

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)**

**Annual Report
31 December 2019**

Scheme Registration Number: 10133971

**THE PEOPLE'S DISENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
YEAR ENDED 31 DECEMBER 2019**

CONTENTS	Page
TRUSTEE AND ADVISERS	2 - 5
TRUSTEE'S REPORT	6 - 21
STATEMENT OF TRUSTEE'S RESPONSIBILITIES	22
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE	23 - 24
INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS	25
FUND ACCOUNT	26
STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)	27
NOTES TO THE FINANCIAL STATEMENTS	28 - 40
SUMMARY OF CONTRIBUTIONS	41
CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS	42
APPENDIX – 2019 MEMBER REPORT	43 – 57

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE AND ADVISERS
YEAR ENDED 31 DECEMBER 2019**

PRINCIPAL EMPLOYER

The People's Dispensary for Sick Animals (the Employer / the Society)

TRUSTEE

Whitechapel Associates Limited

Directors

R Beck (PDSA appointed)
K Hailes (PDSA appointed)
J Miller (Chair, PDSA appointed)
R Newcombe (member-nominated)
D Shrimpton (member-nominated, appointed 18 December 2019)

ADDRESS FOR GENERAL AND BENEFIT ENQUIRIES

Karen Waters-Hewitt
PDSA
Whitechapel Way
Priorslee
Telford
Shropshire
TF2 9PQ
waters-hewitt.karen@pdsa.org.uk

PLAN ACTUARY

Alistair Russell-Smith FIA
Hymans Robertson LLP
One London Wall
London
EC2Y 5EA

ADMINISTRATION SERVICES

Hymans Robertson LLP
One London Wall
London
EC2Y 5EA

INVESTMENT ADVISERS

Barnett Waddingham LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

SOLICITORS

Eversheds Sutherland (International) LLP
One Callaghan Square
Cardiff
CF10 5BT

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLA (1978)
TRUSTEE AND ADVISERS (continued)
YEAR ENDED 31 DECEMBER 2019**

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Schroders Property Investment Management Limited
31 Gresham Street
London
EC2V 7QA

Invesco Perpetual Life Limited
125 London Wall
Sixth Floor
London
EC2Y 5AS

Insight Investment Management (Global) Limited
160 Queen Victoria Street
London
EC4V 4LA

Pictet Asset Management Limited
Moor House
120 London Wall
London
EC2Y 5ET

Barings
Brown Brothers Harriman & Co
50 Post Office Square
Boston
MA
02100

Arcmont Asset Management Limited (previously BlueBay Asset Management LLP)
77 Grosvenor Street
London
W1K 3JR

BUY-IN PROVIDER

Aviva
PO Box 3331
Norwich
NR1 3WH

AVC INVESTMENT MANAGERS

Scottish Friendly Assurance Society Limited
Scottish Friendly House
Blythswood Square
Glasgow
G2 4HJ

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLA (1978)
TRUSTEE AND ADVISERS (continued)
YEAR ENDED 31 DECEMBER 2019**

Prudential
Lancing
BN15 8GB

Equitable Life Assurance Society
Walton Street
Aylesbury
Buckinghamshire
HP21 7QW

Utmost Life and Pensions Limited
Utmost House
6 Vale Avenue
Tunbridge Wells
TN1 1RG

Legal & General Assurance Society Limited
Legal & General House
Kingswood
Tadworth
Surrey
KT20 6EU

BANKERS

Lloyds Bank Corporate Markets (removed 13 February 2020)
Large Corporate
2nd Floor, 125 Colmore Row
Birmingham
B3 3SF

Barclays Bank Plc
Leicester
LE87 2BB

AUDITOR

RSM UK Audit LLP
Statutory Auditor
St Philips Point
Temple Row
Birmingham
B2 5AF

CUSTODIANS

Bank of New York Mellon, on behalf of BlackRock Investment Management (UK) Limited
1 Royal Mint Court
London
EC3N 4HH

UBS Fund Services (Cayman) Limited, on behalf of BlackRock Investment Management
(UK) Limited (BlackRock Alternative Advisers)
UBS House, 227 Elgin Avenue
P O Box 852
Grand Cayman
KY1-1103
Cayman Islands

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLA (1978)
TRUSTEE AND ADVISERS (continued)
YEAR ENDED 31 DECEMBER 2019**

Custodian of the assets held in the Schrodgers Continental Europe Fund II is:
Brown Brothers Harriman (Luxembourg) SCA, on behalf of Schroder Property Investment
Management Limited
2-8 Avenue Charles de Gaulle
L-1653 Luxembourg
Grand Duchy of Luxembourg

Custodian of the assets held with Pictet Asset Management Limited is:
Pictet & Cie (Europe) SA
6th Floor
5 Stratton Street
London
W1J 8LA

Custodian of the assets held with Invesco Perpetual Life Ltd is:
Citibank
Paternoster House
St Pauls Churchyard
London
EC4M 8AB

Custodian of the assets held with Insight Investment Management (Global) Limited is:
Northern Trust
50 Bank Street
Canary Wharf
London
E14 5NT

Custodian of the assets held with Arcmont Asset Management Limited (formerly BlueBay
Asset Management LLP)
BNP Paribas
Waterloo Court
37 Waterloo Street
Birmingham
B2 5TB

Custodian of the assets held with Barings
State Street
20 Churchill Place
Canary Wharf
London
E14 5HJ

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT
YEAR ENDED 31 DECEMBER 2019**

The Trustee of The People's Dispensary For Sick Animals Retirement Benefits Plan (1978) (RBP/Plan') presents their report and the audited financial statements for the year ended 31 December 2019, together with reports from the Plan's Actuary and Investment Managers. The financial statements have been prepared and audited in accordance with regulations made under Section 41 (1) and (6) of the Pensions Act 1995. The purpose of the report is to describe how the Plan and its investments have been managed during the year.

INTRODUCTION

Constitution of the Plan

The Employer provides a defined benefit scheme governed by a Trust Deed dated 18 June 1979, as amended from time to time for members who joined the Plan or were categorised as Eligible Employees on or before 4 June 2006. On 5 June 2006, the Plan closed to new joiners and on 5 April 2019, the Plan closed to future accrual. All new employees are now automatically enrolled into the Employers' Group Personal Pension Plan, if eligible.

The Plan is registered with HM Revenue & Customs. The Trustee knows of no reason why the status should be withdrawn or compromised.

The Plan is registered with The Pensions Regulator and prior to 6 April 2016 members were contracted out of the State Second Pension (S2P), formerly the State Earnings Related Pension Scheme (SERPS).

Recent Developments

Rule Changes

Following a detailed review of the Plan Rules, and in particular the execution of certain historic Plan documents, the Trustee and Principal Employer signed a deed of amendment on 12 December 2019 to ensure that Members will receive their intended level of benefits, and as such no Member would be adversely affected to the extent that there are any execution issues with such documents.

Guaranteed Minimum Pension (GMP) Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to GMP benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee of the Plan is aware that the issue will affect the Plan and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Transfers

All transfer values paid to other pension schemes during the year were calculated and verified by the Plan's Actuary or calculated in accordance with instructions prepared by him, in accordance with statutory regulations. No discretionary payments were taken into account in calculating cash equivalents for transfer purposes. No transfers were reduced to this than their cash equivalent value.

An agreement was made by the Trustee, as of November 2007, to cease acceptance of transfers in from other schemes.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Management of the Plan

The Trustee is a Corporate Trustee Company known as Whitechapel Associates Limited (the Trustee). The Trustee Directors of Whitechapel Associates Limited can be found on page 2 of this report.

