ANNUAL REPORT AND FINANCIAL STATEMENTS

HAYS PENSION SCHEME

FOR THE YEAR ENDED 30 JUNE 2024

Scheme Registration Number: 10126076

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Investment Managers:	
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Principal Employer:	
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Introduction

This report relates to the operation of the Hays Pension Scheme (the "Scheme") during the year ended 30 June 2024.

The Scheme is a defined benefit arrangement that provides retirement benefits. Such benefits are calculated on formulae that take into account the member's salary and pensionable service.

The Scheme closed for the accrual of future benefits for active members on 30 June 2012.

Management of the Scheme

Operation of the Trustee

The Trustee of the Scheme is Hays Pension Trustee Limited (the "Trustee") and the directors of the Trustee are shown on page 1. The power to appoint and remove the Trustee is vested in Hays plc ("Hays") under the Trust Deed of the Scheme. Under the Trustee's Articles of Association, directors are appointed and may be removed by Hays plc, but the Trustee also has the power to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors. Member-nominated directors are appointed in accordance with a procedure agreed by the Trustee and which complies with relevant legislation.

The directors maintain a business plan in order to assist in effectively managing the Scheme, which is reviewed at each Trustee meeting and amended as appropriate. The business plan includes procedures for ensuring that directors' training needs are reviewed and monitored and that the directors undertake regular and appropriate training to help ensure that they can supervise the management of the Scheme effectively. During the year, the Trustee met on four occasions. Decisions taken at meetings of the Trustee require the support of the majority of the directors and minutes are taken at meetings of the Trustee Board and of its sub-committees.

In order to ensure the effective and efficient conduct of business, the Trustee has established a number of sub-committees with specific responsibilities that are set out in formal terms of reference. Each sub-committee meets regularly and reports to the Trustee on its activities and their terms of reference are reviewed periodically by the Trustee.

In accordance with its Conflicts of Interest and Whistle-blowing Policy, the Trustee maintains a register of potential conflicts of interest in relation to its directors, officers and advisers. The register is kept under regular review and any potential conflict is notified and closely managed. Annually, the Trustee reviews its conflicts procedures to ensure that all potential conflicts have been properly notified and managed and that no potential conflict has operated against the interests of the Scheme or the Trustee. The most recent review was carried out in December 2023 and the Trustee confirms that the policy has operated effectively for the period commencing from its adoption to the review date.

Annually, the Trustee Board carries out a review of its own effectiveness. The latest review was carried out in December 2023.

Financial development of the Scheme

The Financial Statements on pages 17 to 32 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the fund decreased in value by £0.1 million from £518.3 million as at 30 June 2023 to £518.2 million as at 30 June 2024.

Hays plc paid £17.7 million (2023: £17.2 million) in the year in respect of deficit reduction contributions (see 'Actuarial' section below).

Benefits and administration expenses paid from the Scheme in the year amounted to £24.3 million (2023: £24.9 million).

Financial development of the Scheme (continued)

Details of the Scheme's investment strategy, performance and custody arrangements are included in the Investment Report on pages 8 to 12. The Investment Report, which has been prepared by the Trustee's investment adviser, Mercer Limited, has been reviewed by the Trustee and forms part of the Trustee's report to members.

The Financial Statements show the position of the Scheme at a particular point in time and, in order to understand the funding level of the Scheme, the Financial Statements should be read in conjunction with the actuarial valuation documents.

Actuarial

The last full actuarial valuation was undertaken as at 30 June 2021 and the results from this were reviewed and signed off on 13 December 2021. The formal actuarial valuation as at 30 June 2024 is currently underway. The statutory deadline for completing the 30 June 2024 formal valuation is 30 September 2025.

Following the 2021 valuation, Hays Pension Trustee Limited and Hays plc agreed a deficit recovery plan with deficit reduction contributions of £16,701,097 per annum with effect from 1 July 2021 until 30 June 2024, increasing by 3% each subsequent 1 July. There shall be no further contributions due to be paid directly to the Scheme from 1 July 2024. The Trustee and Hays plc established an escrow account on 11 July 2024 and under the terms of the escrow agreement, Hays plc must pay into the escrow account £18,249,768 per annum commencing 1 July 2024, increasing by 3% each subsequent 1 July. There is potential for amounts to be paid from the escrow account into the Scheme after 30 June 2024 dependent upon the terms of the escrow agreement.

The Actuary does not need to provide an annual funding update in the year of a formal valuation. The Actuary has however estimated that as at 30 June 2024, based on the funding principles agreed at the 30 June 2021 valuation, the deficit position had increased from £23.9 million as at 30 June 2021 to an estimated deficit of £25.5 million, with the value of assets being 95% of the amount needed to cover the Scheme liabilities on a Technical Provisions basis as at 30 June 2024. Technical Provisions represent a prudent estimate of the cost of benefits accrued by members on an ongoing basis at the relevant date.

The Report on Actuarial Liabilities is on page 33.

Going concern

The management of the Hays Pension Scheme, together with the factors likely to affect its future development, performance, and financial position are set out in the Annual Report and Financial Statements.

The Hays Pension Scheme holds financial resources in the form of the Scheme's investments. As at 30 June 2024 the value of the assets were estimated to be 95% of the amount required to cover the Scheme liabilities on a Technical Provisions basis. These investments together with the bulk annuity income receivable from Canada Life Limited (in relation to pensioner payments for all pensioners of the Scheme as at 31 December 2017), and access to additional employer deficit reduction contributions receivable from Hays plc (principal employer) in line with the escrow agreement dated 11 July 2024, will continue to provide sufficient sources of liquidity to fund the Scheme.

The directors consider that access to additional employer deficit reduction contributions in line with the escrow agreement is supported by the following:

1. The formal Employer Covenant Review of Hays plc and its Subsidiaries performed by Ernst & Young LLP dated 3 October 2024 (as part of the 2024 triennial valuation) concluded that the employer covenant remained strong;

Going concern (continued)

2. the Hays plc financial statements for the year ended 30 June 2024 having an unmodified audit opinion from PricewaterhouseCoopers LLP dated 21 August 2024; and
3. the receipt of the agreed deficit reduction payments throughout the year ended 30 June 2024 and subsequent agreed funding received into the escrow bank account to date.

Therefore, the Scheme is well-placed to manage its risks and contractual commitments and neither the employer nor the directors have discussed plans to wind up the Scheme in the next 12 months.

After making enquiries, the directors of the Scheme have formed the judgment at the time of approving the Financial Statements that there is a reasonable expectation that the Scheme has adequate resource to continue in existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

GMP equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to Guaranteed Minimum Pension (GMP) benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustee of the Scheme was aware that the issue affected the Scheme and is happy to report that all deferred members and pensioners have now had their benefits equalised. This leaves a review of pensioners who died before the ruling. Based on the actual payments expected to be made (including related interest payments that will be due in relation to these remaining cases). The Trustee does not expect these to be material to the Financial Statements and therefore has not included a liability in respect of these matters in these Financial Statements. They will be accounted for in the year they are determined.

On 20 November 2020, the High Court handed down a further judgment on the GMP equalisation case in relation to the Lloyds Banking Group pension schemes. This latest judgment confirms that Defined Benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Scheme has experienced historical transfers out which will be subject to adjustment as a result of this second ruling.

We estimate that the impact of this ruling will not be material in the context of the Scheme's overall liabilities.

Pension review

Subject to certain caps and exceptions, the Trustee increases pensions in payment for the main Scheme payroll at 1 July each year in accordance with the change in the Retail Prices Index (RPI) over the preceding 12 months ending on 31 March. The annual RPI figure for 31 March 2024 was 4.3%. Subject to the exceptions below, for all benefits accrued between 6 April 1997 and 1 July 2006 the increase to pensions in payment was 4.3% (capped at 5% in accordance with the Scheme Rules). For all benefits accrued post 1 July 2006, subject to the exceptions below, the increase to pensions in payment was 2.5% (capped at 2.5% in accordance with the Scheme Rules).

The following benefits were awarded different increases in 2024 in accordance with the Rules or practice of the Scheme:

i) post 1988 Guaranteed Minimum Pensions for Canada Life uninsured pensioners were increased by 3% in April;

Pension review (continued)

ii) pensions in the Axis Resources category were increased in April by 3% for pre 1997 benefits and by 5% for post 1997 benefits;

iii) pensions in the EPS category were increased in May by 5% where applicable for pre 1997 benefits and post 1997 benefits were increased by 5% for pensioners whose benefits were equalised and converted post-retirement and 0% for pensioners whose benefits were equalised and converted whilst a deferred member;

iv) the annual increase under the Career Care category was 5% for all pre 2006 pension benefits; and 2.5% for post 2006 pension benefits;

v) new excess pension (resulting from equalising benefits and therefore replacing the post 1988 GMP) were increased by 3%.

