



Warburtons Pension & Life Assurance Plan Summary Funding Statement 2024



Who are the trustees?

The trustees are responsible for the efficient and effective running of your Plan. The current trustees are:

Company nominated:

P Tranter - Chair of the trustees –
BESTrustees Limited

M Harding

J Atkins

Member nominated:

A Edmondson

D Piercy

Message from the Chair of Trustees

Welcome to the latest newsletter for members of the Defined Benefit (DB) Section of the Plan.

Pensions Dashboards

The Trustees have been working closely with the Plan's administrators, Hymans Robertson and Fidelity, as we get ready for the launch of the [Pensions Dashboard](#). This will allow members to have an overview of all their pension pots, including State Pensions. The deadline for connection of Plan data to the Dashboard is 31 October 2026, this will be followed by a testing phase before the UK Government launches the Dashboard for members to access.

Government proposals for use of surplus in pension schemes

Members may have seen that the Government is looking at ways in which pension scheme surpluses can be used to help invest in the country's economic growth. Despite the headlines, not much detail has been forthcoming on these proposals yet, so it is not clear what the implications might be for the Plan. Members can however take some comfort from the fact that the Trustees remain focused on further improving the security of members' benefits.

Plan funding

It doesn't seem that long ago that we were reporting the results of the 2022 actuarial valuation to Plan members. Formal actuarial valuations are carried out every three years, so another one is now due as at 5 April 2025. The Trustees will be working with the Plan's advisers and the Company to get this completed this year. The most recent update is set out on the Summary Funding Statement detailed in this newsletter. Watch out for further news on this next year.

A plea from your Trustees

Last year we encouraged members to update or complete an Expression of Wish (EoW) form so that we have some idea of how members would like any benefits distributed on their death. Whilst we have had some success with this, we have been faced with making some very difficult decisions this last year on account of forms being out of date or missing completely. In some cases, forms have not been updated to reflect changes in member's personal relationships e.g. they might reference a partner who the member had many years ago but where the relationship had subsequently ended. Details of how to update your EoW can be found in the pensions checklist on page 8. Please help us out by checking what's in your EoW so that we know what your wishes are today.

Best wishes,

Phil Tranter, Chair of Trustees

Welcome to your 2024 summary funding statement. This statement lets you know about your Plan’s financial position and updates you on developments over the past year. A full valuation of the Plan’s financial position is done every three years, with annual updates in intervening years. The most recent actuarial valuation was carried out as at 5 April 2022.

This statement describes how the Plan’s financial position has changed since the most recent actuarial valuation and subsequent annual updates included in the previous summary funding statement, which was sent to you in 2024.

As trustees, we are responsible for monitoring the Plan’s financial health and reporting its financial position to members. Legislation requires trustees and employers to work together to maintain the financial health of their Plan, and we must issue the summary funding statement to members.

We hope this summary funding statement helps you understand the financial arrangements that support your retirement benefits.

How does the Plan work?

This section of the Warburtons Pension and Life Assurance Plan delivers defined benefits as set out in the Plan’s rules. These benefits are based on your pensionable salary and how long you’ve been a member of the Plan. They are financed by contributions paid before the Plan’s closure from the Company and from the members, which are jointly paid into the fund. Together with investment returns, this fund covers the payment of benefits to Plan members and/or their dependants now and for the future.

Understanding your summary funding statement

What does this word mean?

Pensions have a language of their own – words which have a specific meaning, and which are used as ‘shorthand’ when talking about pensions. Here is an explanation of some of the words we use in this statement.



Assets

This is all the money building up in the Plan as investments, bank balances and any money owed to the Plan



Funding level

This is the assets divided by the liabilities. If the value of the assets was equal to the liabilities, the funding level would be 100%.



Liabilities

This is everything the Plan owes now, and the expected value of benefits it will have to pay to members and their dependants in the future.



Scheme Actuary

A professional appointed by the trustees to assess the financial sustainability of the Plan and provide actuarial advice.



Surplus

If the Plan has more assets than liabilities, it has a surplus.



