



**The Guide Dogs for the Blind Association
Pension Scheme**

Scheme Registration Number: 10133383

**Trustee’s Annual Report and Financial Statements
For the Year Ended 31 December 2023**



The Guide Dogs for the Blind Association Pension Scheme

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The Guide Dogs for the Blind Association Pension Scheme

Trustee, Sponsoring Employer and Their Advisers

Trustee	GDBA (Pension Fund Trustee) Limited
Trustee Directors	B Gordon - Company Nominated Trustee and Chairman D Bagley - Company Nominated Trustee (retired as a trustee on 31 July 2023) J Wrighthouse - Company Nominated Trustee C Walters - Member Nominated Trustee G Smith - Member Nominated Trustee R Gratton - Member Nominated Trustee P Williams – Company Nominated Trustee (retired as a trustee on 31 July 2023) L Bowen – Member Nominated Trustee R Russell – Company Nominated Trustee (appointed 20 June 2023) H Farrow - Company Nominated Trustee (appointed 21 March 2023)
Secretary to the Trustee	Phillippa Caine
Sponsoring Employer	The Guide Dogs for the Blind Association
Scheme Administrator	Capita Pension Solutions Limited
Scheme Actuary	M West FIA, Capita Pension Solutions Limited
Custodian	CACEIS
Fiduciary Manager	Schroders Solutions Investments Limited ('Schroders Solutions')
AVC Fund Managers	Friends Provident Life & Pensions Limited Utmost Life and Pensions Limited
Independent Auditor	Deloitte LLP Reading United Kingdom
Banker	National Westminster Bank plc
Solicitor	Sacker & Partners LLP
Investment Adviser	Lane Clark & Peacock LLP

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

The Trustee of The Guide Dogs for the Blind Association Pension Scheme ("the Scheme") is pleased to present its annual report together with the audited Financial Statements for the year ended 31 December 2023.

Scheme Management

The Scheme

The Scheme is a defined benefit scheme and is closed to future accrual since 1 January 2013. It is currently governed by the Trust Deed and Rules dated 28 June 2012 as amended. The Scheme is approved as a Registered Scheme under the Finance Act 2004 and is administered by Capita Pension Solutions Limited in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

Sponsoring employer

The only sponsoring employer is The Guide Dogs for the Blind Association, Hillfields, Burghfield Common, Reading, Berkshire, RG7 3YG (Charity Registration No. 209617) hereafter referred to as "the Association". The Association is vested with certain powers and duties such as the appointment of the Trustee.

The Trustee

The Trustee of the Scheme, GDBA (Pension Fund Trustee) Limited, is a separate company appointed to manage the Scheme. In addition to the power of appointment and removal of the Trustee, The Association also has the power to appoint and remove the Trustee Directors although a Trustee Director may choose to retire from office at any time.

The Trustee Board complies with Member Nominated Director Requirements of the Pensions Act 2004.

Further information about the Scheme is given in the explanatory booklets.

During the year ended 31 December 2023, the Trustee Directors met on four occasions to discuss matters associated with administration and management of the Scheme.

Pension increases

For members who joined the Scheme pre-1 January 1996 all pensions in payment, in excess of the Guaranteed Minimum Pensions, are increased by 3% for pre-April 1997 service, and by Limited Price Index for post-April 1997 service (LPI equates to the Retail Price Index - limited to a maximum of 5% p.a.).

For members who joined the Scheme post-1 January 1996 and have not reached State Pension Age, pensions in payment are increased by 5% for pre-April 1997 service, and LPI for post April 1997 service.

For members who joined the Scheme post-1 January 1996 and have reached State Pension Age, pensions in payment, in excess of the Guaranteed Minimum Pension, are increased by 5% for pre-April 97 service and LPI for post-April 97 service.

During 2014 a pension increase exchange was conducted, and a number of members agreed to have a higher Pre-97 pension going forward, but that element of pension will not increase. Guaranteed Minimum Pensions were increased in accordance with statutory requirements.

Preserved pensions are increased in accordance with statutory requirements.

There were no discretionary increases awarded.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Scheme Management

Scheme changes

The Scheme closed to new entrants with effect from 1 April 2011 and closed to future accrual with effect from 1 January 2013.

Scheme audit

The Scheme accounts have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

GMP Equalisation

The High Court judgment made at the end of 2018 in relation to Guaranteed Minimum Pensions (GMPs) confirmed that pension schemes need to make sure GMPs built up between 17 May 1990 and 6 April 1997 are equal between men and women.

The Department for Work and Pensions, HMRC and an industry working group have been producing guidance on how this will work in practice. There have also been further court judgments that have provided additional clarity for pension schemes on how to deal with things that have happened in the past.

Whilst the Trustee and Association are working together to understand the impact of these developments on the Scheme, they realise that the equalisation of individual GMP benefits is a complex matter, and it is likely that it will take some time to identify and update members who may be impacted.

As such, the overall impact on benefit expenditure to be reflected in the Scheme financial statements cannot be quantified at present until the equalisation exercise is conducted and concluded, which at the time of approval of this annual report and financial statements is expected to be later in 2024. The Trustee do 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.

Registration under the applicable Data Protection Legislation

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

From 1 January 2021, the UK GDPR came into effect, which will run alongside the DPA 2018, and the EU GDPR, to which all EU nations remain subject. This ensures that business organisations in the UK have adequate provision for the safe processing of data both in the UK and the EU/EEA.

The Trustee's obligations under the UK GDPR are fundamentally the same as its obligations under the EU GDPR and it continues to remain subject to UK Data Protection laws.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Scheme Management

The General Code of Practice

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

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

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

Membership

Details of the membership of the Scheme as at 31 December 2023 are given below:

	Pensioners			
	Members with Preserved and Deferred Benefits	Member- Pensioners	Dependant- Pensioners	Total
Members at the start of the year	1,152	603	85	1,840
Adjustments due to late notification	(2)	2	(1)	(1)
New dependants	-	-	4	4
Retirements	(50)	50	-	-
Deaths	-	(10)	(2)	(12)
Transfers out	(2)	-	-	(2)
Pensions ceased	-	-	-	-
Suspended	-	(2)	-	(2)
Total membership at the end of the year	1,098	643	86	1,827

These membership figures do not include movements notified to the Administrator after 31 December 2023. These are included in the "adjustments due to late notification" line in the following year's accounts.

Summary of contributions

No Contributions were payable to the Scheme by the Association under the Schedule of Contributions certified by the Scheme Actuary on 24 August 2022 in respect of the year ended 31 December 2023

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Scheme Matters

Financial development of the Scheme

The Scheme's financial position has evolved over the year ended 31 December 2023 as follows.

	2023 £	2022 £
Income: Contributions receivable	-	1,000,000
Expenditure	(7,660,340)	(9,299,043)
Net withdrawals from dealings with members	(7,660,340)	(8,299,043)
Net returns on investments	9,012,734	(128,457,721)
Net increase/(decrease) in the fund during the year	1,352,394	(136,756,764)
Fund value as at 1 January	213,802,094	350,558,858
Fund value as at 31 December	215,154,488	213,802,094

Further details may be found in the audited Financial Statements, which have been prepared and audited in accordance with regulation made with under section 41 (1) and (6) of the Pension Act 1995, on pages 23 to 39.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Investment Matters

Overview

The Trustee, with the assistance of its appointed investment adviser, Lane Clark & Peacock LLP, determines the overall investment strategy for the Scheme and sets out the broad policy to be adopted by the appointed fund managers.