Under the Rules of the Plan, as well as a deed dated 10 October 2017 between PDSA and Whitechapel Associates Limited, Trustee Director are appointed and may be removed by the Society, subject to the relevant Sections of the Pensions Act 2004 in respect of Member Nominated Trustees.

PDSA appointed Trustee Directors can serve as a Trustee Director until such time as he or she resigns, leaves the service of PDSA or retires from Council.

At least one third of the Trustee Directors are nominated by the Plan members. Member Nominated Trustee Directors may, subject to the agreement of the other Trustee Directors, remain in office until such a time as he or she resigns or leaves the service of PDSA. The exception to this is if the Member Nominated Trustee Director leaves active service due to retirement and becomes an immediate pensioner member of the Plan. A Member Nominated Trustee Director may be removed if all the other Trustee Directors agree that this is the best course of action.

Both Dan Shrimpton and Robert Newcombe are Member Nominated Directors of Whitechapel Associates Limited. Dan Shrimpton was appointed as a Member Nominated Director on 18 December 2019.

During the year the Trustee met four times. All decisions are taken by simple majority with the Chair having the casting vote.

MEMBER COMMUNICATION

Member Update and Summary Funding Statement

During the year, the Trustee produced a Member update in recognition of the importance of good member communication. It was designed to keep members up to date with events affecting the Plan and its financial development. It also included a Summary Funding Statement following the completion of the 31 December 2017 actuarial valuation.

A copy of the 2019 Member Update is included as an appendix to this report.

KNOWLEDGE AND UNDERSTANDING

The Pensions Act 2004 requires the Trustee Directors to have knowledge and understanding of pensions' legislation, investments, the Plan's Trust Deed and Rules, the Statement of Investment Principles, the Statement of Funding Principles and other documentation which sets out administration policy in relation to the Plan. The Pensions Regulator has issued a Code of Practice in respect of this.

The Trustee Directors regularly assess their knowledge in the areas required under the Act and of the skills required for effective Trusteeship.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

KNOWLEDGE AND UNDERSTANDING (continued)

Trustee Directors are encouraged to complete the on-line training programme, "The Trustee Toolkit", managed by The Pensions Regulator. Trustee training is also delivered in a number of other ways. Training activity includes: formal training courses run by various providers, attendance at pension conferences, and training by the Plan's adviser(s) at, or ahead of, each Trustee' meeting.

The Trustee actively seeks to ensure its management of the Plan complies with "best practice" as expressed in the Code of Practice.

SPECIAL ACTIVITIES

GMP Reconciliation

Following the abolition of contracting out, the Trustee is undertaking a reconciliation of Guaranteed Minimum Pensions. This exercise is in the final stages of completion, however HMRC has extended the date for submitting answers to pension schemes once more to an unspecified date in 2020.

Changes to AVC providers

During the year Equitable Life gave notice that it intended to close its business and move its policyholders to Utmost Life. This was completed on 31 December 2019. Policyholders in a with-profits funds were given an uplift in exchange for the removal of the with profits guarantee.

The Trustee was also notified that Legal & General were moving its AVC business to ReAssure Life, however this has now been delayed due to the potential sale of ReAssure (plus the Legal & General AVC business) to Phoenix Life Limited.

The Trustee is discussing next steps with its advisor and a further communication will be sent to the affected members when more clarity has been received.

SCHEME EVENTS CALENDAR

The Trustee maintains a Scheme Events Calendar for the Plan which details the key tasks or events planned to take place each year. This assists the Trustee in the on-going management of the Plan and in monitoring the activities of its advisers. The Scheme Events Calendar was reviewed regularly during the year and updated where necessary.

GOVERNANCE FRAMEWORK

During the year, the Trustee reviewed the Governance Framework. This framework confirms the arrangements surrounding the governance of the RBP including: size and composition of the Trustee body, Trustee terms of office, Trustee selection processes, notice periods and removal from office arrangements.

RISK REGISTER

The Trustee continues to carry out a regular formal risk assessment and management review of internal controls.

The Risk Register was formally reviewed during the year by the Trustee and updated where applicable. The Trustee continues to review the Risk Register on a regular basis.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

ANTI-BRIBERY & CORRUPTION

Following the introduction of the Bribery Act 2010, which came into force on 1 July 2011, and the Trustee risk assessment, which indicates that there is a low risk of bribery and corruption associated with the RBP, the Trustee has put measures to counter bribery and corruption in place. A statement on the Trustee's approach to bribery and corruption has been developed and is contained within the Conflicts of Interest Policy. The Trustee reviewed this policy in June 2019.

CONFLICTS OF INTEREST POLICY

The Trustee has a Conflicts of Interest Policy which is reviewed and monitored regularly. The Trustee updated this Policy to incorporate the requirements of the Companies Act 2006 in November 2018.

A log of conflicts is maintained as part of the governance procedure. The Trustee reviewed this policy in October 2019.

DATA CLEANSING EXERCISE

From December 2012, the Pensions Regulator introduced new guidance for pension schemes, regarding member data. All common data such as name, address, date of birth, National Insurance number, membership dates etc. must be present and accurate for 95% of the 'legacy' data (i.e. data created before June 2010) and 100% of 'new' data (i.e. data created after June 2010), or it must be shown that 'reasonable endeavours to resolve inaccurate or missing data are being taken.

The Trustee Directors regularly review the quality of the Plan's data. In September 2019, 97% of all data was deemed to be present and accurate and 99% of common data. The Trustees remain committed to improving the accuracy of the Plan's data.

DISPUTE RESOLUTION PROCEDURE

The Trustee has a dispute resolution procedure in place to consider complaints from members or their representatives. This was updated in October 2019 following the merging of The Pensions Advisory Service with The Pensions Ombudsman. Details of the procedure are available from Karen Waters-Hewitt (the Pensions Manager), address as noted on page 2.

SIGNIFICANT EVENT AFTER THE YEAR END

Subsequent to the Plan's year-end, the spread of the Covid-19 virus worldwide and the actions taken by governments, has caused and will continue to cause disruption to almost all sectors and financial markets. As a result, there was a dramatic downturn in global markets in March 2020 and subsequently. The outbreak is having a significant financial impact and the Trustee is monitoring the situation and is considering how best to respond to globally emerging issues.

The Trustee regards the impact of Covid-19 as a non-adjusting post net asset statement event. No adjustments have therefore been made to the financial statements as at 31 December 2019 and an estimate of the impact on the Plan's investments cannot be made at this stage.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

MEMBERSHIP

The membership of the Plan as at 31 December 2019 was made up as follows:

	2019	2018
Current members	-	100
Early leavers with deferred benefits	1,285	1,235
Pensioners (including beneficiaries receiving pensions)	692	672
Total	<u>1,977</u>	<u>2,007</u>

Included within the pensioner figures are 501 (2018: 558) annuitants for whom the Plan has purchased annuity policies in respect of their pension payments.

FINANCIAL REVIEW

The 2019 financial statements, set out later in this Annual Report, provide an overview of the Plan's income, expenditure and its investments.

Details of the performance of the Plan's investments are set out on pages 17 to 18.

It has been identified that the Plan has some historic execution issues with some deeds. As a result the Society has included in the past service cost in the Consolidated Statement of Financial Activities a charge of £1.4m to reflect a re-calculation of members' benefit entitlements following a review of the RBP Rules, and action has been taken to address the risk which was identified. This will ensure no member is adversely affected. The Society's obligation to make payments to the RBP Scheme in relation to the charge over the lifetime of the Scheme may be offset by potential recourse to third parties.

