certified on 14 June 2022 and no further shortfall contribution is required until the next actuarial valuation at 31 March 2024.

The Fund valuation as at 31 March 2024 is currently ongoing.

##### **Further Details**

The Trustees of the Fund have produced the Summary Funding Statement for 2023, a copy of which is included from page 48 of this annual report. A copy of the Scheme Actuary's 2021 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:

Capita Pension Solutions Limited  
PO Box 555  
Stead House  
Darlington  
DL1 9YT

Alternatively, Capita Pension Solutions Limited can be contacted via e-mail at: [salvationarmy@capita.com](mailto:salvationarmy@capita.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 Director**

.....

**Date:** .....

**Trustee Director**

# Actuary's Certification of the 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 2021 to be met by the end of the period specified in the recovery plan agreed on 21 February 2019.

## 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 agreed on 26 May 2022.

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:** 14 June 2022

**Name:** Diana Simon

**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 schedule 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 2024.

In our opinion the contributions for the Fund year ended 31 March 2024 as reported in the attached summary of contributions on page 8 and payable under the schedule 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.

## 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 schedule 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 schedule 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 2024 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 2024, 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 2024

	Note	2024 £	2023 £
<b>Contributions and benefits</b>			
Employer contributions		287,733	3,622,687
Employee contributions		<u>90,369</u>	<u>1,095,948</u>
<b>Total contributions</b>	4	<b>378,102</b>	4,718,635
<b>Other Income</b>			
Compensation	5	<u>-</u>	<u>97</u>
		<b>378,102</b>	4,718,732
Benefits paid or payable	6	<b>(5,808,897)</b>	(5,127,961)
Payments to and on account of leavers	7	<b>(377,152)</b>	(267,918)
Administrative expenses	8	<u><b>(680,350)</b></u>	<u>(657,799)</u>
		<u><b>(6,866,399)</b></u>	<u>(6,053,678)</u>
<b>Net withdrawals from dealings with members</b>		<u><b>(6,488,297)</b></u>	<u>(1,334,946)</u>
<b>Returns on investments</b>			
Investment income	9	<b>1,592,447</b>	2,550,992
Change in market value of investments	10	<b>(9,264,784)</b>	(9,216,512)
Investment management expenses	11	<u><b>(155,294)</b></u>	<u>(459,438)</u>
<b>Net return on investments</b>		<u><b>(7,827,631)</b></u>	<u>(7,124,958)</u>
<b>Net decrease in the fund during the year</b>		<b>(14,315,928)</b>	(8,459,904)
<b>Net assets of the Fund at 1 April</b>		<u><b>213,862,544</b></u>	<u>222,322,448</u>
<b>Net assets of the Fund at 31 March</b>		<u><b>199,546,616</b></u>	<u>213,862,544</u>

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 2024

		2024 £	2023 £
	Note		
<b>Investment assets:</b>			
UK Bonds		86,003,913	92,498,342
Pooled investment vehicles	12	94,333,604	106,290,181
AVC's	13	14,847,705	13,490,058
Cash		1,840,879	244,308
Other investment balances		393,007	397,716
<b>Total net investments</b>	10	<u>197,419,108</u>	<u>212,920,605</u>
<b>Current assets</b>	17	2,446,871	1,294,957
<b>Current liabilities</b>	18	<u>(319,363)</u>	<u>(353,018)</u>
<b>Net current assets</b>		2,127,508	941,939
<b>Net assets of the Fund at 31 March</b>		<u>199,546,616</u>	<u>213,862,544</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.

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

### 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 30.2% (2023: 30.2%) of pensionable salaries. Members' additional voluntary contributions are matched by additional contributions from the employer up to a set maximum.

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

Contribution ceased with effect from 1 May 2023.

	2024 £	2023 £
<b>Employer contributions</b>		
Normal	274,781	3,445,089
Deficit funding	-	40,047
Additional	12,952	137,551
	<b>287,733</b>	<b>3,622,687</b>
<b>Employee contributions</b>		
Normal	73,297	907,333
Additional voluntary contributions	17,072	188,615
	<b>90,369</b>	<b>1,095,948</b>
	<b>378,102</b>	<b>4,718,635</b>

All shortfalls identified in the Schedule of Contribution dated 16 June 2022 have been fully paid.

