The Duni Limited Pension Scheme

Actuarial Valuation as at 5 April 2022

Final Actuarial Valuation Report

June 2023

CONTENTS

SUMMARY OF RESULTS

This report sets out the results of the actuarial valuation of The Duni Limited Pension Scheme ("the Scheme") at 5 April 2022.

The Technical Provisions were agreed by the Trustees and the sponsoring employer using a basis consistent with the previous valuation, but updated to allow for the alignment of RPI to CPIH from 2030, to use full discount and inflation curves rather than single rate assumptions and changes to future life expectancy of Scheme members.

The main results are shown in the table below:

£'000	Scheme Specific Funding	Solvency	PPF
Assets	17,664	17,664	17,664
Liabilities	18,429	22,592	16,952
Surplus / (Deficit)	**(765)**	**(4,928)**	**712**
Funding Level	96%	78%	104%

The Scheme was in deficit at the valuation date on the Scheme Specific Funding basis, at the last valuation there was a £4,023,000 deficit and the funding level was 77%. This is primarily due to higher than expected returns on the Scheme's investments and an increase in gilt yields since the last valuation date that has reduced the value of the liabilities.

31 October 2022 Update

Following the high level of market volatility after the valuation date there was a material improvement in the Scheme funding level. As a result, the Trustees in agreement with the Employer took the decision to de-risk the majority of the Scheme assets and invest 85% of the Scheme assets into fixed interest and index linked government bonds the mixture broadly matching the fixed and index linked nature of the Scheme's liabilities. Following this change the funding position has been approximately evaluated as at 31 October 2022:

£m	Scheme Funding Objective ("SFO")	Scheme Funding Objective ("SFO") with a discount rate equal to the gilt yield unadjusted
Assets	**17.4**	**17.4**
Liabilities	**12.7**	**14.0**
Surplus/(Deficit)	**4.7**	**3.4**
Funding Level	**137%**	**124%**

As the Scheme is in now estimated to be in surplus at 31 October 2022 no further contributions are required from the Employer in respect of deficit shortfall at this time. From 1 January 2023, the Scheme will cover the cost of insurance premiums, expenses (excluding investment expenses) and PPF levies and the Employer will pay 27% of pensionable salaries in respect of future benefit accrual for active members of the Scheme.

The main risks to the Scheme's funding position are highlighted later in this report. In particular, the Trustees have recently reviewed their investment strategy in light of the improved funding position of the Scheme to greatly reduce the mismatching risk and stabilise the funding position.

Once signed off, the results of this valuation will be submitted to the Pensions Regulator and the Trustees will need to provide a copy of this report to the Employer within 10 working days of receipt. The Trustees are required to provide a summary funding statement to all Scheme members which sets out the results of this valuation and other information required by legislation.

The next valuation date will be 5 April 2025.

Chris Atkin
Scheme Actuary
Atkin Pensions
June 2023

INTRODUCTION

ADDRESSEE	The Trustees of the Duni Limited Pension Scheme ("the Trustees")
SCHEME	Duni Limited Pension Scheme ("the Scheme")
SPONSOR	Duni Limited ("the Employer")
DATE OF VALUATION	5 April 2022
SCHEME ACTUARY	Chris Atkin

This report is addressed solely to the Trustees of the Scheme. Neither I, nor Atkin Pensions, accept any liability to any third party in relation to this report. We also do not accept any liability to the Trustees if the information provided in the report is used for any other purpose other than that set out in the "Purpose of this valuation" section below.

This report should be read in conjunction with the following documents

- Scope of services letter dated 4 August 2022
- Assumptions setting report dated 4 August 2022
- Preliminary results of the Actuarial Valuation as at 5 April 2022 dated 4 August 2022

This work is subject to and complies with the following Technical Actuarial Standards (TASs) issued by the Financial Reporting Council: Principles for Technical Actuarial Work and Technical Actuarial Standard 300 : Pensions

PURPOSE OF THIS VALUATION

The main aims of this valuation were:

- To assess the financial position of the Scheme under the Scheme Specific Funding Basis.
- To assess the extent to which the assets of the Scheme would be sufficient to provide benefits on winding up of the Scheme.
- To undertake calculations specified by the Board of the Pension Protection Fund.
- To help the Trustees and the Employer reach an agreement as to the contributions that the Employer should make to the Scheme.

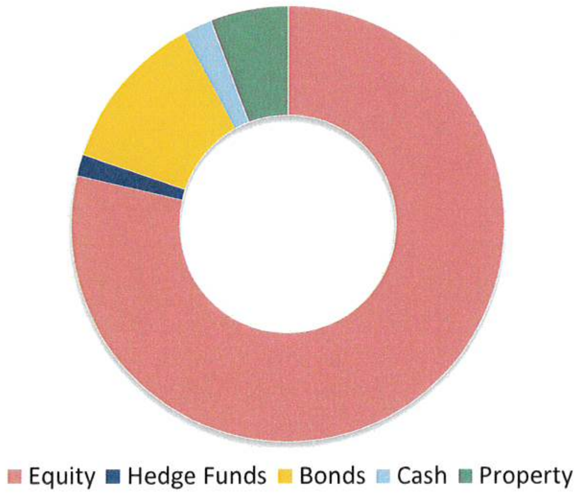
GOVERNING DOCUMENTS

The Scheme was established with effect from 1 May 1996 under an Interim Deed of that date. The Scheme is governed by the Definitive Trust Deed and Rules dated 30 September 1998 together with various supplemental and amending deeds executed over the lifetime of the Scheme.