FINANCIAL DEVELOPMENT OF THE SCHEME

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

The fund account shows that the net assets of the Plan increased from £114,193,506 at 31 December 2018 to £125,895,499 at 31 December 2019. The increase in net assets is accounted for by:

	Total 2019 £	Total 2018 £
Member related income	3,321,208	5,310,979
Member related payments	(4,359,960)	(5,512,007)
Net withdrawals from dealings with members	(1,038,752)	(201,028)
Net return/(expense) on investments	13,513,338	(6,354,071)
Net increase/(decrease) in fund	12,474,586	(6,555,099)
Net assets at start of year	114,193,506	120,748,605
Net assets at end of year	<u>126,668,092</u>	<u>114,193,506</u>

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

PENSION INCREASES

As at 1 July 2019, the pensions in payment were increased in line with the Plan's Rules. All increases were in accordance with the Rules of the Plan or legislative requirements. There were no discretionary increases during the year.

Where appropriate pensions in excess of the Guaranteed Minimum Pension (GMP) were increased as follows:

- Non GMP accrued prior to 6 April 1997 were increased by 2.4%
- Pensions accrued between 6 April 1997 and 5 April 2006 were increased by 2.4%
- Pensions accrued on or after 6 April 2006 were increased by 2.4%
- Post 1988 GMP pension was increased by 2.4%
- No increase was applied to pre-1988 GMPs.

ACTUARIAL REVIEW

The Fund Account and Statement of Net Assets on pages 26 to 27 do not take account of the liabilities to provide pension benefits which fall due after the year end. In respect of the Plan, these liabilities are considered by the Plan Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Plan and the level of contributions payable.

The most recent actuarial valuation was carried out as at 31 December 2017. The results of this valuation confirmed that Society contributions to the Plan should be paid at a rate 19% of contribution salary on a monthly basis in respect of the accrual of new benefits with effect from 1 January 2019 when the Plan closed to future accrual. In consultation with the Plan Actuary, the Employer has also agreed to pay deficit funding contributions in line with the following table:

Period	Deficit Reduction Contributions
1 January 2019 – 31 March 2019	£1.2m payable in equal monthly instalments over the three-month period. This has now been paid.
1 April 2019 – 31 December 2019	£1.5m payable in equal monthly instalments over the nine-month period. This has now been paid.
1 January 2020 – 31 August 2032	£2.5 m per annum payable in equal monthly instalments

In addition, the Society will also pay:

- A fixed contribution of £400,000 a year in monthly instalments to cover the Plan's administration expenses, plus
- PPF levies and life insurance premiums; plus
- Any additional contributions required from time to time on the advice of the Scheme Actuary under the Plan's trust deed and rules.

The Plan also has two charges over Society properties, which helps support the length of the recovery plan.

The Society has also agreed to pay additional contributions in certain circumstances. The table on page 11 sets out the expected progression of the Plan's technical provisions funding level assumed under the recovery plan in the "Planned funding level" column. A "Trigger funding level" is set at a level of 4% below the "Planned funding level" as set out in the "Trigger funding level" column in the table on page 12.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

ACTUARIAL REVIEW (continued)

On 31 December each year (the "test dates") the funding level on that test date (the "measured funding level") is compared to the "Trigger funding level" at the "test date". If the "measured funding level" is below the "Trigger funding level" then the Society will be required to pay an additional £1m per annum of contributions in equal monthly instalments during the 12 month "additional contribution period" in the table below.

Test date	Planned funding level %	Trigger funding level %	Additional contribution period
31 December 2019	76.5	72.5	1 April 2020 – 31 March 2021
31 December 2020	78.3	74.3	1 April 2021 – 31 March 2022
31 December 2021	80.1	76.1	1 April 2022 – 31 March 2023
31 December 2022	81.9	77.9	1 April 2023 – 31 March 2024
31 December 2023	83.7	79.9	1 April 2024 – 31 March 2025
31 December 2024	85.6	81.6	1 April 2025 – 31 March 2026
31 December 2025	87.3	83.3	1 April 2026 – 31 March 2027
31 December 2026	89.2	85.2	1 April 2027 – 31 March 2028
31 December 2027	91.0	87.0	1 April 2028 – 31 March 2029
31 December 2028	92.9	88.9	1 April 2029 – 31 March 2030
31 December 2029	94.8	90.8	1 April 2030 – 31 March 2031
31 December 2030	96.5	92.5	1 April 2031 – 31 March 2032
31 December 2031	98.5	94.5	1 April 2032 – 31 March 2033

If the "measured funding level" at any "test date" is greater than 100%, then both the deficit reduction contributions and the contingent contributions set out above will cease being payable from the following 1 April. If at any subsequent "test date" the "measured funding level" has fallen below 100%, then both the deficit reduction contributions and the contingent contributions (if triggered) will recommence from the following 1 April.

The formal actuarial certificate required by statute to be included in this Annual Report from the Scheme Actuary appears on page 42. In addition, as required by FRS 102, the Trustees have included the report on Actuarial Liabilities below, which forms part of the Trustee Report.

REPORT ON ACTUARIAL LIABILITIES

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

The most recent full actuarial valuation of the Plan was carried out as at 31 December 2017. This showed that on that date:

The value of the Technical Provisions was:	£163.5 million
The value of the assets at that date was:	£117.3 million
Deficit	(£46.2 million)
Funding level	72%

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

REPORT ON ACTUARIAL LIABILITIES (continued)

Method

The actuarial method used in the calculation of the expected cost members' past service benefits is an accrued benefits funding method which takes full account of expected future salary growth.

A summary of the key assumptions is shown below.

Financial Assumptions

Pre-retirement discount rate	Market implied gilt yield curve plus 0.8% pa
Post-retirement discount rate	Market implied gilt yield curve plus 0.8% pa
RPI increases	Market implied RPI curve
CPI increases	RPI curve less 1% p.a.
Salary increases	Nil since pensionable salaries have been frozen since June 2016. This assumption falls away from April 2019 with the closure
Pension increases	LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and the floor
Deferred revaluation	In line with relevant price inflation assumption

Demographic Assumptions

Post-retirement Longevity base tables	2017 VITA Tables
Pre-retirement Longevity base tables	S2NXA tables
Future improvements in longevity	CMI 2017 model with a long term rate of improvement of 1.5% for males and 1.25% for females and a smoothing parameter of $S_k=8.0$ for males and $S_k=7.5$ for females
Early Retirements	Early retirement decrement reflecting the observed experience of members retiring in the ages 55 to 65
Late Retirement	No allowance is made for late retirement, although to the extent that members can take some of their benefits unreduced from age 60, a late retirement uplift is applied to those benefits for an assumed retirement age of 65. The benefits that are unreduced from age 60 are service from 17/5/1990 to 5/5/1993 for males who joined pre 1/1/1991 and pre 5/5/1993 service for females who joined pre 1/1/1991. Post 1/1/1991 joiners cannot take any benefits unreduced prior to age 65. Members above normal retirement age are assumed to retire immediately.
Ill health retirements	No allowance
Withdrawals	All active members remain active until scheme closure on 5 April 2019.
Cash Commutation	90% of the maximum allowable on current commutation factors (those factors were strengthened as part of the valuation process)

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

REPORT ON ACTUARIAL LIABILITIES (continued)

Demographic Assumptions (continued)

Family details	80% of male members and 70% of females are assumed to have a dependant at retirement or earlier death. Male partners are assumed to be 3 years older than female partners.
GMP equalisation	There is ongoing uncertainty over the requirement to equalise GMPs. No allowance for GMP equalisation has been proposed but this assumption can be reviewed once further information is available.

