

Brambles Enterprises (1996) Pension Scheme Newsletter

Spring 2025

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Welcome to this latest issue of your Scheme newsletter.

The economic landscape has shown signs of improvement recently, but it remains fragile. Inflation appears to be broadly under control, yet interest rates remain high. At the time of writing, the Bank of England expects interest rates to fall gradually in the coming months. Meanwhile, the Government has made 'tough' decisions, such as cutting the winter fuel allowance for most pensioners, and there are a number of other rumours regarding potential policy. We remain vigilant. We will monitor any updates and communicate with you where there may be an impact to members.

We understand that your Scheme benefits may be your main source of retirement income and we will continue to work hard to ensure they are well protected.

Funding update

Inside, we report on the Scheme's latest financial position in our summary funding statement. This is based on the Scheme's position as at 5 April 2024. The headline is that the funding position has slightly improved since the valuation at 5 April 2023.

Scheme website

The Scheme website is on hand to support you if you are looking for information about the Scheme or if you have a general query. See page 6 for details.

Wider pensions news

Our round-up of general pensions news starts on page 4. We report on changes to the pension tax allowances and include reminders on forthcoming changes to the minimum retirement age, and how to stay safe from pension scams.

If you have any questions about the Scheme or your benefits or you have a topic you want to see covered in our next issue, please do get in contact. The relevant details are on page 6.

The Aon Retirement Options Model

The AROM online tool is now back online. This tool is intended to help you understand and consider your options as you approach retirement. If you are a deferred member over the age of 55 you will be receiving a separate communication reminding you about how to access the AROM online tool.

Steve Longworth

**For and on behalf of ZEDRA Governance Limited,
as Trustee of the Brambles Enterprises (1996)
Pension Scheme**



In numbers

The membership





At 5 April 2024 there were 701 members in the Scheme compared with 703 members at the same date last year.

382	Deferred members No longer building up benefits but have benefits in the Scheme for when they retire.
319	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 for the year ended 5 April 2024. If you would like more detail, please request a copy of the full report using the contact details on page 6.

	The value of the assets supporting the Scheme at 5 April 2024	£73.9m
	The decrease in the value of the assets over the reporting year	-£6.2m
	The total value of Company contributions paid in to the Scheme during the year	£4.5m
	The total value of benefits paid to members during the year	£3.7m

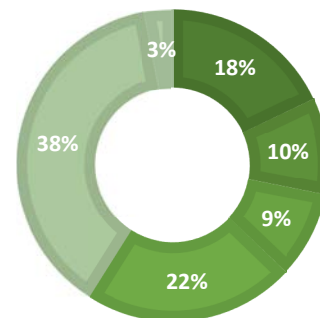
Investment update

As Trustee, it is our responsibility to agree 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.

Asset allocation

At 5 April 2024, the Scheme held assets of £73.9 million compared with £80.2 million at the same date last year. The chart shows how the Plan's investments (excluding AVCs and DC assets of £0.6 m) were allocated at 5 April 2024 across asset types.

- Equities 18%
- Bonds and Gilts 10%
- Alternatives 9%
- Illiquid assets 22%
- Hedging portfolio (LDI) 38%
- Cash 3%



Performance

Between 5 April 2023 and 5 April 2024, the Scheme has produced a loss of 5.7% on its investments. This is largely due to the change in the hedging portfolio (Liability Driven Investments) as detailed below.

Additional Voluntary Contributions (AVCs)

The Trustee wishes to remind members who currently hold AVC funds of the importance of reading their benefit statements upon receipt. Members may wish to review their AVC fund on a regular basis and take independent financial advice.

Liability Driven Investments

Pension scheme liabilities by nature are very sensitive to changes in interest rates and inflation movements, therefore the Scheme invests in Liability Driven Investments ('LDI') to mitigate the impact of interest rate and inflation movements on the funding level over time. This part of the investment strategy has materially reduced funding level volatility for the Scheme during periods of extreme market volatility.

Over the year, gilt yields continued to rise gradually. The Scheme's liabilities are measured with reference to gilt yields, meaning that the value placed on the liabilities decreased as yields rose. However, due to the hedging effect of the LDI holdings the value of the assets largely moved in line with the value of the liabilities. Therefore, despite the fall in the value of the Scheme's assets over the period, the funding position has not been significantly affected.

We will continue to monitor performance and make any changes we feel are necessary.

For further details on our investment approach, read our Statement of Investment Principles (SIP) at www.bramblesenterprises1996pensionscheme.co.uk

You can also read our engagement policy Implementation Statement showing how our policy on engagement activities and voting has been followed during the year.