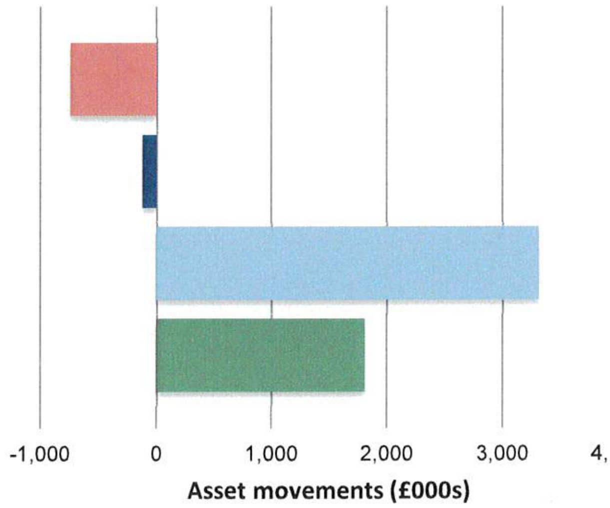
ASSET VALUATION

I have been provided with an audited copy of the Scheme accounts for the year ending 5 April 2022. A breakdown of the assets is provided below, along with a summary of how the assets have changed since the last valuation.

Split of assets between sectors



Change in assets since previous valuation



	£'000	%
Equity	13,882	78%
Hedge Funds	286	2%
Bonds	2,092	12%
Property	1,022	6%
Cash	382	2%
Total	**17,664**	**100%**

	£'000
Pension payments	(740)
Lump sums	(122)
Investment return	3,320
Contributions	1,812

During October 2022 the Trustees in agreement with the Employer took the decision to de-risk the majority of the Scheme assets and invest 85% of the Scheme assets into fixed interest and index linked government bonds the mixture broadly matching the fixed and index linked nature of the Scheme's liabilities.

ATKIN PENSIONS

RESULTS

£'000		Scheme Specific Funding	Solvency	PPF
Total assets		**17,664**	**17,664**	**17,664**
Active members		5,730	6,455	4,798
Deferred members		7,326	10,079	7,345
Pensioners		5,373	5,543	4,350
Expenses		0	515	459
Total liabilities		**18,429**	**22,652**	**16,952**
Surplus / (deficit)		**(765)**	**(4,928)**	**712**
Funding level		**96%**	**78%**	**104%**
KEY ASSUMPTIONS				
Discount rate:	Pre-retirement	Gilt curve +0.5% p.a.	1.49% p.a.	1.49% p.a.
	Post-retirement - Non pensioner - Pensioner	 Gilt curve +0.5% p.a. Gilt curve +0.5% p.a.	 1.66% p.a. 1.99% p.a.	 1.66% p.a. 1.99% p.a.
RPI		Gilt Inflation Curve - 0,.25% p.a.	Gilt Inflation Curve	N/A
CPI	Pre 2030 Post 2030	RPI less 0.7% p.a. RPI inflation	RPI less 0.7% p.a. RPI inflation	N/A
Salary increases		RPI +0.75% p.a.	n/a	n/a
Deferred revaluation	Pre 2009 Post 2009	CPI inflation CPI inflation	CPI inflation CPI inflation	3.96% p.a. 2.16% p.a.
Pension increases:	RPI max 5% CPI max 5%	Based on the relevant inflation curve allowing for caps and collars using Black Scholes with an inflation volatility parameter of 1.75% p.a.		N/A
	CPI max 3%			N/A
	CPI max 2.5%	N/A	N/A	2.31% p.a. non-pen 2.20% p.a. pen
Cash commutation		75% of members take maximum allowance for cash commutation	No allowance for cash commutation	No allowance for cash commutation
Mortality		100% S3PA CMI 2021 [1.5%] long term trend	100% S3PA / S3DPA CMI_2019 [1.5%(m)/1.25%(f)]	100% S3PA / S3DPA CMI_2019 [1.5%(m)/1.25%(f)]

The Scheme has sufficient assets to cover PPF benefits on the prescribed assumptions. The funding level on this basis will be used to calculate the PPF levy for the Scheme in future years.

It is estimated that, on a solvency basis, the Scheme would have had sufficient assets to meet 100% of the cost of buying out PPF benefits. It is likely, therefore, that, had the Scheme been wound up at the valuation date, benefits could have been bought out with an insurance company with members receiving benefits more than PPF levels.

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others was published on 26 October 2018 and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation and decided that method "C2" was lawful in principle and met the minimum requirements to achieve equality. Method C2 provides the better of male and female comparator pensions each year, subject to accumulated offsetting and an allowance for interest. The court decided that other methods are available but would require employer agreement.

The Trustees of the Scheme will need to obtain legal advice covering the impact of the ruling on their Scheme, before deciding with the Employer on the method to adopt. The legal advice will need to consider (amongst other things) the options for GMP equalisation solutions, whether there should be a time limit on the obligation to make back-payments to members (the "look-back" period) and the treatment of former members (members who have died without a spouse and members who have transferred out for example).

The Trustees will need to clarify the levels of pension increases on GMPs in payment to enable me to estimate the impact of GMP equalisation and the technical provisions and solvency valuation results within this report include no allowance of the impact due to GMP equalisation.

ANALYSIS OF CHANGE IN FUNDING

Below is a summary of the key changes in the funding position since the previous valuation date.

