

The BW Plan Summary Funding Statement based on 31 March 2025 Actuarial Report

As you may recall from summary funding statements that you have received previously, the Trustee is required to provide you with regular updates on the financial position of the Plan. Although the Defined Benefit section of the Plan is closed, it continues to provide benefits relating to your service in the Plan up to the date of closure or earlier leaving. The previous statement that you received included a summary of the results of the formal triennial valuation as at 31 March 2023 and an approximate update at 31 March 2024.

Formal valuations of the Plan are carried out every three years, and in the interim period the Trustee receives an annual update of the financial position of the Plan. This statement is based on the financial position as at 31 March 2023 (the most recent formal triennial valuation) and the results of approximate updates as at 31 March 2024 and 31 March 2025. The next formal valuation is due as at 31 March 2026.

You will be aware that in December 2024, the Trustee purchased a further bulk annuity policy with JUST and therefore, the Trustee holds two bulk annuity policies covering all Plan members. The policies are held as assets of the Plan and provide an income to cover the benefits due under the Plan's Trust Deed and Rules. The estimated position as at 31 March 2025 shown below, takes account of the value of the two bulk annuity policies.

The latest formal Plan funding valuation

The Trustee obtains regular financial health checks, known as valuations, to determine the value of the total accrued benefits in the Defined Benefit section.

The formal valuation at 31 March 2023 was carried out in line with current legislative requirements and was completed within the 15-month statutory timeframe. The valuation of the Plan showed that, on 31 March 2023, the surplus relating to the Defined Benefit section of the Plan was as follows:

	£million
Money held in the Plan (assets)	105.2
Amount needed to provide benefits (liabilities)	104.9
Surplus/(Deficit)	0.3

Following the completion of the 2023 valuation, it was agreed that the Company would pay £800,000 a year into the Plan to meet expenses. This fixed contribution is to meet all administrative, investment management and advisor costs associated with running the Plan and covers both ongoing and project expenses. In addition, the Company shall continue to pay the Pension Protection Fund Levy for the Plan for the year. Further information on the Pension Protection Fund is detailed on page 2.

Updated position as at 31 March 2025

Last time's Summary Funding Statement set out the results of the 31 March 2023 formal valuation, as well as an update of the Plan's funding position at 31 March 2024. A subsequent update of the Plan's funding position was carried out at 31 March 2025 and the results were as follows:

	Surplus/(Deficit) £ million
31 March 2023 – formal valuation date	0.3
31 March 2024 – financial update	1.9
31 March 2025 – financial update	(0.5)

Over the period since the 2023 formal valuation, the funding position had worsened, and the Plan had a deficit of £0.5 million at 31 March 2025. The Plan's liabilities and assets fell over the year, driven mainly by a rise in long term interest rates. The long-term inflation expectations have also slightly decreased since the valuation date, which has led to a further small decrease in liabilities. The fall in liabilities has been slightly offset by actual increases to benefits being higher than expected since the valuation date.

Asset values fell by more than the liabilities over the period since the valuation, albeit this was partially offset by a contribution paid by the Company to secure the second buy-in policy. Overall, this led to the Plan falling into deficit. The remaining liabilities will be funded by the Company as and when required.

Pension Act requirements

In accordance with the requirements of the Pensions Act 2004, we can again confirm that there have not been any payments to the Company out of the Plan since the last funding statement was issued. We can also confirm that the Plan has not been modified by the Regulator and that no directions or a schedule of contributions has been imposed on the Plan by the Regulator.

What is the Defined Benefit Plan invested in?

The main assets of the Plan are the two buy-in policies with JUST. The Trustee maintains a small bank balance that is used to meet ongoing expenses and to facilitate the payment of any uninsured liabilities.

What would happen if the Plan started to wind-up?

Legislation requires that we inform you about what would happen if the Plan were to wind-up. As the Plan has secured two bulk annuity policies covering the Plan's liabilities and with the Company's continuing financial support, it is expected that the Trustee will have sufficient assets to fully secure all liabilities if the Plan were to wind-up.

The Plan's assets consist of two buy-ins, therefore if the sponsoring employer became insolvent the Plan would not qualify for entry to the PPF as at 31 March 2025 and instead members would receive their full benefits secured with the insurer.

Further information and guidance is available on the Pension Protection Fund's website at www.ppf.co.uk or you can email the Pension Protection Fund at information@ppf.co.uk.

Where can I get more information?

If you have any other questions, or would like any more information, then please contact XPS, their details are provided in the newsletter.

What documents am I entitled to?

Members of an occupational pension scheme are entitled to the following documents related to the funding and management of their scheme, free of charge:

- *Statement of Funding Principles* - This sets out the Plan's funding plan.
- *Actuarial valuation report* – This is the Actuary's check of the Plan's financial situation as at 31 March 2023.
- *Schedule of Contributions* - This shows how much money is being paid into the Plan.
- *Statement of Investment Principles* - This explains how the Trustee invests the money paid into the Plan. This document can be found on the following web page: <https://www.yourBWpension.co.uk>

On behalf of the Trustee of the BW Plan
November 2025