In the news



Autumn Budget

The Government is consulting on changes that might bring some items of pension savings into inheritance tax, but not until 6 April 2027. We will keep you up to date with developments.

Your pension tax allowances

The Government has made some changes in recent years to the tax allowances that apply to pension benefits, which are set out below. Please note that these allowances apply to the total of all your pension arrangements, not just those relating to the Scheme.

Annual Allowance

This is the maximum amount you can add to your pension benefits each year tax free. The standard annual allowance for most people is £60,000. Higher earners – broadly someone with a total UK taxable income over £200,000 a year – might have a lower Annual Allowance.

You may have a Money Purchase Annual Allowance if you have savings in a Defined Contribution pension scheme and use these to provide certain benefits. Examples include taking some of your savings as cash or moving them into a drawdown arrangement and using them to provide you with an income. The Money Purchase Annual Allowance is £10,000.

Lifetime Allowance

The Lifetime Allowance used to limit the total amount of pension savings you could take when you retire without having to pay extra tax. The Lifetime Allowance was abolished from 6 April 2024.

Lump Sum Allowance

This is the limit on the total amount of tax-free lump sums (or tax free element of lump sums) payable to members. This applies to pension commencement lump sums (PCLS) or the 25% tax free part of a lump sum from a DC plan. For those without earlier protections the LSA is £268,275.

Lump Sum and Death Benefit Allowance

This covers both the maximum amount of tax-free cash you can receive when you retire and your beneficiaries can receive following your death. It also covers any serious ill-health lump sums paid. This limit is £1,073,100.

There are more details on the pension tax allowances on the Government's website. Go to www.gov.uk/money/business-tax-pension-scheme-administration-tax-on-pensions.

You are responsible for monitoring your tax position. If you are unsure of your tax position, please speak to an independent financial adviser





In the news

Stay alert to the threat of pension fraud

As Trustee, we continue to be vigilant around the dangers of cyber security and fraud as a risk to the Scheme.

On an individual basis, recent research by LV= suggests that one in seven UK adults have been the victim of an attempted pension scam in the past year.

There are common signs to look out for. If you receive any of the below warning signs, it could well be a scam:

- Unsolicited contact about your pension.
- Undue pressure to make a quick decision.
- Promises of guaranteed investment returns.
- Information about apparent loopholes to access your pension savings early.

To learn more about how to protect yourself go to www.moneyhelper.org.uk and choose **Money troubles > Scams > How to spot a pension scam** (you may need to click 'View all' first).

The Financial Conduct Authority (FCA) also provides guidance on how to spot potential scams. Visit the ScamSmart area of their website: www.fca.org.uk/scamsmart

The National Cyber Security Centre has a Cyber Aware website that contains up-to-date advice on how to stay secure online. For more information, including a free personalised action plan to improve your cyber security, visit their website at www.ncsc.gov.uk/cyberaware. We've also included a copy of an updated leaflet on the signs of a scam alongside this newsletter.

Newsbites

Minimum retirement age to increase

The youngest age most people can start to receive their pension benefits will go up from April 2028 – from age 55 to age 57.

The aim of this change is to keep the minimum retirement age at around 10 years below the State Pension Age, which is due to rise gradually from 66 to 67 between 2026 and 2028.

If you have a protected pension age in relation to your benefits from the Scheme, we will write to you in advance of the change being implemented in April 2028.

Pensions Dashboards update

The Pensions Dashboards Programme is developing an online framework to enable savers to keep track of all their pension savings in one place. All pension schemes with more than 100 active and deferred members must connect by 31 October 2026, with the Scheme aiming for a connection date of 31 March 2026.

Once the framework is in place, the expectation is that multiple providers will connect to it. This will potentially give consumers a choice of where to go to monitor their savings. Providers are likely to include government-backed services such as MoneyHelper, pension providers and banks.

For more information, please visit www.pensionsdashboardsprogramme.org.uk



More information

Scheme website

To find out more about the Scheme, go to:

www.bramblesenterprises1996pensionscheme.co.uk

which provides links to the Statement of Investment Principles, Implementation Statement and other tools that are available to you assist you with your pension. A copy of this newsletter will also be attached to the website for ease of reference.

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

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.

MoneyHelper

www.moneyhelper.org.uk MoneyHelper is a free, impartial guidance service, backed by the Government. It brings together the support that was previously available through the Money Advice Service, the Pensions Advisory Service and Pension Wise.

