Aalberts Surface Technologies Heat Ltd Group Pension Scheme

Your 2026 Summary Funding Statement

The Trustees of the Aalberts Surface Technologies Heat Ltd Group Pension Scheme ("the Scheme") are writing to you to provide you with an update of the funding position of the Scheme. This statement is for information only, and is being sent to all pensioners and other members who are entitled to benefits from the Scheme.

Background

The Scheme is overseen by Aptia Pension Consulting (formerly known as Atkin Trustees Ltd), a company which provides professional independent trustee services to pension schemes.

The Trustees seek to have sufficient money to continue to pay full pension entitlements to all members. In order to do this, the aim is for the Scheme to become and remain fully funded on a scheme-specific basis (in accordance with the Pensions Act 2004). This means that, in normal circumstances, there would be enough money over time to meet all the commitments of the Scheme as they fall due.

To achieve this, the Trustees will:

- agree from time to time the contributions to be paid by Aalberts Surface Technologies Heat Ltd ("the Employer"), based on the periodic actuarial valuations;

- oversee a prudent investment policy designed to match the funding required by the Scheme.

The Trustees recognise that the Scheme will also need the Employer to continue as a solvent employer so that contributions can be paid to the Scheme as required.

No pension benefits can ever be completely secure. This statement gives information on the actions the Trustees and the Employer are taking to ensure the Scheme can pay all pensions in full, and the additional protection available from the Pension Protection Fund.

Note that no payments have been made from the Scheme to the Employer over the period since your last Summary Funding Statement, and there has been no need for intervention from The Pensions Regulator.

The Scheme's funding position

For each year you were an active member of the Scheme, you will have built up benefits payable to you on retirement. All contributions paid to the Scheme are held in a common fund known as the Scheme's assets. The benefits which you, and other members, are entitled to are known as the Scheme's liabilities.

- If the Scheme's assets exceed the Scheme's liabilities, the Scheme is said to have a "surplus".

- If the Scheme's liabilities exceed the Scheme's assets, the Scheme is said to have a "shortfall".

Every three years, our Scheme Actuary, a qualified and independent professional, will estimate the value of the Scheme's liabilities using a set of assumptions for the future and compare this with the value of Scheme's assets. Within each three year period, the Scheme Actuary will check the funding position of the Scheme annually and report this to the Trustees so they can monitor how the position changes.

Latest funding information

The latest formal actuarial valuation of the Scheme showed that on 31st December 2024 the Scheme had a shortfall as shown below. This reflects a very significant reduction in the deficit when compared with the approximate funding updates at 31st December 2023 and 31st December 2022 and the formal actuarial valuation as at 31st December 2021.

Type of Valuation	**Formal actuarial valuation**	**Funding update**	**Funding update**	**Formal actuarial valuation**
Date	**31/12/2024**	**31/12/2023**	**31/12/2022**	**31/12/2021**
Value of the Scheme's assets	£12,331,000	£12,618,000	£12,061,000	£13,045,000
Value of the Scheme's liabilities	£12,608,000	£13,977,000	£14,601,000	£20,875,000
Surplus/(shortfall)	**(£277,000)**	**(£1,359,000)**	**(£2,540,000)**	**(£7,830,000)**

The improvement in the Scheme's funding position in the period between 31st December 2021 and 31st December 2024 is primarily due to beneficial changes in financial conditions over the period, in particular the significant rise in long-dated gilt yields, which are used to value the Scheme's liabilities. This had a particular impact in the year to 31st December 2022. Contributions made by the Employer to reduce the shortfall also improved the position of the Scheme year on year. These improvements have been partially offset by asset returns being lower than expected and inflation being higher than assumed at the last valuation.

The next formal actuarial valuation is due as at 31st December 2027.

Financial support for the Scheme

A document entitled the "Schedule of Contributions" is produced following each formal Actuarial Valuation of the Scheme whereby the Scheme Actuary estimates the contributions required by the Employer to meet the cost of providing all benefits in the Scheme.

The Schedule of Contributions is reviewed and updated at each formal Actuarial Valuation.

Whenever the Scheme Actuary estimates there is a shortfall in the Scheme, the Employer will be asked to make additional contributions. These are detailed in the document entitled the "Recovery Plan".

The Trustees' Recovery Plan

In order to address the funding shortfall identified as at 31st December 2024, the Employer agreed a plan with the Trustees to pay additional contributions as follows:

- 2025 £63,000 per month

- 2026 £63,000 per month
- 2027 £63,000 per month (January and February only)

Note that Scheme administration expenses and PPF levies are paid by the Employer in addition to the above.