(£'000)		
Surplus/(deficit) at last valuation	**(4,023)**	
Interest on deficit	*(265)*	Interest on the deficit at the last valuation over the inter valuation period at 2.5% per annum.
Contributions in excess of benefit accrual	*729*	Shortfall and regular contributions have been paid offset by new benefit accrual of the active members
Member experience	*1,005*	This includes the impact of members deaths, actual inflationary increases and other member experience over the inter valuation period.
Investment returns over and above the expected level of returns	*2,412*	Investment returns were better than expected over the period since the last valuation.
Change in financial conditions	(369)	The increase in the discount rate decreased the value of the liabilities which was only partially offset by a rise in the assumed level of inflation.
Change in mortality assumptions	(254)	The updated mortality assumptions assume that members have a slightly lower life expectancy compared to the previous mortality assumption
Surplus/(deficit) at this valuation	**(765)**	

CHANGE IN SOLVENCY POSITION

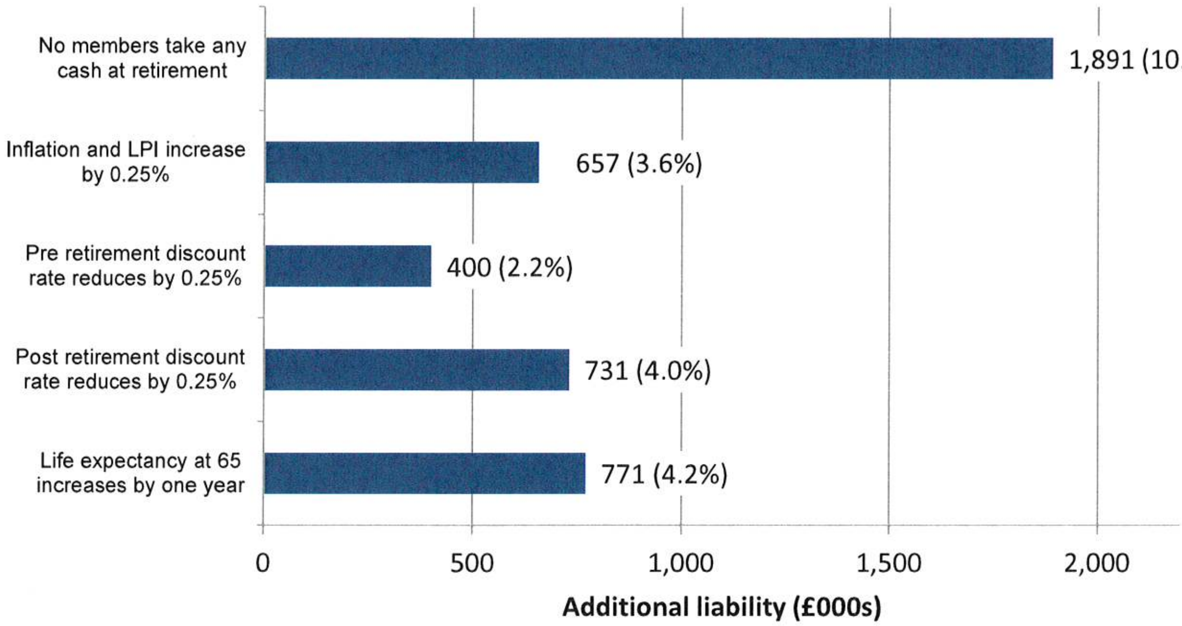
The deficit on a solvency basis has improved from £11,729,000 to £4,988,000 since the date of the last valuation, mainly due to due to higher-than-expected returns on the Scheme's investments, contributions paid and more favourable financial conditions affecting the solvency assumptions.

Funding to a level sufficient to cover the liabilities on a Scheme Specific Funding basis would lead to a position where the Scheme would be in a position to meet 81% of benefits, if these benefits had to be bought-out.

CHANGES TO ASSUMPTIONS

	This valuation	Last valuation	
Pre-Retirement Discount rate	Gilt curve plus 0.5% p.a.	2.15% p.a.	The single equivalent nominal rate has increased marginally by 0.05% reflecting the increase in the expected returns available on equity and other return seeking assets.
Post-Retirement Discount rate	Gilt curve plus 0.5% p.a.	2.15% p.a.	
RPI inflation	Gilt Inflation Curve less 0.25% p.a.	3.4% p.a.	The single equivalent expected rate of future RPI inflation, based on the difference between the yield on fixed interest and index linked gilt-edged stocks, has risen by 0.1% since the last valuation.
CPI Inflation Pre 2030 Post 2030	 RPI less 0.7% p.a. RPI inflation	 2.7% p.a. 2.7% p.a.	Pre 2030 a reduction of 0.7% p.a. has been made to the RPI inflation. Post 2030, to reflect the change in inflation index from RPI to CPIH, no reduction has been made to the RPI inflation.
Deferred Revaluation	Based on the CPI inflation curve	2.7% p.a.	Taken as the assumed rate of CPI inflation.
Pension Increases RPI max 5% CPI max 5% CPI max 3%	Based on the relevant inflation curve allowing for caps and collars using Black Scholes	 3.4% p.a. 2.7% p.a. 2.7% p.a.	The previous valuation set increases equal to the assumed rate of future RPI/CPI inflation subject to caps. This valuation allows for the relevant cap using the Black-Scholes statistical model, with the expected "volatility" of price inflation parameter of 1.75% p.a.
Mortality	100% S3PA CMI 2021 [1.5%] long term trend	100% S2PA CMI 2018 [1.5%] long term trend	The base table and mortality improvements have been updated to reflect more up to date studies of mortality.

The results on the Scheme Specific Funding basis have been derived on an agreed set of assumptions with regard to expected future experience. In practice, experience may differ from those assumptions and the returns on the assets held by the Scheme may not be in line with expectations. I have, therefore, assessed the effect of using different assumptions.



LONG TERM OBJECTIVE

The Pensions Regulator has, for several years now, encouraged trustees to take a long-term view of their scheme. This has been ramped up in recent times. The 2019 Annual Funding Statement introduced a new expectation that all defined benefit schemes adopt a long-term funding target and this has been reinforced in the Regulator's subsequent Annual Funding Statements. It is very much a key focus in the recent consultation issued on a proposed new defined benefit funding code.