Further information

Requests for information relating to a member's own benefits should be sent to the Scheme Administrator, Equiniti Pensions Solutions, at the address on page 1. Any queries about the Scheme generally should be made to Kath Bedford at the address given on page 2.

Approval

This Trustee Report, including the Membership on page 7, the Investment Report on pages 8 to 12 and the Statement of Trustee's Responsibilities on page 13 were approved by The Trustee on 11 October 2024.

Signed for and on behalf of Hays Pension Trustee Limited

S Burnard
Representing The Law Debenture Pension Trust Corporation PLC
(Chairman)

Membership

Details of the membership of the Scheme are given below:

	2024	2023
Pensioners		
Pensioners at the start of the year	3,072	3,035
Adjustments		
via death, commutation or cessation	(12)	(12)
via retirement or dependant set up	36	19
Members retiring during the year	205	111
Spouses and dependants	39	45
Commutation of pension in payment	(7)	(6)
Pensioners who died during the year	(76)	(117)
Dependant ceasing	(1)	(3)
Pensioners at the end of the year	**3,256**	**3,072**
Deferred members		
Deferred members at the start of the year	3,620	3,765
Adjustments		
via death, commutation or cessation	(3)	(1)
via retirement or transfer	(15)	(7)
Retirements	(205)	(111)
Transfers out during the year	(6)	(16)
Trivial Commutations during the year	(17)	(7)
Deaths in deferment	(9)	(3)
Deferred members at the end of the year	**3,365**	**3,620**
Pensions purchased with Aviva*		
Pensioners at the start of the year	80	91
Pensioners who died during the year	(2)	(11)
Pensioners at the end of the year	**78**	**80**
Total membership at the end of the year	**6,699**	**6,772**

In the above table, pensioners include individuals receiving a pension following the death of the original member.

*Aviva was previously known as Norwich Union.

Introduction

The Scheme is divided into two sections: the Defined Benefit Section and Members' Additional Voluntary Contributions ('AVC') Section.

Defined Benefit Section

Investment Strategy

The Trustee is responsible for determining the Scheme's investment strategy. The Trustee has set the investment strategy for the Scheme after taking advice from the Scheme's investment adviser. The Trustee has put in place mandates with their investment managers to implement this strategy.

Over the year to 30 June 2024, the Trustee made the following changes to the Scheme's investment strategy:

- Following a review of the Scheme's investment strategy (in conjunction with preparing the Scheme for a buy-in transaction in the not too distant future), the Trustee instructed a complete disinvestment from the Mercer Multi-Asset Credit Fund over two tranches on the February and March 2024 dealing dates, with the proceeds settling in the Trustee Bank Account in March and April 2024 respectively.
- In order to improve alignment with insurer pricing (by increasing the credit spread sensitivity of the assets) and the potential portability of assets to an insurance company, the Scheme set up a segregated credit portfolio with Insight. The Trustee invested the proceeds from the Mercer Multi-Asset Credit redemption in a segregated credit portfolio and instructed the transfer of the existing pooled credit holdings (the Insight Enhanced Buy & Maintain Credit Fund and the Insight Short-Dated Buy & Maintain Credit Fund) to this segregated mandate in April 2024.
- In early April 2024, the synthetic equity and currency overlay positions were unwound by the Trustee to further de-risk the investment strategy.
- As part of the reorganisation of the credit portfolio, the Trustee recalibrated the Liability Hedging Portfolio and targeted interest rate and inflation hedge ratios of 95% of the residual liabilities, valued on the actuary's solvency basis.

In accordance with section 35 of the Pensions Act 1995, a Statement of Investment Principles has been prepared by the Trustee. None of the Scheme's investment managers notified the Trustee of any breaches and it has been reviewed during the year, to reflect the investment strategy changes mentioned above. A copy of the Statement of Investment Principles is available via the following link: https://www.hayspensionscheme.com/document-store

Policy on ESG, Climate Change and Stewardship

The Trustee believes that environmental, social and governance ("ESG") factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, such as climate change, present risk and opportunities that increasingly may require explicit consideration.

The Trustee has given the appointed investment managers full discretion when evaluating ESG issues, including climate change considerations, and in exercising voting rights and stewardship obligations attached to the Scheme's investments in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis and is documented annually.

Defined Benefit Section (continued)

Policy on ESG, Climate Change and Stewardship (continued)

The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

The Trustee does not currently explicitly consult members when making investment decisions.

Investment Management

The Trustee has delegated the day-to-day management of the investments to professional external investment managers. These managers, which are regulated by the Financial Conduct Authority in the United Kingdom or equivalent regulators if domiciled overseas, manage the investments within the restrictions set out in the Statement of Investment Principles.

The Trustee invests in segregated portfolios. Where the Scheme's assets are managed on a segregated basis, the mandates put in place by the Trustee specify how rights attached to them are actioned. This includes, where appropriate, active voting and an expectation that environmental, social and governance factors will be considered when making investment decisions.

Further details are included in the Statement of Investment Principles referenced above.

The table below illustrates the distribution of assets held by the Defined Benefit section of the Scheme at 30 June 2024 and 30 June 2023. The table also shows the benchmark asset allocation as at 30 June 2024.

Asset Class	30 June 2024 (%)	30 June 2023 (%)	Benchmark (%)
Synthetic Equity	-	3.1	-
UK	*-*	*1.0*	*-*
World	*-*	*2.1*	*-*
Global Multi-Asset Credit	-	11.3	-
Cash	2.8	3.2	-
Corporate Bonds	-	26.1	-
Short Dated Corporate Bonds	-	11.5	-
Segregated Credit Portfolio[1]	51.8	-	48.5
LDI Mandate[2]	45.4	47.8	51.5
Short Cash Exposure[3]	-	-3.0	-
Total	**100.0**	**100.0**	**100.0**
Current Market Value (exc Buy-in Policy)	**£348.8m**	**£340.6m**	**-**
Buy-in Policy[4]	**£162.2m**	**£168.6m**	**-**
Current market value (inc Buy-in Policy)[5]	**£511.0m**	**£509.2m**	**-**

Source: Investment Managers. Bid values sourced from Investment Managers where possible, otherwise mid/single price values provided by Investment Managers.

1 Segregated Credit Portfolio comprised of the assets previously held in the pooled credit funds (Short Dated Corporate Bonds and Corporate Bonds) as well as additional overseas credit exposure, managed to a duration of approximately 8 years.
2 LDI mandate comprises of UK Gilts; Network Rail Bonds; cash and derivative positions.
3 Valuation represents synthetic equity notional exposure.
4 Bought-in insured pensioners as at 30 June 2024 on the gilts flat basis, sourced from Hymans. Excludes Aviva insured pensioners.
5 Excludes AVCs (£3.7m as at 30 June 2024 and £3.8m as at 30 June 2023).

Defined Benefit Section (continued)

Investment Management (continued)

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and considers them to be appropriate relative to the reasons for holding each class of investment. More details about investment are given in the notes to the accounts.

Investment Performance

The long term performance shown below has been estimated by Mercer and incorporates the portfolio restructuring that has occurred over the periods shown.

	Three Years to 30 June 2024		Five Years to 30 June 2024	
	Fund (% p.a.)	B'mark (% p.a.)	Fund (% p.a.)	B'mark (% p.a.)
Total Return	-19.1	-18.7	-9.4	-9.2

Source: Mercer, net of fees. Total Return includes the impact of the LDI mandate with Insight and currency hedging.

The table below sets out the net of fees returns achieved by the Scheme's managers, against their respective benchmarks for the one year period and period since inception to 30 June 2024.

Manager	Mandate	1 Year (%)		Since Inception (% p.a.)	
		Fund	B'Mark	Fund	B'Mark
Deutsche[1]	Cash	5.2	5.3	1.0	0.9
Insight	Segregated Credit	-	-	-0.4	-0.2[2]
Total Return[3]		**-1.1**	**-0.2**	**2.6**	**2.8**

Source: Investment managers, net of fees. Mercer estimates and Refinitiv.
All totals include the performance of Insight's synthetic equity portfolio since inception on 17 September 2015 to termination on 11 April 2024. Profit/Loss is estimated by Mercer as Insight currently reports the combined synthetic equity and currency hedging profit/loss. Totals include performance of the temporary short equity futures from inception in August 2017.

1 The cash fund held with Standard Life was amalgamated into Deutsche Global Liquidity Series PLC on 1 June 2011. Since inception performance shown is sourced from Standard Life to 31 May 2011 and from Deutsche thereafter.
2 Insight Segregated Credit benchmark performance over May 2024 is assumed equal to fund performance due to unavailability of part period index returns.
3 All totals include the performance of terminated mandates. All totals since inception figures are a combination of gross and net of fees, as net of fees was unavailable prior to 30 June 2010.

The Trustee receive reports from their investment advisers, on a quarterly basis, showing actual performance by manager and fund. Investment managers are also invited to present to the Trustee's Investment Sub-Committee on a regular basis.

