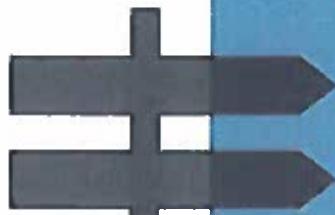


CAPITA



Fenner Pension Scheme

Scheme Registration Number: 10198988

Annual Report and Accounts For the Year Ended 31 March 2014

CONFIDENTIAL

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Trustee and Advisers

Principal Employer

Fenner PLC
Hesslewood Country Office Park
Ferriby Road
Hessle
East Yorkshire HU13 0PW

Trustee

Fenner Pension Scheme Trustee Limited

Trustee Directors

D Bradbury (*Chairman*)
M S Abrahams
K R Bryant – Member Nominated
P Howell – Member Nominated
R Morello
J Pratt
B Wood – Member Nominated
M Roberts – Independent

Secretary to the Trustee

J Hancock
Fenner Pension Scheme Trustee Limited
Hesslewood Country Office Park
Ferriby Road
Hessle
East Yorkshire HU13 0PW

Enquiries

The Scheme Secretary
Fenner Pension Scheme Trustee Limited
Hesslewood Country Office Park
Ferriby Road
Hessle
East Yorkshire HU13 0PW
Email: sharon.cairney@fenner.com

Scheme Actuary

J Burns FIA
Xafinity Consulting Limited
10 South Parade
Leeds LS1 5AL

Administrators

Capita Employee Benefits Limited
Erskine House
68-73 Queen Street
Edinburgh EH2 4NR

Trustee and Advisers (continued)

Auditors	PricewaterhouseCoopers LLP 1 East Parade Sheffield S1 2ET
Legal Advisers	Squire Patton Boggs (UK) LLP (formerly Squire Sanders (UK) LLP) 2 Park Lane Leeds LS3 1ES
Investment Managers	Legal & General Assurance (Pensions Management) Limited Schroder Investment Management Limited Hendersons Equity Partners AXA Wealth Barings Investment Management Pyrford International (<i>appointed 01/07/2013</i>) M&G (<i>appointed post year end 01/06/2014</i>)
Investment Custodians	Legal & General (Pensions Management) Limited JP Morgan BNP Paribas
Investment Advisers	Hymans Robertson LLP
AVC Providers	Prudential Assurance Company Limited The Equitable Life Assurance Society (<i>closed to future contributions</i>) The Scottish Life Assurance Company(<i>closed to future contributions</i>)
Bankers	NatWest Bank PLC 42 High Street Sheffield S1 1QG Cater Allen Private Bank PLC (<i>removed 2 October 2013</i>) 9 Nelson Street Bradford BD1 5AN
Participating Employers	Hallite Seals International Limited J. H. Fenner & Co Limited James Dawson & Son Limited

Report of the Trustee

For the year ended 31 March 2014

Introduction

The Trustee of the Fenner Pension Scheme ("the Scheme") presents its annual report together with the investment report, actuarial certificates and accounts for the year ended 31 March 2014.

The Scheme was established to provide retirement benefits to all eligible employees of Fenner PLC and its UK subsidiary companies. The Scheme has a benefit structure consisting of a Defined Benefits ("DB") section, whereby benefits are payable to members in accordance with the Scheme Rules based on their length of service and their average salary prior to retirement.

The Scheme is registered for tax purposes with Her Majesty's Revenue and Customs (HMRC) in accordance with the Finance Act 2004.

All original members of the Scheme are contracted-out of the State Second Pension Scheme (S2P) under a certificate issued by the National Insurance Contributions Office. All members who transferred in under the Hallite section remain contracted in to the S2P.

On 1 April 2013 a new plan was launched and all DC members and their accrued assets were subsequently transferred to Standard Life. Further details can be found on page 9 under Scheme developments.

Management of the Scheme

The Scheme is governed by the Corporate Trustee, which in turn is managed by the Trustee Directors who are required to act in accordance with the Trust Deed and the Scheme Rules, within the framework of pension and trust law. The Trustee Directors are appointed and removed in accordance with the Trust Deed and the member nominated Trustee arrangements established by the Company.

During the financial year, the Fenner Pension Scheme was governed by a definitive Trust Deed and Rules dated 1 September 2009. There were 5 Board meetings of the Trustee during the financial year. Voting at all meetings is by simple majority with the Chairman having a casting vote.

Statement of Trustee's Responsibilities

The accounts, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to scheme members, beneficiaries and certain other parties, audited accounts for each scheme year which :

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

The Trustee has supervised the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the scheme in the form of an annual report.

Report of the Trustee (continued) For the year ended 31 March 2014

Statement of Trustee's Responsibilities (continued)

The Trustees are responsible under pensions legislation for preparing, 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 and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

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

Pensions Increases

On 1 April 2013 and in accordance with the Scheme Rules, pensions in payment which are entitled to guaranteed increases on the non-GMP element were increased by 2.5% for pension earned up to 5 April 1997, 2.7% for pensions earned from 6 April 1997 to 31 August 2006 and 2.7% for pensions earned after that date. Deferred pensions were increased in line with statutory requirements.