Investment managers

The Trustee has entered into an Investment Management Agreement with Schroders Solutions Investments Limited ('Schroders Solutions') as the investment manager of the portfolio of the Scheme's assets and investments.

The Trustee has chosen to implement their investment strategy through Schroders Solutions' Fiduciary Management service, an implemented solution which allows trustee to retain ownership of those decisions which have the greatest importance to the Scheme's investment strategy – framing objectives, allocations to on-risk/off-risk assets, risk tolerance – whilst delegating other decisions to Schroders Solutions.

In addition, the Trustee has appointed CACEIS as custodian of the Scheme's assets.

Investment principles

In accordance with the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles, which sets out its policy on investment issues, including risks, diversification of investments and details of the key elements of the investment arrangements of the Scheme.

The Statement of Investment Principles ("SIP") sets out how the Scheme takes into account financially material considerations, including Environmental, Social and Governance ("ESG") factors, in its investment decision making process.

Any member may request a copy. Alternatively, they can be viewed online by visiting the link:

<https://guidedogs.pensions-directory.co.uk/>

Departures from investment principles

To the best of the Trustee's knowledge, there were no departures from the Statement of Investment Principles during the year.

Investment strategy

The Trustee's long-term objective for the Scheme is to target an investment return objective of approximately 1.45% per annum (net of fees) in excess of the returns on the Liability Benchmark (daily estimate of liabilities based on the Schroders Solutions' online liability modelling system).

The Scheme's assets are split between Growth Assets and Matching Assets including the Liability Hedge. The Growth Assets target an investment return in order to meet the overall performance objective, the Matching Assets provides liability hedging and acts as collateral to support the derivative Liability Hedge.

This approach creates an explicit link between the liabilities of a pension scheme and the way in which assets are invested. The combination of liability hedging, and the fiduciary management arrangement bridges the gap between the investment objectives of the Scheme and the objectives of the investment strategy as well as the investment manager.

In addition to framing the investment objective, the Trustee is responsible for setting the split of assets between return-seeking assets (known as the Growth Assets) and liability-matching assets (known as the Matching Assets including Liability Hedge).

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Investment Matters

Investment strategy (continued)

Based on consideration of the Scheme's liabilities and the desired investment objective, at the Scheme year-end the Trustee has adopted a 35% Growth Assets/42.5% Liability Hedging Assets/22.5% Cashflow Matching Credit Assets split. Shortly after the year-end, the Trustee adopted a 30% Growth Assets/45% Liability Hedging Assets/25% Cashflow Matching Credit Assets split. The Investment Manager has discretion to implement the Trustee's investment strategy to meet the objective, as described below.

Cashflow Matching Credit Assets (CFMA)

The CMCA is invested in high quality investment grade credit to efficiently match a proportion of the Scheme's liability cashflows.

Growth assets (GA)

Growth Assets (GA)

The GA holds a diverse portfolio of assets that are expected, in the longer term, to exceed the growth in the value of the Scheme's liabilities. The objective for the GA is to achieve a return of at least 4.025% per annum in excess of the return of cash, after the deduction of fees, over rolling three-year periods.

During the year, the GA has been invested in a diversified portfolio of equities, global government, high yield, and emerging market bonds, and alternative assets such as hedge funds and leveraged loans.

The following table shows the asset class restrictions of the GA as well as the asset allocation as a proportion of the GA at the current and prior year end:

Asset Class	Min (%)	Max (%)	31 Dec 2023 (%)	31 Dec 2022 (%)
Equities	20	65	44.2	35.6
Property	0	20	4.8	13.1
Return Seeking Credit	0	45	20.2	16.0
Commodities	0	15	1.0	0.0
Alternatives	0	40	16.8	24.0
Cash & Sovereign Bonds	0	40	13	11.3

All restrictions are expressed as a proportion of the Growth Assets. Currency hedging is not included in the figures above.

Liability Hedge (LH)

The LHA is invested in a portfolio of directly held gilts, which is expected to move closely in line with the rise and fall in liability values, thus providing a degree of protection to the Scheme's funding position. The objective for the LHA is to reduce the interest rate and inflation risk inherent in the liabilities.

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The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Investment Matters

Investment Performance

Performance of the Scheme's assets against the objectives is shown below:

Portfolio Section	12 Months	3 Years p.a.	5 Years p.a.
Growth Assets	8.5%	3.8%	5.3%
Objective	8.7%	6.1%	5.4%
Relative	-0.2%	-2.3%	-0.1%
Total Portfolio	4.1%	-11.9%	-2.3%
Objective	2.1%	-11.8%	-2.7%
Relative	2.0%	-0.1%	-0.4%

Past performance is not a guide to future returns. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested.

Performance is shown net of fees to the extent that fees are paid from assets.

Asset allocation

Asset allocations are disclosed in note 17 on pages 33 to 37.

Implementation statement

The Trustee has, in accordance with the current trustee disclosure rules and regulations, issued an implementation statement in respect of the Scheme year ended 31 December 2023 to:

- (i) set out how, and the extent to which, in the opinion of the Trustee, the policy required under regulation 2(3)(c) of the Occupational Pension Schemes (Investment) Regulations 2005 has been followed during the year, and
- (ii) describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) during the year and state any use of the services of a proxy voter during that year.

A full copy of this statement is appended to and forms an integral part of this report.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits. Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its Technical Provisions. The Technical Provisions represent the present value of the benefits members are entitled to based, on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustee and the Association 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 31 December 2021. The next full Scheme Funding Assessment for the Scheme is due as at 31 December 2023. The table below shows the actuarial valuation figures as at 31 December 2021 and the actuarial update figures as at 31 December 2022 and 31 December 2023 based on the 2021 Statement of Funding Principles.

Value of assets at:	31 December 2021	31 December 2022	31 December 2023
The value of the assets at that date was:	£350.6m	£213.8m	£215.2m
The value of the Technical Provisions was:	£339.6m	£212.4m	£208.7m
Surplus/(Shortfall):	£11.0m	£0.7m	£6.5m
Funding Level	103%	100%	103%

The method and significant actuarial assumptions used to determine the Technical Provisions are set out in the Appendix to the Statement of Funding Principles (the "SFP"). The most significant particulars are as follows.

Method

The actuarial method to be used in the calculation of the Technical Provisions is the Defined Accrued Benefit Method.

The Scheme holds annuity policies in the name of the Trustee. The benefits covered by these policies were pensions payable to 1 member, as of the valuation date, and have been taken into account in the valuation as at 31 December 2021, which was carried out by the Scheme Actuary, Martin West of Capita Pension Solutions Limited.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Report on Actuarial Liabilities

Significant actuarial assumptions

The financial assumptions in the SFP, dated August 2022 were set by the Trustee and are based on market data. The main financial assumptions used to calculate the Technical Provisions are set out in the table below. They have been derived in accordance with the SFP, re-calibrated in line with market condition sat each measurement date.

Pre-Retirement Discount Rate: derived as the annualised Bank of England's gilt yield curve at the effective date plus 1.75% pa at each duration

Post-Retirement Discount Rate: derived as the annualised Bank of England's gilt yield curve at the effective date plus 0.5% pa at each duration.