Deficit

If the Plan has more liabilities than assets, it has a deficit.

Your summary funding statement

The Plan's financial position

At the date of the most recent formal actuarial valuation of the Plan (5 April 2022), the Plan had assets of £423.0m

The amount the Plan needs to provide benefits was £408.9m

This gave a surplus of £14.1m

This is the same as a funding level of 103%

How has this changed?

The Plan financial position is estimated at least once a year. At 5 April 2023 and 5 April 2024, the scheme actuary estimates:

	5 April 2023	5 April 2024
The Plan's had assets of	£279.2m	£250.2m
The amount the Plan needs to provide benefits was	£285.1m	£256.3m
This gave a deficit of	£5.9m	£6.1m
This is the same as a funding level of	98%	98%

The funding level has changed since 5 April 2022 as there have been significant falls in the value of the Plan's assets and the amount needed to meet member's future benefits.

This is largely due to changes in long term yields on Government bonds – we need less money today if we can get higher returns in the future. High inflation in recent years has also affected members' benefits, increasing the expected level of benefits to be paid from the Plan.

The protections built into the Plan have helped to stabilise the funding level of the Plan, and the overall funding level has remained the same as last year at 98%.

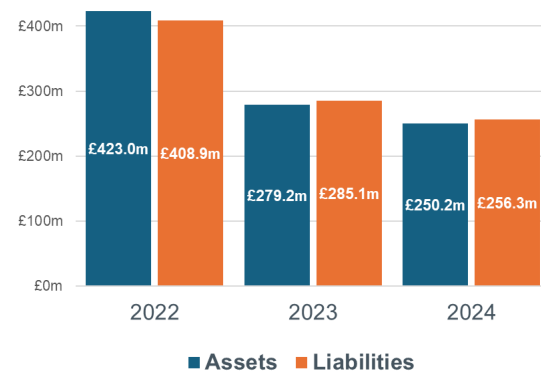
Members should also note that the amounts shown in the table to meet members' future benefits ignore expected future investment returns above a fairly modest level agreed between the Trustees and the Company at the last valuation.



Payments to Company

There have been no payments to the Company out of Plan funds in the period since last year's summary funding statement.

The Plan's financial position



What if the Plan started to wind up?

One of the periodic checks the scheme actuary carries out is the funding level of the Plan if it were wound up with no further contributions from the Company. At the last formal actuarial valuation on 5 April 2022, the estimated cost for ensuring that the benefits built up to that date for all members could be paid in full (by transferring such liabilities to an insurance company) was £474m. Therefore, the Plan would have needed an additional £55m of assets to ensure benefits were paid in full. However, the Plan's estimated position on this basis has improved significantly since 2022, with the estimated deficit having reduced from c£55m to c£13m as at 31 December 2024.

If the Company could no longer support the Plan and couldn't pay enough to secure members' benefits in full, the Pension Protection Fund (PPF) might take over the Plan and pay compensation to members. The PPF is not intended to replicate each member's pension exactly, but to ensure that members receive most of their pension. For example, increases to pensions in payment once a scheme is in the PPF may be lower than the increases that the scheme would have otherwise provided.

Further information and guidance is available on the PPF's website at www.ppf.co.uk. You can also email information@ppf.co.uk or call 0345 600 2541, from 9.00am to 5.30pm, Monday to Friday.

Statements about The Pensions Regulator's involvement with the Plan

Legislation requires us to tell you certain information about The Pensions Regulator's involvement in the Plan.

We confirm that The Pensions Regulator has made no modifications to or directions on the Plan, nor has it imposed a schedule of contributions on the Plan.



Keeping the trustees informed

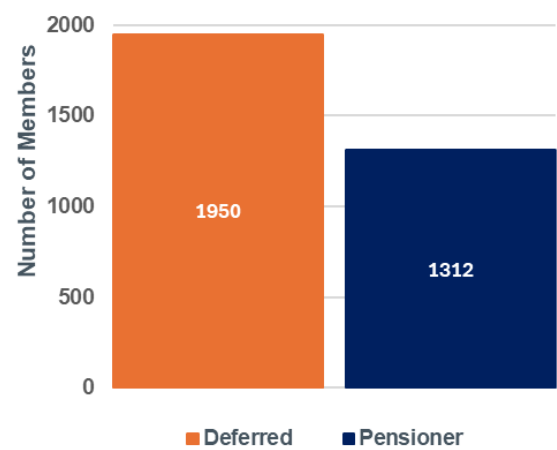
So that we can continue to send you information about your pension, please remember to let us know if your address changes.