Report of the Trustee (continued)
For the year ended 31 March 2014

Membership – Defined Benefit Section

Details of the membership of the Scheme are given below:

	Active Members	Deferred Members	Pensioners	Spouses and Dependants	Total
At 1 April 2013	120	661	1,097	398	2,276
Adjustments to prior year	1	(1)	(1)	1	-
	121	660	1,096	399	2,276
Joiners	-	44	-	-	44
Spouses	-	-	-	23	23
Retirements	(2)	(38)	40	-	-
Deaths	-	(4)	(49)	(18)	(71)
Full commutation	(1)	-	-	-	(1)
Suspended	-	-	-	(1)	(1)
At 31 March 2014	118	662	1,087	403	2,270

Pensioners include 68 (2013: 68) annuitants.

44 Hallite members were formerly reported as members of the Defined Contribution Section of the Scheme with an historic entitlement to DB benefits under the Scheme. As their DC benefits have transferred to a new Company pension arrangement, they are now included in the DB deferred membership total.

Membership – Defined Contribution Section

	Active Members	Deferred Members	Total
At 1 April 2013	294	259	553
Retirements	(2)	(2)	(4)
Transfers out	(292)	(257)	(549)
At 31 March 2014	-	-	-

As part of a cleansing exercise two members who held active status and never received contributions have had their records removed. Their membership status has now been corrected to "joined in error".

Report of the Trustee (continued) For the year ended 31 March 2014

Financial Development of the Scheme

The accounts have been prepared and audited in compliance with the regulations made under the Pensions Act 1995.

The net assets of the Scheme increased by £0.4 million (2013: £15.9 million) over the year, giving a Scheme value of £143.6 million at 31 March 2014 (2013: £143.2 million). During June 2013 the Defined Contribution Sections assets of £11.6m were all transferred to Standard Life.

Actuarial Status of the Scheme

The Trustee is required under the Pensions Act 2004 to obtain periodic valuations on a prescribed basis to assess whether the contributions payable are sufficient to meet minimum funding regulations. The most recent actuarial valuation of the Scheme was completed as at 31 March 2011 (the valuation date) and the Actuary's report was published on 9 May 2012.

Following discussions with Fenner PLC (the "Company") and after taking advice from the Actuary, the Trustee determined the assumptions to be used to calculate the "technical provisions" and agreed these with the Company. The technical provision is the amount needed to be held by the Scheme to provide for benefits that will be paid from the Scheme in the future, assuming the Scheme continues in its present form and based on members' service to date. To work out the technical provisions, assumptions have to be made about various factors such as the level of inflation, returns on investments, the level of future pensionable salary increases, when members will retire and how long they will live.

The main assumptions underlying the valuation calculations were:

Discount rate	5.7% p.a.	
Rate of salary increases	4.4% p.a.	
Price inflation	3.4% p.a.	
Rate of pension and deferred pension increases	Non-GMP increases in deferment	2.9% p.a.
	Non-fixed pension increases in payment:	
	Post 88 GMP	2.2% p.a.
	Post 97, Pre 2006	3.2% p.a.
	Post 2006	2.1% p.a.
Pre and post retirement mortality	SAPS SIPA tables with an adjustment of 110% for males and 100% for females. Medium Cohort with a 1% underpin.	

The Actuary's certificate of technical provisions is on page 14.

Report of the Trustee (continued) For the year ended 31 March 2014

Actuarial Valuation

A summary of the funding position as at 31 March 2011, the date of the last formal actuarial valuation, along with updated positions at 31 March 2012 and 31 March 2013 are shown below. The Trustee is currently undertaking a formal actuarial valuation as at 31 March 2014.

	31 March 2013	31 March 2012	31 March 2011
Market value of assets	£134.6m*	£116.4m	£115.6m
Technical provisions (past service liabilities)	£160.0m	£149.3m	£129.1m
Past service surplus / (deficit)	(£25.4m)	(£32.9m)	(£13.5m)
Funding ratio	84%	78%	90%

*Does not include the current year value of the Henderson investment (see page 24 for details).

The ongoing funding position of the Scheme at 31 March 2013 shows an improvement since the previous funding update at 31 March 2012, but is still worse than the position at the 2011 valuation.

The main reasons for the improvement seen between the 2012 and 2013 updates are the investment returns received on the Scheme's assets and the additional contributions made by the Company. The impact of these has been offset to a certain amount by changes in financial conditions, which have meant that the value of the Scheme's liabilities has also increased.

Between 31 March 2013 and 31 March 2014, the Company has paid contributions of 17.3% of pensionable salary to cover the cost of members' benefit accrual and also deficit contributions of £3m to reduce the past service deficit. At the beginning of the year the schedule of contributions dated 9 May 2012 was applicable until the new schedule of contributions was signed on the 3 February 2014. Under these schedules, the Company has agreed to pay deficit contributions with a cap of £5m per annum and a minimum of £3m per annum. The Actuary's certification of the current schedule of contributions is shown on page 15.