Custodial arrangements

In relation to the segregated mandate, the Trustee has appointed BNY Mellon Asset Servicing ("BNY Mellon") as custodian. BNY Mellon are responsible for the safekeeping of the investments, the settlement of all portfolio transactions, the collection of income from securities, tax reclaims, foreign currency transactions and cash management.

Defined Benefit Section (continued)

Investment Performance (continued)
Members' Additional Voluntary Contributions Section

In addition to the Defined Benefit section, the Scheme also consists of members' Additional Voluntary Contributions ("AVC"). The AVC assets are managed by Aviva and Prudential.

The table below illustrates the total asset values held by the AVC Section of the Scheme at the beginning and end of the year to 30 June 2024.

	30 June 2024	30 June 2023
Total Market Value	**£3.7 million**	**£3.8 million**

Market Background

In Q3 2023, central bank actions in developed markets were mixed. Some central banks decided to pause hiking interest rates, while others continued to increase policy rates. Headline inflation slowed down, and core inflation fell in most regions. Inflation expectations also declined over the quarter. China's economy expanded, mainly due to favourable base effects, but overall momentum remained weak, indicating subdued demand. The Japanese economy experienced the strongest growth since the last quarter of 2020, driven by strong export growth. US GDP growth accelerated in the third quarter of 2023. China's economy grew by 4.9% (year-on-year) in Q3. Chinese policymakers remained committed to supporting the economy. Quarter-on-quarter GDP growth contracted in the eurozone in Q3 2023. UK GDP growth was estimated to have declined by 0.1% in the third quarter of 2023.

The fourth quarter of 2023 started with low expectations due to high long-term interest rates and renewed geopolitical tensions in the Middle East. Markets reached their lows near the end of October due to risk-off sentiment. However, in November, slowing inflation in the US and other regions raised hopes that interest rates may have peaked, boosting investor confidence. Over the quarter, the US Federal Reserve kept rates unchanged and shifted towards a dovish tone. Inflation expectations also continued to decline.

The first quarter of 2024 saw a repricing of interest rate expectations, especially for developed market (DM) central banks. The timing of potential rate cuts by the US Federal Reserve, European Central Bank (ECB), and Bank of England (BOE) was pushed back to the second half of 2024 as growth and inflation data surprised to the upside. Despite rising bond yields, equity markets continued to rally driven by AI enthusiasm and strong corporate earnings. Japanese equities outperformed their peers due to solid earnings growth and a weaker yen. Emerging market equities were held back by weakness in China, although Chinese equities did rally in the second half of the quarter.

The second quarter of 2024 saw inflation largely soften towards central banks' targets for most developed market (DM) economies. This set the stage for a shift towards monetary policy easing. The European Central Bank (ECB) cut interest rates in June. Cooling inflation and a gradual loosening of the labour markets in the US prompted markets to price in two cuts by the US Federal Reserve (Fed) by the end of 2024. The timing of potential rate cuts by the Bank of England (BoE) was pushed to August despite waning price pressures, as service inflation remains elevated. Despite this, bond yields rose over the quarter as inflation data initially surprised higher, especially in the US. Equity markets, except for Japanese equities, continued to rally, with emerging market equities outperforming developed markets. Political volatility remained high with a snap election called in the UK & France, while the first TV debate of the US election campaign took place in June.

Employer - Related Investments

The Trustee reviews its allocation to employer-related investments on an on-going basis and is satisfied that the proportion of Scheme's assets in employer-related investments does not exceed 5% of the market value of the Scheme's assets as at 30 June 2024, meaning the Scheme complies with legislative requirements. This will continue to be monitored on an annual basis.

Statement of Trustee's Responsibilities

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

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the Scheme 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 legislation applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparing of the Financial Statements on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

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

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

The Trustee is also responsible for the maintenance and integrity of the www.hayspension scheme.com website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee's Responsibilities in respect of Contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

To the Trustee of Hays Pension Scheme

Opinion on the financial statements
In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 June 2024 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the 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.

We have audited the financial statements of Hays Pension Scheme (‘the Scheme’) for the year ended 30 June 2024 which comprise the Fund Account, Statement of Net Assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice – *Financial Reports of Pension Schemes* (revised 2018).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

Other information
The Trustee is responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 the Trustee
As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they show a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

- Obtaining an understanding of the Scheme's legal and regulatory frameworks, focusing on those which we determine to be the most significant, and how the Scheme complies with these.
- Enquiring of the Trustee, and where appropriate, the administrators or consultants as to whether:
    - the Scheme is in compliance with laws and regulations that have a material effect on the financial statements;
    - they have knowledge of any actual, suspected or alleged fraud; and
    - any reports have been made to the Pensions Regulator.

Based on our understanding of the Scheme, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Acts 1995 and 2004 and those that relate to the reporting framework (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 and the Statement of Recommended Practice 'Financial Reports of Pensions Schemes' 2018 ('The SORP'); we also considered the extent to which non-compliance might have a material effect on the financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)
We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls by the Trustee and those involved in the preparation of the financial statements and underlying accounting records. We determined that the principal risk was related to the posting of inappropriate journals, which may act to conceal fraudulent activity.

Audit procedures performed to respond to the identified risks included, but were not limited to, the following:

- Testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Enquiring of management and the Trustee with regard to actual and potential litigation and claims.
- Reviewing the disclosures in the financial statements and testing to supporting documentation to assess compliance with relevant laws and regulations, as detailed above.
- Reviewing minutes of meetings of the Trustee.
- Reviewing any significant correspondence with the Pensions Regulator.
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

BDO LLP
Statutory auditor
Glasgow
United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

	Note	2024 £'000	2023 £'000
Contributions and benefits			
Employer contributions	4	17,718	17,202
Other income	5	-	3
		17,718	**17,205**
Benefits paid or payable	6	(21,443)	(19,135)
Payments to and on account of leavers	7	(500)	(3,166)
Administrative expenses	8	(2,343)	(2,536)
Other payments	9	(46)	(50)
		(24,332)	**(24,887)**
Net withdrawals from dealings with members		**(6,614)**	**(7,682)**
Returns on investments			
Investment income	10	13,596	15,585
Change in market value of investments	11	(6,076)	(180,189)
Investment management expenses	13	(1,061)	(1,180)
Net returns on investments		**6,459**	**(165,784)**
Net decrease in the fund during the year		**(155)**	**(173,466)**
Net assets of the Scheme			
As at 1 July		518,324	691,790
As at 30 June		**518,169**	**518,324**

The notes on pages 19 to 32 form part of these Financial Statements.

Statement of Net Assets as at 30 June 2024

	Note	2024 £'000	2023 £'000
Investment assets			
Bonds	11	430,734	265,074
Pooled investment vehicles	14	-	166,743
Cash instruments	11	4,143	-
Derivatives[1]	15	51,661	106,836
AVC investments	18	3,735	3,816
Insurance policies	17	165,757	173,358
Cash deposits	11	12,776	13,888
Other investment balances	11	3,332	49,347
Reverse repurchase agreements[2]	16	158,341	225,078
		830,479	**1,004,140**
Investment liabilities			
Derivatives[1]	15	(53,245)	(131,071)
Other investment balances	11	-	(36,678)
Repurchase agreements[2]	16	(258,888)	(318,660)
		(312,133)	**(486,409)**
Total net investments		**518,346**	**517,731**
Current assets	22	2,585	2,538
Current liabilities	23	(2,762)	(1,945)
Net current (liabilities)/assets		**(177)**	**593**
Net assets of the Scheme		**518,169**	**518,324**

The Financial Statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions or other benefits which fall due after the year end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 33 of the Annual Report and these Financial Statements should be read in conjunction with this report.

The notes on pages 19 to 32 form part of these Financial Statements.

These Financial Statements were approved by Hays Pension Trustee Limited on 11 October 2024.

…...Trustee Director

…...Trustee Director

[1]In the prior year accounts the balance for derivatives were reported on a gross basis. The comparative figures in the current year have been reclassified on a net basis.
[2]In the prior year accounts the balance for repurchase agreements were reported on a net basis. The comparative figures in the current year have been reclassified on a gross basis.

1. Basis of preparation

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

2. Identification of the financial statements

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the Trustee's Report.

3. Accounting policies

The principal accounting policies adopted by the Trustee of the Scheme are as follows:-

A. Contributions and other income

Contributions and other income are accounted for as follows:-

(i) Employers' deficit reduction contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions.

(ii) Other income is on an accruals basis.

B. Transfers

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

C. Benefits and expenses

Benefits are accounted for in the period in which they fall due. Where there is a choice, benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if later or there is no choice, on the date of retiring or leaving.

D. Investments

(i) Quoted investments are included in the Statement of Net Assets at their market value at the year end. UK listed securities and foreign securities quoted on a recognised stock exchange are stated at bid or single price market values with foreign investments being converted into sterling at the exchange rates ruling at the end of the year. UK listed securities traded through the London Stock Exchange Electronic Trading Service (SETS) are valued on the basis of the last SETS trading price.