Future Retail Prices Index (RPI) inflation: based on the Bank of England inflation yield curve at each duration

Future Consumer Prices Index (CPI) inflation:

Pre 2030: based on the Bank of England inflation yield curve less 1.0% pa at each duration

Post 2030: based on the Bank of England inflation yield curve at each duration

Pension increases: derived from the assumptions for future CPI inflation and future RPI inflation allowing for the annual caps and floors according to the provisions in the Scheme's rules.

Mortality: The mortality rates are assumed to be in line with the S3NxA base tables, adjusted for each member's year of birth. The allowance for future improvements is based on the CMI 2020 core projection model, a long-term rate of improvement of 1.5% pa for both males and females with a 2020 weighting of 0% and 0.75% pa initial addition to mortality improvements.

The next valuation will be at 31 December 2023, and it is currently underway and will be completed in October 2024.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Compliance Matters

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with Schedule 3 of The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 or voluntarily by the Trustee. The information deals with matters of administrative routine.

Transfer Values

Transfer values are calculated and verified as required under the provisions of the Pension Schemes Act 1993.

Taxation

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

Related-party transactions

Other than those disclosed in note 7 to the financial statements, the Association has paid the costs of administering the Scheme for the year.

Further details on these transactions are provided in note 22 to the Financial Statements.

MoneyHelper

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

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

Email: pensions.enquiries@moneyhelper.org.uk

Tel: 0800 011 3797

The Pensions Ombudsman

The Pensions Ombudsman will assist members and beneficiaries of a pension scheme in connection with difficulties which they have failed to resolve with the trustee(s) or administrators of the scheme and may investigate and determine any complaint or dispute of fact or law in relation to occupational pension schemes.

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

Telephone: 0800 917 448

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

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties.

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

Telephone: 0345 600 7060

The Pension Tracing Service

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

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

Telephone: 0800 731 0193

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Statement of Trustee's Responsibilities

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

In discharging the above responsibilities, the 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 not be wound up.

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.

Trustee 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 adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule of Contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Guide Dogs for the Blind Association Pension Scheme

Trustee's Report

Contact for Further Information

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances copies of documents can be provided, but a charge may be made for copies of the Trust Documents (Deed and Rules).

Any query about the Scheme, including requests from individuals for information about their benefits, should be addressed to:

The Trustee of The Guide Dogs for the Blind Association Pension Scheme care of:

People Services
The Guide Dogs for the Blind Association
Hillfields
Burghfield Common
Reading
Berks, RG7 3YG

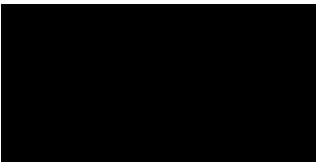
Alternatively, queries can be sent electronically to the email address:

gdogs@capita.co.uk

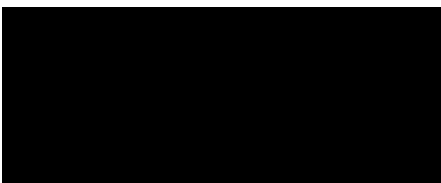
Approval

This Trustee's Report was approved by the Trustee of The Guide Dogs for the Blind Association Pension Scheme and signed on its behalf by:

31 July 2024 | 14:06:05 BST



Director
GDBA (Pension Fund Trustee) Limited



Director
GDBA (Pension Fund Trustee) Limited

The Guide Dogs for the Blind Association Pension Scheme

Actuary's Certification of the Schedule of Contributions

The Guide Dogs for the Blind Association Pension Scheme

Schedule of Contributions

Certification of the Schedule of Contributions

Adequacy of rates of contributions

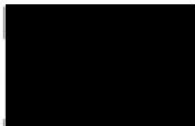
1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective can be expected to continue to be met for the period for which the Schedule is to be in force.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 20 August 2022.

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

Signature:



Name: Martin West

Date: 24 August 2022

Name of employer: Capita Pension Solutions Limited

Address: 65 Gresham Street
London
EC2V 7NQ

Qualification: Fellow of the Institute and Faculty of Actuaries

The Guide Dogs for the Blind Association Pension Scheme

Independent Auditor's Statement about Contributions to the Trustee of The Guide Dogs for the Blind Association Pension Scheme

We have examined the Summary of Contributions to The Guide Dogs for the Blind Association Pension Scheme for the scheme year ended 31 December 2023 on page 25.

In our opinion contributions for the Scheme year ended 31 December 2023 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the scheme actuary on 20 August 2022.

Scope of work on Statement about Contributions

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

Respective responsibilities of Trustee and the Auditor

As explained more fully in the Trustee's responsibilities statement, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the scheme by the employer in accordance with the schedule of contributions.

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

Use of our report

This statement is made solely to the Trustee, as a body, 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 work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body for our work, for this statement, or for the opinion we have formed.



Deloitte LLP

Statutory Auditor

Reading, United Kingdom

31 July 2024 | 16:21:16 BST

The Guide Dogs for the Blind Association Pension Scheme

Independent auditor's report to the Trustee of The Guide Dogs for the Blind Association Pension Scheme

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Guide Dogs for the Blind Association Pension Scheme (the 'Scheme'):

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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 which comprise:

- the fund account;
- the statement of net assets; and
- the related notes 1 to 23.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

The Guide Dogs for the Blind Association Pension Scheme

Independent auditor's report to the Trustee of The Guide Dogs for the Blind Association Pension Scheme (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give 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 liquidate the Scheme or to cease operations, 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.

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

The Guide Dogs for the Blind Association Pension Scheme

Independent auditor's report to the Trustee of The Guide Dogs for the Blind Association Pension Scheme (continued)

Extent to which the audit was considered 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.

We considered the nature of the Scheme's industry and its control environment, and reviewed the Scheme's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of the Trustee's about their own identification and assessment of the risks of irregularities, including those that are specific to the Scheme's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Scheme operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Pension Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Scheme's ability to operate or to avoid a material penalty. These included Scheme's regulatory requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the misappropriation of investment assets due to the significant size of investment transactions and balances. In response we have: obtained an understanding of the relevant controls over investment holdings and transactions; agreed investment holdings to independent confirmations; and agreed investment and cash reconciliations to independent sales and purchase reports and bank statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

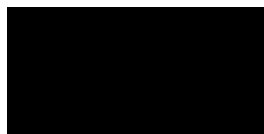
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of the Trustee concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Trustee and reviewing correspondence with the Pensions Regulator.

The Guide Dogs for the Blind Association Pension Scheme

Independent auditor’s report to the Trustee of The Guide Dogs for the Blind Association Pension Scheme (continued)

Use of our report

This report is made solely to the Scheme’s Trustee, as a body, 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 the Scheme’s Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Statutory Auditor
Reading, United Kingdom

31 July 2024 | 16:21:16 BST

The Guide Dogs for the Blind Association Pension Scheme

Fund Account

For the Year Ended 31 December 2023

	Note	2023 £	2022 £
Contributions and Benefits			
Employer contributions		-	1,000,000
Total contributions	4	-	1,000,000
Benefits paid or payable	5	(7,513,839)	(6,971,416)
Payments to and on account of leavers	6	(146,480)	(2,327,610)
Administrative expenses	7	(21)	(17)
		(7,660,340)	(9,299,043)
Net withdrawals from dealings with Members		(7,660,340)	(8,299,043)
Returns on investments			
Investment income	8	6,168,597	2,499,098
Change in market value of investments	9	3,405,891	(130,135,125)
Investment management expenses	10	(561,754)	(821,694)
Net returns/(losses) on investments		9,012,734	(128,457,721)
Net increase/(decrease) in the fund during the year		1,352,394	(136,756,764)
Net assets of the Scheme at 1 January		213,802,094	350,558,858
Net assets of the Scheme at 31 December		215,154,488	213,802,094

The notes on pages 23 to 39 form an integral part of these financial statements.