Although the new funding code does not directly impact on this valuation (and full details are not yet known), the Trustees should be aware of the direction of travel and start thinking about these concepts now.

WHY IS A LONG-TERM OBJECTIVE (LTO) IMPORTANT?

By the time a scheme is significantly mature, schemes ought to have a low level of dependency on the sponsor and be invested with a high resilience to risk. A scheme's ability to close a funding gap from investment outperformance reduces with increasing maturity and therefore trustees should aim for the scheme to be fully funded on a strong target by the time it becomes mature.

WHAT SHOULD THAT LTO BE?

Suitable LTOs tend to fall into two broad categories:

Funding based LTOs where the scheme reaches the 'low dependency' funding basis described above; or transaction-based LTOs where the scheme effectively severs the link to its sponsoring employer, for example through buy-out or entry into a consolidation vehicle (e.g. a DB Superfund).

Part of the valuation discussions include deciding what this LTO should be in order to proceed with the planning of how to get there. It is important that this is discussed with the employer to seek its views on the long-term direction of travel for a scheme.

WHAT IS THE LINK BETWEEN THE SFP AND LTO BASES?

Once an LTO is set for a scheme, the next step is developing a journey plan to get there. This is done through identifying the gap between the scheme's current level of funding and that implied by the LTO target and setting a plan, over a suitable period, to close the gap through a mixture of timely, affordable contributions and appropriate investment risk. Trustees can then use the SFP basis (or otherwise named Technical Provisions (TPs)) at successive valuations as steps on the journey towards achieving the LTO. At some point in the future, the expectation is that the TP basis will eventually become the LTO basis.

It is common to set the LTO akin to some 'low dependency' basis, at least as an initial goal, even if the ultimate goal is to buy out or enter into a consolidation vehicle.

The agreed SFP basis at this valuation is set akin to a 'low dependency' basis.

RESULTS ON THE LTO BASIS

As an illustrative LTO basis, I have used the updated SFP basis with a discount rate equal to the gilt yield curve unadjusted, no allowance for cash commutation and members are all assumed to retire at the earliest age they are able to retire unreduced.

£'000	SFP / LTO	Solvency
Assets	17,664	17,664
Liabilities	18,429	22,652
Surplus / (Deficit)	**(765)**	**(4,988)**
Funding Level	96%	78%

The funding position has been approximately evaluated as at 31 October 2022 (results on page 3) and this update estimated that on a basis akin to a "low dependency basis" the Scheme had a surplus. As a result, the Trustees in agreement with the Employer took the decision to de-risk the majority of the Scheme assets and invest 85% of the Scheme assets into fixed interest and index linked government bonds the mixture broadly matching the fixed and index linked nature of the Scheme's liabilities.

CONTRIBUTIONS

CONTRIBUTIONS FOR FUTURE BENEFIT ACCRUAL EXPENSES AND PPF LEVIES

I have estimated on the Scheme Specific Funding basis as at 31 October 2022 that the Employer would need to pay 32.8% of Pensionable Salaries per annum to cover benefit accrual for active members over the next three years.

The Trustees and Employer have agreed that from 1 January 2023 the Employer will pay contributions at the rate of 27% of Pensionable Salaries and that the Scheme will pay the cost of insurance premiums, expenses (excluding investment expenses) and PPF levies.

DEFICIT CONTRIBUTIONS

As there is no estimated to be a material surplus on the Scheme Specific Funding basis at 31 October 2022 no further deficit contributions are required.

EVOLUTION OF RESULTS

The funding level on both the updated SFP basis and the solvency basis is expected to improve by the next valuation at 5 April 2025. This assumes that experience will be in line with the assumptions described in the "Results" section above in this report, and investment returns, and contributions are in line with the Schedule of Contributions. It also reflects the improved funding position as at 31 October 2022 that has largely been "locked into" following the investment strategy changes made by the Trustees during October 2022.

There is a risk that the assumptions underlying this valuation are not borne out in practice. Examples of key risks affecting the funding position are as follows:

Further improvements in mortality - General improvements in mortality will increase the cost of providing pension benefits. It is clear that there have been substantial reductions in general mortality rates over recent years, and as a result, pensioners are now expected to live longer than previously anticipated. To an extent, further improvements have been factored into the valuation calculations but the allowance made may prove to underestimate the extent of future improvements.

Risk of contribution default by Employer - There is a risk that the Employer may not be able to pay contributions at the rates and times required in order to eliminate any funding deficit. If the sponsor can no longer afford to support the Scheme, the Scheme may need to wind up. If no further contributions could be secured from the Employer at that time, it is likely that the Scheme would be assessed for entry to the PPF and benefit payments could be reduced if there are insufficient funds to fully secure Scheme benefits with an insurance company.

Government action - The Scheme is at risk that Government action may impose additional legislation which results in additional liabilities or costs for the Scheme. This includes changes in taxation which could impact on the timing of retirements and the amount of benefits commuted. There also may be a change in the tax treatment of investment returns.

There are potential correlations between some of these risks. Further commentary on the risk that assets do not move in line with the liability valuations is detailed on the next page.

ASSET MISMATCHING

The risk of volatility in the funding level can be reduced if assets held by the Scheme behave in a similar way to the liabilities.

The average term of the payments from the Scheme, weighted by the value of the payments, at the valuation date is 21 years. There will be an element of mismatching with assets typically having a shorter average term.

The assumption that has been made regarding the discount rate to be used in the Scheme Specific Funding valuation takes into account returns expected on the assets that are held to back the liabilities and is calculated in line with the Statement of Funding Principles.