(ii) Gains and losses arising on the valuation of investments, together with exchange gains and losses arising on the translation of investments, are included as part of the change in market value of investments.

(iii) Authorised Unit Trusts are valued at the bid or single price listed in the Stock Exchange Daily Official List showing the date of Statement of Net Assets.

(iv) Unauthorised Unit Trusts Exempt Funds are valued at the bid or single prices calculated on the last working day of each month during the period.

(v) Funds invested by members to secure additional benefits are included in the Statement of Net Assets as AVC investments and stated at the value as advised by the provider.

(vi) Valuations of bonds are stated at the fair-market values on a 'clean' basis (i.e. excluding interest). Accrued interest at the period end is included in other investment balances.

(vii) Foreign income is converted into sterling at the rate ruling at the date of transaction. Foreign income due at the year end and foreign currency assets and liabilities are converted at the exchange rates ruling at the year end. Differences arising on translation of current assets and liabilities are included in the change in market value of investments. The investment managers have taken appropriate action to safeguard against adverse exchange rate fluctuations.

3. Accounting policies (continued)

D. Investments (continued)

(viii) Annuity Policies have been valued by Jitin Tahiliani FIA at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

(ix) Pooled investment vehicles and cash instruments were valued at closing bid price or NAV single price as at the year end, as advised by the investment managers.

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

E. Management Expenses

(i) Professional and administration fees and expenses of the Scheme (charged in accordance with a fee agreement approved by the Trustee) are borne by the Scheme and accounted for on an accrual basis.

(ii) The fees of the Investment Managers are accounted for on an accruals basis and are based on the market value of the total funds under their control. These agreed costs are borne by the Scheme. Where management fees are not separately invoiced but reflected in the unit price, the fees disclosed to the Trustee for the year have been shown as a sale proceed and the cost included with the investment management expense.

F. Derivative contracts

(i) Derivative contracts are valued at fair value. The fair value, being the unrealised profit or loss on the contracts, is shown as a separate line within investments.
Derivative contracts are fair valued at bid price for asset positions and the offer price for liability positions. Where there is no bid/offer spread available, the mid, single price will be used. Derivative contracts' changes in fair value are included in change in market value where the economic purpose of the contracts relates to assets. Where the economic purpose relates to income the change in fair value is included in investment income.

(ii) Swaps are valued at the current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.

(iii) The fair value of the forward currency contracts is based on market forward exchange rates at the year end and determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

(iv) Exchange traded futures are valued as the sum of the daily mark-to-market, which is a calculated difference between the settlement prices at the reporting date and the inception date.

G. Repurchase agreements

Repurchase agreements (where the Scheme has sold assets with the agreement to repurchase at a fixed date and price) are included in the accounts at the fair value of the repurchase price as a liability. The assets sold are reported in the appropriate asset class in the investments note at their fair value reflecting that the Scheme retains the risks and rewards of ownership of those assets.

H. Investment income

(i) Income from pooled investment vehicles was accounted for when declared by the fund manager for distributions. Accumulation funds retained income within the fund and was recognised in the change of unit price within change in market value.

(ii) Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds.

(iii) Receipts from the Bulk Buy-in policy and Aviva individual policies are accounted for on an accruals basis within annuity income. Aviva annuities are paid direct and matching pension payments are included within benefit costs in the Fund Account.

4. Employer contributions	**2024 £'000**	**2023 £'000**
Employer contributions		
Deficit reduction funding	17,718	17,202

Deficit reduction contributions increased to £17,718,216 (2023: £17,202,144) in the year ended 30 June 2024 as agreed following completion of the 2021 valuation.

Per the new Schedule of Contributions certified on 28 June 2024, the Trustee and the employer have agreed to set up an escrow account from July 2024. Further information is included in note 26 to the Financial Statements.

5. Other income	**2024 £'000**	**2023 £'000**
Surplus on purchased annuities	-	3

The surplus on purchased annuities (Aviva insured pensioners) relates to monies received in respect of retired members reaching their maximum HMRC limits.

6. Benefits paid or payable	**2024 £'000**	**2023 £'000**
Pensions	16,754	16,629
Commutations of pensions and lump sums on retirement	4,529	2,466
Lump sums on death	160	40
	21,443	19,135

Pensions paid include £13,151,000 (2023: £13,359,000) in respect of all annuity payments.

7. Payments to and on account of leavers	**2024 £'000**	**2023 £'000**
Individual transfers to other pension arrangements	500	3,166

8. Administrative expenses	**2024 £'000**	**2023 £'000**
Administration, actuarial and consultancy fees	1,957	2,221
Audit fees	40	35
Legal expenses	149	91
Trustee Directors' fees and other advisory costs	154	153
Miscellaneous expenses	43	36
	2,343	2,536

9. Other payments	**2024 £'000**	**2023 £'000**
Trustee insurance	46	50

10. Investment income

	2024 £'000	2023 £'000
Income from bonds	6,487	5,154
Income from pooled investment vehicles	1,621	5,256
Annuity income	13,151	13,359
Interest on cash deposits	794	175
Other investment income	254	192
	22,307	24,136
Net payments regarding swaps	(3,766)	(4,917)
Credit repo balance finance charges	(4,945)	(3,634)
	13,596	15,585

Credit default swap and repo balance finance charges represent the finance costs incurred by investment managers to fund purchases of gilts to improve the efficiency of portfolio management.

11. Reconciliation of net investments

	Value at 1 Jul 2023 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in market value £'000	Value at 30 Jun 2024 £'000
Bonds	265,074	468,631	(287,571)	(15,400)	430,734
Pooled investment vehicles	166,743	60	(180,138)	13,335	-
Cash instruments	-	155,361	(151,218)	-	4,143
Insurance policies	173,358	-	-	(7,601)	165,757
Derivatives	(24,235)	221,322	(201,556)	2,885	(1,584)
AVC investments	3,816	-	(350)	269	3,735
	584,756	845,374	(820,833)	(6,512)	602,785
Repurchases agreements	(93,582)				(100,547)
Cash deposits	13,888			436	12,776
Other investment balances	12,669				3,332
	517,731			(6,076)	518,346

At the year end, within bonds, assets amounted to £577,181,000 (2023: £488,112,000) and liabilities amounts £146,447,000 (2023: £223,038,000) and have been shown net.

The change in market value of investments during the year comprises all profits and losses realised on sales of investments during the year together with gains and losses arising from the revaluation in the market value of investments held at the year end. Sale proceeds and derivative receipts include indirect investment managers' fees and performance related charges to the funds.

All investments are in the name of the custodians except for AVCs and pooled investment vehicles, which are held under managed policies in the name of the Scheme.

The companies managing the investments are registered in the United Kingdom and Ireland.

Derivatives, repurchase agreements and other investment balances are showing the net position held.

12. Investment transaction costs

Transaction costs are included in the cost of purchases and deducted from sale proceeds in the reconciliation in note 11 to the Financial Statements. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. The value of direct transaction costs is £nil (2023: £nil).

Indirect transaction costs are incurred through the bid-offer spread on pooled investment vehicles. They are reflected within unit prices and are not separately provided to the Scheme.

13. Investment management expenses

	2024 £'000	2023 £'000
Administration, management and custody	685	1,091
Performance fees	376	89
	1,061	1,180

14. Pooled investment vehicles

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

	2024 £'000	2023 £'000
Bonds	-	128,059
Multi-Asset credit	-	38,582
Cash	-	102
	-	166,743

Following a review of the Scheme's investment strategy, the Trustee instructed a complete disinvestment from the Mercer Multi-Asset credit fund with the proceeds being invested in a Segregated credit portfolio with Insight. The Trustee subsequently instructed the transfer of the remaining Pooled credit holdings to this Segregated credit portfolio in April 2024.

15. Derivatives

The Trustee has authorised the use of derivatives by the investment managers as part of the investment strategy for the pension Scheme. The main objectives for the use of derivatives and the policies followed during the year are summarised as follows:

Total derivatives	2024 Assets £'000	2024 Liabilities £'000	2023 Assets £'000	2023 Liabilities £'000
Swaps[1]	51,261	(52,969)	105,941	(130,261)
Forward foreign exchange	256	(132)	116	(31)
Futures[1]	144	(144)	779	(779)
	51,661	(53,245)	106,836	(131,071)

OTC Swaps

A swap is a derivative contract in which two counter-parties agree to exchange a stream of cash flows against another stream with the magnitude of the cash streams being based on the rate of inflation, interest, credit default or an asset. All swaps are Over the Counter transactions (OTC).

The Trustee aims to match the liability-driven element of the investment portfolio with the Scheme's long term liabilities, particularly in relation to their sensitivities to interest rate movements. Due to the lack of available long-dated bonds the Trustee holds interest-rate and inflation swaps to extend the duration and match more closely with the Scheme's liability profile.

