



Newsletter for members

Welcome to your latest Scheme newsletter, keeping you up to date with Scheme developments and wider pensions news.

January 2021

In this issue

For much of 2020, the coronavirus pandemic dominated our lives and there remain challenging times ahead. I hope you and your family are staying safe during these fast-changing times.

As far as running the Scheme is concerned during the 'new normal', we continue to work virtually, while the governance arrangements we have in place mean that the Scheme continues to operate efficiently.

Over the period we have continued to work with the Company and engaged in regular covenant updates keeping us fully informed with any activity and updates during these difficult times for everyone.

I am pleased to report that the effects of the pandemic have had no lasting impact on the Scheme's finances to date, the Scheme's investment strategy is designed to protect the assets of the Scheme in adverse market conditions and the volatility we have seen in the markets over the year. You can read more in our Summary Funding Statement, inside on page 3.

Please do get in contact if you have a query about the Scheme or your benefits. Contact details are on page 9.

Iain Urquhart

Chair of Trustee Board

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In Numbers

The Membership

At 30 June 2020 there were 6,709 members in the Scheme compared with 6,734 members at the same date last year.

42	Active members - working for the Company and paying regular contributions.
3,649	Deferred members - no longer building up benefits but have benefits in the Scheme for when they retire.
3,018	Pensioner members - receiving benefits from the Scheme (and including the dependants of members who have died).

The Accounts

Here we show headline figures from the Scheme's Annual Report and Accounts, as at 30 June 2020. If you would like more detail, please request a copy of the full report using the contact details on page 9 or please visit the Scheme website at <https://pensioninformation.aon.com/spiritgroup>. The full report includes further details on the Scheme's professional advisers and fund managers, how the Trustee Board manage the Scheme's investments with comments on how the Scheme is governed and the actuary's certification of the adequacy of the Schedule of Contributions.

The value of the assets supporting the Scheme at 30 June 2020	£594.1 million	
The increase in the value of the assets over the reporting year	£50.7 million	
The total value of contributions paid in to the Scheme during the year	£1.2 million	
The total value of benefits paid to members during the year	£21.3 million	

Summary Funding Statement

This section summarises the results of the three-yearly formal actuarial valuation at 30 June 2018. It also looks at the funding updates at 30 June 2019 and 30 June 2020. These financial health checks are vital for monitoring the Scheme's progress. We hope the information helps you to understand how the Scheme is developing.

The Latest Position

The table below shows how the funding position has changed since the valuation at 30 June 2018 and the last funding update at 30 June 2020.

	Valuation	Update	Update
Date	30 June 2018	30 June 2019	30 June 2020
The funding level	102.3%	102.8%	103.8%
The funding target	£488.9 million	£511.4 million	£554.5 million
The value of the Scheme's assets*	£500.2 million	£525.5 million	£575.5 million
The overall position	Surplus of £11.3 million	Surplus of £14.1 million	Surplus of £21.0 million

*the figures in this table do not include AVCs or DC assets and liabilities

The latest update shows that the funding level has improved since the valuation at 30 June 2018.

The next actuarial valuation is due as at 30 June 2021. We will report on the results once they are complete.

It is important to remember that it is normal for pension scheme funding levels to fluctuate over time. Even when funding is temporarily below target, the Scheme will continue to pay benefits in full as long as it continues.

Reasons for the change

The funding level has slightly improved relative to the funding positions at 30 June 2018 and 30 June 2019. The Scheme's liabilities have increased in value over the last year due to falling gilt and corporate bond yields. However, this was more than offset by the increase in the value of the Scheme's assets over the year.

Summary Funding Statement

Financial Support

The Company provides significant financial support for the Scheme. It currently pays:

- A monthly contribution to FutureSave in respect of active members;
- An annual levy to the Pension Protection Fund; and
- All administration and running expenses.

The next formal valuation will look at the Scheme's position at 30 June 2021. This will include evaluating whether the Company's level of contributions needs to change.

If the Scheme came to an end

The Scheme's funding level is worked out in two ways.

- The 'ongoing' basis (shown above), which assumes that the Scheme will continue into the future.
- The 'full solvency' basis, which shows the funding position if the Scheme started to 'wind up' at the date of the valuation. If this happened, all members' benefits would have to be secured without delay by buying insurance policies. This would be more expensive than paying benefits gradually over time, so the full solvency position is generally lower than the ongoing position, even for fully funded pension schemes.

At 30 June 2018, the Scheme full solvency funding level was 80% with a shortfall of £127.4 million.

Please note that we are legally required to report the full solvency position as part of this funding statement. The Company has no current plans to end the Scheme.

We must also tell you if there have been any payments to the Company out of Scheme funds in the last 12 months. There have been no such payments.