Contact point

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

Email: brambles@xpsgroup.co.uk

Phone: 0121 752 6610

lines are open Monday to Friday, 9am to 5pm

Write to: The Brambles Enterprises (1996) Pension Scheme, c/o XPS Administration, 1 Colmore Row, Birmingham, B3 2BJ

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, 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.

Remember

If you would like more information about the Scheme, you can request a copy of the Trustee's Annual Report & Accounts. Contact the administration team (details below).

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

Administrator	XPS Administration
Actuary	Steven Keller FIA C.Act, Aon Solutions UK Limited
Auditor	J W Hinks LLP
Investment Adviser	Aon Solutions UK Limited
Legal Adviser	Mills & Reeve LLP

ZEDRA Governance Limited is the Professional Corporate Sole Trustee for the Scheme and is represented primarily by Steve Longworth supported by Matt Riley and other members.

As Trustee, 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.



Summary funding statement

This section summarises the results of the funding update at 5 April 2024, as well as the most recent valuation results at 5 April 2023. 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 5 April 2023.

	Update	Valuation
Date	5 April 2024	5 April 2023
The funding level	79%	77%
The funding target	£92.9 million	£103.5 million
The value of the Scheme's assets	£73.4 million	£79.6 million
The overall position	Shortfall of £19.5 million	Shortfall of £23.9 million

The latest update at 5 April 2024 shows that the funding level has improved slightly and the deficit has reduced since the valuation, driven primarily by the payment of deficit repair contributions from the Company.

The next financial check will be based on the Scheme's position at 5 April 2025. 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.



Summary funding statement

Removing the shortfall

As part of the valuation at 5 April 2023, we agreed with the Company to bring the Scheme to a fully funded position. This is known as a 'recovery plan'. The Company agreed to pay:

- contributions of £333,333 each calendar month for the period from 6 April 2023 to 5 June 2024;
- contributions of £358,333 each calendar month for the period from 6 June 2024 to 5 July 2028; and
- a lump sum contribution of £350,000 payable by 30 June 2024.

These contributions and anticipated investment income are expected to be sufficient to eliminate the shortfall by 5 July 2028.

In addition, the Company continues to pay an additional amount to meet the expenses of the Scheme and other charges, for example the annual levy to the Pension Protection Fund

www.pensionprotectionfund.org.uk.

The next formal valuation will look at the Scheme's position at 5 April 2026. This will include working out if the recovery plan is on track or if changes need to be agreed.

If the Scheme came to an end

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

- The 'ongoing' basis (shown on previous page), 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 update. 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 5 April 2023, the Scheme full solvency funding level was 65% with a shortfall of £43.1 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 not been.

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



January 2025



PSAG

Pension Scams Action Group

United action against pension scams

Steps to stay **scam safe**

Scammers appear professional and it's becoming increasingly harder to spot the difference between something that's credible and something that's fraudulent.

The Pension Scams Action Group has put together a checklist to go through if you're ever approached about your pension.

Your pension is your future – keep it safe





STEP 1

Is the offer unexpected?

Legitimate pension providers are highly unlikely to contact you out of the blue about your pension. Be wary of free pension review offers and/or promises of high/guaranteed returns.



STEP 2

Have you checked who you're dealing with?

The Financial Conduct Authority's (FCA) website has a Financial Services Register you can check to make sure that anyone offering you advice or services is authorised to do so.

A firm pretending to be an authorised firm is known as a 'clone firm' and may have a clone website that looks exactly like the real deal. **Tip:** double check their contact details against the register and see if they match. Always ensure a firm is FCA-authorized or you won't be protected by the Financial Ombudsman Service or Financial Services Compensation Scheme if something goes wrong.

Website: register.fca.org.uk Phone: 0800 111 67 68



STEP 3

Stop and think – are you being rushed or pressured?

Pressure to act quickly or you will miss out is often a warning sign. Take your time to make all the checks you need and remember, if it sounds too good to be true, it probably is.



STEP 4

Should you seek impartial advice or guidance?

MoneyHelper

Free and impartial information and guidance available online, over the phone and via webchat.

Website: Moneyhelper.org.uk Phone: 0800 011 3797

Financial advisers

If you can, it's a good idea to invest in speaking to a financial adviser. Often large amounts of money are at stake and they will be able to help you make the right decision for you. **Tip:** check any adviser you choose to use is regulated by the FCA.

Stop! Think Fraud

Learn more about how to spot and avoid scams.

Website: stopthinkfraud.campaign.gov.uk



If you suspect a scam, report to **Action Fraud**

Website: Actionfraud.police.uk/contact-us
Phone: 0300 123 2040. In Scotland, call 101.