For the Solvency and PPF calculations, changes in investment markets will have a similar effect on the funding position. For these calculations, the value of the liabilities is also assessed by reference to bond yields.

As part of the assets of the Scheme is not invested in bonds, the position on all bases will worsen if bond yields fall since the value of the liabilities will increase by more than the value of the assets. If equity markets fall, then the value of the assets will decrease whilst the value of the liabilities will remain unchanged. This risk impact has now been greatly reduced following the investment changes in October 2022 but to the extent that assets and liabilities are not exactly "matched" and the remaining small proportion of equity investment it does remain.

The effect of sudden hypothetical movements in markets or changes in market conditions have been shown below (based on current asset portfolio).

CHANGES IN MARKET CONDITIONS

The following table shows the impact on the funding of some example market movements (all else being equal), it looks at the position at the valuation date prior to the investment strategy changes that have taken place:

1. long term bond yields had changed by 0.5% per annum at the review date (and the discount rate changed accordingly)

2. the market value of equity had changed by 10% at the review date

AT 5 APRIL 2022

Increase in deficit (£'000)	SFP	Solvency	PPF
Effect of ½% reduction in bond yields	2,035	1,864	2,568
Effect of 10% fall in equity markets with no change in the basis	1,388	1,388	1,388

TRUSTEE CONSIDERATIONS

Both the above risks have been greatly reduced following the investment strategy changes in October 2022, the effect of changes in bond yields to the liabilities is now broadly matched by changes to the Scheme assets via the government bond holdings. Similarly the Scheme's exposure to equity markets is much reduced with now only 15% of the Scheme's asset allocation invested in equity assets.

Before making your final decisions and signing the documents, you should have considered all of my advice to you which might influence these decisions. This includes some final pieces of information contained in this report as well as the advice provided in previous documents listed on page 5.

£m	Scheme Funding Objective ("SFO")	Scheme Funding Objective ("SFO") with a discount rate equal to the gilt yield unadjusted
Assets	**17.4**	**17.4**
Liabilities	**12.7**	**14.0**
Surplus/(Deficit)	**4.7**	**3.4**
Funding Level	**137%**	**124%**

The results above illustrate the funding position as at 31 October 2022, and the trustees have considered this updated position along with the de-risked investment strategy before finalising the documents.

CONCLUSIONS

Appropriate basis for funding	The Trustees have carried out an investment strategy review and have revised the Scheme's investment strategy. The new strategy is expected to achieve lower levels of asset returns than the old strategy, however, given the material level of prudence retained in the assumptions I believe the agreed assumptions are still appropriate. Through investing in longer term fixed interest assets, the Scheme is now less exposed to changes in long term bond yields. The Trustees should remain satisfied that the Employer is able to support the Scheme in the long term or, otherwise, be able to cover the buyout deficit were it to go insolvent. If this is not the case the Trustees may want to consider increasing the level of prudence in their funding basis.
Deficit reduction contributions	The actuarial valuation as at 5 April 2022 revealed a deficit of £765,000. However there has been a material funding level improvement since the valuation date and the Scheme now has a material surplus. The Trustees and Employer have agreed to fund the valuation deficit by the Employer paying a lump sum of £500,000 per annum by 31 Ocotber 2022 and no deficit contributions after this date. The Scheme will now pay the PPF levy and any additional expenses separately, on behalf of the Trustees. When considering the recovery plan, the Trustees took into account the following: • The investment strategy was reviewed post valuation date, with a new strategy being put in place which is expected to achieve lower levels of return but with much less funding volatility through government bond investments • Compared to the last valuation, the Scheme has retained the same prudent funding basis that is akin to a "low dependency" set of assumptions.
Solvency deficit	It should be noted that the Scheme has a substantial deficit on the solvency basis. It is understood, however, that neither the Employer nor the Trustees have any intention of commencing wind up.
Developments since the valuation date	Since the effective date of the valuation, gilt yields increased markedly, as have yields on index-linked gilts. Yields on corporate bonds have also increased. The expected rate of future inflation is approximately unchanged. As a result the value of the liabilities will have significantly reduced at the current date, and the funding position has improved materially.
Next valuation	A further valuation must be carried out at an effective date no later than 5 April 2025.

APPENDIX I – MEMBERSHIP DETAILS

SOURCE OF DATA

Membership data at the valuation date has been provided by Multiplex Financial Trustees Limited in its capacity as Scheme Administrator.

SUMMARY OF MEMBERSHIP

	2022	*2019*
Active members	**15**	***19***
Total Pensionable Salary at valuation date	£649,000 p.a.	*£779,000 p.a.*
Average age at valuation date	49	*49*
Deferred members	**87**	***90***
Total deferred pension at date of leaving	£192,320 p.a.	*£163,620 p.a.*
Average age at valuation date	55	*54*
Pensioners and spouses' pensions in payment	**81**	***75***
Total pension in payment	£6,219 p.a.	*£235,560 p.a.*
Average age at valuation date	73	*71*

MOVEMENTS SINCE PREVIOUS VALUATION

	Retired	Death	Dependant	Deferred	Transfer	New joiner	Net
Active members	-1	0	0	-4	0	1	-4
Deferred members	-7	0	0	4	0	0	-3
Pensioners	8	-8	6	0	0	0	6

ACCURACY OF DATA

The membership data has been checked for reasonableness and against the information in the Scheme accounts. While this does not represent a full audit of the data, I am happy that the data is sufficiently accurate for the purpose of this valuation.

I have made an estimate of the contingent spouse's pensions payable on the death of current pensioners as this information is not readily available. The results would vary slightly if precise data were used, however, this variation would not be expected to be significant to the overall results.