If the Scheme assets were exactly equal to the technical provisions, contributions would normally still be required to cover the cost of benefits expected to accrue to members in the future. The Projected Unit Method with a 3-year control period has been used to calculate this future service contribution rate.

The Pension Protection Fund

This is an independent statutory body, set up to provide compensation to members of eligible defined benefits schemes which have wound up following employer insolvency with insufficient assets to meet minimum levels of benefit. It is funded by a levy on defined benefits schemes.

The Pensions Regulator

This is an independent statutory body created under the Pensions Act 2004 to regulate work based pension schemes. Its objectives are to protect the benefits of scheme members, to promote good administration and to reduce the risk of schemes defaulting.

Report of the Trustee (continued)
For the year ended 31 March 2014

Transfer values

Cash equivalents paid during the Scheme year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary benefits.

Scheme developments

Over the year, Fenner PLC conducted a review of its pension arrangements to ensure that they continued to be appropriate for members. Based on the review findings, Fenner PLC decided to set up a new DC pension scheme, the Fenner Retirement Plan, which is part of the Standard Life DC Master Trust. The new Plan was launched on 1 April 2013; all DC contributions relating to periods after 31 March 2013 have been paid into the Fenner Retirement Plan. All existing DC assets held by the Scheme were transferred to the Company's new DC arrangement in June 2013, at which point the DC section of the Scheme was closed.

Further Information

Further details of investment performance are included in the investment report. Further details for enquiries and information regarding the Scheme can be found on page 30.

Signed for and on behalf of the of the Fenner Pension Scheme Trustee Limited
on 29 October 2014 by:

Trustee Director

Trustee Director

Investment Report

For the year ended 31 March 2014

The investment report forms part of the report of the Trustee.

Investment Policy

Management of the majority of the Scheme's assets is delegated to investment managers appointed by the Trustee. Each of the managers has a mandate to invest in particular market sectors with specified performance objectives.

Schroders invest in a range of small and mid-sized UK equities and target an annualised return of "RPI + 5%" over a 5 year period. Legal & General invest in UK index-linked bonds and cash deposits in order to track the returns on specific market indices. Barings and Pyrford run multi-asset mandates which provide the Scheme with exposure to a range of asset classes, with the manager having the ability to move allocations in order to seek returns or reduce downside risk and hence protect the capital value of the portfolio. Barings target an annual return of "LIBOR + 4%" and Pyrford target an annual return of "RPI + 5%".

All of the Scheme's fund managers are remunerated by fees based on the value of assets under their management. In the case of Schroders, the fees are also directly linked to the level of performance achieved relative to their return target. The Scheme's investment advisers are remunerated principally on the basis of chargeable hours worked.

The investment managers and the investment advisors are appropriately authorised under the Financial Services and Markets Act 2000.

Investment Principles

The Trustee maintains a Statement of Investment Principles as required by section 114 of the Pensions Act 2004 and this is available on request from the contact address set out on page 30 of this report. The Statement of Investment Principles was updated and approved in August 2013.

Exercise of Voting Rights

The Trustee has delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholders value. Accordingly the managers have produced written guidelines of their process and practice in this regards. The managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies.

Social, Environmental and Ethical considerations

The Trustee recognises that social, environmental and ethical considerations are among the factors which investment managers will take into account, where relevant, when selecting investments for purchase, retention or sale. The managers have produced statements setting out their policy in this regard. The Trustee has delegated responsibility to act accordingly to the managers. Where investment is made on an index tracking basis, the manager is required to invest in line with the benchmark index; consequently, there is little discretion over the choice of security in which investment is made.

Investment Report to 31 March 2014

Equity markets in the UK, Eurozone and North America performed strongly over the year, albeit with some unsettled periods when share prices fell. Investor confidence was supported, in the main, by record low short-term interest rates.

In late May 2013, there was a distinct, if short lived, change in the prevailing bullish market sentiment, when the US central bank hinted it might begin scaling back its programme of asset purchases.

Investment Report (continued)

For the year ended 31 March 2014

Signs of a potential credit crunch in China, reduced forecasts for economic growth in the Eurozone and an uncertain outlook in the UK added to the sense of unease. Equity markets responded with sharp falls, particularly in Asia Pacific and Emerging markets. In the UK, Europe and US, there was some recovery over the summer of 2013, as central banks sought to re-assure investors and to restore confidence. The FTSE All World Index returned 6.8% over the past year. The best performing global sectors relative to the "All World" over the 12 months were Technology (+8.1%) and Health Care (+7.6%), while the poorest performing sectors were Basic Materials (-9.8%) and Consumer Goods (-5.2%). UK equities, as measured by the FTSE All Share Index, returned 8.8% over the period.

In December 2013, and after much speculation, the US central bank commenced the scaling back of its monthly asset buying program. This is likely to be phased out entirely during 2014 but official guidance indicates no rise in interest rates until there is clear evidence of sustainable economic growth. In contrast to US policy, the European central bank provided further monetary easing through two cuts in short-term interest rates; one in May 2013, from 0.75% to 0.50%, and a second in November 2013, to 0.25%, as inflation in the Eurozone dipped below 1% p.a. In the UK, the 'All Stocks' government bonds index returned -2.6%, with index-linked issues returning -3.8% and corporate bonds returning 2.5%.