The Pensions Regulator

The Pensions Regulator is the UK watchdog of workplace pension schemes. It has the authority to change the way occupational pension schemes are run though it has not needed to use its powers in this way for our Scheme. You can find out more about the Regulator online at www.thepensionsregulator.gov.uk.



Investment Update

As the Trustee Board, it is our responsibility to decide on the overall investment strategy, and to make changes as and when appropriate. We work closely with our investment advisers and we keep a close eye on how the funds are performing.

Global equities saw positive returns over the 12-month period to 30 June 2020, however this was met by extreme volatility. Equity markets saw the worst quarter since the 2008 Global Financial Crisis in Q1 2020 due to the Coronavirus outbreak. Equity markets then rebounded sharply over Q2, supported by Government measures and signs emerging that the “first wave” of the pandemic had passed in many developed economies, who re-opened relatively quickly.

In response to the severe economic impacts of Covid-19, the Bank of England (BoE) cut its base rate to an all-time low of 0.10% in Q1 2020.

DB Asset Allocation

At 30 June 2020, the Scheme held assets of £575million compared with £523million at the same date last year (not including DC & AVC assets).

The bullets below show how the Scheme’s investments were allocated at 30 June 2020, across asset types.

- Equity Funds 13.3%
- Bond funds 30.7%
- Buy-in / Annuity 7.8%
- Diversified growth funds 7%
- LDI 33.6%
- Property funds 6.3%
- Cash 1.3%

Since 30 June 2020 global equities continued their rebound over the third quarter, boosted by optimism over progress in Covid-19 vaccine trials and supportive monetary and fiscal policies. However, they lost momentum in September and fell further in October as coronavirus fears intensified following a surge in infections and uncertainties surrounded the US election.

In Q3 2020 the market was more optimistic following improvement in global outlook and Government measures that supported the UK’s economic outlook this meant that the market expected rates to rise faster than had been assumed in October.

DB Asset Performance

The table below shows how the Scheme’s investments have performed compared with their agreed benchmarks.

Each benchmark is an agreed indicator of how the fund is expected to perform bearing in mind economic and market expectations

DB Investment Performance	Over the year to date		Over three years (% per year)		Over five years (% per year)	
	Performance	Benchmark	Performance	Benchmark	Performance	Benchmark
Total Scheme	4.7%	5.4%	6.3%	7.0%	7.5%	8.1%

In the period 30 June 2020 to 30 September 2020 assets slightly fell, with a performance of -0.9%, but only under-performing the relative benchmark by 0.2%.

You can see that performance was largely positive over the one, three and five-year periods, however investments fell short of their target returns for each. We continue to monitor investment performance closely including Investment Manager reviews and assessing alternative investment options and Manager performance.

We set out our agreed investment approach in the Scheme’s formal Statement of Investment Principles (SIP) which is now held on a public website and can be found at: www.pensioninformation.aon.com/spiritgroup and contains information on the investment objective, the investment strategy and the Trustee Board’s policy on Environmental, Social and Governance requirements.

Defined Contribution (DC) and Additional Voluntary Contributions (AVCs)

DC assets totaling £17.9m are invested with Standard Life, individual members have a range of funds to choose to invest their DC pension pot in. Individual member AVCs totaling £0.65m are invested with either Aviva, Standard Life, Utmost Life or Prudential.

DC & AVC Performance

More information on how different DC & AVC funds have performed over the year can be found in the Chairs Statement which is included in the Trustee Report & Accounts which can be found at <https://pensioninformation.aon.com/spiritgroup>

How the uncertain economic climate has impacted your retirement savings in the Scheme will vary depending on how they are invested. Remember that you can make changes as and when you feel it’s necessary but do bear in mind that pensions are long-term investments and it’s normal to experience shorter-term ups and downs. Remember too that you can also increase your level of contributions at any time by making AVCs to boost your future benefits.

Protect yourself from cybercrime

Hackers want access to your finances – bank accounts, retirement accounts, loans. Bank accounts are the top target but retirement accounts are becoming increasingly attractive to fraudsters. This is probably because they are not checked as often as everyday financial accounts, and because they can hold a lifetime of savings. Financial advisers recommend that you check your retirement accounts regularly and report any unfamiliar transactions.

Individually, we all have a responsibility to protect our own data to reduce the risk of cybercrime. Here are some top tips to help you keep your online data secure.

Use strong passwords. Make them complex, change them regularly and don't use the same one on multiple sites. In 2019, the UK's National Cyber Security Centre found that '123456' was the most widely used password on breached accounts, followed by '123456789', 'qwerty', 'password' and '1111111'.

Install security software. There are lots of options when it comes to protecting your devices and software from viruses and other malware. This kind of software is often available at no cost.