The Guide Dogs for the Blind Association Pension Scheme

Statement of Net Assets (Available for Benefits)
As at 31 December 2023

	Note	2023 £	2022 £
Investment assets:			
Pooled investment vehicles	11	107,438,487	88,936,532
Bonds	12	109,103,165	134,007,831
Derivatives	13	7,232,724	7,771,511
Insurance policies	14	198,000	230,000
AVC investments	15	1,838	1,712
Cash deposits	9	270,372	2,223,413
Other investment balances	9	2,682,960	5,184,949
		226,927,546	238,355,948
Investment liabilities:			
Derivatives	13	(14,236,498)	(25,526,785)
Total net investments		212,691,048	212,829,163
Current assets	20	2,640,626	1,154,335
Current liabilities	21	(177,186)	(181,404)
Net assets of the Scheme at end of year		215,154,488	213,802,094

These 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 and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take into account such obligations is dealt with in the Report on Actuarial Liabilities on page 10 and 11 of the annual report and these financial statements should be read in conjunction with them.

The notes on pages 23 to 39 form an integral part of these financial statements.

These financial statements were approved by the Trustee on
and were signed on its behalf by:

31 July 2024 | 14:06:05 2024

[Redacted Signature]

Director: GDBA (Pension Fund Trustee) Limited

[Redacted Signature]

Director: GDBA (Pension Fund Trustee) Limited

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

1. Basis of preparation

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

2. Identification of financial statements

The Scheme is established as a trust under the English Law and registered with HMRC under Scheme Registration Number: 10133383. Its registered address is at Hillfields, Burghfield Common, Reading, RG7 3YG.

3. Accounting policies

The principal accounting policies of the Scheme are as follows and have been applied consistently year on year unless otherwise stated:

Contributions

Voluntary additional contributions by the Association are accounted for upon receipt into the Trustee bank account.

Payments to members

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

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

Transfers

Individual transfers to other schemes are accounted for when member liability is accepted or discharged, which is normally when the transfer amount is paid.

Expenses

Investment manager expenses are accounted for on an accrual's basis. Other expenses are paid directly by the Sponsoring Employer as set out in note 7.

Investment income

Income from cash and short-term deposits is accounted for on an accrual's basis.

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

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

Receipts or payments under swap contracts, representing the difference between the swapped cashflows are included in the investment income on a cash basis.

Receipts from annuity policies are accounted for as investment income on an accrual's basis.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

3. Accounting policies

Investments

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

Investments are included at fair value as described below:

Quoted securities (mainly consisting of bonds) in active markets are usually valued at the single prices, or in the case of Exchange Traded Funds (ETFs), the end of day prices (trade prices) at the reporting date sourced from Bloomberg. However, where bid price at the reporting date is available, the security is valued at bid price instead.

Accrued interest is excluded from the market value of bonds and is included in investment income receivable.

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

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.

Derivatives are valued using the following valuation technique:

Swaps – current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.

Forward foreign exchange (Forward FX) – the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

Options - options are valued by the counterpart banks using generally accepted pricing models such as Black Scholes, where inputs are based on market data at the year-end date.

In the Investment Management Agreement with Schroders Solutions, illiquid assets are defined to be investments including insurance-linked securities, private equity and credit, real estate, infrastructure, or any other investment which:

- (i) Is subject to a lock-up period of time longer than six months, during which time redemption is not permitted; or
- (ii) Is subject to a penalty in excess of 5% of the value of the investment if redeemed before the expiration of any lock-up; or
- (iii) Cannot be fully redeemed within 6 months under standard trading conditions.

A maximum of 25% of the Investment Fund can be held in illiquid assets as per the agreed investment strategy of the scheme.

Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

With profit insurance policies are reported at the policy value provided by the insurance company based on the cumulative reversionary bonuses declared and the current terminal bonus.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

3. Accounting policies

Presentation currency

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

Taxation

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

4. Contributions

	2023 £	2022 £
Employer contributions		
Additional	-	1,000,000

No contributions were payable in respect of the year under review per the Schedule of Contributions certified by the Scheme Actuary on 24 August 2022.

5. Benefits paid or payable

	2023 £	2022 £
Pensions payments	6,322,817	6,115,178
Commutation of pensions and lump sum retirement benefits	1,121,870	856,238
Lump sum death benefits	69,152	-
	7,513,839	6,971,416

6. Payments to and on account of leavers

	2023 £	2022 £
Individual transfers to other schemes	146,480	2,327,610

7. Administrative expenses

	2023 £	2022 £
Bank charges and other fees	21	17

With the exception of bank charges and other fees noted above, all other administrative expenses of the Scheme are borne by the Association.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

8. Investment income

	2023 £	2022 £
Annuity income	19,061	27,672
Income from pooled investment vehicles	5,359,669	1,114,886
Income from bonds	1,181,989	1,234,432
Interest on cash deposits	187,795	62,027
Income from derivatives	(579,917)	60,081
	6,168,597	2,499,098

The annuity income includes the annuity policies which are in the name of the Trustee.

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

	Value at 01/01/2023 £	Purchases at Cost & Derivative Payments £	Sales Proceeds & Derivative Receipts £	Change in Market Value £	Value at 31/12/2023 £
Pooled investment vehicles	88,936,532	78,253,736	(61,813,749)	2,061,968	107,438,487
Bonds	134,007,831	74,239,717	(98,145,863)	(998,520)	109,103,165
Derivatives	(17,755,274)	30,338,567	(22,010,384)	2,423,317	(7,003,774)
Insurance policies	230,000	-	-	(32,000)	198,000
AVC Investments	1,712	-	-	126	1,838
	205,420,801	182,832,020	(181,969,996)	3,454,891	209,737,716
Cash deposits	2,223,413			(49,000)	270,372
Other investment balances	5,184,949				2,682,960
	212,829,163			3,405,891	212,691,048

Included in other investment balances were £1,109,727 (2022: £4,816,227) worth of transactions that traded in the current year but settled post year-end.

Transaction costs

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

Transaction costs analysed by main asset class and type of cost are as follows:

	Fees and Charges £	Commissions £	Total 2023 £	Total 2022 £
Pooled investment vehicles	2,770	-	2,770	3,585

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

10. Investment management expenses

	2023 £	2022 £
Administration, management and custody	592,494	872,524
Rebates on investment expenses	(30,740)	(50,830)
	561,754	821,694

11. Pooled investment vehicles

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

	2023 £	2022 £
Equities	31,338,789	27,039,446
Bonds	62,121,861	30,479,702
Alternative funds	10,580,133	19,674,833
Property	3,397,704	11,683,933
Cash	-	58,618
	107,438,487	88,936,532

12. Bonds

The Scheme's holdings in bonds at the year-end comprised:

	2023 £	2022 £
Fixed interest	41,758,199	48,845,327
Index-linked	67,344,966	85,162,504
	109,103,165	134,007,831

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

13. Derivatives

(A) Objectives and policies

The Trustee has authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme as follows:

Forward FX

In order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas 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 GBP, a currency hedging programme, using forward FX contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

Swaps

The Trustee's aim is for the Liability Driven Investment (LDI) portfolio to match, as far as possible, the Scheme's long-term liabilities, in particular in relation to their sensitivities to interest rate and inflation movements. The Trustee has entered into Over the Counter ("OTC") swaps during the year to better match the long-term liabilities of the Scheme.