In the March 2014 budget, branded as a budget for 'savers', the Chancellor of the Exchequer announced an increase in the threshold for tax free savings and greater flexibility in the operation of defined contribution pension plans. At the same time, the Office for Budget Responsibility revised its forecast for UK economic growth in 2014, from 2.4% to 2.7%. On this basis, the economy will surpass its pre-crisis peak later this year. Despite the more optimistic tone of published economic data, a number of commentators expressed concerns over the strength and breadth of the recovery and whether it is sufficient to resolve problems of a more structural nature. Consequently, further austerity measures remain on the agenda. The Scheme has a mix of active and passive mandates and retains investment managers within a structure as follows:

	31 March 2014		31 March 2013	
	Market value £000s	Percentage of total %	Market value £000s	Percentage of total %
UK equities				
Schroders	58,990	41.2	65,165	49.9
Overseas equities				
Legal & General	-	-	26,845	20.6
Index linked bonds				
Legal & General	40,824	28.5	4,370	3.4
Dynamic Asset Allocation Fund				
Barings	13,099	9.1	12,889	9.8
Global Total Return Fund				
Pyrford	11,985	8.4	-	-
Infrastructure				
Henderson*	-	-	-	-
Cash				
Legal & General	17,114	11.9	17,036	13.0
Trustee Bank Account	1,218	0.9	4,276	3.3
Total	143,230	100.0	130,581	100.0

Note: figures may not sum due to rounding.

The values above are shown at mid price and these may vary to the Net Assets Statement.

*The Henderson investment has been impaired to nil, see page 24 for further information.

Investment Report (continued)

For the year ended 31 March 2014

The returns achieved by the individual managers together with their respective benchmarks for the year and three years to 31 March 2014 were:

Investment return to 31 March 2014		One Year		Three Years		Five Years	
		Fund %	Benchmark %	Fund % p.a.	Benchmark % p.a.	Fund % p.a.	Benchmark % p.a.
UK equities							
Schroders ¹	Active	20.6	8.8	19.1	8.8	24.6	8.8
Overseas equities							
Legal & General ²	Passive	6.8	6.7	7.9	7.8	15.5	15.5
Index linked bonds							
Legal & General	Passive	-4.4	-4.4	9.0	9.0	8.8	8.8
Dynamic Asset Allocation Fund							
Barings	Active	1.7	4.5	-	-	-	-
Global Total Return Fund							
Pyrford ³	Active	1.0	5.8	-	-	-	-
Cash							
Legal & General	-	0.5	0.4	-	-	-	-
Total Fund Performance		12.5	7.1	11.9	7.9	15.6	11.9

¹ The benchmark figures shown for Schroders UK equities are FTSE All Share returns. The target annualised return is "RPI + 5%" over 5 years

² Performance and benchmark figures shown for Legal & General Overseas equities are to termination of the mandate on 23 January 2014

³ Performance and benchmark figures shown for Pyrford are since inception on 30 June 2013.

The value of the Scheme's assets has increased to £143.2m as at 31 March 2014 from £130.6m as at 31 March 2013 (excluding the Hendersons infrastructure mandate as noted on page 24). Among the Scheme's active managers, Schroders outperformed its target return over the year through positive stock selection. However, the Barings mandate and the Pyrford mandate (since its inception in June 2013) underperformed their targets. The Scheme's holdings with Legal & General broadly mirrored the performance of their respective indices over the past year. Overall, the Scheme returned 12.5% for the year, 5.4% ahead of its benchmark return.

Over three years, the Scheme has outperformed its benchmark returning 11.9% p.a. compared to the 7.9% p.a. return of the Scheme benchmark principally due to a strong contribution from the Schroders mandate which has delivered significant outperformance relative to the FTSE All-Share Index and its "RPI + 5%" objective.

There were a number of changes to the Scheme's investment arrangements during the year to 31 March 2014. At the end of June 2013, £12.0m was invested in the Pyrford Global Total Return Fund via three separate tranches (two of £3.0m and one of £6.0m), funded by disinvestments from the Legal & General Overseas equity mandate. The Pyrford Fund invests across a range of asset classes and hence is described as a "multi-asset mandate" and has the ability to move allocations between the key asset classes in order to reduce downside risk and protect the capital value of the portfolio at times of market volatility.

Investment Report (continued)

For the year ended 31 March 2014

Following the January 2014 ISC meeting, the Trustee reduced the Scheme's equity allocations and invested the proceeds in bonds. This switch reduced the level of risk in the Scheme relative to the liabilities and recognised the improvement in the Scheme's funding level due mainly to the strong performance in equity markets during 2013. The Legal & General Overseas equity holdings were fully switched into the Legal & General Index Linked bonds fund at the end of January 2014. £20.0m was also disinvested from the Schroders UK equity mandate, in two tranches of £10.0m each, with these proceeds also invested into the Legal & General Index linked bonds fund. The first tranche of £10.0m was invested on 10 March 2014, with the second tranche invested on 17 March 2014. The transfer of funds to M&G has now been agreed and £14m has been paid across.