Keep your devices and software up to date. Regular updates can be frustrating, but they are vital to patch any potential flaws cybercriminals look for.

Back up your most important data. Save your most important online data to an external hard drive or cloud-based storage system.

Lock your devices. Use the screen lock function on your smartphone and tablet.

Manage your social media settings. The more you share online the greater the risk, so keep your personal and private information secure on social media.

Strengthen your security on Wi-Fi. Use a strong password when using public Wi-Fi. It's also a good idea to use a virtual private network (VPN), which will encrypt everything that leaves your device until it gets to its destination.

To find out more about the threat of cybercrime and how you can stay safe, go to: www.getsafeonline.org and www.ncsc.gov.uk.

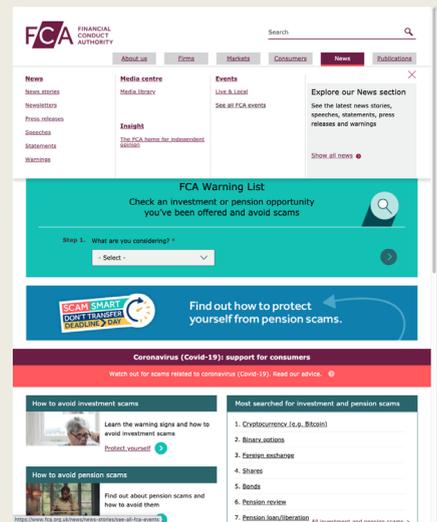
If you are a victim of cybercrime, report it to Action Fraud, the UK's fraud and cybercrime reporting centre: www.actionfraud.police.uk.

Beware of pension scams

Scammers want to persuade you to transfer or release your savings. There are fears that the coronavirus pandemic could make the situation worse. In the uncertain economic climate, people might be more worried about their personal finances and more susceptible to a con. Scammers are always looking for new ways to tempt people into parting with their savings.

Do you know the warning signs of a pension scam?

Go to www.fca.org.uk/scamsmart for tips and online resources to help you protect yourself.



Go to www.thepensionsregulator.gov.uk/en/pension-scams and download the pension scams booklet.





Coronavirus and Brexit update

The coronavirus pandemic has dominated the news and affected the financial landscape for most of the year. After an initial downturn, which coincided with the UK's first lockdown, many of the world's investment markets rallied. However, uncertainty looks set to continue for the next few months at least, with lockdowns reimposed across the UK.

The UK agreed a trade deal with the EU prior to the Brexit transitional period which ended on 31 December 2020.

The coronavirus pandemic and the terms of Brexit are certain to have a short-term impact on the economy. Time will tell as to what the full impact will be, and how long it lasts.

As the Trustee Board of the Scheme, we continue to monitor both issues as they develop. We also have robust strategies in place to ensure the efficient day-to-day running of the Scheme and ensure that members are able to access the services they need.

Minimum retirement age set to increase

The Government has confirmed that the minimum retirement age will rise from 55 to 57 in 2028, to coincide with the rise in the State Pension Age to 67.

Pension savers considering taking early retirement in 2028 or later will need to take this into account – in particular, those that will turn 55 just after the change takes effect.

The Government is expected to legislate for the increase in minimum retirement age in due course. We will keep you updated.

Pension tax allowances

Please remember that it's your responsibility to understand and monitor your position against the pension tax allowances.

The Lifetime Allowance is £1,073,100 for the 2020/21 tax year and rises each April in line with inflation, as measured by the Consumer Prices Index.

The standard Annual Allowance is £40,000 for the 2020/21 tax year.

The tapered Annual Allowance applies for high earners. If your income for the year is more than £200,000, the Annual Allowance may be reduced to between £39,999 and £4,000 (dependent on your total income and pension savings).

The Money Purchase Annual Allowance is £4,000 for the 2020/21 tax year. This allowance comes into effect if you have accessed money purchase pension savings and continue to build up money purchase savings.

You can find information about the allowances online at www.gov.uk/tax-on-your-private-pension.



Don't leave your retirement planning too late

The Money and Pensions Service has published the results of a recent survey on planning for retirement and the headlines are worth considering.

The results indicate that:

Over a third	...of over 50s either leave retirement planning until their final two years before retirement or they won't prepare at all.
69%	...of over 50s have done none or very little retirement planning.
Only 7%	...of over 50s feel fully prepared for retirement.

Those who have recently retired would encourage younger people to start planning earlier. How many of the steps below can you tick off?

	Track down all your pension pots and check their value.
	Consider your expected living costs in retirement.
	Think about when you would like to retire.
	Check your State Pension entitlement and State Pension age.
	If you have dependants, do you need to factor them into your retirement plan?
	If you are age 50 or over, make a free Pension Wise guidance appointment. Go to www.pensionwise.gov.uk to find out more.