CHANGES SINCE THE VALUATION DATE

I understand that there have been no significant changes in the Scheme membership since the valuation date and so have made no allowance for membership movements since that date.

APPENDIX II – BENEFIT SUMMARY

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. A summary of the benefits available under the Scheme for the majority of defined benefit members is set out below. The Trust Deed and Rules and member booklet have further detail on the Scheme's benefits.

Eligibility		The Scheme is open to new entrants
Definitions		
	Normal Retirement Date	65th birthday For benefits accrued after April 2014, members' normal retirement date is aligned with their State Pension Age
	Pensionable Salary	Basic pay on each 6 April less the lower earnings limit
	Final Pensionable Salary	Highest annual average of pensionable salary in any three consecutive tax years in the ten years preceding NRD or date of death or date of leaving pensionable service if earlier.
Retirement Benefits		
	Member's Pensions	1/60th of Final Pensionable Salary for each complete year of pensionable service, with a proportionate amount for each complete month.
	Cash Sum at Retirement	Members may exchange part of their pension on retirement for a lump sum of up to 25% of the value of their benefits. The amount may be limited to make sure that the pension remaining is never less than the GMP.
	Early Retirement	Members may retire before Normal Retirement Date after reaching age 55 with Employer's consent, or at any earlier age due to incapacity (as agreed with the Trustees).
Death in active service Benefits		
	Lump Sum	4 times Member's Salary, plus A refund of member's contributions without inflation.
	Widowed Spouse's Pension	50% of member's pension based on service up to their Normal Retirement age and final pensionable salary at date of death.
Death after Retirement Benefits		

	Death in Guarantee Period	The member's pension is guaranteed for a period of 5 years from retirement. A lump sum equivalent to the remaining instalments of pension including future increases that would be applied.
	Widowed Spouse's Pension	50% of member's pension at date of death, ignoring any reduction in pension through the member having taken a cash lump sum at retirement
Death before Retirement benefits of an Early Leaver		
	Widowed Spouse's Pension	50% of member's deferred pension with increases to date of death.
Pension Increases		Pre 1988 Guaranteed Minimum Pensions (GMP) receive nil increases. Post 1988 GMP receive increases in line with statutory requirements. Pension accrued up to March 2014 in excess of GMP receives increases in line with RPI subject to a maximum of 5% p.a. Pension accrued after April 2014 receives increases in line with CPI subject to a maximum of 5% p.a. Pensions transferred from the Scott Scheme receive different increases depending on the member's chosen option of either fixed increases of 3% p.a. or increases in line with RPI subject to a maximum of 5% p.a.
Revaluation in Deferment		GMP increases before retirement in line with fixed rate revaluation. Pension in excess of GMP increases in line with statutory requirements.

APPENDIX III – STATEMENT OF FUNDING PRINCIPLES

DUNI LIMITED PENSION SCHEME

STATUS

This statement was prepared by the Trustees for the purposes of the actuarial valuation as at 5 April 2022 after obtaining the advice of Chris Atkin, the Actuary to the Scheme.

THE STATUTORY FUNDING OBJECTIVE

This statement sets out the Trustees' policy for securing that the Statutory Funding Objective[1] is met.

THE TECHNICAL PROVISIONS

METHOD

The actuarial method to be used in the calculation of the Technical Provisions is the Projected Unit Method. The projected amount of each potential future benefit payment for each member is calculated. Allowance is made for future salary increases, pension increases and deferred pensioner revaluation in line with the assumptions set out below.

ASSUMPTIONS

The economic assumptions used are as follows:

Discount rate	Nominal gilt curve +0.5% per annum	The discount rate was determined with reference to UK Government conventional gilt stocks, plus 0.5% per annum.
RPI Inflation assumption	Gilt Inflation Curve - 0.25% p.a.	Calculated using the Bank of England's published spot curve. This represents the assessment of future inflation used by investors in the pricing of index-linked bonds.
Salary increases	RPI assumption plus 0.75% per annum	Derived using the inflation assumption plus a margin of 0.75% p.a.
CPI Inflation assumption Pre-2030 Post-2030	 RPI less 0.7% p.a. RPI inflation	Derived using the RPI inflation assumption less a margin of 0.7% p.a. pre-2030 with no margin used post-2030.
Deferred pension increases	CPI Inflation	Taken as the assumed rate of future CPI inflation.

The demographic assumptions used are as follows:

1 The statutory funding objective is defined in section 222 of the Pensions Act 2004. Every scheme must have sufficient and appropriate assets to cover its technical provisions.

Mortality	100% S3PA tables CMI 2021 [1.5%] long term trend	Based on recent mortality investigations and research with allowance for future mortality improvements. Under this table the future life expectancies are 22.0 years for a male and 24.4 years for a female currently aged 65.
Retirement	All members are assumed to retire at the earliest age from which unreduced benefits are payable	A prudent assumption.
Cash commutation	75% of members take maximum allowance for cash commutation	When a member exchanges part of their pension for a lump sum, the Scheme experiences a reduction in their total liabilities.
Member – spouse age difference	Males 3 years older	Standard actuarial assumption
Proportion married	90% of males and females will be married at Normal Retirement Age	Standard actuarial assumption

POLICY ON DISCRETIONARY INCREASES AND FUNDING STRATEGY

No discretionary increases are to be taken into account for the purpose of calculating the Technical Provisions.