Statement of Funding Principles

The latest Statement of Funding Principles was agreed as part of the 31 December 2017 funding valuation and was signed on 13 December 2018. The Statement of Funding Principles sets out the assumptions used for calculating the technical provisions and future contribution requirements for the Plan; this document is available to members on request.

Recovery Plan

A plan to fund the deficit revealed as at 31 December 2017 has been agreed with the Employer and, assuming the assumptions are borne out in practice, the deficit is expected to be removed by 31 August 2032.

Schedule of Contributions

Contributions payable to the Plan during the year ended 31 December 2019 have been received in accordance with the Schedule of Contributions certified on 13 December 2018.

A new Schedule of Contributions was agreed as part of the 31 December 2017 funding valuation and was completed and certified by the Plan Actuary on 13 December 2018. In addition to the contributions agreed to remove the deficit, the Employer will contribute 19% per annum of pensionable salaries to meet the expected cost of future benefit accrual up to 5 April 2019 when the RBP will close to future accrual.

Members, unless they are participating in the salary sacrifice arrangement, shall pay contributions in line with the table on page 30. The Employer will also pay to the Plan contributions equal to the salary exchanged by members by virtue of their participation in the salary sacrifice arrangement. The total contributions payable to the Plan will, in respect of members who participate in the salary sacrifice arrangement, be the same as would have been payable by the Employer and by members, had the salary sacrifice arrangement not been introduced.

The actuarial certificate certifying the adequacy of the Schedule of Contributions is shown on page 42.

INVESTMENT MANAGEMENT

The Trustee delegates the day-to-day management to professional external investment managers. The Trustee sets the investment strategy for the Plan after taking advice from the Plan's Investment Adviser. The Trustee has put mandates in place with their investment managers which implement this strategy.

In accordance with s35 of the Pensions Act 1995, a Statement of Investment Principles has been prepared by the Trustee which incorporates the investment strategy. A copy of the Statement may be obtained from the Pensions Manager, Karen Waters-Hewitt, contact details on page 2.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

INVESTMENT STRATEGY

The investment objective of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy taking into account considerations such as the strength of the Society's covenant, the long term liabilities of the Plan and the funding agreed with the Society.

Strategy as at 31 December 2019

The Plan's investment strategy is set out in the Statement of Investment Principles (SIP), dated October 2019, prepared by the Trustee in accordance with the requirements of the Pensions Act 1995, as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010; the Occupational Pension Schemes (Charges and Governance) Regulations 2015; and the Occupational Pension Schemes (Investment) (Amendment) Regulations 2018.

The Statement of Investment Principles was updated in line with new regulation to set out the Trustee's approach in relation to financially material considerations, the exercise of rights and engagement activities and non-financial matters. The updated statement was signed on 28 October 2019.

During 2019, the Trustee updated the guidelines to their Investment Management Agreement (IMA) with Insight. This was in order to better align the LDI portfolio to the latest analysis of the Plan's liability cashflows as at the 31 December 2017 Actuarial Valuation, and set out the process for Insight to monitor the level of interest rate and inflation exposure provided by the LDI portfolio, including alerting the Trustee if the exposure breaches the pre-agreed range of 87.5% to 95%.

The Trustee has a strategy to gradually move the Plan's assets towards a defined self-sufficiency portfolio over a period of around 20 years (the actual period will depend on the cashflow position of the Plan over time). However, at the moment de-risking is on hold as a result of the worsening in the funding position due to yield falls. As at 31 December 2019 the Plan's strategy was to hold:

- 24% in investments that move broadly in-line with the value of the Plan's liabilities. Part of this investment is in LDI and comprises of UK government bonds (gilts), gilt repurchase agreements, interest rate swaps and cash instruments. The purpose of these assets is to hedge against the impact of interest rate and inflation movement on long term liabilities.
- 20% in credit assets, including Absolute Return Bond and Global Asset Backed Securities funds.
- 56% in return-seeking investments comprising UK and overseas equities, investment property, diversified growth funds and alternative investments.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Strategy as at 31 December 2019 (continued)

The deployment of assets over the period is shown in the table below:

Asset Class	31/12/19 (%)	31/12/18 (%)
UK Equities	4.1	3.8
Overseas Equities	13.9	13.1
<i>US Equities</i>	2.0	1.9
<i>Currency Hedged US Equities</i>	2.1	1.8
<i>Europe ex UK Equities</i>	2.0	1.9
<i>Currency Hedged Europe ex UK Equities</i>	2.1	1.9
<i>Japanese Equities</i>	1.0	1.0
<i>Currency Hedged Japanese Equities</i>	1.0	0.9
<i>Pac Basin ex Japan Equities</i>	1.0	1.0
<i>Currency Hedged Pac Basin ex Japan Equities</i>	1.0	1.0
<i>Emerging Market Equities</i>	1.7	1.9
LDI	22.8	23.8
<i>Longer Nominal Fund</i>	9.4	9.1
<i>Longer Real Fund</i>	10.2	12.7
<i>Shorter Nominal Fund</i>	1.2	0
<i>Shorter Real Fund</i>	2.0	2.0
Insight Bonds Plus Fund	6.8	7.5
European Property	0.1	0.2
BlackRock Diversified Growth Fund	4.4	4.6
Invesco Global Targeted Return	17.6	21.5
Pictet Dynamic Asset Allocation Fund	15.7	16.6
Insight Global ABS Fund	6.8	5.5
Barings Global Credit Fund	3.6	2.7
Arcmont Direct Lending Fund	1.2	0.6
Cash	3.0	0.1
Total	100.0	100.0

The day-to-day investment management decisions are made by the investment managers appointed by the Trustee. The table below shows the proportion of the overall portfolio that each manager was responsible for as at 31 December 2019:

Manager	Proportion of portfolio (%)
BlackRock Investment Management (UK) Limited	22.4%
Schroder Investment Management ("Schroder")	0.1%
Insight Investment ("Insight")	39.4%
Pictet Asset Management ("Pictet")	15.7%
Invesco Perpetual	17.6%
Barings	3.6%
Arcmont Asset Management ("Arcmont").	1.2%
Total	100.0%

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Strategy as at 31 December 2019 (continued)

The general investment strategy of the investment managers is to achieve steady growth over the medium to long term, subject to an acceptable level of risk. The managers reduce the level of risk by investment in a range of different securities within each investment market.

Performance

The below table outlines the performance of the Plan's investments for the year, three years and five years ended 31 December 2019. Performance for BlackRock and Insight are shown gross of fees, whilst Invesco, Pictet, Barings, Arcmont and Schrodgers performance is illustrated net of management fees.

