

SUMMARY FUNDING STATEMENT

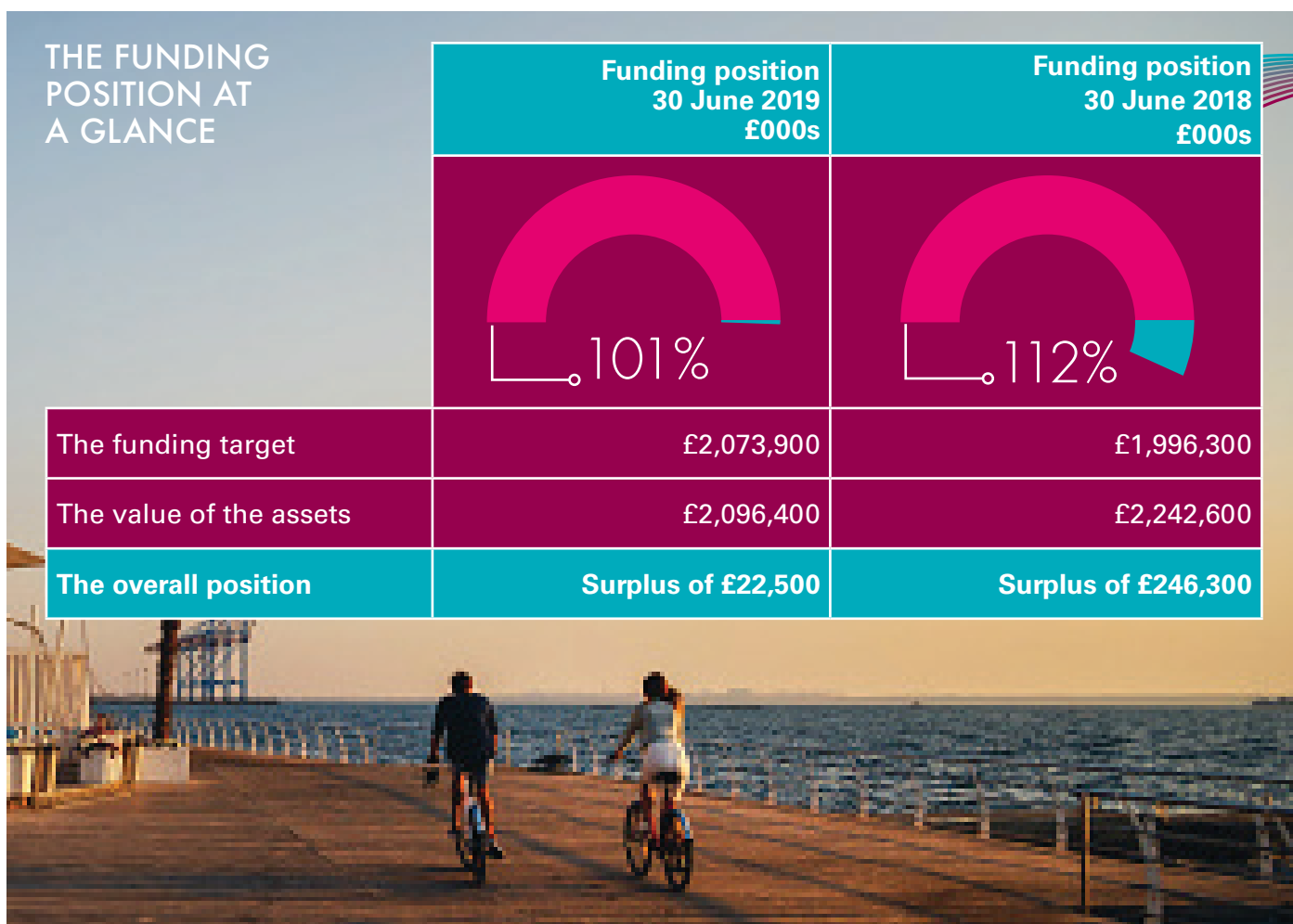
FUNDING YOUR BENEFITS

As Trustee, one of our key responsibilities is to work with the Company to make sure the Final Salary Section of the Scheme has sufficient funds to pay the benefits that members have built up, whenever they need to be paid.

At least once every three years, our actuary carries out a formal check on the health of the Final Salary Section of the Scheme's funding in a process called a valuation.

To help us monitor progress in the years between valuations, we also ask the actuary to provide us with annual updates. These updates are less detailed than a valuation, but give us a good idea of how the funding position is developing and allow us to consider any steps that may be appropriate.

The information in this section gives a recap of the funding position as at the last formal valuation at 30 June 2018 that we reported in our last newsletter, and brings you up to date with the estimated funding position as at 30 June 2019.



REASONS FOR THE CHANGE

There has been a drop in the funding level since the 2018 valuation. The key reason for this is that since the 2018 valuation the Trustee has completed the purchase of insurance policies to now cover the entire liabilities of the Scheme.

As the assets are now held solely in insurance policies (that match the benefits due from the Final Salary Section) and cash, the Trustee is satisfied that the Scheme is in a healthy financial position.

COMPANY SUPPORT

Since the Scheme is in surplus, there is no need for a 'recovery plan' to clear any deficit. In addition, as there are no further benefits being built up in the Final Salary Section, no Company contributions are payable at the present time. Expenses are paid from the Scheme fund and the Scheme Actuary is comfortable with this arrangement, given the level of surplus (which is assessed after allowing for a reserve for future expenses) on the valuation basis.

FOR INFORMATION – ALTERNATIVE FUNDING MEASURE

By law, we are required to show you the Scheme's funding level at the last formal valuation (30 June 2018) on an alternative measure: the 'full solvency' measure. This is an estimate of the Scheme's funding position, assuming that the assets are used to buy insurance policies to provide the benefits. As this is now the actual position that the Scheme is in, there are little merit in showing this, but since it is a statutory requirement, we have shown this below for completeness.

On this basis, the 'full solvency' funding level of the Final Salary Section was 108% at 30 June 2018.

The Pension Protection Fund (PPF) is a 'safety net' for members whose schemes wind up without their employer being able to afford to cover the cost of providing all the benefits. The PPF can provide compensation to people who would otherwise lose their pensions in this way, and the Company pays a levy in return for this protection. As the Scheme is fully funded and invested in insurance policies to provide the benefits we are comfortable that the Scheme will not require the support of the PPF.

www.pensionprotectionfund.org.uk

ADDITIONAL INFORMATION

We are required to tell you whether the Scheme has made any payments to the Principal Employer in the last 12 months. We can confirm that it has not.

We are also required to tell you whether the Pensions Regulator has had to intervene in the running of the Scheme. (The Regulator is the body that oversees the running of UK pension schemes and can step in if it feels trustees need additional guidance or if they have failed in their duties in some way.) We can confirm that the Regulator has not needed to do this.

WHERE TO GET MORE HELP

About your finances...

If you would like advice about your retirement benefits, or general advice about financial matters, you should speak to an independent financial adviser. You can find an adviser in your area by searching the Money and Pensions Service directory at:

www.moneyandpensionservice.org.uk

The Service also provides general information on money matters, including pensions and savings.

If you have a concern about your benefits...

You can contact the Pension Ombudsman's Early Resolution Service team at

- www.pensions-ombudsman.org.uk/our-service/make-a-complaint
- Phone: **0800 917 4487** and select the option to discuss a potential complaint
- Email: helpline@pensions-ombudsman.org.uk