PERIOD WITHIN WHICH AND MANNER IN WHICH A FAILURE TO MEET THE STATUTORY FUNDING OBJECTIVE IS TO BE RECTIFIED

The Trustees and the Employer have agreed that any funding shortfalls identified at an actuarial valuation should be eliminated as quickly as the Employer can reasonably afford by the payment of additional contributions. In determining the actual recovery period at any particular valuation, the Trustees' principles are to take into account the following factors:

- the size of the funding shortfall;
- the business plans of the Employer;
- the Trustees' assessment of the financial covenant of the Employer (and in making this assessment the Trustees will make use of appropriate credit assessment providers);
- any contingent security offered by the Employer.

The Trustees normally expect the recovery period to be no longer than 10 years for restoring the funding level to 100% of Technical Provisions. The assumptions to be used in these calculations will be those set out above for calculating the Technical Provisions.

FUTURE BENEFIT ACCRUAL

The assumptions used in the calculation of the future service contribution rate are the same as set out for the Technical Provisions.

POLICY ON REDUCTION OF CASH EQUIVALENT TRANSFER VALUES (CETVS)

The Trustees may ask the Scheme Actuary to advise them at each valuation of the extent to which assets are sufficient to provide CETVs for all non pensioners without adversely affecting the security of the benefits of other members and beneficiaries. The Trustees may reduce CETVs as permitted under legislation, after obtaining actuarial advice as to the appropriate extent.

If at any other time, after obtaining advice from the Actuary, the Trustees are of the opinion that the payment of CETVs at a previously agreed level may adversely affect the security of the benefits of other members and beneficiaries, the Trustees will commission a report from the Actuary and will use the above criterion to decide whether, and to what extent, CETVs should be reduced.

PAYMENTS TO THE EMPLOYER

If the Scheme is not being wound up and the assets of the Scheme exceed the estimate by the Actuary of the cost of buying out the benefits of all beneficiaries from an insurance company, including the expenses of doing so, consideration may be given to the payment of the excess to the Employer. If the Actuary certifies that the requirements of the Pensions Act 2004 have been met and certifies the maximum amount that may be paid, the Trustees will consider whether a payment would be in the interest of the members, and if so, the Trustees will give notice to the members of the proposal.

FREQUENCY OF VALUATIONS AND CIRCUMSTANCES FOR EXTRA VALUATIONS

This actuarial valuation under Part 3[2] is being carried out as at the effective date of 5 April 2022 and subsequent valuations will in normal circumstances be carried out every three years thereafter. An actuarial report on developments affecting the Scheme's funding level will be obtained at each intermediate anniversary of that date.

The Trustees may call for a full actuarial valuation when, after considering the Actuary's advice, they are of the opinion that events have made it unsafe to continue to rely on the results of the previous valuation as the basis for future contributions. However, the Trustees will consult the Employer before doing so.

This statement has been agreed by the Principal Employer:

Signed on behalf of Duni Limited

Name: PAUL FARSTAD
Position: [Director/~~Company Secretary~~]
Date: 27/06/23

This statement was agreed by the Trustees:

Signed on behalf of the Trustees of the Duni Limited Pension Scheme

J Beazhmore

[2]Part 3 of the Pensions Act 2004 covering Scheme funding.

Name: John Beardmore
Position: Trustee
Date: 27 June 2023

This statement has been agreed by the Trustees after obtaining actuarial advice from me:

Signed

Name: Chris Atkin
Position: Scheme Actuary to the Duni Limited Pension Scheme
Date:

APPENDIX IV – CERTIFICATION OF THE CALCULATION OF TECHNICAL PROVISIONS

DUNI LIMITED PENSION SCHEME

I certify that, in my opinion, the calculation of the Scheme's technical provisions as at 5 April 2022 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustees of the Scheme and set out in the Statement of Funding Principles dated ...27 June 2023..........

Signature: Date:

Name	Chris Atkin	Qualification:	Fellow of the Institute & Faculty of Actuaries
Address:	Cornwall House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AF	Name of Company:	Atkin Pensions

APPENDIX V – RECOVERY PLAN

DUNI LIMITED PENSION SCHEME

STATUS

This Recovery Plan has been prepared by the Trustees after obtaining the advice of Chris Atkin, the Actuary to the Scheme.

The actuarial valuation of the Scheme as at 5 April 2022 revealed a funding shortfall (technical provisions minus value of assets) of £765,000.

An approximate funding update as at 31 October 2022 based upon assumptions derived consistently with the Statement of Funding Principles dated ...27 June 2023..... showed an updated funding surplus of £3.4m. The Recovery Plan has been based on this updated funding position.

STEPS TO BE TAKEN TO ENSURE THAT THE STATUTORY FUNDING OBJECTIVE* IS MET

To eliminate the funding shortfall, the Trustees and the Employer have agreed that the Employer will pay a lump sum contribution of £500,000 payable by 31 October 2022.

From 1 January 2023 the Scheme will meet all expenses and levies associated with running the Scheme.

This Recovery Plan replaces all previous versions and will be effective from 5 April 2022 to 5 April 2027 but will be subject to review following future actuarial valuations.

PERIOD IN WHICH THE STATUTORY FUNDING OBJECTIVE SHOULD BE MET AND PROGRESS TOWARDS MEETING THE STATUTORY FUNDING OBJECTIVE

The funding shortfall is expected to have been eliminated within 7 months from 5 April 2022, i.e. by 5 November 2022.

This expectation is based on the following assumptions:

- Technical provisions are calculated according to the method and assumptions set out in the Statement of Funding Principles dated ......27 June 2023.......;
- The experience of the Scheme during the period, including return on existing assets and the return on new contributions is in line with the financial and demographic assumptions made as set out in the Statement of Funding Principles dated ....27 June 2023.........for the calculation of technical provisions and applicable to that period.

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* The statutory funding objective is defined in section 222 of the Pensions Act 2004. Every scheme must have sufficient and appropriate assets to cover its technical provisions.