Please also remember to keep your beneficiary nominations up to date, particularly if your circumstances change. You can get a form from the Plan's administrators using the details on page 7.

Scheme Information

What is the membership of your Plan?

As of 5 April 2024, the Plan had 1,950 deferred members and 1,312 pensioners in the Defined Benefit section.



Who are your Plan’s professional advisers?

The trustees delegate some of their day-to-day responsibilities to professionals and take advice from experts when making decisions. The trustees’ current advisors are:

Scheme actuary	R Shackleton FIA C.Act, Hymans Robertson LLP
Independent auditor	Deloitte LLP
Administrators	Defined Benefit Section: Hymans Robertson Defined Contribution Section: Fidelity Pensions Management
Investment advisers	Both sections: Lane Clark & Peacock LLP
Additional voluntary contribution (AVC) providers	Defined Benefit Section: The Prudential Assurance Company Limited Defined Contribution Section: Fidelity Pensions Management
Annuity providers	Phoenix Life
Legal advisers	DLA Piper UK LLP
Covenant advisers	Cardano Advisory Limited



For more information

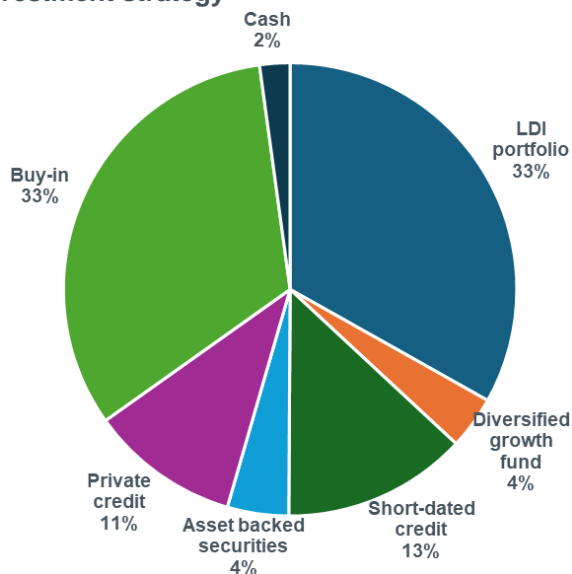
If you would like more information about anything in this statement, please contact the Plan administrators at warburtons@hymans.co.uk

How is the fund invested?

The trustees aim to invest the Plan's assets prudently to ensure that the benefits promised to members are paid.

The trustees have chosen an investment strategy that is diversified and designed to achieve a reasonable return while maintaining a prudent approach to meeting the Plan's liabilities.

Investment strategy



On 5 April 2024 the Plan had assets of £250.2m. The Plan's funds are invested in a range of assets, noted in the chart above.

Below is a brief description of each of the assets in the Plan's investment strategy:

Cash – Cash held by the Plan in bank accounts to meet payments of pensions and other outgoings.

LDI portfolio – A portfolio of investments designed to help protect the Plan from changes in interest rates and inflation, known as “liability-driven investments” or “LDI”.

Diversified Growth Fund – A fund that invests across a number of different asset types with the aim of growing the Plan's assets while spreading risk.

Short-Dated Credit – Low-risk short-term bonds, helping to keep the Plan's assets safe and accessible.

Asset-Backed Securities – Investments that earn income from things like mortgages or loans, helping to grow the Plan's assets steadily.

Private Credit – Loans made directly to companies, offering higher returns in exchange for locking the money away for longer.

Buy-in – The Plan has also purchased an insurance policy with Phoenix Life, which covers the payment of benefits for a portion of the Plan's pensioner membership. This is represented by the 'Buy-in' item in the chart.