Options

The Trustee delegates management of the Growth Assets to the Investment Manager. The Investment Manager uses equity options as a risk management tool for the Scheme. In general, the investment manager using equity options to help preserve capital in periods of negative equity market performance. In some cases, the equity options provide a diversifying return profile, aiming to provide positive returns in periods of negative equity market performance.

(B) Derivative positions at the year-end

At the year-end the Scheme had the following derivatives:

	2023 Assets £	2023 Liabilities £	2022 Assets £	2022 Liabilities £
Forward FX contracts	698,612	(37,704)	2,074,055	(53,761)
OTC Swaps	4,014,752	(12,793,305)	3,329,207	(23,748,657)
Options	2,519,360	(1,405,489)	2,368,249	(1,724,367)
	7,232,724	(14,236,498)	7,771,511	(25,526,785)

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

13. Derivatives

(B) Derivative positions at the year-end (continued)

A summary of the Scheme’s outstanding derivative contracts at the year-end aggregated by key characteristics is as below.

Forward FX Contracts

No of contacts	Settlement date relative to the Scheme year-end	Currency bought		Currency sold		Aggregate Asset £	Aggregate liability £
		'000		'000			
5	1 month	GBP	1,778	Euro	2,035	13,291	-
9	1 month	USD	2,739	GBP	2,177	-	29,843
4	1 month	GBP	680	JPY	123,475	-	7,738
1	1 month	Euro	15	GBP	13	-	123
19	1 month	GBP	16,877	USD	20,644	685,321	-
Total 2023						698,612	(37,704)
Total 2022						2,074,055	(53,761)

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

13. Derivatives

(B) Derivative positions at the year-end (continued)

OTC swaps

A summary of the Scheme's outstanding OTC swap contracts at the year-end aggregated by key characteristics is set out below:

Swaps Nature	Notional amounts (Pay)	Notional Principal (Receive)	Asset value £	Liability Value £
Interest Rate Swaps PAR				
11-20 Years (1 contracts)	38,400,000	38,400,000	-	(11,691,647)
Sub-total 2023			-	(11,691,647)
Sub-total 2022			-	(20,018,057)
Inflation Swaps				
0-10 Years (6 contracts)	30,291,948	43,515,052	2,661,953	(419,568)
Sub-total 2023			2,661,953	(419,568)
Sub-total 2022			3,329,207	(378,228)
Total Return Swaps				
0-10 Years (4 contract)	36,400,000	36,400,000	1,352,799	(682,090)
Sub-total 2023			1,352,799	(682,090)
Sub-total 2022			-	(3,352,372)
Total 2023	105,091,948	118,315,052	4,014,752	(12,793,305)
Total 2022	115,507,609	132,758,213	3,329,207	(23,748,657)

The notional amounts shown above are the amounts on which interest is payable/receivable as described in the nature of the swap.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

13. Derivatives

(B) Derivative positions at the year-end (continued)

Options

As at 31 December 2023, the Scheme had the following executable call and put options:

Type	Expires Within	Notional Principal £	Fair Value	
			2023 Asset £	2023 Liability £
Purchased call – European style options	1 – 2 years	17,433	2,519,360	-
Sold call – European style options	1 – 2 years	17,433	-	1,32565
Sold put – European style options	1 – 2 years	21,238	-	80,324
		56,104	2,519,360	1,405,489

Options are held in the following markets, S&P 500, Eurostoxx 50, Nikkei 225, MSCI Emerging Markets.

13. (C) Collateral

Collateral is exchanged with counterparties to reduce the credit risk of derivative contract exposures.

The Scheme had collateral positions with counterparties at the year-end as follows:

	2023		2022	
	Posted	Received	Posted	Received
	£m	£m	£m	£m
Bonds	10.3	4.1	25.49	5.78

Collateral pledged to counterparties remains an asset of the Scheme and is reported within the Scheme's net assets. Collateral received from counterparties does not form part of the Scheme's net assets.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

14. Insurance policies

The legacy annuity policies relates to one individual. The Trustee no longer purchases annuities to meet the Scheme's pension liabilities. The annuity policies have been valued by the Scheme Actuary on a basis consistent with how insurance companies price annuity policies. No collateral is held in relation to these assets.

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

	2023 £	2022 £
Annuities with Phoenix Life	198,000	230,000

15. AVC investments

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

The aggregate amounts of AVC investments are as follows:

	2023 £	2022 £
Utmost Life and Pensions		
Unitised Fund	1,180	1,077
Friends Provident	658	635
	1,838	1,712

16. Fair value determination

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

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

A fair value measurement is categorised on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

16. Fair value determination (continued)

The Scheme's investment assets and liabilities fall within the above hierarchy levels as follows:

As at 31 December 2023	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	13,977,531	93,460,956		107,438,487
Bonds	-	109,103,165	-	109,103,165
Derivatives	-	(7,003,774)	-	(7,003,774)
Insurance policies	-	-	198,000	198,000
AVC investments	-	1,838	-	1,838
Cash	270,372	-	-	270,372
Other investment balances	2,682,960	-	-	2,682,960
	16,930,863	195,562,185	198,000	212,691,048

As at 31 December 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	2,103,804	66,580,980	20,251,748	88,936,532
Bonds	-	134,007,831	-	134,007,831
Derivatives	-	(17,755,274)	-	(17,755,274)
Insurance policies	-	-	230,000	230,000
AVC investments	-	1,712	-	1,712
Cash	2,223,413	-	-	2,223,413
Other investment balances	5,184,949	-	-	5,184,949
	9,512,166	182,835,249	20,481,748	212,829,163

17. Investment risk disclosures

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

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

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

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

17. Investment risk disclosures (continued)

The SORP recommends these risk disclosures are made for all investments.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to 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 portfolio.

Liability Hedge (LH)

The Scheme has a liability hedge in place which focuses on interest rate and inflation risk management. Assets are invested in a portfolio of derivatives which are designed to reflect movements in the Technical Provisions liabilities due to interest rates and inflation.

The Trustee has a liability hedging strategy through over the counter ("OTC") derivatives which, in combination with the gilts in the MA, aims to mitigate c.100% of the interest rate risk and c.100% of the inflation risk inherent in the Scheme's liabilities, scaled to the size of the assets.

Specific Risk Disclosures:

The Trustee's policy regarding risk management is highlighted in the Statement of Investment Principles. The Scheme is subject to various types of risks including, but not limited to, credit risk and market risk, arising from the underlying investments in the underlying funds. Market risk is composed of foreign exchange ("FX"), interest rate and other price risk. Risks are classified as "Direct" if they relate to an investment held directly by the Scheme, or "Indirect" if they relate to an investment held by one of the pooled underlying funds.

Credit Risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, OTC derivatives and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustee policy for managing credit risk is detailed in the Statement of Investment Principles.

The Scheme holds £109.1m in directly held bonds, -£7.0m in OTC derivatives and £2.7m in directly held cash balances. The Scheme also holds £65.1m bonds and cash through underlying pooled fund investments.