TIME-WEIGHTED RETURNS TO 31 DECEMBER 2019						
Investment Sector Fund	Last Twelve Months		Last Three Years		Last Five Years	
	Fund %	Index %	Fund % p.a.	Index % p.a.	Fund % p.a.	Index % p.a.
Insight Longer Nominal Fund	51.2	53.1	n/a	n/a	n/a	n/a
Insight Longer Real Fund	15.0	20.2	n/a	n/a	n/a	n/a
Insight Shorter Nominal Fund*	-2.0	-3.6	n/a	n/a	n/a	n/a
Insight Shorter Real Fund	6.5	7.6	n/a	n/a	n/a	n/a
Insight Bonds Plus Fund	2.6	2.3	n/a	n/a	n/a	n/a
Insight Global ABS Fund	2.8	2.5	n/a	n/a	n/a	n/a
Invesco Global Targeted Returns	3.5	5.1	0.4	4.9	n/a	n/a
BlackRock Diversified Growth	10.1	3.8	5.2	3.6	2.7	3.6
Pictet Dynamic Asset Allocation	7.9	5.0	n/a	n/a	n/a	n/a
BlackRock UK Equity	19.2	19.2	6.4	6.9	7.3	7.5
BlackRock US Equity	26.6	26.6	12.2	12.7	15.0	15.3
BlackRock US Equity (£ hedged)	28.6	28.4	n/a	n/a	n/a	n/a
BlackRock European Equity	20.4	20.2	7.9	8.4	9.7	10.0
BlackRock European Equity (£ hedged)	27.5	27.2	n/a	n/a	n/a	n/a
BlackRock Japanese Equity	16.4	14.6	6.6	6.5	11.7	11.6

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Performance (continued)

TIME-WEIGHTED RETURNS TO 31 DECEMBER 2019						
Investment Sector Fund	Last Twelve Months		Last Three Years		Last Five Years	
	Fund %	Index %	Fund % p.a.	Index % p.a.	Fund % p.a.	Index % p.a.
BlackRock Japanese Equity (£ hedged)	19.6	17.9	n/a	n/a	n/a	n/a
BlackRock Pacific Rim Equity	12.7	12.7	6.8	7.6	9.0	9.5
BlackRock Pacific Rim Equity (£ hedged)	16.4	16.6	n/a	n/a	n/a	n/a
BlackRock Emerging Markets	14.8	13.9	8.6	9.4	9.6	10.0
Schroders European Property	-30.4	8.0	-19.7	8.0	6.8	8.0
Barings Global Credit Fund	0.6	13.0	n/a	n/a	n/a	n/a
Arcmont Direct Lending Fund	4.6	8.0	n/a	n/a	n/a	n/a

*Performance is shown since fund inception on 25 July 2019

Over the course of 2019, the Plan's investments returned a performance of 14.8%. Performance over the three years to 31 December 2019 was 5.0% p.a.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Economic and market conditions over the year to 31 December 2019

Economic Environment

Over the 12 months to 31 December 2019, almost all asset classes produced strong returns. Bond yields fell to all-time lows and equities produced their best performance since 2009 as looser monetary policy and renewed optimism regarding the US-China trade war and Brexit provided a boost to markets. However, as in 2009, strong equity performance was partially a result of a rebound following negative performance over the preceding year.

Global growth had slowed sharply in the second half of 2018 and continued to struggle throughout 2019. The IMF downgraded its estimate of global growth in 2019 from 3.7% in its October 2018 report to 3.0% one year later, the slowest rate of expansion since 2009. Multiple indicators of Chinese growth also fell sharply, leading the Government to embark on a fresh round of stimulus to support the economy. The official GDP growth rate fell to its lowest level since 1992.

In the months leading up to 2019 markets had fallen sharply on the fear that continuing rate rises would exacerbate slowing growth and tip the US economy into recession. Jerome Powell, Chair of the Federal Reserve ("the Fed"), provided relief when he announced his decision to pause any planned rate rises in a January speech. Moreover, at its March meeting the Fed further acknowledged the changing economic environment, downgrading its outlook for 2019 from two rate rises to none. By the June 2019 meeting, the Fed was indicating that its next move was more likely to be a cut in rates than a rise and in August 2019 it cut rates for the first time since 2008. This was followed by two further rate cuts in September and October 2019.

The European Central Bank ("ECB") also loosened monetary policy as the Eurozone economy continued to deteriorate. Mario Draghi announced that asset purchases of €20bn per month would resume in November 2019 and continue until inflation expectations come sufficiently close to 2%. The ECB had previously ended asset purchases in December 2018.

The adjustment to the expected path of future rate changes from rises to cuts meant that bond yields fell around the world. UK Gilt, US Treasury and German Bund yields, among others, fell to new all-time lows. In Germany the entire yield curve moved into negative territory, with even the longest German Bunds (30 years) yielding -0.1% at the end of the September 2019.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Economic and market conditions over the year to 31 December 2019 (continued)

Economic Environment (continued)

Trade tensions between the US and China escalated throughout the period, contributing to two sharp falls in markets during the year. Both instances began with a breakdown in talks between the two countries, followed by new tariffs from both sides. This led to falling markets in May, and again in August, which ended with a resumption of talks, allowing stocks to recover in the following months. Tariff levels continued to rise throughout the year and by the end of the period the average tariff levied by each side on the others exports had risen past 20%, up from less than 10% in mid-2018. Moreover the trade war continued to broaden with both countries utilising non-tariff instruments. On 6 August the US declared China a currency manipulator and in September China allowed its currency to depreciate so that 7 Yuan was worth less than 1 US Dollar for the first time since 2008. In October markets staged a stronger rally as speculation mounted that a "Phase One" agreement which would partially reduce some tariffs was nearing agreement. This would mark the first de-escalation in the US-China Trade War and is due to be signed on 15 January 2020.

In the UK, the year was dominated by the Brexit negotiations. Theresa May extended the UK's membership of the EU by six months as she was unable to pass her Withdrawal Agreement Bill. The EU elections resulted in the Conservative Party's worst ever national electoral performance and Theresa May's replacement by Boris Johnson. The new Government was able to agree an updated version of the Withdrawal Agreement, but remained unable to pass it through the Commons. This resulted in a further extension to 31 January 2020, and a general election on 12 December 2019. Boris Johnson led the Conservative Party to the UK's largest parliamentary majority since 2001 and the passage of the new Withdrawal Agreement through the House of Commons on 20 December 2019.

The 12 months to 31 December 2019 saw the US and Eurozone loosen monetary policy:

- The European Central Bank kept its main lending rate at 0.0% throughout the period. However in September 2019 it cut one of its other rates (the deposit facility rate) from -0.4% to -0.5%, the bank's first cut since 2016.
- The Bank of England maintained the base rate at 0.75% throughout the period. UK CPI continued to fall over the period, from 2.1% in December 2018 to 1.3% in December 2019.
- The Federal Reserve loosened monetary policy with three rate cuts over the 12 months to 31 December 2019. At the end of the period the Federal Funds Rate was set within the range 1.50% to 1.75%. The Fed initially reduced its balance sheet over the period, shrinking its assets by around \$298 billion. However, the size of the balance sheet reductions bottomed-out at the end of August and rose by \$406 billion during the final third of the year as the Fed intervened to provide short-term liquidity to the US financial system.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
TRUSTEE'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2019**

Market Performance

Against this backdrop, market returns from traditional asset classes were largely positive in absolute terms over the year to 31 December 2019.

- **Equities:** Overall, global equities performed strongly over the year to 31 December 2019, generating 26.9% in local currency terms. All geographic regions experienced double-digit returns, although a significant differential remained between the best (North America: 31.2%) and worst (Developed Asia ex. Japan: 18.3%) performing regions (in local currency terms).
- **Bonds:** Over the year to 31 December 2019, UK gilt yields fell across all maturities. The net impact was a strong positive return (6.9%) for UK fixed interest gilts (all stocks). Inflation expectations decreased across all maturities, meaning that UK index-linked gilts (all stocks) delivered a slightly lower return (6.4%) over the year. UK corporate bond spreads (all stocks) tightened by around 0.5% over the year.
- **Property:** The MSCI UK All Property Index rose 2.2% over the 12 months to 31 December 2019.