15. Derivatives (continued)

OTC Swaps (continued)

Type of contract	Expires within	Notional Principal	Asset value £'000	Liability value £'000
Interest Rate Swap	0-15 years	235,959,900	1,098	(5,977)
Interest Rate Swap	16-30 years	209,937,270	17,156	(18,462)
Interest Rate Swap	Over 30 years	170,211,025	29,701	(26,930)
RPI Swap	0-15 years	234,710,063	1,285	(619)
RPI Swap	16-30 years	133,231,000	1,807	(622)
RPI Swap	Over 30 years	59,306,100	214	(359)
Total 2024			**51,261**	**(52,969)**
Total 2023[1]			105,941	(130,261)

At the end of the year the Scheme delivered collateral of £3,241,279 and held collateral of £91,971 in respect of Swaps.

Forward foreign exchange

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

The contracts listed below are single forward OTC contracts.

Expires within	Currency bought	Value of Currency bought '000	Currency sold	Value of Currency sold '000	Asset value £'000	Liability value £'000
1 month	USD	$529	GBP	£414	4	-
1-2 months	GBP	£4,971	EUR	€5,820	35	(6)
1-2 months	GBP	£46,240	USD	$58,348	217	(126)
Total 2024					**256**	**(132)**
Total 2023					116	(31)

Futures

	Expires within	Nominal value £'000	Asset value £'000	Liability value £'000
UK Long Gilt Future	3 months	(46,541)	-	(134)
LIF Long Gilt (Offsets)	3 months	46,541	134	-
Euro BUXL 30Y Bond Future	3 months	(552)	-	(10)
Euro BUX Bond (Offsets)	3 months	552	10	-
Total 2024			**144**	**(144)**
Total 2023[1]			779	(779)

[1]In the prior year accounts the balance for swaps and futures were reported on a gross basis. The comparative figures in the current year have been reclassified on a net basis.

16. Repurchase agreements

The Scheme uses sale and repurchase agreements (also known as repo transactions) to achieve the Trustee's liability hedging objective. The investment manager (Insight) is allowed to undertake repo transactions on the Scheme's existing gilt holdings to raise cash with which to buy additional gilts for efficient portfolio management.

Counterparty	Underlying asset	Repurchase date	Asset value £'000	Liability value £'000
Lloyds	UK Treasury 5.27% 20.6.24 to 20.9.24	20.09.2024	13,874	-
Lloyds	UK Treasury 5.3% 11.6.24 to 10.09.24	10.09.2024	30,008	-
Merrill	UK Treasury 5.07% 25.04.24 to 25.07.24	25.07.2024	26,473	-
NABLDN	UK Treasury 5.16% 14.06.24 to 16.09.24	16.09.2024	25,470	-
Nat West	UK Treasury 5.2% 18.06.24 to 18.09.24	18.09.2024	19,615	-
Socgen	UK Treasury 5.16% 11.04.24 to 18.07.24	18.07.2024	32,030	-
Socgen	UK Treasury 5.20% 11.06.24 to 12.09.24	12.09.2024	10,413	-
Socgen	UK Treasury 5.2% 14.05.24 to 22.07.24	22.07.2024	458	-
Citigroup	UK Treasury 5.3% 06.06.24 to 06.09.24	06.09.2024	-	(10,003)
CommBank	UK Treasury 5.26% 14.05.24 to 14.08.24	14.08.2024	-	(9,591)
HSBC	UK Treasury 5.3% 22.01.24 to 22.07.24	22.07.2024	-	(14,614)
HSBC	UK Treasury 5.33% 16.02.24 to 16.07.24	16.07.2024	-	(1,827)
LBCM	UK Treasury 5.285% 10.05.24 to 09.08.24	09.08.2024	-	(4,571)
Lloyds	UK Treasury 5.29% 12.03.24 to 12.09.24	12.09.2024	-	(19,657)
Lloyds	UK Treasury 5.31% 20.06.24 to 20.09.24	20.09.2024	-	(13,774)
Lloyds	UK Treasury 5.32% 06.03.24 to 16.07.24	16.07.2024	-	(11,167)
Lloyds	UK Treasury 5.34% 11.06.24 to 11.09.24	10.09.2024	-	(30,009)
Merrill	UK Treasury 5.26% 25.04.24 to 25.07.24	25.07.2024	-	(26,406)
NABLDN	UK Treasury 5.28% 14.06.24 to 16.09.24	16.09.2024	-	(25,457)
Nat West	UK Treasury 5.25% 10.05.24 to 09.08.24	09.08.2024	-	(4,340)
Nat West	UK Treasury 5.25% 18.06.24 to 18.09.24	18.09.2024	-	(19,531)
Nat West	UK Treasury 5.27% 25.01.24 to 22.07.24	22.07.2024	-	(3,924)
Nat West	UK Treasury 5.28% 11.01.24 to 11.07.24	11.07.2024	-	(11,650)
Socgen	UK Treasury 5.2% 11.04.24 to 18.07.24	18.07.2024	-	(32,072)
Socgen	UK Treasury 5.23% 11.06.24 to 12.09.24	12.09.2024	-	(10,402)
Socgen	UK Treasury 5.23% 14.05.24 to 22.07.24	22.07.2024	-	(461)
Socgen	UK Treasury 5.27% 16.01.24 to 16.07.24	16.07.2024	-	(5,658)
Socgen	UK Treasury 5.33% 20.06.24 to 06.09.24	06.09.2024	-	(3,774)
Total 2024			**158,341**	**(258,888)**
Total 2023			225,078	(318,660)

17. Insurance policies

The Scheme held insurance policies at the year-end as follows:

	2024 £'000	2023 £'000
Bulk buy-in annuity policies (with Canada Life)	162,181	168,642
Annuity policies (with Aviva)	3,576	4,716
	165,757	173,358

On 6 August 2018, the Trustee, in agreement with the employer, entered into a bulk purchase annuity policy (buy-in) contract with Canada Life Limited for a premium of £270.6 million in respect of insuring all future payments to the pensioner population of the Scheme as at 31 December 2017. The pension buy-in transaction was funded through the existing investment assets held by the Trustee on behalf of the Scheme. The balancing refund of £100,092 was received on 13 August 2020 from Canada Life.

The Trustee also holds annuity policies that secure pensions payable to specified beneficiaries. These policies remain assets of the Scheme and have been valued at £3,576,230 (2023: £4,715,856). The terms of the policies allow for increases in annual pensions. If the increase under the policies is greater than that permitted by the rules of the Scheme and legislation the Trustee is entitled to receive a rebate. As disclosed in note 5 to the Financial Statements, the income for the year from these policies was £nil (2023: £2,756).

Annuity policies are included in the Financial Statements at a valuation undertaken by the Scheme Actuary using the Technical Provisions basis and assumptions as disclosed in the Report on Actuarial Liabilities on page 33.

18. AVC investments

The aggregate amounts of AVC funds are as follows:-	2024 £'000	2023 £'000
Aviva Life & Pensions UK Limited	125	126
Prudential Life Assurance Company	3,610	3,690
	3,735	3,816

19. Fair value hierarchy

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

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

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

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

19. Fair value hierarchy (continued)

As at 30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Bonds	430,734	-	-	430,734
Cash instruments	4,143	-	-	4,143
Insurance policies	-	-	165,757	165,757
Derivatives	-	-	(1,584)	(1,584)
AVCs	-	-	3,735	3,735
Repurchase agreements	(100,547)	-	-	(100,547)
Cash deposits	12,776	-	-	12,776
Income receivable	3,055	-	-	3,055
Other investment balances	277	-	-	277
	350,438	-	167,908	518,346

As at 30 June 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Bonds	265,074	-	-	265,074
Pooled investment vehicles	-	166,743	-	166,743
Insurance policies	-	-	173,358	173,358
Derivatives	-	85	(24,320)	(24,235)
AVCs	-	-	3,816	3,816
Repurchase agreements	(93,582)	-	-	(93,582)
Cash deposits	13,888	-	-	13,888
Income receivable	1,557	-	-	1,557
Other investment balances	11,112	-	-	11,112
	198,049	166,828	152,854	517,731

20. Investment risks

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: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

- *Currency risk:* this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates;
- *Interest rate risk:* this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates;
- *Other price risk:* this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

20. Investment risk (continued)

The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolios. The investment objectives and risk limits of the Scheme are further detailed in the SIP and the Investment Policy Implementation Document ("IPID").

Further information on the Trustee's approach to risk management and the Scheme's exposures to credit and market risks are set out below. This does not include AVC investments or annuity policies with Aviva held in the Trustee's name as these are not considered significant in relation to the overall investments of the Scheme.

Investment strategy

The investment objective for the Trustee of the Scheme is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits as they fall due.