Credit risk arising on derivatives held directly depends on whether the derivative is exchange traded or over the counter (OTC). The Scheme holds OTC derivative contracts which are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. Credit risk for OTC derivative contracts is mitigated by placing restrictions on Schroders Solutions which ensure that new contracts are only entered into with counterparties that are investment grade. The credit risk in respect of OTC swaps is further reduced by collateral arrangements.

Credit risk arising on bonds held directly is mitigated by Schroders Solutions choosing to only invest in government bonds, where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

17. Investment risk disclosures (continued)

Credit Risk (continued)

Directly held cash balances are at financial institutions which are at least investment grade credit rated. This is the position at the year-end.

In all above instances, “investment grade” is defined as being rated at least BBB- by Standard & Poor’s or Baa3 by Moody’s.

Indirect credit risk arises in relation to underlying investments held in bond and cash pooled investment vehicles. This risk is mitigated by the Trustee mandating Schroders Solutions that the underlying investment in sub-investment grade debt may not exceed 30% of the GA.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustee monitor the investment strategy adopted by Schroders Solutions to ensure that the arrangement remains diversified.

Direct credit risk arises in respect of pooled investment vehicles. The Scheme’s GA is invested across a large number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc.).

The direct credit risk associated with these managers is also mitigated by:

- the regulatory environments in which those managers operate;
- diversification amongst a large number of pooled arrangements; and
- due diligence checks by Schroders Solutions on the appointment of new pooled managers, and monitoring on an ongoing basis for any changes to the operating environment of each manager.

PIVs Legal Fund Structure	31 December 2023
Unit linked insurance contracts	1,709,253
Authorised unit trusts	8,089,162
Open ended investment companies	6,009,759
Shares of limited liabilities partnerships	1,241,328
Limited Liability Company	3,177,316
ICVC	6,220,229
Exchange traded commodity	350,627
Exchange traded fund	10,365,540
SICAV	50,617,406
Mutual Fund	19,657,867
Totals	107,438,487

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

17. Investment risk disclosures (continued)

Credit Risk (continued)

Mitigation of the different elements of credit risk numbered in parentheses is discussed below.

2023	Investment Grade £'000	Non-Investment Grade £'000	Unrated £'000	Total £'000
Bonds	109,103	-	-	109,103
OTC Derivatives	(7,004)	-	-	(7,004)
Cash	270	-	-	270
Pooled Investment Vehicles (PIVs)	-	-	107,438	107,438
Total	102,369	-	107,438	209,807

2022	Investment Grade £'000	Non-Investment Grade £'000	Unrated £'000	Total £'000
Bonds	134,008	-	-	134,008
OTC Derivatives	(17,755)	-	-	(17,755)
Cash	2,223	-	-	2,223
PIVs	-	-	88,937	88,937
Total	118,476	-	88,937	207,413

Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles. The Trustee policy for managing this risk is detailed in the Statement of Investment Principles.

Currency risk is mitigated by delegating management of currency exposures at total portfolio level to Schroders Solutions. Schroders Solutions implement currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX forward contracts.

Net of currency hedging, 2.3% of the Scheme's holdings were exposed to overseas currencies as at year-end (2022: 7.3%).

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

17. Investment risk disclosures (continued)

Interest rate risk

The Scheme's assets are subject to interest rate risk because some of the Scheme's investments are held in bonds, interest/inflation rate swaps for the purpose of liability hedging. Under this strategy if interest rates fall the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise these investments will fall in value as will actuarial liabilities because of an increase in the discount rate. At the year-end, the assets subject to interest rate risk comprised of:

£'000	31/12/2023 £	31/12/2022 £
Direct		
Bonds	109,103	134,008
Swaps	(8,779)	(20,419)
Indirect		
Bond PIVs	62,122	30,480
Cash PIVs	-	59

Please note clean values have been used where applicable.

Other Price Risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which may include various asset classes (i.e. alternatives, bonds, equities, cash and investment properties) held in pooled vehicles. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

At the year end, the Scheme's exposure to investments subject to other price risk was:

£'000	31/12/2023 £	31/12/2022 £
Direct		
S&P/Call Equity Options	1,114	644
Bonds Held (Backing EO)	-	9,999
Indirect		
Equity PIVs	28,077	27,039
Property PIVs	3,398	11,684
Commodities PIVs	332	-
Alternatives PIVs	10,580	19,675

Please note clean values have been used where applicable.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

18. Concentration of investments

The following investment(s) represented over 5% of the Scheme's assets invested with Schroders Solutions at the year-end date:

Instrument Name	31/12/2023		31/12/2022	
	£	%	£	%
BNY Mellon Global Equity Fund	17,969,417	8.4	20,989,359	9.8
SMP B&M Credit Sterling CHFLOW 2018-2032	46,247,088	21.5	16,389,168	7.7
Treasury IL REGS 1.25% 22 Nov 2032	13,615,831	6.3	9,499,812	4.4
UK Treasury 1.25% 22 Oct 2041	16,096,573	7.5	10,135,715	4.7
0.75% Index-Linked Treasury Gilt 2047	14,427,143	6.8	14,427,143	6.7

19. Employer-related investments-

There were no Employer-related investments during the year.

20. Current assets

	2023 £	2022 £
Trustee bank account	2,173,878	718,952
Prepaid pensions	463,941	435,293
Accrued bank interest	2,807	90
	2,640,626	1,154,335

21. Current liabilities

	2023 £	2022 £
Accrued benefits	47,186	28,404
Accrued investment management expenses	130,000	153,000
	177,186	181,404

22. Related-party transactions

C Walters, G Smith, L Bowen and R Gratton are Trustee Directors, of whom two are deferred members and the other two pensioners of the Scheme. They are entitled to benefits calculated in accordance with the Scheme Rules. The Trustee Directors do not receive fees for their services as Trustee Directors to the Scheme.

As disclosed in note 7 the Association pays the majority of administration expenses on behalf of the Scheme.

The Guide Dogs for the Blind Association Pension Scheme

Notes to the Financial Statements

23. GMP Equalisation

As explained on page 4 of the Trustee's Report, in October 2018, the High Court ruled that pension schemes are required to equalise benefits between men and women for the effect of Guaranteed Minimum Pensions (GMP) which were accrued on or after 17 May 1990.

The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis, the trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member.

The Trustee is reviewing, with its advisers, the implication of these rulings in the context of the Scheme Rules and the value of any liability. On completion of the review, the Trustee will put together a plan for correcting past benefits as well as inequalities in benefits coming into payment. The Trustees do 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.

The Guide Dogs for the Blind Association Pension Scheme

Appendix I – Schedule of Contributions

The Guide Dogs for the Blind Association Pension Scheme

Schedule of Contributions

This Schedule of Contributions has been prepared by the Trustee of The Guide Dogs for the Blind Association Pension Scheme (the “Scheme”) after obtaining the advice of Martin West, the Scheme Actuary on the Scheme Funding Assessment as at 31 December 2021 (the “Effective Date”). This Schedule of Contributions replaces the previous Schedule of Contributions and it will be subject to review at future Scheme funding assessments. This Schedule of Contributions has been agreed by The Guide Dogs for the Blind Association (the “Employer”), the Principal Employer of the Scheme. The Trustee and the Employer hereby agree that the following contributions will be paid to the Scheme.

Period covered by this Schedule of Contributions

This Schedule of Contributions covers a 5 year period starting from the date it is certified by the Scheme Actuary.