Signed on behalf of the Trustee

J Miller
Director of Whitechapel
Associates Limited

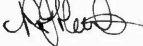
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Director of Whitechapel
Associates Limited

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**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
STATEMENT OF TRUSTEE'S RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2019**

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

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

The Trustee is also responsible for making available certain other information about the Plan 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 Plan and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

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 Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the employer in accordance with the schedule of contributions. Where breaches of the Plan occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE PEOPLE'S DISPENSARY FOR SICK ANIMALS RETIREMENT BENEFIT PLAN (1978)

Opinion

We have audited the financial statements of The People's Dispensary for Sick Animals Retirement Benefits Plan (1978) for the year ended 31 December 2019 which comprise the Fund Account, Statement of Net Assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 December 2019, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identifiable material uncertainties that may cast significant doubt about the Plan's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Plan's Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE PEOPLE'S DISPENSARY FOR SICK ANIMALS RETIREMENT BENEFIT PLAN (1978)

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 22, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan'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 Plan or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Plan's Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan'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 Plan and the Plan's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date *07/08/2020*

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS, UNDER REGULATION 4 OF THE OCCUPATIONAL PENSION SCHEMES (REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR) REGULATIONS 1996, TO THE TRUSTEE OF THE PEOPLE'S DISPENSARY FOR SICK ANIMALS RETIREMENT BENEFIT PLAN (1978)

Statement about contributions payable under schedule of contributions

We have examined the summary of contributions payable to The People's Dispensary for Sick Animals Retirement Benefits Plan (1978) on page 41, in respect of the Plan year ended 31 December 2019.

In our opinion the contributions for the Plan year ended 31 December 2019 as reported in the summary of contributions on page 41 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 actuary on 13 December 2018.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 41 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 Plan and the timing of those payments under the schedule of contributions.

Respective responsibilities of the Trustee and auditor

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

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

Use of our statement

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

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date *07/08/2020*

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
FUND ACCOUNT
YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Contributions and benefits			
Contributions – employer		3,316,672	5,292,076
– employee		4,536	18,903
Total contributions	2	<u>3,321,208</u>	<u>5,310,979</u>
Benefits paid or payable	3	(2,602,829)	(2,630,216)
Payments to and on account of leavers	4	(1,145,914)	(2,250,573)
Administrative expenses	5	(611,217)	(631,218)
		<u>(4,359,960)</u>	<u>(5,512,007)</u>
Net withdrawals from dealings with members		<u>(1,038,752)</u>	<u>(201,028)</u>
Returns on investments			
Investment income	6	6,864,482	6,208,295
Change in market value of investments	8	6,892,109	(12,381,935)
Investment management expenses	8	(243,253)	(180,431)
Net return on investments		<u>13,513,338</u>	<u>(6,354,071)</u>
Net increase/(decrease) in the Plan during the year		12,474,586	(6,555,099)
Net assets of the Plan			
At 1 January		114,193,506	120,748,605
At 31 December		<u><u>126,668,092</u></u>	<u><u>114,193,506</u></u>

The accounting policies and notes on pages 28 to 40 form part of these financial statements.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
INVESTMENT ASSETS			
Pooled investment vehicles		97,069,656	85,234,394
Insurance policies		27,900,000	27,700,000
AVC investments		959,566	937,755
Cash deposits		52,030	64,830
	8	125,981,252	113,936,979
CURRENT ASSETS	10	951,010	577,135
CURRENT LIABILITIES	11	(264,170)	(320,608)
NET ASSETS OF THE PLAN AT 31 DECEMBER		126,668,092	114,193,506

The accounting policies and notes on pages 28 to 40 form part of these financial statements.


The financial statements summarise the transactions of the Plan and deal with the net assets available for benefits 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 Plan year. The actuarial position of the Plan, which does take into account of such obligations, is dealt with in the report on actuarial liabilities on pages 12 to 14 of the Annual Report and these financial statements should be read in conjunction with this report.

These financial statements were approved and authorised for issue on
and were signed on its behalf by:

2020

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J Miller
Director of Whitechapel
Associates Limited

K Hailes
Director of Whitechapel
Associates Limited

Date: 07.08.2020 | 01:59 PDT

Date: 05.08.2020 | 12:17 BST

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council (“FRS 102”) and the guidance set out in the Statement of Recommended Practice, “Financial Reports of Pension Schemes” (2018) (“the SORP”).

Plan information

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Going concern

The effects of Covid-19 (Coronavirus) virus has caused and will continue to cause disruption to almost all sectors and financial markets. Although the trustees consider this creates general uncertainties that may have some impact on the sponsoring employer and the scheme’s ability to continue as a going concern, there is no expectation that the scheme will not remain a going concern for the 12 months subsequent to the signing of these financial statements. Therefore, the financial statements as at 31 December 2019 continue to be prepared on a going concern basis of accounting and no adjustments have been made to the financial statements.

Contributions and benefits

Normal contributions from the Employer and from members have been made at the rates set out in the Schedule of Contributions in force for the Plan year. Normal contributions relating to wages and salaries earned in the Plan year have been recognised in these accounts.

Employer’s deficit funding contributions are recognised in the period they relate to as stated in the Schedule of Contributions.

The Employer also pays a fixed contribution of £400,000 per annum in monthly instalments to cover the Plan’s administration expenses which is recognised on an accruals basis.

Members’ additional voluntary contributions (AVCs) are recognised as soon as they are deducted from the payroll. AVCs paid other than by payroll deduction are recognised on receipt.

Benefits and withdrawal payments are accounted for as they fall due for payment. Where members have a choice, benefits are accounted for in the period in which the member notified the Trustee of its decision on the type and/or amount of benefit to be taken or on retirement if later or, if there is no member choice, on the date of retirement or leaving.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (continued)

Contributions and benefits (continued)

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

Administration and investment expenses

Administration and investment expenses are accounted for on an accruals basis.

Investment income

Annuity income is accounted for in the period it relates to rather than at the date received.

Pooled investment vehicle income is accounted for on an accruals basis.

All other interest is included on an accruals basis.

Change in market value of investments

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

Investments

Investments are included at fair value as described below:

For pooled investment vehicles, the market value of unit trusts and managed fund units is taken as the bid price at the accounting date as advised by the investment managers. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), in accordance with fair value principle provided by the investment manager.

The insurance policies are valued by the Plan Actuary as the present value of the future benefits that are covered by the policies.

AVC funds are included at the value as advised by the AVC providers at the year end including any terminal bonuses.

Functional currency

The functional and presentational currency of the Plan is Pounds Sterling. Balances denominated in foreign currency are translated into sterling at the rate ruling at the year-end date. Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary amounts in these financial statements are rounded to the nearest £.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

2. CONTRIBUTIONS

	2019	2018
	£	£
Employer contributions		
Normal	145,931	602,953
Normal - salary sacrifice	70,741	289,123
Administration expenses	400,000	400,000
Deficit funding	2,700,000	4,000,000
	<u>3,316,672</u>	<u>5,292,076</u>
Employee contributions		
Normal	3,428	14,703
Additional voluntary contributions	1,108	4,200
	<u>4,536</u>	<u>18,903</u>
Total	<u><u>3,321,208</u></u>	<u><u>5,310,979</u></u>

Contributions payable to the Plan during the year ended 31 December 2019 have been received in accordance with the Schedule of Contributions as certified by the Plan Actuary on 13 December 2018, together with the additional contributions detailed above.

Under the Schedule of Contributions, members shall pay (unless they are participating in the salary sacrifice arrangement) monthly contributions at the rates of Contribution Salary as set out in the table below. The Society will also pay to the Plan contributions equal to the salary exchanged by members by virtue of their participation in the salary sacrifice arrangement.