Employer-Related Investments

There were no directly held employer related investments during the year (2013: £Nil).

There were no indirectly held employer related investments during the year greater than 0.5% of net assets (2013: £Nil).

Custody arrangements

The majority of the Scheme's assets are represented by investments in pooled investment vehicles, whereas the Schroder portfolio consists of direct holdings in quoted investments. In all cases the actual investments are held on behalf of the investment managers by independent custodians. The custodians operate systems of internal controls to ensure the security of the underlying assets and annual reports on those controls are made available to the Trustee, together with opinions on the adequacy of those controls from each of the custodians' external auditors.

Actuarial Certification of Technical Provisions

Made for the purposes of Regulation 7 (4) (a) and 10 (5) of The Occupational Schemes (Scheme Funding) Regulations 2005

Name of Scheme: Fenner Pension Scheme

Effective date of Valuation: 31 March 2011

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Scheme's Technical Provisions as at 31 March 2011 is made in accordance with Section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated 9 May 2012

Signature: *John Burns*

Date: 9 May 2012

Name: John Burns

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: Xafinity Consulting Limited
10 South Parade
Leeds
LS1 5AZ

Actuarial Certification of Schedule of Contributions

Name of Scheme: Fenner Pension Scheme

Effective date of Valuation: 31 March 2011

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in the Schedule of Contributions, dated 3 February 2014, are such that the Statutory Funding Objective could be expected to be met by the end of the period specified in the Recovery Plan dated 3 February 2014.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, the Schedule of Contributions dated 3 February 2014 is consistent with the Statement of Funding Principles dated 9 May 2012.

The certification of the adequacy of 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 wound up.

Signature: *John Burns*

Date: 3 February 2014

Name: John Burns

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: Xafinity Consulting Limited
10 South Parade
Leeds
LS1 5AZ

Independent Auditors' Report to the Trustee of the Fenner Pension Scheme

Report on the accounts

Our opinion

In our opinion the accounts, defined below:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2014, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The accounts, which are prepared by Fenner Pension Scheme, comprise:

- the net assets statement as at 31 March 2014;
- the fund account for the year then ended; and
- the notes to the accounts, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Trustee has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of accounts involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustee; and
- the overall presentation of the accounts.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Responsibilities for the accounts and the audit

Our responsibilities and those of the Trustee

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for the preparation of the accounts and being satisfied that they show a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
Date

29 October 2014

Fund Account

For the year ended 31 March 2014

	Note	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Contributions and other income					
Contributions	3	4,342	-	4,342	7,415
Transfers in	4	-	-	-	35
Other income	5	-	-	-	180
		<u>4,342</u>	<u>-</u>	<u>4,342</u>	<u>7,630</u>
Benefits and other payments					
Benefits	6	(6,438)	(38)	(6,476)	(7,633)
Payments to and on account of leavers	7	(8)	(11,613)	(11,621)	(113)
Other payments	8	(78)	(10)	(88)	(88)
Administrative expenses	9	(420)	(12)	(432)	(427)
Transfers between sections	10	148	(148)	-	-
		<u>(6,796)</u>	<u>(11,821)</u>	<u>(18,617)</u>	<u>(8,261)</u>
Net withdrawals from dealings with members		<u>(2,454)</u>	<u>(11,821)</u>	<u>(14,275)</u>	<u>(631)</u>
Returns on investments					
Investment income	11	2,005	1	2,006	1,759
Change in market value of investments	12	13,848	(190)	13,658	14,778
Investment management expenses	13	(989)	-	(989)	(36)
Net returns/(withdrawals) on investments		<u>14,864</u>	<u>(189)</u>	<u>14,675</u>	<u>16,501</u>
Net increase/(decrease) in Scheme during year		<u>12,410</u>	<u>(12,010)</u>	<u>400</u>	<u>15,870</u>
Opening net assets of the Scheme		<u>131,014</u>	<u>12,162</u>	<u>143,176</u>	<u>127,306</u>
Closing net assets of the Scheme		<u>143,424</u>	<u>152</u>	<u>143,576</u>	<u>143,176</u>

The notes on pages 19 to 27 to the accounts form part of these financial statements.

Net Assets Statement

At 31 March 2014

	Note	2014 £'000	2013 £'000
Defined Benefit Section			
Investment assets	12	142,422	126,562
Current assets	14	1,760	4,823
Current liabilities	15	(758)	(371)
		<hr/>	<hr/>
		143,424	131,014
Defined Contribution Section			
Investment assets	12	-	12,005
Current assets	14	152	203
Current liabilities	15	-	(46)
		<hr/>	<hr/>
		152	12,162
Net assets of Scheme at 31 March		<hr/>	<hr/>
		143,576	143,176

The accounts 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 account of such obligations, is dealt with in the actuarial certificates on pages 14 and 15 and the summary of actuarial information on page 8 of these accounts should be read in conjunction with it.