The Schedule of Contributions will be reviewed as part of the actuarial valuation due as at 31 December 2023 or earlier as agreed by the Trustee and the Employer.

Contributions payable by the Employer

Nil Contributions

The Employer will pay the administrative expenses of operating the Scheme, including any levies payable to the Pensions Regulator and the Pension Protection Fund. However, investment management fees will be borne by the Scheme.

The Employer may also pay any additional contributions from time to time that it so chooses.

Signed on behalf of the Trustee:	Signed on behalf of the Employer:
	
Name:	Name:
Bruce Gordon	Vijay Dosh
	Position:
	Mr
Date:	Date:
18 August 2022	20 August 2022

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023

1. Introduction

The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering The Guide Dogs for the Blind Association Pension Scheme (the ‘Scheme’) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

The SIP was not amended during the year ending 31 December 2023. The SIP was last reviewed in March 2022 to cover the de-risking of the Scheme’s Investment Strategy and to update the Trustee’s actions in relation to ESG.

This SIP came into force from March 2022.

A copy of the current SIP signed and dated March 2022 can be found in the website:

<https://guidedogs.pensions-directory.co.uk>

This Implementation Statement covers the period from 1 January 2023 to 31 December 2023 (the “Scheme Year”). It sets out:

- How the Trustee’s policies on stewardship have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (“**DWP**”) aims to encourage the Trustee of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme’s SIP. With the help of the Scheme’s Fiduciary Manager, to whom the Trustee delegated the implementation of its Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP’s statutory guidance.

The Trustee uses the Fiduciary Management service of **Schroders IS Limited** as their Investment Manager and Adviser (referred to as the “**Fiduciary Manager**” in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as “**Underlying Investment Managers**”) to manage part of the Scheme’s assets, and investments with these managers are generally made via pooled funds, where the Scheme’s investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website: <https://guidedogs.pensions-directory.co.uk>

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023 (continued)

2. How the Trustee's policies on stewardship have been followed over the Scheme Year

The Trustee's Fiduciary Manager is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The Trustee expects the Fiduciary Manager's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Scheme. Therefore, the Trustee's approach to stewardship is to delegate the stewardship activities to the Fiduciary Manager and as such the Trustee has aligned its stewardship priorities with the Fiduciary Manager's; **Climate Change, Natural Capital & Biodiversity and Human Rights**

The UK Stewardship Code describes stewardship as "*the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society.*" Thus, the Fiduciary Manager's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Scheme's SIP has been provided to the Fiduciary Manager, who is expected to follow the Trustee's investment (including stewardship) policies when providing Fiduciary Management services.

As part of ongoing monitoring of how the Fiduciary Manager (FM) has exercised the Trustee's stewardship policy, the Trustee reviewed quarterly FM ESG updates during the Scheme Year, as well as the FM Annual ESG Report after the Scheme Year-end, before preparing this Implementation Statement. The quarterly ESG updates allow the Trustee to monitor the ESG characteristics of the Scheme's portfolio and thereby assess the Fiduciary Manager's allocation, management and oversight of the Scheme's capital. The annual ESG report details various areas concerning the Fiduciary Manager's ESG integration within the investments and stewardship activities over the previous calendar year.

The Trustee is satisfied that the expectations outlined in the SIP have been met, with the Fiduciary Manager taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection. Examples of how this has been evidenced over 2023, include:

- ❖ Exclusions of Global Norms Violators as part of the security selection process. This ensures a closer alignment of the Scheme's investments with the Trustee's stewardship priorities, as violators are generally viewed as causing significant harm to People or Planet.
- ❖ Incorporation of SustainEx™ scoring into the core equity allocation process, in both the initial screening process and as a constraint at a total portfolio level. SustainEx™ is Schroders' proprietary tool to translate social and environmental impacts into financial costs.
- ❖ Conducting manager research to identify value-adding, climate-aware equity funds to potentially allocate some of the Scheme's capital to, subject to further due diligence.
- ❖ Approval of a cash fund that offers improved environmental characteristics to the Scheme's existing cash fund, with equivalent cost and return track record. After carrying out appropriate due-diligence in early 2024, the Scheme's existing cash assets have now been invested in this fund.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023 (continued)

2. How the Trustee's policies on stewardship have been followed over the Scheme Year (continued)

- ❖ Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials.
- ❖ Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments.
- ❖ Addition of voting and engagement examples to the quarterly ESG reporting provided to the Trustee, facilitating a more regular review throughout the year of the Underlying Investment Managers' stewardship activities.
- ❖ ESG integration throughout the portfolio, with Underlying Investment Manager and counterparty engagement carried out in Growth and Buy & Maintain and LDI portfolios. Some examples of the engagements which occurred over 2023 are detailed in a separate Engagement Report, available upon request.
- ❖ Introduction of new 'impact' metrics into quarterly reporting, such as Implied Temperature Rise (measuring the contribution of the Scheme's investments to global warming) and SustainEx™ scoring, to facilitate better Trustee oversight of the impacts of the Scheme's capital on the environment and society.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity (detailed in a separate Engagement Report, available upon request) that took place on the Trustee's behalf during the Scheme Year within the growth asset portfolio, cashflow matching credit portfolio and the liability hedging portfolio, the Trustee is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations.
- The Fiduciary Manager has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Scheme's liability hedging programme not only remained robust during the Gilt Crisis of Autumn 2022 and beyond, but the Fiduciary Manager also provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Scheme.

Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Scheme Year.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023 (continued)

3. Voting During the Scheme Year

The Trustee has delegated responsibility for voting on its behalf to the Fiduciary Manager and Underlying Investment Managers. Most voting rights associated with the Scheme's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the Fiduciary Manager may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustee, in line with the Trustee's stewardship policy.

Voting by the Fiduciary Manager

Over the year to 31 December 2023, regarding clients' pooled fund investments, the Fiduciary Manager voted on 141 resolutions across 26 meetings. The Fiduciary Manager voted against management on 1 resolution (0.7% of total resolutions) and abstained on 48¹ resolutions (34.0% of the total resolutions). The voting topics covered a range of areas, including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

Voting by the Underlying Investment Managers

Most Significant Votes

The following criteria must be met for a vote to be considered "significant":

1. Must relate to the **BNY Mellon (Schroder Solutions) Global Equity Fund**;
2. Must be defined as significant by the Underlying Investment Manager; and
3. Must relate to the Trustee's three stewardship priority themes.

The **BNY Mellon (Schroder Solution) Global Equity Fund** constitutes more than 25% of the Scheme's Growth Asset portfolio and thus constitutes the majority of the Scheme's investments in equity assets – with equity being the main asset class that holds voting rights. Additionally, within the Scheme's Growth Asset portfolio, this is the only fund for which the Fiduciary Manager has responsibility over security selection. For these reasons, the voting activity associated with the securities in this fund holds particularly significant for the Scheme. From 1 January 2024, the proxy voting for this fund moved to Schroders' central ESG team which will ensure the voting policy going forward is guided by Schroders' **Engagement Blueprint** and therefore aligns with the Trustee's stewardship priorities.

Of the votes that satisfy these criteria, the Trustee has selected one vote relating to each of the priority themes that it deems most material to the long-term value of the investments. These votes are hereby defined as "most significant votes", and as per DWP guidance, the Trustee has communicated this definition of "most significant votes" to the Fiduciary Manager. All of the most significant votes over this Scheme Year have been reported below.