Member's accrual rate	Contribution rates
1/40ths	15% of Contribution Salary
1/60th	15% of Contribution Salary for members who were accruing 1/60ths on 30 June 2016; or 8% of Contribution Salary for members who were accruing 1/40ths on 30 June 2016.
1/80ths	10% of Contribution Salary
1/90ths	8% of Contribution Salary
1/120ths	3% of Contribution Salary

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

2. CONTRIBUTIONS (continued)

Under the Schedule of Contributions, to eliminate the funding shortfall, the Trustee and the Society have agreed that additional contributions (i.e. contributions above those needed to cover benefits being earned in the future) will be paid by the Society as follows:

- From 1 January 2019 to 31 March 2019 £1.2 million payable in equal monthly instalments over the three month period.
- From 1 April 2019 to 31 December 2019, £1.5 million payable in equal monthly instalments over the nine-month period.
- From 1 January 2020 to 31 August 2032, £2.5 million per annum payable in equal monthly instalments.

In addition, the Society has agreed that if the funding level at each 31 December is below a pre agreed trigger funding level, then the Society will be required to pay an additional £1 million per annum of contributions in equal monthly instalments during a pre agreed additional contribution period. Further details are provided on page 11 and 12.

3. BENEFITS PAID OR PAYABLE

	2019	2018
	£	£
Commutations of pensions and lump sum benefits on retirement	395,423	532,452
Pensions	2,189,099	2,093,424
Lump sum death benefits	8,567	4,340
Taxation where allowance exceeded	9,740	-
	<u>2,602,829</u>	<u>2,630,216</u>

4. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2019	2018
	£	£
Individual transfers out to other schemes	<u>1,145,914</u>	<u>2,250,573</u>

5. ADMINISTRATIVE EXPENSES

	2019	2018
	£	£
Administration	444,874	361,342
Actuarial fees	84,001	121,778
Other expenses	72,092	135,720
Audit & accounts fees	10,250	12,378
	<u>611,217</u>	<u>631,218</u>

6. INVESTMENT INCOME

	2019	2018
	£	£
Interest on cash deposits	2,695	1,970
Income from pooled investment vehicles	5,273,825	4,727,568
Annuity income	1,583,413	1,473,239
AVC interest	4,549	5,518
	<u>6,864,482</u>	<u>6,208,295</u>

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

7. TAX

The People's Dispensary for Sick Animals Retirement Benefits Plan (1978) is a registered pension scheme for tax purposes under the Finance Act 2004. The Plan is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income.

8. INVESTMENTS

(a) Market value of investments

	Value at 31 December 2018 £	Purchases £	Sales proceeds £	Change in Market value £	Value at 31 December 2019 £
Pooled investment vehicles	85,234,394	12,993,853	(7,773,701)	6,615,110	97,069,656
Insurance policies	27,700,000	-	-	200,000	27,900,000
AVC investments	937,755	5,878	(61,066)	76,999	959,566
	<u>113,872,149</u>	<u>12,999,731</u>	<u>(7,834,767)</u>	<u>6,892,109</u>	<u>125,929,222</u>
Cash deposits	<u>64,830</u>				<u>52,030</u>
	<u>113,936,979</u>				<u>125,981,252</u>

INVESTMENT TRANSACTION COSTS

There are no direct transaction costs borne by the Plan.

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. These indirect transaction costs are not separately reported and therefore not available to disclose.

(b) Investment management expenses

	2019 £	2018 £
Administration and management	<u>243,253</u>	<u>180,431</u>

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

8. INVESTMENTS (continued)

(c) Analysis by investment type

	2019	2018
	£	£
Pooled investment vehicles:		
Insight Global Asset Backed Security Funds	28,719,765	24,925,726
Insight Bond Funds	6,603,167	6,374,994
UK Equities	3,933,142	3,213,934
Overseas Equities	13,517,670	11,185,210
Cash Instruments	2,892,222	313
BlackRock Dynamic Diversified Growth Fund	4,279,383	3,886,394
Schroders Property	125,628	180,857
Invesco Global Targeted Returns Fund	17,088,573	18,344,415
Pictet PS II Dynamic Asset Allocation Fund	15,296,058	14,173,852
Barings Global Special Situations Credit Fund 3	3,467,690	2,342,960
Bluebay Direct Lending Fund III SLP	1,146,358	605,739
	<u>97,069,656</u>	<u>85,234,394</u>

(d) Cash deposits

	2019	2018
	£	£
BlackRock Cash Account	1	1
Insight LDI PF	34,707	30,508
Insight BD Plus PF	17,322	34,321
	<u>52,030</u>	<u>64,830</u>

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

8. INVESTMENTS (continued)

(e) AVC investments

	2019	2018
	£	£
Scottish Friendly	4,858	4,858
Prudential	263,593	263,106
Utmost Life (formerly Equitable Life)	10,718	10,497
Legal & General	680,397	659,294
	<u>959,566</u>	<u>937,755</u>

AVC contributions received from Plan members are invested with a number of providers recommended by the Trustee at various times in the life of the Plan. The recommended provider for contributors post 1998 was Legal and General Assurance Society Limited, but contributions by current members received prior to 1998 have been variously invested with Prudential, Utmost Life and Scottish Friendly.

AVCs are invested separately from the Plan's main investments to secure additional benefits on a money purchase basis for those members electing to pay AVCs. Members participating in this arrangement receive an annual statement made up to 1 January each year, confirming the amounts held in their account and the movement during the year.

The AVC funds operated for Plan members by the four providers are as follows:

Prudential

- an AVC with profits scheme with funds invested in a wide range of deposit, equity, interest, index linked and property assets

Scottish Friendly (two schemes)

- a conventional with profits scheme
- unit linked scheme

Legal and General

- unit linked scheme

Utmost Life (formerly The Equitable Life Assurance Society) (two schemes)

- a with profits scheme
- a unit linked scheme

(f) Insurance policies

The Trustee holds annuity policies with Aviva to provide future benefits for certain members of the Plan.

	2019	2018
	£	£
Aviva Buy-in policy	27,400,000	27,100,000
Aviva annuities	500,000	600,000
	<u>27,900,000</u>	<u>27,700,000</u>

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

8. INVESTMENTS (continued)

CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Plan's net assets:

	2019 £	2019 % of net assets	2018 £	2018 % of net assets
Aviva insurance policies	27,900,000	22.0	27,700,000	24.3
Invesco Global Targeted Returns Fund	17,088,573	13.5	18,344,415	16.1
Pictet PS II Dynamic Asset Allocation Fund	15,296,058	12.1	14,173,852	12.4
Insight LDI PF Fixed	22,178,413	17.5	20,248,342	17.7
Insight BD Plus PF	13,144,521	10.4	11,052,378	9.7

9. INVESTMENT FAIR VALUE HIERARCHY

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

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

The Plan's invested assets and liabilities have been fair valued using the above hierarchy categories as follows:

As at 31 December 2019	Level (1) £	Level (2) £	Level (3) £	Total £
Pooled investment vehicles	-	97,069,656	-	97,069,656
AVC investments	-	-	959,566	959,566
Insurance policies	-	-	27,900,000	27,900,000
Cash deposits	52,030	-	-	52,030
Total	52,030	97,069,656	28,859,566	125,981,252

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

9. INVESTMENT FAIR VALUE HIERARCHY (continued)

As at 31 December 2018	Level (1) £	Level (2) £	Level (3) £	Total £
Pooled investment vehicles	-	85,234,394	-	85,234,394
AVC investments	-	-	937,755	937,755
Insurance policies	-	-	27,700,000	27,700,000
Cash deposits	64,830	-	-	64,830
Total	64,830	85,234,394	28,637,755	113,936,979

Investment risks

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – 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 – comprises the following three types of risk:
 1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
 2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
 3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustee determines their investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out above. The Trustee manages investment risks, including credit risk and market risk, within risk limits which are decided taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment manager and monitored by the Trustee through regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management, credit and market risk is set out on page 37.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

9. INVESTMENT FAIR VALUE HIERARCHY (continued)

Credit risk

The pooled investment arrangements used by the Plan comprise unit linked insurance contracts and authorised unit trusts. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and the ongoing due diligence of the pooled manager.