GMP equalisation

You may be aware of a case in the High Court involving the Lloyds Bank pension schemes, which related to scheme members who were contracted out of the State Earnings-Related Pension Scheme and therefore accruing a guaranteed minimum pension (GMP) in their pension scheme between 1990 and 1997. The state scheme, and the GMPs that were provided in its place, were unequal between men and women because both were linked to what was then state pension age (60 for women and 65 for men). This meant that men and women received different overall benefits from their pension scheme.

The High Court decided that, where pension scheme members accrued GMPs between 1990 and 1997, their overall benefit for this period must be made equal between men and women.

The trustees are working on a project to equalise GMPs, correcting benefits where necessary so men and women are treated the same. The aim is to ensure that members receive the higher of the benefits that would have been paid if they were male or female. In brief, some members may receive a small top up to their pension as a result of GMP equalisation. The trustees have formed a working party specifically to address the impact, but working out which members are affected is a complicated and time-consuming project. The project is expected to be completed later this year.

Any impacted members will be written to as part of the project, before any changes to benefits take place.

Pensions checklist

Every year it's worth asking yourself a few questions which might have an impact on your pension arrangements.

Ask yourself	What to do
Have your personal details changed? For example, do you have a new name, phone number or address?	Contact Hymans, your pension administrator, at warburtons@hymans.co.uk
Do you want to update your expression of wish records, which detail who would benefit should anything happen to you?	Contact Hymans, your pension administrator, at warburtons@hymans.co.uk
Are you getting close to retirement and considering your options? If so, you should also consider whether or not your investment choices remain suitable.	<p>You should seek independent financial advice and contact Hymans at warburtons@hymans.co.uk if you want information, for example a transfer value or a retirement quotation. You can find independent financial advisers local to you at www.unbiased.co.uk.</p> <p>You can also request a quotation online using our dedicated pension website www.warburtonsdbpension.co.uk.</p>





Data controllers

The trustees use your personal data to administer the Plan, acting as a data controller. Your personal data will be processed fairly and lawfully, in accordance with the principles of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 solely in connection with the scheme.

Details of how we use your personal data can be found in the privacy notice, saved on the scheme website here:

www.warburtonsdbpension.co.uk/resources/privacy-notice/.

If you have any queries about your personal data, please contact Hymans Robertson Trust Centre at:

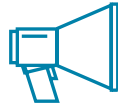
www.hymans.co.uk/information/trust-centre/



Scheme website

The Plan operates a website where you can manage your details, access your documents and view other useful resources. These can be found at

www.warburtonsdbpension.co.uk.



Pension scams: a warning

Some savers have been tricked into handing over their savings to scammers. The scammers succeed by convincing pension scheme members to try to gain early access to their savings (before age 55) or by transferring their pension account to attractive-sounding overseas investment opportunities.

How to spot a scam:

- Beware of cold callers, emails or offers of a 'free pension review' or 'one-off opportunity' to make investment with 'guaranteed returns'.
- A promise of large investment returns if you agree to transfer money overseas is another indicator of scam tactics.
- Any paperwork which requires immediate signature, or advice to place all savings in a large single investment is likely to be unscrupulous (in general, financial advisers suggest diversification of your assets).
- Be cautious when informed of a 'legal loophole' which allows you to get 'cash back' from your pension.

If it seems too good to be true – it probably is!

The consequences of a scam can be disastrous. You could end up losing all of your pension savings, and in some cases you might get a tax bill on your pension pot of up to 55% for accessing funds early.

If you have a question about your membership record or an administration issue, please contact the scheme administrator, Hymans Robertson LLP

Telephone number:

Members: 0207 082 6433 (Mon – Fri, 9am to 5pm)

Pensioners: 0141 566 7640 (Mon – Fri, 9am to 5pm)

Email address:

Members: warburtons@hymans.co.uk

Pensioners: payroll@hymans.co.uk

If you are thinking of leaving the Plan for any reason, we recommend that you take financial advice first. For a list of independent financial advisers local to you, go to www.unbiased.co.uk