## 5. Other income

	2024 £	2023 £
Ex-gratia receipt from administrator	-	97

## Notes to the Financial Statements

**6. Benefits paid or payable**

	<b>2024</b> £	<b>2023</b> £
Pensions payroll	<b>4,095,540</b>	3,758,696
Commutations and lump sum retirement benefits	<b>1,689,682</b>	1,187,308
Death benefits	<b>23,675</b>	181,957
	<b>5,808,897</b>	5,127,961

**7. Payments to and on account of leavers**

	<b>2024</b> £	<b>2023</b> £
Individual transfers out to other schemes	<b>28,883</b>	171,216
AVC transfers out	<b>348,269</b>	96,702
	<b>377,152</b>	267,918

**8. Administrative expenses**

	<b>2024</b> £	<b>2023</b> £
Administration and processing	<b>266,852</b>	223,887
Actuarial fees	<b>233,526</b>	244,089
Audit fees	<b>21,845</b>	18,304
Legal fees	<b>66,338</b>	15,905
Pension protection levy	<b>85,027</b>	145,795
Insurance	<b>6,762</b>	9,819
	<b>680,350</b>	657,799

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

**9. Investment income**

	<b>2024</b> £	<b>2023</b> £
Income from bonds	<b>1,545,686</b>	2,097,252
Dividends from equities	-	421,662
Interest on cash deposits	<b>46,761</b>	32,078
	<b>1,592,447</b>	2,550,992

## Notes to the Financial Statements

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

	Value at 1 April 2023 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 March 2024 £
<b>Defined Benefit Section</b>					
<b>Sarasin &amp; Partners</b>					
UK Bonds	92,498,342	-	-	(6,494,429)	86,003,913
<b>Legal &amp; General</b>					
Pooled Investment Vehicles	106,290,181	3,271,000	(10,221,000)	(5,006,577)	94,333,604
<b>AVC Section</b>					
<b>Royal London</b>					
Pooled Investment Vehicles	13,490,058	1,220,543	(2,099,118)	2,236,222	14,847,705
	212,278,581	4,491,543	(12,320,118)	(9,264,784)	195,185,222
Cash deposits	244,308				1,840,879
Accrued income	397,716				393,007
	212,920,605				197,419,108

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 (2023: £82,622) 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

	2024 £	2023 £
Administration, management and custody	155,568	461,899
Rebates on investment expenses	(274)	(2,461)
	<u>155,294</u>	<u>459,438</u>

## 12. Pooled investment vehicles

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

	2024 £	2023 £
<b>Legal &amp; General</b>		
UK Bonds	<u>94,333,604</u>	<u>106,290,181</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:

	2024 £	2023 £
<b>RLUTM</b>		
Managed and unitised funds		
CIS Sustainable leaders	321,789	428,177
Ethical bond	4,107,507	3,819,266
Short term money market	766,155	664,796
UK Equity income	530,390	468,900
UK government bond	164,548	177,764
Corporate bond	51,356	36,052
Global Sustainable Equity	8,905,960	7,895,103
	<u>14,847,705</u>	<u>13,490,058</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:

<b>As at 31 March 2024</b>	<b>Level 1 £</b>	<b>Level 2 £</b>	<b>Level 3 £</b>	<b>Total £</b>
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
	<b>2,233,886</b>	<b>195,185,222</b>	<b>-</b>	<b>197,419,108</b>

<b>As at 31 March 2023</b>	<b>Level 1 £</b>	<b>Level 2 £</b>	<b>Level 3 £</b>	<b>Total £</b>
Equities	-	-	-	-
UK Bonds	-	92,498,342	-	92,498,342
Pooled investment vehicles	-	106,290,181	-	106,290,181
Additional voluntary contributions	-	13,490,058	-	13,490,058
Cash	244,308	-	-	244,308
Other trades and income	397,716	-	-	397,716
	<b>642,024</b>	<b>212,278,581</b>	<b>-</b>	<b>212,920,605</b>

## 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

	<b>2024</b> £	<b>2023</b> £
Bond holdings	<b>86,003,913</b>	92,498,342

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:

	<b>2024</b> £	<b>2023</b> £
Unit linked insurance contracts	<b>94,333,604</b>	106,290,181

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.