The Trustee monitors the performance of each of the Plan's investment managers on a regular basis in addition to having meetings with each manager from time to time as necessary, usually on an annual basis. The Trustee has a written agreement with each investment manager, which contains a number of restrictions on how each investment manager may operate.

The Plan also has indirect exposure to credit risks from the underlying investments held by the pooled investment vehicles. This risk is mitigated as follows:

- The credit risk arising on bonds is mitigated by placing restrictions on the assets that may be held within the bond portfolio, which are invested to track indices;
- Some funds, such as the diversified growth funds, the global asset backed securities fund and the absolute return bonds fund, may have an allocation to securities that give rise to credit risk. Credit risk associated with these securities is mitigated through active management and avoiding excessive concentrations in bonds from any given issuer; and
- Cash is held within financial institutions which are at least investment-grade rated.

Summary of pooled investment vehicles by type

	2019 £000s	2018 £000s
Unit linked insurance contracts	34,539	32,743
Authorised unit trusts	19,575	18,060
Open ended investment companies	-	-
Shares of limited liability partnerships	-	-
Other	42,956	34,431
Total	97,070	85,234

Market risk: Interest rates

The Plan is subject to interest rate risk because some of the Plan's investments are held in bonds, leveraged gilt repos, interest rate swaps, and cash through pooled investment vehicles. The Trustee has set a benchmark for total investment in these instruments of 44% of their total investment portfolio as at 31 December 2019. Under this strategy, if interest rates fall, the value of these investments will rise to help offset 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 the actuarial liabilities because of an increase in the discount rate.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

9. INVESTMENT FAIR VALUE HIERARCHY (continued)

Market risk: Interest rates (continued)

The Plan has exposure to this risk through their investment in Insight's LDI, Bonds Plus and Global Asset Backed Securities funds.

Market risk: Currency

The Plan is exposed to currency risk because some of its investments are held in overseas markets. The Plan's liabilities are denominated in sterling and currency hedging is employed to manage the impact of exchange rate fluctuations on some of the Plan's investments. In particular, the Plan's investment in the BlackRock hedged overseas developed equity funds. The purpose of these funds is to hedge 50% of the non-sterling exposure within the Plan's overseas developed equity portfolio.

The Plan has additional exposure to currency risk through its investments in Schrodgers, Pictet, Barings, Arcmont, Invesco, and the BlackRock Diversified Growth Fund.

Market risk: Other price

Other price risk arises principally in relation to the Plan's return-seeking portfolio invested in diversified growth funds and equities held in pooled vehicles.

The Plan manages this exposure by investing in a pooled fund that invests in a diverse portfolio of instruments across various markets. According to the Plan's Statement of Investment Principles (SIP), each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. In addition, the asset allocation is detailed in the Appendix of the SIP document and is monitored on a regular basis by the Trustees.

10. CURRENT ASSETS

	2019	2018
	£	£
Contributions due from employer in respect of:		
Employer	-	69,799
Employees	-	1,062
Amounts due from Employer	21,133	16,094
Prepaid pensions	164,938	156,348
Other debtors	1,925	-
Cash at bank	763,014	333,832
	<u>951,010</u>	<u>577,135</u>

The contributions due at 31 December 2018 were received after the year end in accordance with the Schedule of Contributions.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

11. CURRENT LIABILITIES

	2019	2018
	£	£
Prepaid annuity income	123,746	125,574
Unpaid benefits	30,082	35,782
Other creditors	110,342	159,252
	<u>264,170</u>	<u>320,608</u>

12. RELATED PARTY TRANSACTIONS

The Trustee Directors were paid fees and expenses amounting to £1,011 during the year (2018: £972) from the Plan and £nil (2018: £nil) from the employer.

The balance due from employer includes VAT of £21,133 (2018: £16,094).

The Plan holds security against certain freehold assets owned by the Employer. At 31 December 2019 the net book value of these assets were £6,997,000 (2018: £7,548,000).

The following Trustee Directors of the Plan are also members of the Plan: K Hailes, R Beck, R Newcombe and D Shrimpton. They will receive benefits in accordance with the Plan's Trust Deed and Rules.

13. CONTINGENCIES AND COMMITMENTS

The Plan may have a liability in respect of payments due to HM Revenue and Customs in respect of the GMP reconciliation. Work is currently ongoing on the reconciliation but it is too early for any liability to be estimated.

As explained on page 6 of the Trustees report, on 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee of the Plan is aware that the issue will affect the Plan and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the trustee does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

The Trustee is aware of the issues relating to the execution of deeds in respect of the Plan by the Employer. The Trustee continues to work with the Employer to understand the potential impact of these issues.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019**

14. SUBSEQUENT EVENTS

Subsequent to the Plan's year-end, the spread of the Covid-19 virus worldwide and the actions taken by governments, has caused and will continue to cause disruption to almost all sectors and financial markets. As a result, there was a dramatic downturn in global markets in March 2020 and subsequently. The outbreak is having a significant financial impact and the Trustee is monitoring the situation and is considering how best to respond to globally emerging issues.

The Trustee regards the impact of Covid-19 as a non-adjusting post net asset statement event. No adjustments have therefore been made to the financial statements as at 31 December 2019 and an estimate of the impact on the Plan's investments cannot be made at this stage.

15. EMPLOYER RELATED INVESTMENTS

Except for the items detailed in note 12 above, there were no employer-related investments at 31 December 2019 or 2018 or at any time during the year ended 31 December 2019.

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
SUMMARY OF CONTRIBUTIONS
YEAR ENDED 31 DECEMBER 2019**

During the year ended 31 December 2019, the contributions payable to the Plan were as follows:-

Regular contributions payable under the Schedule of Contributions	£
Contributions from Employer:	
Normal	145,931
Normal – salary sacrifice	70,741
Deficit funding	2,700,000
Administration expenses	400,000
Contributions from members:	
Normal	3,428
Total payable under the Schedule of Contributions	3,320,100
Other contributions payable	
Contributions from members:	
Additional voluntary contributions	1,108
Total contributions reported in the financial statements	<u>3,321,208</u>

Contributions payable to the Plan during the year ended 31 December 2019 have been received in accordance with the Schedule of Contributions as certified by the Plan Actuary on 13 December 2018, together with the additional contributions detailed above.


Signed on behalf of the Trustee

DocuSigned by:

30D2839AE9D649B...

J Miller
Director of Whitechapel
Associates Limited

Date: 07.08.2020 | 01:59 PDT

DocuSigned by:

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K Hailes
Director of Whitechapel
Associates Limited

Date: 05.08.2020 | 12:17 BST

**THE PEOPLE'S DISPENSARY FOR SICK ANIMALS
RETIREMENT BENEFITS PLAN (1978)
CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS
YEAR ENDED 31 DECEMBER 2019**

**PDSA Retirement Benefits Plan (1978)
Schedule of Contributions – Actuarial Certificate**

Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective could have been expected on 31 December 2017 to be met by the end of the period specified in the recovery plan dated 13 December 2018.

Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated 13 December 2018.

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

Signature



Date

13 December 2018

Name

Alistair Russell-Smith

Qualification

Fellow of the Institute and Faculty of Actuaries

Name of Employer

Hymans Robertson LLP

Address

One London Wall, London, EC2Y 5EA

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