The notes on pages 19 to 27 to the accounts form part of these accounts.

Signed for and on behalf of the Fenner Pension Scheme Trustee Limited
on 29 October 2014 by:

Trustee Director

Trustee Director

Notes to the Accounts

For the year ended 31 March 2014

1. Basis of Preparation

The accounts have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and with the guidelines set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (SORP revised May 2007).

2. Accounting Policies

The following principal accounting policies have been adopted in the preparation of the accounts.

Investments

Equities traded through the Stock Exchange Electronic Trading Service ("SETS") are valued on the basis of the latest bid price (where available), other quoted investments are valued on the basis of the bid value quoted on the relevant stock market (where available).

Pooled investment vehicles are valued at bid price, or where applicable, fair value, as advised by the investment managers as at the dealing date closest to the year end, less any write off for permanent diminution in value. The fees and costs of acquiring and disposing of investments are included in their purchase and sale price.

AVC investments are included at fair value as provided by the AVC investment managers.

All investments are assessed annually for impairment indicators by the Trustee. Where relevant indicators are identified a full impairment review is undertaken and any resulting impairment accounted for in the year that it is identified. Impairments are revisited on a periodic basis to ensure that they remain appropriate.

Investment income

Income from UK investments is accounted for on an accruals basis. In the case of pooled investment vehicles which are accumulation funds, change in market value includes income, net of withholding tax, which is reinvested in the fund.

Interest on cash deposits and fixed interest securities is accounted for by reference to the year to which it relates.

Contributions

Normal contributions, both from the members and from the employer, are accounted for as they fall due under the schedule of contributions, the Scheme rules and the recommendations of the Actuary.

Additional voluntary contributions from the members are accounted for in the month deducted from the payroll. Additional voluntary contributions in respect of the DC Section members are invested and subsequently shown within DC investments in the accounts.

Employers' deficit funding contributions and expense allowance contributions are accounted for in accordance with the agreement under which they are being paid, or, in the absence of an agreement, on a receipt basis.

Benefits payable

Members can choose whether to take their benefits as a pension or a pension and a lump sum. Pensions and lump sums are accounted for on an accruals basis from the later of the date of retirement or the date the option is executed. The Scheme has purchased annuity policies to cover certain pensions in payment. The cost of acquiring these policies is included in the Fund Account in the year of purchase and represents the cost of discharging the obligations of the Scheme to the relevant members at the time of purchase.

Notes to the Accounts (continued)

For the year ended 31 March 2014

2. Accounting Policies (continued)

Transfers to and from other schemes

Individual transfers are accounted for when the transfer has been agreed by both parties and the receiving scheme has accepted liability for the transfer. Group transfers are accounted for on the accruals basis where the Trustee has agreed to accept the liability for member benefits.

Age related rebates

Age related rebates are accounted for on a cash basis. This is not in accordance with the requirements of the revised SORP.

Administrative expenses and investment management expenses

These are accounted for on an accruals basis. The total excludes expenses deducted at source from distributions and fees included in the pricing structure of the relevant pooled investments.

Annuities

The Scheme holds a number of small insurance policies which were purchased in previous years to cover the cost of pension payments for certain members. No value is placed on these policies in the Scheme accounts. The purchase cost of annuities is charged to the Fund Account as benefits payable.

3. Contributions

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Employers				
Normal	708	-	708	1,299
Deficit funding	3,000	-	3,000	5,000
Expense allowance	300	-	300	300
Members				
Normal	307	-	307	685
Additional voluntary contributions	27	-	27	131
	<u>4,342</u>	<u>-</u>	<u>4,342</u>	<u>7,415</u>

Notes to the Accounts (continued)
For the year ended 31 March 2014

4. Transfers In

			2014	2013
	Defined Benefit £'000	Defined Contribution £'000	Total £'000	Total £'000
Individual transfers from other schemes	-	-	-	35

5. Other Income

			2014	2013
	Defined Benefit £'000	Defined Contribution £'000	Total £'000	Total £'000
Age related rebates	-	-	-	90
Compensation	-	-	-	3
Death in Service Insurance	-	-	-	87
	-	-	-	180

6. Benefits

			2014	2013
	Defined Benefit £'000	Defined Contribution £'000	Total £'000	Total £'000
Pensions	5,823	-	5,823	5,811
Commutations and retirement lump sums	486	-	486	1,413
Death benefits	129	-	129	183
Purchase of annuities	-	38	38	226
	6,438	38	6,476	7,633

Notes to the Accounts (continued)
For the year ended 31 March 2014

7. Payments to and on Account of Leavers

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Individual transfers to other schemes	-	-	-	110
Group transfers to other scheme	-	11,613	11,613	-
Refund of contributions	8	-	8	3
	<u>8</u>	<u>11,613</u>	<u>11,621</u>	<u>113</u>

The group transfers figure relates to the transfer of the DC section to Standard Life, see page 9 for further information.