The Recovery Plan is reviewed by the Trustees and the Employer as part of each actuarial valuation. Following this exercise, the valuation results and Recovery Plan are submitted to The Pensions Regulator.

Scheme asset information

The Scheme is a "Final Salary" arrangement and the money to pay for members' benefits is held in a common fund. It is not held in separate funds for each individual. These funds are invested in line with the agreed "Statement of Investment Principles". The SIP can be found on https://members.pensionpal.co.uk/AalbertsSTPensions

At the date of the latest audited Scheme accounts, the Scheme's assets were broadly invested as follows:

Asset type	31st December 2024
Equities	35%
Liability Driven Investments	23%
Corporate and other Bonds	13%
UK Government Bonds (Gilts)	5%
Cash and Net Current Assets	24%

Changes to the Scheme

The Trustees do not intend to make any changes to the Scheme in the near future.

Part of your benefit may include an element known as Guaranteed Minimum Pension (GMP) which would have been built up as a result of you being contracted-out of the State Earnings Related Pension Scheme (SERPs). In a case concerning the Lloyd's Bank pension schemes, the High Court ruled that members who have Guaranteed Minimum Pension (GMP) must have their benefits adjusted to ensure that benefits are equal from 17th May 1990. The calculation of GMP is governed by statute so it is the law that has meant that these benefits were unequal between men and women. The decision in the Lloyd's case means that benefits must be equalised to allow for GMP.

If you are receiving benefits from the Scheme and an element of that pension includes GMP, your benefits may be adjusted in the future. Any adjustment due will increase your pension although this is likely to be small in most cases and not all members will receive additional benefits. The Trustees will write to you once there is further clarity on this matter.

Transferring your benefits

If you are thinking of moving your benefits from the Scheme for any reason, the Scheme administrator can provide you with a transfer value. Any member whose transfer value is over £30,000 must take appropriate independent advice before a transfer can proceed.

Be aware of Pension Scams

One of the most common methods used by scammers to commit pension fraud is through cold-calling. Firms can no longer make unsolicited marketing calls about pension schemes. Firms found flouting the ban will face enforcement action from the Information Commissioner's Office and could be fined up to £500,000. Despite the cold-calling ban, it is thought that fraudsters may ignore the ban and so it is important to remain vigilant and be aware of the dangers of pension scams. Similarly, be cautious of any unsolicited approaches vie e-mail or social media about your pension benefits.

You can also visit the ScamSmart website to check the firm you are dealing with is regulated and to see whether what you're being offered is a known scam or has the signs of a scam. See: www.fca.org.uk/scamsmart

Winding-up position

In the event that the Scheme were to start winding up, the Employer would be required to pay enough into the Scheme to enable all members' benefits to be secured with an insurance company. At 31st December 2024 it was estimated that an additional £2.1 million would be required (on top of the value of the Scheme's assets) to secure all members' benefits. If the Employer became insolvent, it may be that the Employer would not be able to pay this amount in full. Under those circumstances, The Pension Protection Fund may be able to take over the Scheme and pay some compensation to members.

Further information is available on the Pension Protection Fund's website at www.pensionprotectionfund.org.uk, alternatively you can write to the Pension Protection Fund, PO Box 254, Wymondham, NR18 8DN or you can call them on 0330 123 2222.

The information above does not mean the Employer is considering winding-up the Scheme. It has been included above as it is required by law.

Further information

We would be grateful if you could keep us up to date with any changes in your name or address by writing to us at the address below. If you have any questions or would like any further information, please contact the pensions administrators:

Shannon Mills
Pensions Administration Manager
Little & Company
Suite 5.01, Clockwise, River House
48-60 High Street
Belfast
BT1 2BE

The following documents can be provided upon request:

- The **Statement of Funding Principles** sets out the actuarial assumptions adopted in estimating the value of the Scheme's liabilities.
- The **Statement of Investment Principles** details how the assets of the Scheme are invested.
- The **Schedule of Contributions** shows how much is being paid into the Scheme.
- The latest **Trustees' Annual Report and Accounts** shows the Scheme's income and expenditure over the Scheme year.
- The **Actuarial Valuation Report** details the Scheme's funding position as at 31st December 2024
- The **Member's explanatory booklet** would have been provided to you previously, but we can provide you with another copy if required.

Trustees of the Aalberts Surface Technologies Heat Ltd Group Pension Scheme

Date: June 2026