In setting the investment strategy, the Trustee has taken into account considerations such as the strength of the employer covenant, the medium and long term liabilities of the Scheme and the funding agreed with the employer.

The current strategy (excluding the buy-in policy) is to hold broadly:

- 100% in investments that share characteristics with the long term liabilities of the Scheme. The majority of the assets are invested in corporate bonds and an LDI portfolio which uses government and corporate bonds as well as derivative instruments to hedge the impact of interest rate, inflation expectation and credit spread movements on the long term liabilities.

The actual allocations will vary from the above due to market price movements and intervals between rebalancing the portfolio, which takes place quarterly.

Market risk

a) Currency risk

The Scheme's foreign currency exposure comes from the exposure to corporate bonds denominated in US dollars and Euros held within the Segregated Credit Portfolio, managed by Insight. Within the relevant fund documentation for the Segregated Credit Portfolio, there are restrictions on the non-GBP bond exposure within the portfolio, and any currency risk from non-GBP bond exposure is fully hedged back to GBP using derivatives.

b) Interest rate risk

The Scheme is subject to direct interest rate risk since the majority of the Scheme's investments are held in bonds and swaps within the Scheme's segregated LDI and credit mandates managed by Insight. The value of investments at year end amounted to c. £338.7 million (2023: c. £162.6 million) within the LDI and credit mandates. Within the LDI and credit mandates managed by Insight, the instruments held may include swaps, futures contracts, corporate bonds, government bonds, interest rate swaps, RPI swaps, repurchase agreements, and cash. The Trustee has considered direct interest rate risk in the context of the overall investment strategy.

20. Investment risk (continued)

Under the Scheme's LDI strategy, if interest rates fall, the value of LDI investments (and other investments deemed to have direct interest rate sensitivity, such as the Segregated Credit Portfolio) will rise to help match the increase in actuarial solvency liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the interest rate sensitive investments will fall in value, as will the actuarial solvency liabilities because of an increase in the discount rate. As at the year end, the hedge ratio was c.96% for interest rates on a gilts -0.22% p.a. basis (c.84% on a gilts flat p.a. basis in 2023) and c. 96% for inflation on a gilts – 0.22% p.a. basis (c.84% on a gilts flat p.a. basis in 2023). Gilts – 0.22% p.a. represents a gilt-based approximation for the actuarial solvency basis.

c) Other price risk

Other price risk arises in relation to return seeking assets of which the Scheme had no exposure at the Scheme year end .

Credit risk

The Scheme is subject to direct credit risk because the Scheme directly invests in bonds, over-the-counter ("OTC") derivatives, enters into repurchase agreements and has cash balances.

Segregated investment arrangements

The Scheme is subject to direct credit risk because the Scheme invests in a segregated mandate with Insight (LDI). The value of this investment at year end amounted to c. £338.7 million (2023: c. £162.6 million) within the LDI mandate.

The LDI portfolio managed by Insight primarily holds UK government bonds; the portfolio may also hold corporate bonds, derivatives, repurchase agreements and cash. Credit risk arising on bonds held directly within the LDI portfolio is mitigated by investing mostly in government bonds where the credit risk is minimal. This is the position at the current and previous year end.

Credit risk arising on derivatives held in the LDI mandate depends on whether the derivative is exchange traded or over the counter.

- OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements. This is the position at the current and previous year end.
- Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts but all counterparties are required to be at least investment grade. This is the position at the current and previous year end.

Indirect credit risk arising on cash held within financial institutions is mitigated by ensuring cash is held with a diversified range of institutions which are at least investment grade credit rated. This is the position at the current and previous year end.

Direct credit risk arises in relation to the underlying investments in the Segregated Credit Portfolio. The Credit Portfolio holds non-investment grade credit rated instruments with a view to adding value and direct credit risk is mitigated through diversification of the underlying securities to minimise the impact of default by any one issuer, counterparty or tenant. Further, the exposure to credit risk within the investment strategy provides protection against the solvency deficit widening as a result of credit spreads falling.

The value of pooled and segregated investment vehicles at both current and prior year end can be seen in note 11 to the Financial Statements.

20. Investment risk (continued)

Pooled investment arrangements

Pooled investment arrangements used by the Scheme comprised of collective investment schemes. The Scheme's holdings in pooled investment vehicles were not rated by credit rating agencies. The Trustee managed and monitored the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment.

A summary of the pooled investment vehicles by type of arrangement is shown below:

	2024 £'000	2023 £'000
Open-ended Investment Company (OEIC)	-	166,743

Source: Investment Managers and Mercer.

Direct credit risk arising from pooled investment vehicles was mitigated by capital requirements, the regulatory environments in which the pooled managers operated and diversification of investments amongst a number of pooled arrangements.

The Trustee carried out due diligence checks on the appointment of new pooled investment managers and monitored any changes to the operating environment of the pooled manager.

Indirect credit risk arising in relation to underlying investments in bond pooled investment vehicles. The Trustee invested in Funds which held non-investment grade credit rated instruments with a view to adding value and indirect credit risk being mitigated through diversification of the underlying securities to minimise the impact of default by any one issuer, counterparty or tenant.

Some of the Scheme's pooled arrangements invested in other pooled arrangements, for example, Multi-Asset Credit (Mercer). The Trustee considered the impact of these arrangements in relation to the Scheme's exposure to failure by the sub-funds or reinsurers who may have different regulatory or insolvency protections compared to the pooled investment made directly by the Scheme, although the risk of failure was mitigated through diversification of underlying investment managers.

The value of pooled investment vehicles at the prior year end can be seen in note 14 to the Financial Statements.

During the current year the holdings previously held in pooled investment arrangements were transferred into segregated investment arrangements.

21. Concentration of investments

Investments accounting for more than 5% of the net assets of the Scheme were:

	2024 £'000	2024 %	2023 £'000	2023 %
Insight Segregated Portfolio	180,476	34.8	-	-
Annuity policy - Canada Life	162,181	31.3	168,642	32.5
Insight LDI portfolio	158,189	30.5	162,600	31.4

22.	Current assets	2024 £'000	2023 £'000
	Surplus on annuities receivable	-	3
	VAT recoverable from employer	161	94
	Pensions paid in advance	1,320	1,220
	Prepayment	18	21
	Cash balances	1,086	1,200
		2,585	2,538

23.	Current liabilities	2024 £'000	2023 £'000
	Unpaid benefits	372	75
	Canada Life – July paid in advance	933	937
	Tax deducted from pensions	278	243
	Administrative fees payable	488	585
	Investment management fees payable	691	105
		2,762	1,945

24. Related party transactions

During the year £154,188 (2023: £153,249) was charged to the Scheme by directors of the Trustee in respect of services provided to the Scheme. The charges were levied by O Lahav, P Dungate, I Pratt, C Hill and The Law Debenture Trust Corporation plc.

Three of the directors of the Trustee were deferred members of the Scheme and two were pensioners. Benefits for these members were accrued on the same basis as for all other members of the Scheme and in accordance with the Scheme Rules.

The Scheme has reimbursed Hays plc for the cost of the Pensions Manager. The amount of the reimbursement was £109,620 (2023: £110,044).

25. Prior year restatement

In the prior year signed accounts, the balances for the derivatives were reported on a gross basis when they should have been reported net. This resulted in the derivative asset and liabilities reducing by £490,185,000 to £106,836,000 and £131,071,000 respectively.

In addition, under repurchase agreements, these should have been stated on a gross basis. The cash received should be recognised as an asset and the obligation to pay it back should be recognised as a liability. This resulted in the repurchase agreement being grossed up by £225,078,000 with the liability of £93,582,000 being restated as an asset of £225,078,000 and liability of £318,660,000.

The restatement of the comparative figures, have no impact on the decrease in the fund reported in the previous year.

26. Subsequent events

The Trustee had been notified by the Scheme Actuary that the Scheme could reach full funding by 31 December 2024.

In order to minimise the risk of the Scheme being overfunded, on 11 July 2024, Hays Pension Trustee Limited and Hays plc entered into an escrow agreement in respect of the Hays Pension Scheme. On the same date the Parties entered into a Tripartite Agreement with Barclays Bank PLC to open an escrow account.

26. Subsequent events (continued)

The Trustee and Hays plc have agreed that from 1 July 2024 the existing deficit reduction contributions should be increased by 3% in accordance with the Schedule of Contributions dated 28 June 2024 and an amount equal to the contributions that would have been paid into the Scheme, shall instead be paid into the escrow account.

The Valuation Documents have been revised as at 28 June 2024 in the light of the payment into the escrow account of an amount equal to deficit reduction contributions that would otherwise have been payable to the Scheme. The annual amount due for the 12-month period starting 1 July 2024 is £18,249,768 which is payable in equal monthly instalments of £1,520,814. These amounts will increase again by 3% on 1 July 2025.

Whether these sums are paid from the escrow account into the Scheme (and treated as a contribution by the employer at that point in time) will be contingent and is dependent upon the terms of the agreement.