¹ The Fiduciary Manager abstained from voting on these resolutions due to the presence of share blocking. If the Manager were to vote on a position, they would then be blocked from selling positions in the security from the voting deadline date until one day post meeting and, in the absence of an instruction from Investors, it is Schroders' policy to retain liquidity of the investment.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023
(continued)

3. Voting During the Scheme Year (continued)

Voting by the Underlying Investment Managers (continued)

Most Significant Votes (continued)

Climate Change - At the annual PACCAR Inc meeting on 25 April 2023, BNY Mellon voted in favour of the shareholder proposal for the Board of Directors to annually issue a report describing how the company's lobbying activities align with the goal of the Paris Agreement. This vote was considered "most significant" as it focuses on climate-related topics and the manager believes PACCAR is not transparent in disclosing their activities in this area. This vote failed, and Mellon will continue to engage with PACCAR and encourage them to disclose more information on lobbying generally, and specifically related to climate.

Natural Capital & Biodiversity - On 20 June 2023, BNY Mellon voted against a shareholder proposal for General Motors Company to report on setting sustainable sourcing targets. Mellon's rationale for voting against this proposal was due to their belief that the company has numerous existing initiatives addressing the items contained in the proposal, as well as top class disclosure on other sustainable sourcing data. This vote is considered "most significant" by the Trustee, as it focuses on the natural capital and biodiversity stewardship priority and the manager considers it to be significant since the company are already providing sufficient information in this area. The vote failed, and Mellon intend to continue engagement with General Motors to ensure that all disclosures are kept up to date and are focused on material concerns to the company and their long-term value.

Human Rights - At the Nike Inc, shareholder meeting on 12 September 2023, BNY Mellon voted against a shareholder proposal for the company to report on the effectiveness of supply chain management on equity goals and human rights commitments. BNY Mellon voted against the proposal as they believe the company's detailed disclosures already address the ask of the shareholder proposal and support of the proposal would not enhance the long-term shareholder value of the company as it would waste time and resources on information already provided. This vote relating to the Human Rights stewardship priority failed. Mellon will continue to engage with Nike and encourage the company to maintain their disclosures in the current detailed manner they are.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023
(continued)

3. Voting During the Scheme Year (continued)

Voting by the Underlying Investment Managers (continued)

Summary Voting Statistics

The Fiduciary Manager uses c. 30 Underlying Managers; however, only the Scheme's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the 12 months to 31 December 2023 for the most material, active funds held on behalf of the Trustee that had voting rights during the period.

Equity Funds	BNYM Global Equity Fund	Morant Wright Fuji Yield Japanese Fund	Over the 12 months to 30 June 2023		
			Ninety One Global Strategy Fund	Morgan Stanley Global Brands Fund	Fundsmith Equity Fund
Total meetings eligible to vote	896	60	25	33	24
Total resolutions eligible to vote	11,334	751	328	519	382
Of resolutions eligible to vote, % of resolutions voted on	96%	100%	100%	100%	100%
Of voted resolutions, % vote with management	89%	84%	96%	88%	92%
Of voted resolutions, % vote against management	7%	16%	4%	12%	8%
Of voted resolutions, % abstained	1%	0%	0%	0%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	0%	N/A	Data not provided	9%	N/A

Note:

- Three of the equity managers (NinetyOne, Morgan Stanley and Fundsmith) were removed from the Scheme's portfolio in July 2023 hence the 12 months voting statistics are shown as at 30 June 2023.
- BNYM, NinetyOne and Morgan Stanley use Institutional Shareholder Services, "ISS", for proxy voting services. BNYM also utilises Glass Lewis for research. The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- BNYM have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023
(continued)

3. Voting During the Scheme Year (continued)

Voting by the Underlying Investment Managers (continued)

Summary Voting Statistics (continued)

A new equity fund, **FSSA All China**, held at the Scheme Year-end, was introduced into the Growth portfolio in November 2023. Due to the Scheme's limited investment period in this fund during this Scheme Year, the Trustee has elected to not include the 12-month voting statistics for this fund. Should the scheme still be invested in this fund for more than six months over the coming Scheme Year, the Trustee will report the voting statistics for the fund in the next Implementation Statement.

<i>Alternative Funds</i>	<i>Lumyna Marshall Wace - TOPS (Market Neutral) Fund</i>	<i>Lumyna Marshall Wace - TOPS Environmental Focus (Market Neutral) Fund</i>	<i>Lumyna Marshall Wace - Systematic Alpha Fund</i>	<i>North Rock Fund</i>
Total meetings eligible to vote	<i>Data not provided</i>	<i>Data not provided</i>	<i>Data not provided</i>	39
Total resolutions eligible to vote	5797	2667	5875	<i>Data not provided</i>
Of resolutions eligible to vote, % of resolutions voted on	100%	100%	100%	100%
Of voted resolutions, % vote with management	78%	63%	81%	100%
Of voted resolutions, % vote against management	12%	8%	12%	0%
Of voted resolutions, % abstained	10%	29%	8%	0%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	8%	5%	8%	0%

Note:

- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Lumyna Marshall Wace and North Rock use Glass Lewis for proxy voting services.
- Lumyna Marshall Wace have included votes withheld in votes abstained (in order to be in line with the PLSA template which other managers have used), although there are differences between votes withheld and votes abstained.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.
- North Rock voted all resolutions with management or with the recommendations of the proxy advisory service.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023 (continued)

3. Voting During the Scheme Year (continued)

Voting by the Underlying Investment Managers (continued)

Summary Voting Statistics (continued)

Voting statistics are missing for one of the Underlying Investment Managers of the Scheme's alternative asset allocation as they did not respond to the stewardship data request from the Fiduciary Manager. Following engagement with the Fiduciary Manager in December 2023, this manager has agreed to provide voting statistics for the Trustee to review going forward. Unfortunately, the voting data for the 12 months to 31 December 2023 was not received from this manager prior to the publication of this Implementation Statement. The Fiduciary Manager will continue to engage with this manager on behalf of the Trustee to request this data.

The Trustee is satisfied that the voting and engagement activities undertaken by both the Fiduciary Manager and the Underlying Investment Managers align with the stewardship priorities the Trustee has determined during the Scheme Year, hence the Trustee believe it has satisfactorily implemented the Stewardship Policy stated in the Scheme's SIP.

The Guide Dogs for the Blind Association Pension Scheme

Appendix II – Implementation Statement for the Year Ended 31 December 2023 (continued)

Appendix I – ESG, Voting and Engagement Policies

Links to the voting and responsible investment policies for both the Fiduciary Manager and Underlying Investment Managers of the Scheme's actively managed holdings can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	schroders-esg-policy.pdf https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf
Bank of New York Mellon	https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf
Morant Wright	https://www.morantwright.co.uk/sites/default/files/policies/voting_policy_2023.pdf
Morgan Stanley	https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msm_en.pdf?1615985960657
Ninety One	https://ninetyone.com/-/media/documents/stewardship/91-stewardship-policy-and-proxy-voting-guidelines-en.pdf
Fundsmith	https://www.fundsmith.co.uk/media/swxplrtk/responsible-investment-policy.pdf
Leadenhall	https://www.leadenhallcp.com/esg
Neuberger Berman	https://www.nb.com/en/global/esg/engagement
CBRE	CBRE Global ESG policy: https://www.cbreim.com/-/media/project/cbre/bussectors/cbreim/home/about-us/sustainability/cbreim-global-esg-policy.pdf