Over 2,000 adults aged between 50 and 70 were surveyed during August 2020. You can read the full report at www.maps.org.uk.

More Information

To find out more about the Scheme, please use the contact details below.

There are lots of useful websites that can help you understand your options and support you with your retirement planning.

Get to know your pension at www.yourpension.gov.uk.

The site has a tool that can quickly generate you a retirement checklist to help you assess where you are with your planning. It also has useful links to a pension calculator, a State Pension calculator and more.

Picture your future at

<http://www.retirementlivingstandards.org.uk> The retirement living standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

The Money and Pensions Service brings together three financial guidance organisations, the Money Advice Service, the Pensions Advisory Service and Pension Wise. Go to www.maps.org.uk

Contact Point

Please use any of the methods below to get in touch with the Administration team.

Email: spirit.group.mailbox@aon.com

Phone: 0370 850 6840
(lines are open Monday to Friday, 9am to 5pm)

Write to: Aon, PO Box 196, Huddersfield, HD8 1EG

Reminder to keep us up to date

Please let us know if you change your name or address so we can continue to contact you about the Scheme and your benefits.

Please also update your Expression of Wishes form if you need to. This tells us who you would like to receive any benefits that become payable in the event of your death. As the Trustee Board, we have the final say over who receives the benefits. We will consider your Expression of Wishes form, so if you have never filled one in, or you have not done so recently, particularly if your circumstances have changed, please complete a form and send it to us.

Please use the contact details on the left to request a blank form.

Financial advice

If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser (IFA). Following the announcement that LEBC would not be continuing to provide full support, the re-tender exercise is now complete, and we are very close to agreeing services with another preferred IFA provider and hope to provide more details on this as soon as possible.

If you would prefer to use a different IFA you are able to find an adviser in your area by searching the Money Advice Service directory at <https://directory.moneyadviceservice.org.uk/en>.

Before you appoint anyone, you should check that the adviser is suitably qualified and authorised. You can do this online at <https://register.fca.org.uk> or by phoning the Financial Conduct Authority helpline, **0800 111 6768**.

Remember: if you would like more information about the Scheme, you can request a copy of the Trustee Board's Annual Report & Accounts. Contact the administration team (details on the left) or by visiting the member website: <https://pensioninformation.aon.com/spiritgroup>.

Behind The Scenes

As the Trustee Board, we maintain up-to-date knowledge of pensions, investments and finance. We also attend training courses as and when necessary, for example, when pensions legislation changes. We meet regularly throughout the year to discuss how the Scheme is progressing.

There have been some changes to the Trustee Board during the year and the current Trustees on the Board are listed below. The Board is made up of Company-appointed Directors and member-nominated Directors.

Company-appointed	Member-nominated
Iain Urquhart	Richard Bell
John Freeman (appointed 17 January 2020)	Robert McDonald
Amy Newson	
Daniel Robinson (resigned 17 January 2020)	

We also appoint professionals to support us on areas of particular expertise.

Administrator	Aon Solutions UK Limited (formerly Aon Hewitt Limited)
Actuary	Roger Moring, FIA, Aon Solutions UK Limited (formerly Aon Hewitt Limited)
Auditor	Crowe UK LLP
Covenant Advice	Darren Masters, Mercer LLC
Investment Adviser	Aon Solutions UK Limited (formerly Aon Hewitt Limited)
Legal Adviser	Linklaters LLP



The Trustee Board hold some personal information which we need to administer the Scheme.

Without your personal information, we cannot provide you and your dependants with the correct benefits at the right time.

This will include personal information about you, such as your name and contact details, information about your pension contributions, age of retirement, and in some limited circumstances information about your health (where this impacts your retirement age).

The purposes for which your personal information will be used include management of the pension scheme and your membership within it, to calculate and pay benefits, funding the pension scheme (i.e. helping to ensure that the funds within the pension scheme are sufficient to cover the members who are party to it), liability management (that is to say providing advice on the different ways benefits could be determined, and drawn, from the pension scheme), scheme actuary duties (which include assessing individuals who are members of the pension scheme and assessing how the make-up of the membership may affect the amounts payable and when they become payable so as to manage the pension scheme appropriately), regulatory compliance, process and service improvement and benchmarking.

We may pass your personal information to third parties such as advisors and benefits providers, insurers and to certain regulatory bodies where legally required to do so.

Depending on the circumstances, this may involve a transfer of data outside the UK and the European Economic Area to countries that have less robust data protection laws.

Any such transfer will be made with appropriate safeguards in place.

More detail about our use of your personal information is set out in our full Privacy Notice which has previously been sent to you.

If you need a further copy, please contact us using the contact details on page 6.