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 at the valuation date. This is assessed using the assumptions agreed between the Trustee and the employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 30 June 2021. This showed that on that date:

The value of the Technical Provisions was:	£928.4 million
The value of the assets at that date was:	£904.5 million

The Actuary does not need to provide an annual funding update in the year of a formal valuation. The Actuary has however estimated that as at 30 June 2024, based on the funding principles agreed at the 2021 valuation, the deficit position had increased from £23.9 million as at 30 June 2021 to an estimated deficit of £25.5 million, with the value of assets being 95% of the amount needed to cover the Scheme liabilities on a Technical Provisions basis as at 30 June 2024.

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: term dependent rates are set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 0.5% per annum.

Future retail price inflation: term dependent rates derived from the Bank of England fixed interest and index-linked gilt curves at the valuation date.

Future consumer price inflation: term dependent rates derived from the assumption for future retail price inflation less an adjustment of 0.6% per annum before 2030 and 0.1% per annum after 2030.

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

Mortality: 2021 Scheme specific Club Vita base tables, with future improvements in line with the CMI 2020 model calibrated to Club Vita with a 0% weighting for 2020 data, an initial addition to improvements of (A=0.5%), a smoothing parameter of (Sk=7.0), and a long-term improvement rate of 1.5% per annum.

Hays Pension Scheme ("the Scheme")
Schedule of Contributions

This schedule sets out the contributions that are to be paid to the Scheme. This schedule is dated 28 June 2024 and applies from date of signature until 30 June 2029. It replaces the previous schedule dated 13 December 2021.

This schedule has been prepared with the agreement of Hays plc[1] (the Employer) and after taking the advice of Alec Day (the Scheme Actuary). This schedule has been certified by the Scheme Actuary and the certificate is included in the appendix.

Regular contributions

The Scheme is closed to future accrual so there are no member contributions or ordinary Employer contributions payable.

Sponsor deficit reduction contributions

The 30 June 2021 actuarial valuation showed that the Scheme had a funding deficit relative to the Scheme's statutory funding objective. The Employer shall pay deficit reduction contributions to the Scheme of £16,701,097 per annum, payable in even monthly instalments with effect from 1 July 2021 until 30 June 2024, increasing by 3% on each 1 July. All Employer contributions due to be paid to the Scheme until 30 June 2024 should be paid not later than 19 days after the end of the month to which they relate.

Subject to the escrow account being set up as described below, thereafter there shall be no further monthly contributions. There is potential for contributions after that date dependent upon whether a payment from the proposed escrow account is to be made under the escrow agreement.

The Trustee and Employer have agreed that an escrow account will be established shortly after the date of this schedule. Under the terms of the proposed escrow agreement the Employer must pay into the escrow account an amount equal to the deficit reduction contributions which were to be payable after 30 June 2024 pursuant to the schedule of contributions dated 13 December 2021. The escrow agreement will require the Employer to pay into the escrow account £18,249,768 per annum, payable in even monthly instalments from 1 July 2024, increasing by 3% on each subsequent 1 July. These are not contributions to the Scheme at the time they are paid into the escrow account.

Whether amounts are paid from the escrow account into the Scheme will be contingent and is dependent upon the terms of the escrow agreement. If they are paid, then they constitute a contribution by the Principal Employer at that point in time.

If the escrow account is not established by 31 July 2024, the Employer shall resume paying deficit reduction contributions with effect from 1 August 2024 of £18,249,768 per annum, payable in even monthly instalments, increasing by 3% on each 1 July. All such Employer contributions should be paid to the Scheme no later than 19 days after the end of the month to which they relate.

If the escrow account is then set up after 31 July 2024, the Employer shall pay amounts into the escrow account as described above and no Employer contributions to the Scheme shall then be payable.

The Employer shall also pay to the Scheme any additional contributions required from time-to-time on the advice of the Scheme Actuary as required under the Scheme's trust deed and rules, or otherwise as agreed by the Trustee and Employer.

Expenses, Levies, Fees and Insurance Premiums

In addition to any contributions the Employer is also responsible for the payment of the Pension Protection Fund levy.

The following expenses are met from the Scheme's assets:

- Such other pension scheme levies (except for the Pension Protection Fund levy) as payable by the Employer or the Trustee under the terms of the Pension Scheme Act 1993 and the Pension Schemes Act 2004
- Any fees falling due to the Scheme administrator, investment manager or other professional advisors
- Investment charges and expenses
- Other expenses of the Trustee that are reasonably incurred in the course of performing its duty as Trustee.

[1] The Hays Pension Scheme is a multi-employer Scheme. The sponsors have nominated Hays plc to act as the representative on behalf of all the sponsors participating in the Scheme for the purpose of the Section 229(1) of the Pensions Act 2004.

Prepared by the Trustee of the Scheme

Signature .... on behalf of the Trustee

Print name Sean Burnard .... Position Chair of the Scheme ....

Date 28-Jun-2024 | 16:18 BST ....

Agreed by the Sponsor

Signature James Hilton .... on behalf of the Sponsor

Print name James Hilton .... Position Group CFO ....

Date 28-Jun-2024 | 16:21 BST ....

This schedule of contributions is provided to meet the requirements of section 227 of the Pensions Act 2004.

Hays Pension Scheme
Schedule of Contributions – Actuarial Certificate

Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective on 30 June 2021 can be expected to be met by the end of the period specified in the recovery plan dated 28 June 2024.

Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated 13 December 2021.

Please note that the adequacy of contributions statement in this certificate relates to the scheme's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the scheme's full liabilities with annuities if the scheme were to wind up.

Signature	A. S. Day.
Date	28-Jun-2024 | 16:38 BST
Name	Alec Day
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	One London Wall, London, EC2Y 5EA

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Constitution

The Scheme was established by an interim Trust Deed dated 28 June 1988 and is governed by the Definitive Trust Deed dated 17 March 1998, subsequent amendments and the Third Replacement Definitive Deed and Rules dated 12 June 2012, the Closure Deed dated 29 June 2012, Deed of Amendment dated 29 June 2017, and Deed of Amendment dated 30 April 2021.

Taxation Status

In accordance with the provisions of Schedule 36 of Finance Act 2004, the Scheme became a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004 with effect from 6 April 2006. The Trustee knows of no reason why this status may be prejudiced or withdrawn.

Calculation of Transfer Values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations. None of the transfer values paid were less than the amount required by the Regulations.

Employer-Related Investment

The Trustee reviews its allocation to employer-related investments on an on-going basis and is satisfied that the proportion of Scheme's assets in employer-related investments does not exceed 5% of the market value of the Scheme's assets as at 30 June 2024, meaning the Scheme complies with legislative requirements. This will continue to be monitored on an annual basis.

Internal Disputes Resolution Procedure (IDRP)

The Trustee operates an IDRP and the response to the first stage of a complaint made under the IDRP is issued by the Pension Manager on behalf of the Trustee. The Pension Manager's contact details can be found on page 2.

Data Protection

The General Data Protection Regulations 2016/679 (Regulations) cover information which is held electronically, i.e. computer based information and extend data protection laws to cover paper-based records held for individuals.

The Regulations contain restrictions on the processing of special categories of data as defined in the Regulations, to which individuals must give their consent.

The Trustee and the Scheme Administrators hold personal information about members and beneficiaries under the Scheme (personal data) and are regarded as Data Controllers for data protection purposes. They will use the personal data for the purposes of administering the Scheme efficiently and for the purposes of calculation and settlement of benefits as and when due and to determine contribution levels. They are required to look after personal data in accordance with legal requirements. This means that they are responsible for deciding what personal information needs to be processed and the way in which that information is processed. In processing personal data, they may need to pass personal information about members and beneficiaries, to the Scheme's Actuary, auditors, legal advisers, insurers and such third parties as may be necessary for the purposes of administering the Scheme.

Full details of the types of personal data that are held, how the information is used and who it is shared with are set out in the privacy notice. The privacy notice also sets out the rights of those whose personal data is held, and who to contact to exercise those rights, make a complaint, or generally raise any questions. A copy of the current privacy notice is available from the Pensions Manager at the address shown on page 2 and on the Hays Pension Scheme website: www.hayspensionscheme.com.

The Pensions Regulator

The statutory body that regulates occupational pension schemes is the Pensions Regulator and can be contacted at:
The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
Telephone: 0345 600 1011
Email: customersupport@thepensionsregulator.gov.uk

Website: www.thepensionsregulator.gov.uk

Pension Tracing Service

A pension tracing service is operated by the Department for Work and Pensions and can be utilised by members who have lost contact with the pension scheme Trustee. The contact address and details for the service are as follows:
Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
Telephone: 0800 731 0193
From outside the UK: +44 (0)191 215 4491
Website: https://www.gov.uk/find-pension-contact-details
Please note that due to the ongoing impacts of Covid-19, the Pension Tracing Service is unable to deal with incoming postal queries. Please use one of their other contact channels listed above.

