

The Duni Limited Pension Scheme

Your 2023 Summary Funding Statement

We are writing to you as the Trustees of the Duni Limited Pension Scheme (“the Scheme”) 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 all other members who are entitled to benefits from the Scheme.

Background

The Scheme is overseen by a Trustee Board comprised of the following people:

John Beardmore

Claire Barton

Debra Fabian

We, as Trustees, seek to have sufficient money to continue to pay full pension entitlements to all members. In order to do this, we aim for the Scheme to become and remain fully funded on a scheme-specific basis (in accordance with the Pensions Act 2004). This means that we would, in normal circumstances, have 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 Duni Limited (“the Employer”), based on the periodic actuarial valuations;
- oversee a prudent investment policy designed to match the funding required by the Scheme.

We recognise that we 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.

Latest funding information

The latest formal actuarial valuation of the Scheme showed that on 5 April 2022 the Scheme had a shortfall as shown below. This is a decrease in the shortfall compared to the previous valuation at 5 April 2019 the reasons for which were disclosed in our previous Funding Statement. Additionally, the Actuaries by law are required to estimate the actuarial position of the Scheme at the end of each intervening year between the formal valuations. The actuarial update at 5 April 2023 showed the Scheme had a funding surplus as illustrated below:-

Type of Valuation	Formal actuarial valuation	Formal actuarial valuation	Estimated actuarial valuation
Date	5 April 2019	5 April 2022	5 April 2023
Value of the Scheme's assets	£13,396,000	£17,664,000	£17,654,000
Value of the Scheme's liabilities	£17,419,000	£18,429,000	£13,372,000
Surplus/(shortfall)	(£4,023,000)	(£765,000)	£4,282,000
Funding Level	77%	96%	132%

As noted in the 2022 Summary Funding Statement, since the 5 April 2022 the Scheme's liabilities have fallen driven by a rise in interest rates, while the Scheme Assets, which were principally invested in equities during that period were largely unaffected. This resulted in the Scheme moving to a surplus as at 5 April 2023.

The Trustees were aware that, during 2022 inflation was in excess of the restrictions set out in the Scheme Rules. In light of the estimated surplus as at 5 April 2023 the Trustees therefore took the opportunity to grant an additional 5% over and above the rate set by the Scheme Rules and this was implemented in the 1 May 2023 pension payments. The additional cost to the Scheme has been accounted for in deriving the surplus shown as at 5 April 2023. The Scheme Actuary's actuarial valuation report as at 5 April 2022 and actuarial update at 5 April 2023 give further information about how the funding position has changed both of which can be viewed on the Scheme website at <https://www.members.pensionpal.co.uk/DuniPensionScheme>. The next full actuarial valuation is due as at 5 April 2025.

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

The Employer honoured its’ commitment under the Recovery Plan agreed following the 5th April 2019 actuarial valuation and £500,000 was received by the Scheme before 31 October 2023. The Recovery Plan agreed following the 5th April 2022 actuarial valuation acknowledged this payment but no further payments were sought given the Surplus now evident in the latest actuarial update at 5th April 2023. In addition from 1 January 2023 the Employer, via salary sacrifice, pays into the Scheme 27% (previously 21%) of Pensionable Salaries in respect of further benefit accrual for active members.

From 1 January 2023, in addition to the above, the Scheme expenses, insurance premiums and PPF levies are now paid by the Scheme. Previously these had been paid by the Employer. This extra cost to the Scheme has been accounted for in deriving the estimated surplus as at 5th April 2023

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”.

At the 5 April 2022 and the date of the latest audited Scheme accounts 5 April 2023, the Scheme’s assets were broadly invested as follows:

Asset type	5 April 2022	5 April 2023
Equities	78%	10%
Property	6%	-
Bonds	12%	90%
Cash	2%	-
Hedge Funds	2%	-

Following the change in funding position and the Scheme surplus that has arisen the Trustees decided to make significant changes to the Scheme's investment strategy. This involved committing a substantial proportion of the Scheme's assets to investments in Government Bonds of a suitable term and type to meet the benefits of the Scheme as and when they fall due.

Changes to the Scheme

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

Transferring your benefits

If you are not yet receiving your benefits from the Scheme and you are thinking of moving your benefits from the Scheme for any reason, the Scheme administrator can provide you with a transfer value. The law now requires specific checks are made before a pension transfer takes place. In certain circumstances, where a risk of a pension scam is identified, further information may be requested from you before the transfer proceeds, and you may also be required to speak to MoneyHelper for guidance. You should provide all information that the Scheme administrator requests in full, otherwise there may be delays to the transfer.

If there is a substantial risk of a pension scam, the law requires us to refuse to proceed with the transfer. If any concerns are identified with the transfer, we will write to you to let you know what these are.

Any member whose transfer value is over £30,000 must also take independent financial 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. Regulations banning pensions cold-calling came into force on 9 January 2019. The rules mean firms are no longer be able to make unsolicited marketing calls about pension schemes. Firms found flouting the ban 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. If you receive a call concerning your pension from anyone other than Atkin Pensions or the Trustees then hang-up the phone.

We strongly advise you to find out about pension scams, how to avoid them and what to do if you suspect a scam

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Use the Financial Conduct Authority's ScamSmart website to:

- Check an investment or pension opportunity that you've been offered and avoid a scam.
- Find out how to protect yourself from the most common types of scams.
- Find out how to watch out for online trading scams.
- Take the FCA quiz - could you spot an investment scam?

ScamSmart at www.fca.org.uk/scamsmart

If you suspect a scam:

- Report to the Financial Conduct Authority (FCA) – by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at www.fca.org.uk
- Report to Action Fraud – on **0300 123 2040** or at www.actionfraud.police.uk
- If you're in the middle of a transfer – contact your provider immediately and then get in touch with the money and Pensions Service (formerly the Pensions Advisory Service) at <https://www.moneyhelper.org.uk/en/pensions-and-retirement>

Data Protection

The Data Protection Act was replaced by the General Data Protection Regulations (GDPR) with effect from 25 May 2018. As a result, you will have received a copy of the Trustees' privacy notice to members explaining how we process and protect member personal data.

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 5 April 2022, it was estimated that an additional £4.9m 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 at Renaissance, 12 Dingwall Road, Croydon CR0 2NA.

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 us.

- **Trustees of the Duni Limited Pension Scheme**
C/o Atkin Pensions
Cornwall House
Blythe Valley Business Park
Solihull
B90 8AF

Additional documents are available to view on the Scheme website:
<https://www.members.pensionpal.co.uk/DuniPensionScheme>

- 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 **Duni Limited Pension Scheme booklet**.

Trustees of the Duni Limited Pension Scheme

January 2024