	<b>2024</b> £	<b>2023</b> £
Bond PIV DB	<b>94,333,604</b>	106,290,181
Bond PIV AVC	<b>4,323,410</b>	4,033,082
	<b>98,657,014</b>	110,323,263

## 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% (2023: 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 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 represented 94% of the total investment portfolio (2023: 99%).

#### 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% (2023: 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:

	2024 £	2024 %	2023 £	2023 %
LGIM Over 15y Gilts Index	31,769,087	15.9	35,774,189	16.7
LGIM Under 15 Year Gilts Index	16,659,377	8.3	19,110,434	8.9
LGIM <15 Yr Index-Linked Gilts Ind	14,823,983	7.4	17,431,430	8.1
LGIM Over 15yr Index-Linked Gilts	31,081,157	15.6	33,974,128	15.9

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

	2024 £	2023 £
Contributions due from employer in respect of:		
Employer	-	25,389
Employee	-	7,834
Cash at bank	2,418,774	1,261,734
Other debtors	28,097	-
	<u>2,446,871</u>	<u>1,294,957</u>



## Notes to the Financial Statements

**18. Current liabilities**

	<b>2024</b> <b>£</b>	<b>2023</b> <b>£</b>
Benefit accruals	<b>27,882</b>	65,489
Administration expenses	<b>187,103</b>	151,474
Investment manager's charges	<b>40,739</b>	68,581
Due to HMRC	<b>58,925</b>	54,431
Cash in transit to RLAM	<b>3,495</b>	11,825
Other	<b>1,219</b>	1,218
	<b>319,363</b>	353,018

**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 £48,223 (2023: £44,190) was levied during the year.

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 Scheme. At the year end, the Fund had a current account balance of £2,402,911 (2023: £1,243,796) with that bank.

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

At the year end, Ms R Rudran was the only Trustee to be an active member of the Fund. She is accruing member retirement benefits in accordance with the Fund rules.

# 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 2023. 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 2021 and the funding update as at 31 March 2023.

## Results of the annual update of the Scheme as at 31 March 2023

The results of the interim funding assessment carried out as at 31 March 2023, 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 2021 actuarial valuation revealed a surplus, no additional shortfall contributions were required at that time. The two contributions that were still required at 31 March 2021 under the Recovery Plan agreed after the 2018 actuarial valuation have been paid.

The total cost of providing future service benefits amounted to 38.2% of Pensionable Salaries as at 31 March 2021. Members paid contributions of 8% of Pensionable Salary and the Employers were required to pay contributions of 30.2% of Pensionable Salaries.

## Summary Funding Statement (continued)

The Employers increased their contributions to 30.2% of Pensionable Salary with effect from 1 April 2022. A shortfall accrued over 2021/22 as a result of the contributions paid of 23.9% of Pensionable Salaries being insufficient to fund the full benefits accruing to members. The shortfall amounted to £790,000 and the Trustees and Employers agreed that this could be met from the surplus revealed by the actuarial valuation. The remaining surplus was carried forward.

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

### Why is the position better than in 2022?

The Summary Funding Statement that we sent to you last year showed the Scheme's funding position at the valuation as at 31 March 2021, together with the latest valuation as at 31 March 2022. Over the last year, there has been a significant increase in gilt yields which has reduced the value placed on the liabilities. This has increased the surplus from £16.9m at 31 March 2022 to £65.5m at 31 March 2023.

The Trustees have taken the opportunity to revise the investment strategy to introduce a strategy that better matches the liabilities. The next actuarial valuation of the Scheme due as at 31 March 2024 will take account of the revised investment strategy.

### What would happen if the Scheme started to wind up?

As part of the 2021 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. Insurance companies have to invest in low risk assets, which are likely to give low returns, and their policy prices will include administration charges and a profit margin. This means that the cost of securing benefits from an insurance company is very likely to be greater than our funding target.

If the Scheme had started winding up at 31 March 2021, the actuary estimates that the amount it would have needed to ensure all benefits were paid in full (the full solvency position) was £267.4m. The assets were £213.7m. On this basis the solvency shortfall is £53.7m and the solvency level is 80%.



## Summary Funding Statement (continued)

### 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 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](mailto:pensions@salvationarmy.org.uk)  
Telephone: 020 7367 4620

#### Data Privacy Notice

The Trustees and the Scheme Actuary Diana Simon are joint data controllers for the purposes of data protection regulations. The Trustees have a written contract with the 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 its 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>)