Money Helper (previously The Pensions Advisory Service)

Any concerns connected with the Scheme should be referred to the Pensions Manager of Hays plc at the address given on page 2, who will try to resolve the problem as quickly as possible. Members and beneficiaries of pension schemes, who have problems concerning their scheme and who are not satisfied by the information or explanation provided by the Administrator, the Pensions Manager or the Trustee, can consult with Money Helper. A local adviser can usually be contacted through a Citizen's Advice Bureau. Alternatively the Service can be contacted at:
Pension Wise
PO Box 10404
Ashby-de-la-Zouch
Leicestershire
LE65 9EH
Telephone: 0800 011 3797
From outside the UK: +44 (0)20 7932 5780
Email: contact.pensionwise@moneyhelper.org.uk
Website: www.moneyhelper.org.uk
Please note that due to the ongoing impacts of Covid-19, Money Helper might be unable to deal with incoming postal queries. Please use one of their other contact channels listed above.

Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved, an application can be made to the Pensions Ombudsman for him to investigate and determine any complaint or dispute of fact or law involving occupational pension schemes. The address is:
The Office of the Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU
Telephone: 0800 917 4487
From outside the UK: +44 (0)207 630 2200
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

To the Trustee of Hays Pension Scheme

Statement about contributions
We have examined the Summary of Contributions to Hays Pension Scheme ('the Scheme') for the year ended 30 June 2024 on page 40.

In our opinion, contributions for the year ended 30 June 2024, as reported in the Summary of Contributions 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 Scheme Actuary on 13 December 2021 and 28 June 2024.

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

Responsibilities of the Trustee
As explained more fully in the Statement of Trustee's Responsibilities set out on page 13, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of any members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedules of Contributions.

Auditor's responsibilities for the preparation of a Statement about Contributions
It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions and to report our opinion to you.

Use of our report
This statement is made solely to the Scheme's Trustee, in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, for our audit work, for this statement, or for the opinions we have formed.

BDO LLP
Statutory Auditor
Glasgow
United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

During the year ended 30 June 2024, the contributions paid to the Scheme by the employer under the Schedules of Contributions certified by the Scheme Actuary were as follows:

Contributions payable under the Schedules of Contributions	**£'000**
Contributions from employer:	
Deficit reduction	17,718
Contributions payable under the Schedules of Contributions and as reported in the Financial Statements	17,718

Signed on behalf of Hays Pension Trustee Limited on 11 October 2024.

……………………………………………………Trustee Director

……………………………………………………Trustee Director

This page does not form part of the statutory Financial Statements.

1. Introduction

This statement sets out how, and the extent to which, the Scheme's Engagement Policy has been followed during the year running from 1 July 2023 to 30 June 2024 (the "Scheme Year"). This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in the Occupational Pension Schemes (Investment and Disclosure) Regulations 2019 and the guidance published by the Pensions Regulator.

The statement is based on, and should be read in conjunction with, the relevant version of the Statement of Investment Principles ("SIP") that was in place during the Scheme Year. The latest SIP is dated May 2024.

Section 2 of this statement sets out the investment objectives of the Scheme and changes which have been made to the Statement of Investment Principles ("SIP") during the Scheme Year, respectively.

A copy of the SIP is available at Document store - Document store - Pension Scheme - Hays (hayspensionscheme.com)

Section 5 includes information on the key engagement and voting activities of the underlying investment managers of the Scheme, and also sets out how the Scheme's engagement and voting policy has been followed during the Scheme Year. The Trustee can confirm that all policies in the SIP on investment rights (including voting) and engagement have been followed during the Scheme Year.

2. Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set.

The primary objective of the Scheme is to provide pension and lump-sum benefits for members on their retirement and/or benefits on death, before or after retirement, and for their dependents.

The Scheme consists of a defined benefit section and in addition the Trustee is responsible for the investment of the assets relating to Additional Voluntary Contributions (AVCs) previously made by members.

Further objectives for the Scheme specified in the SIP centers on a long-term target for undertaking an insurer buy-in transaction. The Trustee's investment strategy consists of a "terminal portfolio" which broadly aligns with the Scheme's liabilities, valued on the actuary's solvency (proxy for insurer pricing) basis.

3. Review of the SIP

The Trustee keeps their policies under regular review, with the SIP subject to review at least triennially, and usually annually.

During the year to 30 June 2024, the Trustee reviewed and formally adopted a new SIP in May 2024. The main change versus the SIP dated May 2023 was to document the updated de-risking investment strategy and reflect the solvency funding target.

4. Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustee's policy on ESG factors, stewardship and climate change. This policy sets out the Trustee's high-level beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

The Scheme's investment performance report includes specific ESG ratings from the Scheme's investment consultant, which are monitored on a quarterly basis. When implementing a new manager, the Trustee will consider the ESG rating of the manager.

The Trustee acknowledges that managers in areas such as fixed income (particularly in relation to LDI) may not have a high ESG rating assigned by the investment consultant due to the nature of the asset class, where it is harder to engage with the issuer of debt.

Over the year, the Trustee received a presentation from one of their investment managers (Insight) on their ESG processes and key voting (where relevant) and engagement activity.

5. <u>Voting and Engagement</u>

As noted, the Trustee looks to meet with each of its managers on a regular basis (annually if possible), at which point the Trustee may ask the investment managers to highlight key voting (where applicable) and engagement activity, and the impact on the portfolio. Since the Scheme had no equity exposure over the year (excluding the synthetic exposure has now been unwound), voting statistics have not been included in this Statement.

Voting Activity

The Trustee has delegated their voting rights to the investment managers. Where applicable, investment managers are expected to provide voting summary reporting on a regular basis, at least annually.

The Trustee does not use the direct services of a proxy voter.

Sample of most significant votes

The Trustee has classified "significant votes" as votes relating to the topics listed below. These topics have been chosen as they are deemed to be aligned with the views and priorities of the Trustees, on behalf of the Scheme membership, and the Company.

- Climate change;
- Modern slavery;
- Diversity and inclusion.

Over the year to 30 June 2024 there was no key voting activity undertaken on behalf of the Trustee given the nature of the Scheme's investments over the period.

Engagement Activity

The Trustee's investment consultant has requested, on behalf of the Trustee, that the investment managers confirm compliance with the principles of the UK Stewardship Code.

All of the Scheme's investment managers confirmed that they are signatories to the current UK Stewardship Code.

The Trustee's investment consultant has requested, on behalf of the Trustee, details of relevant engagement activity for the period from each of the Scheme's investment managers.

The Scheme's investment managers engaged with companies over the period on a wide range of different issues including ESG matters. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy (e.g. those linked to the Sustainable Development Goals). The Scheme's investment managers provided examples of instances where they had engaged with companies they were invested in or about to invest in which resulted in a positive outcome. These engagement initiatives are driven mainly through regular engagement meetings with the companies that the investment managers invest in or by voting on key climate-related resolutions at companies' Annual General Meetings.

Insight have provided an example of engagement activity undertaken over the year pertaining to the credit assets held by the Scheme:

Company: Barclays

Date: Q3 2023

Insight commentary:

Barclays is a UK-based bank that operates globally. This engagement was identified as part of Insight's counterparty engagement programme. With growing operations in the US, the political environment related to ESG is directly impacting the bank. The latest engagement sought to discuss the bank's sustainable finance framework and the feedback we have provided, given some elements of their environmental programme lags behind their peers. This engagement is aligned to SDG 13 Climate Action.

Barclays' sustainable finance framework was updated in 2022 when the target was revised from $150bn to $1tr. However, they have yet to set accredited science-based targets, continue to engage with SBTi but are prioritising NZBA and the majority of their portfolios to have financed emissions targets. Impact bonds were discussed in the context of stricter policy criteria covering refinancing of old projects, maximum lookback periods, EU taxonomy alignment, use-of-proceeds investor reporting, energy efficiency, target populations, definitions (e.g., what constitutes 'sustainable protein') and overarching governance. Their revenue-based threshold around artic drilling is high (50%) given they recognise the different dependencies on fracking between the UK and US and will remain flexible in their approach, noting that a significant proportion of their financing relates to cash flows rather than project financing.

Following on from Insight's recommendations, BACR has enhanced its oil sands policy and introduced a Client Transition Framework demonstrating how the bank is evaluating its corporate clients' transition progress towards low-carbon business models. They also acknowledged their risk policy guidelines are due for an update. Insight recommended that BACR continues to align its sector policies (to address exclusions relating to arctic, general oil and gas; and fracking) to IEA guidance; provide additional details on the assessment, support of and escalation (without terminating relationships) procedures relating to clients on climate-related issues under their Client Transition Framework in their next annual report; set science-based targets to improve transparency and comparability with competitors; increase scope of assurance on scope 1, 2, 3 emissions; transparency around its lobbying practices.