8. Other Payments

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Premiums on term insurance	78	10	88	88
	<u>78</u>	<u>10</u>	<u>88</u>	<u>88</u>

9. Administrative Expenses

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Administration and processing	197	12	209	158
Audit fees	15	-	15	13
Actuarial fees	84	-	84	90
Legal & professional fees	(2)	-	(2)	77
Trustee indemnity insurance	-	-	-	31
The Pensions Regulator	4	-	4	5
Investment consultancy	122	-	122	53
	<u>420</u>	<u>12</u>	<u>432</u>	<u>427</u>

All other costs are borne by the Sponsoring Employer, Fenner PLC.

The negative legal & professional fees figures is due to a large refund from Ashurst in the year.

Notes to the Accounts (continued)

For the year ended 31 March 2014

10. Transfers Between Sections

The transfers between sections represents disinvestment of member benefits from the Defined Contribution section used to purchase benefits from the Defined Benefit section.

11. Investment Income

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Dividends from equities	1,860	-	1,860	1,583
Interest on cash deposits	30	1	31	88
Annuity income	82	-	82	88
Other investment income	33	-	33	-
	<u>2,005</u>	<u>1</u>	<u>2,006</u>	<u>1,759</u>

12. Investment assets

Defined Benefit Section

	Value as at 1 April 2013 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value as at 31 March 2014 £'000
Equities	61,788	21,116	(38,190)	12,299	57,013
Pooled investment vehicles	61,114	48,314	(28,002)	1,522	82,948
AVC investments	397	169	(21)	27	572
	<u>123,299</u>	<u>69,599</u>	<u>(66,213)</u>	<u>13,848</u>	<u>140,533</u>
Cash and cash equivalents	3,079				1,751
Other investments	184				138
	<u>126,562</u>				<u>142,422</u>

Defined Contributions Section

Pooled investment vehicles	12,005	557	(12,372)	(190)	-
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The change in market value of investments during the year comprises increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on the sale of investments during the year.

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and included in the cost of purchases and sale proceeds. The amount of indirect costs is not separately provided to the Scheme.

Notes to the Accounts (continued)

For the year ended 31 March 2014

12. Investment assets (continued)

The Trustee decided to impair the value of the Henderson investment to nil in the previous Accounts (for the year ended 31 March 2013) as it did not consider the investment to have any recoverable value. The Trustee has continued to monitor the performance of the investment over the year, and as there have not been any significant developments which might lead it to re-evaluate the value of the investment, the Trustee believes that it is prudent to retain the impairment and the Hendersons investment therefore remains valued at nil for the current year.

Concentration of Investments

The following investments comprise more than 5% of the net assets of the Scheme.

	2014 £'000	2014 %
Defined Benefit Section		
Legal & General Over 5 Year Index Linked Gilts	40,695	28.2
Baring Dynamic	13,099	9.1
Legal & General Pooled Investments	17,114	11.9
Pyrford	11,985	8.3
Defined Benefit Section		
	2014 £'000	2013 £'000
Equities		
UK quoted equities	57,013	61,788
Pooled investment vehicles		
Managed Funds - UK	82,948	34,328
Managed Funds - Overseas	-	26,786
UK unquoted PFI fund*	-	-
	82,948	61,114
Cash and cash equivalents		
Sterling	1,751	3,079
Other investments		
Dividends receivable	138	184

* See note above

Notes to the Accounts (continued)
For the year ended 31 March 2014

12. Investment assets (continued)

Defined Contribution Section

	2014 £'000	2013 £'000
Pooled investment vehicles		
Designated to Members		
UK unquoted	-	11,322
Overseas unquoted	-	683
	<hr/>	<hr/>
	-	12,005
	<hr/>	<hr/>

All equities are quoted on a recognised stock exchange.

Members electing to pay additional voluntary contributions are able to purchase additional units with Prudential Assurance Company Limited.

AVC Investments

The Trustee holds assets invested separately from the main fund in the form of individual insurance policies, which 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 confirming the amounts held on their behalf and the movements in the year. The aggregate amounts of AVC investments analysed by the insurance companies who provide and administer these policies are shown below.

	2014 £'000	2013 £'000
Prudential Assurance Company Limited	518	346
The Equitable Life Assurance Society (closed)	16	15
The Scottish Life Assurance Company (closed)	38	36
	<hr/>	<hr/>
	572	397
	<hr/>	<hr/>

The value ascribed to the Equitable Life and Prudential investments include £13,069 (2013: £12,196) and £160,081 (2013: £121,495) respectively of with-profits policies.

As at 31 March 2014, a market value reduction may be applied to with-profit policies where members choose to remove their funds prior to retirement. The market value reduction is calculated on a daily basis and is therefore liable to change. The investment values included above do not incorporate any market value adjustment.

Notes to the Accounts (continued)
For the year ended 31 March 2014

13. Investment Management Expenses

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Administration, management and custody	989	-	989	36

14. Current Assets

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Contributions due				
Employers	83	-	83	143
Members	25	-	25	61
AVC	-	-	-	10
Other debtors and prepayments	434	-	434	431
Cash balances	1,218	152	1,370	4,381
	<u>1,760</u>	<u>152</u>	<u>1,912</u>	<u>5,026</u>

The members and employers contributions shown as due above were received after the year end in accordance with the Scheme Rules.