This Recovery Plan has been agreed by the Trustees.

Signed on behalf of the Trustees of the Duni Limited Pension Scheme

Name: JD BEARDMORE
Position: Trustee
Date: 27 June 2023

This Recovery Plan has been agreed by the Principal Employer.

Signed on behalf of Duni Limited

Name: PAUL FABIAN
Position: [Director/~~Company Secretary~~]
Date: 27/06/23

This Recovery Plan has been agreed by the Trustees of the Duni Limited Pension Scheme after obtaining actuarial advice from me:

Signed

Name: Chris Atkin
Position: Scheme Actuary to the Duni Limited Pension Scheme
Date:

ATKIN PENSIONS

APPENDIX VI – SCHEDULE OF CONTRIBUTIONS

DUNI LIMITED PENSION SCHEME

STATUS

This Schedule of Contributions has been prepared by the Trustees, after obtaining the advice of Chris Atkin, the Scheme Actuary to the Duni Limited Pension Scheme.

EMPLOYEE CONTRIBUTIONS

Nil.

EMPLOYER CONTRIBUTIONS

The Employer will pay a lump sum contribution of £500,000 payable by 31 October 2022.

In addition, the Employer will pay 21% of Pensionable Salaries in respect of further benefit accrual for active members until 31 December 2022 and then will pay 27% of Pensionable Salaries in respect of further benefit accrual from 1 January 2023.

Contributions must be received by the 19th day of each month. Should the 19th fall on a non-working day or public holiday, contributions must be received by the next working day.

In addition, until 31 December 2022 the Principal Employer will pay the PPF levy and all other expenses. From the 1 January 2023 the Scheme will pay the PPF levy and all other expenses

The Employer may also make additional contributions from time to time as agreed with the Trustees.

Signed on behalf of Duni Limited

Name: PAUL FABIAN
Position: *[Director/~~Company Secretary~~]*
Date: 27/06/23

Signed on behalf of the Trustees of the Duni Limited Pension Scheme

Name: J D BEARDMORE
Position: Trustee
Date: 27 June 2023

This schedule of contributions has been agreed by the Trustees of the Duni Limited Pension Scheme after obtaining actuarial advice from me.

Signed:

Name Chris Atkin
Position: Scheme Actuary to the Duni Limited Pension Scheme
Date:

ATKIN PENSIONS

APPENDIX VI – ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

DUNI LIMITED PENSION SCHEME

ADEQUACY OF RATES OF CONTRIBUTIONS

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions, which are based on a valuation as at 5 April 2022, are such that the statutory funding objective could have been expected on 5 April 2022 to continue to be met by the end of the period specified in the recovery plan dated 27 June 2023

ADHERENCE TO STATEMENT OF FUNDING PRINCIPLES

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 27 June 2023

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signed:

Name	Chris Atkin
Position:	Actuary to the Duni Limited Pension Scheme
Qualification:	Fellow of the Institute & Faculty of Actuaries
Company:	Atkin Pensions
Date:	

SECTION 179 VALUATION CERTIFICATE

Full Name of Scheme:	Duni Limited Pension Scheme
Name of Section, if applicable:	
Pension Scheme Registration Number:	10221988
Address of Scheme (or Section, where appropriate):	Multiplex 5A York House York Street Manchester M2 3BB
S179 Valuation Effective Date of this Valuation:	5 April 2022
Guidance and Assumptions S179 guidance used for this valuation: S179 assumptions used for this valuation:	G9 A10
Assets Total Assets: (this figure should not be reduced by the amount of any external liabilities and should include the insurance policies referred to below)	£17,664,000
Date of relevant accounts:	5 April 2022
Liabilities Please show liabilities, excluding expenses, for: Active members: Deferred members: Pensioner members:	 £4,798,000 £7,345,000 £4,350,000
Estimated expenses of winding up:	£144,000
Estimated expenses of benefits installation/payment:	£315,000
External liabilities:	£0
Total Protected Liabilities:	**£16,952,000**

Insured Benefits Insurance policies and matched liabilities are required to be included in the S179 valuation. Percentage of the assets shown above held in the form of a contract of insurance where this is not included in the asset value recorded in the relevant scheme accounts:	0%
Please provide the percentage of the liabilities shown that are matched by insured annuity contracts for: Active members: Deferred members: Pensioner members:	 0% 0% 0%
Proportion of Liabilities Please show the proportion of liabilities which relate to each period of service for: Active members before 6 April 1997: Active members from 6 April 1997 to 5 April 2009: Deferred members before 6 April 1997: Deferred members from 6 April 1997 to 5 April 2009: Pensioner members before 6 April 1997:	 1% 44% 10% 58% 28%
Average Ages Please show the number of members and the average age (weighted by protected liabilities) as at the effective date of this valuation. Average ages should be rounded to the nearest whole year: Active members: number average age Deferred members: number average age Pensioner members: number average age	 15 52 87 54 81 72

I certify that this valuation has been carried out in accordance with the Pension Protection Fund (Valuation) Regulations 2005 and with the appropriate S179 guidance and assumptions issued by the Board of Pension Protection Fund. I also certify that the calculated value of the protected liabilities is, in my opinion, unlikely to have been understated.

Signature:	Date:
Name: Chris Atkin	
Qualification: FIA	Employer: Atkin Pensions

As required, under Part 9 of the Guidance on undertaking a S179 valuation, the S179 certificate should form part of the scheme actuary's S179 valuation report. The details contained in this certificate should be separately submitted to the PPF as part of the annual scheme return via the Pensions Regulator's system "Exchange".

This certificate should not be sent directly to the Pension Protection Fund.