Included in the DC bank balance is £23,926 (2013: £35,726) which is not allocated to members. The Trustee is currently considering how the residual cash balance in the DC section should be used following the transfer out of the section during the year.

15. Current Liabilities

	Defined Benefit £'000	Defined Contribution £'000	2014 Total £'000	2013 Total £'000
Unpaid benefits	8	-	8	306
Accrued expenses	750	-	750	110
Other creditors	-	-	-	1
	<u>758</u>	<u>-</u>	<u>758</u>	<u>417</u>

Notes to the Accounts (continued)
For the year ended 31 March 2014

16. Related Party Transactions

The Scheme has received contributions in respect of certain Trustee Directors who are contributing members of the Scheme. There were 4 active (2013: 5) and 2 pensioner (2013: 2) Trustee Directors in the year.

The sponsoring employer, Fenner PLC, provides secretarial services to the Trustee and bears these costs and certain other costs of the Scheme itself. The costs borne by Fenner PLC in relation to the Scheme are not reflected in these accounts.

As at the 31 March 2014, there was £97,000 (2013: £110,000) due to Fenner PLC in relation to Scheme expenses.

In the current and prior year the Scheme paid Trustee expenses.

All of the above transactions were made in accordance with the Scheme Rules.

17. Contingent Liabilities and Contractual Commitments

In the opinion of the Trustee, the Scheme has no contingent liabilities as at 31 March 2014 (2013: none) and there are no contractual commitments (2013: none).

Independent Auditors' Statement about Contributions to the Trustee of the Fenner Pension Scheme

Statement about contributions

Our opinion

In our opinion, the contributions required by the schedules of contributions for the Scheme year ended 31 March 2014 as reported in the summary of contributions have in all material respects been paid in accordance with the schedules of contributions certified by the Scheme actuary on 9 May 2012 and on 3 February 2014.

This opinion is to be read in the context of what we say in the remainder of this statement.

What we have examined

The summary of contributions for the Scheme year ended 31 March 2014, which has been prepared by Fenner Pension Scheme, is set out on the following page.

What an examination of the summary of contributions involves

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

Responsibilities for the statement about contributions

Our responsibilities and those of the Trustee

As explained more fully in the statement of Trustee's responsibilities, 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 relevant requirements.

It is our responsibility to provide a statement about contributions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
Date

29 October 2014

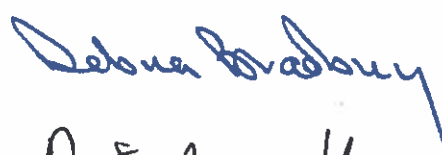
Summary of Contributions payable in the year ended 31 March 2014

During the year, the contributions payable to the Scheme were as follows:

	Member £'000	Employer £'000
Required by the Schedule of Contributions		
Normal contributions – DB	307	708
Deficit funding	-	3,000
Expense Allowance	-	300
	<u>307</u>	<u>4,008</u>
Other contributions payable		
AVCs	27	-
	<u>27</u>	<u>-</u>
Total (as per Fund Account – see note 3)		<u><u>4,342</u></u>

Signed on behalf of Fenner Pension Scheme Trustee Limited:

Date 29 October 2014


D. J. Bradbury

Further Information

For the year ended 31 March 2014

The Registrar, TPAS, the Pensions Ombudsman and The Pensions Regulator (TPR)

In accordance with the Occupational Pensions Schemes (Disclosure of Information) Regulations 1996, members are advised that:

- information regarding the Scheme has been given to the Pension Tracing Service.
- the Pensions Advisory Service (TPAS) of 11 Belgrave Road, London, SW1V 1RB is available to assist members and beneficiaries with difficulties which may arise;
- the Pensions Ombudsman of 11 Belgrave Road, London, SW1V 1RB may investigate and determine any complaint or dispute or fact of law which they have failed to resolve with the Trustee or the Scheme administrator, in relation to an occupational pension scheme.

In addition to the above The Pensions Regulator (TPR) regulates company pension schemes and enforces the law as it relates to them. It has wide ranging powers which include the power to:

- suspend, disqualify and remove a Trustee, or Director of a Trustee Company, for consistently not carrying out their duties;
- wind up schemes where necessary;
- apply for injunctions to prevent the misuse and misappropriation of Scheme assets and apply for restitution where necessary.

The Auditor and Actuary have a statutory duty to make an immediate written Report to TPR if they believe that legal duties concerned with the running of the Scheme are not being carried out.

Internal Disputes Resolution Procedure

A disputes resolution procedure has been agreed by the Trustee to resolve any queries raised by beneficiaries or potential beneficiaries of the Scheme and details of this can be obtained by writing to the contact below.

Contact for Further Information

Any queries or complaints about the Scheme, including requests from individuals for information about their benefits or for a copy of Scheme documentation, should be sent to the Scheme Secretary at the following address:

Fenner Pension Scheme Trustee Limited
Hesslewood Country Office Park
Ferriby Road
Hessle
East Yorkshire
HU13 0PW

