



# **Scheme Newsletter 2025**

## **Guidance Pension Scheme**

JANUARY 2026

## **A WARM WELCOME**

As the Trustee of the Guidance Pension Scheme (the 'Scheme'), we want to keep you up to date on its finances, investments and associated developments. With this in mind, we would like to welcome you to this annual newsletter written for you, the members.

Each year we summarise the Scheme's key developments, based on its formal Report & Accounts. We also highlight the main pension news.

This issue of the annual newsletter looks at the reporting year to 5 April 2025.

Inside, you can find a summary of the year's accounts and an overview of how the Scheme's investments performed. In our pensions round-up, you can read about developments including the change being made to the minimum retirement age.

If you have a question about your Scheme benefits or any of the issues raised, please contact the Scheme's administrators Atkin Pensions. You can find their contact details on page 10

**On behalf of the Trustee of the Guidance Pension Scheme**

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# THE SCHEME IN NUMBERS

## THE ACCOUNTS

The table below outlines the Scheme's finances for the 12 months to 5 April 2025. During the year, the overall value of the assets reduced by £910,689 to £14,863,349.

The decrease was comprised of net additions from dealings with members of £253,349 together with a net decrease in the value of investments of £1,164,038. The Scheme uses a 'Liability Driven Investment' strategy whereby the assets of the Scheme broadly mirror the increases and decreases in the present value of the liabilities (i.e. the value of future benefits to members).

The figures have been checked by the Scheme's appointed auditor, J W Hinks LLP. If you would like a copy of the full year's accounts, please use the contact details later in the report.

	<b>At 5 April 2025</b>	<b>At 5 April 2024</b>
<b>Value of the assets at start of year</b>	<b>15,774,038</b>	<b>16,055,916</b>
Deficit contributions received	900,000	900,000
Other contributions	-	-
Retirement benefits	646,602	684,956
Death benefits	-	-
Transfers out	-	-
Other leavers' benefits	-	-
Charges and expenses	49	4
<b>Total expenditure</b>	<b>646,651</b>	<b>684,960</b>
Bank Interest	-	-
Change in market value of investments	(1,021,205)	(412,260)
Investment management expenses	(142,833)	(84,658)
<b>Net returns on investments</b>	<b>(1,164,038)</b>	<b>496,918</b>
<b>Value of the assets at end of year</b>	<b>14,863,349</b>	<b>15,774,038</b>

## THE MEMBERSHIP

This table shows how the Scheme's membership breaks down. We have included the 2024 figures to show you how the membership has changed.

All active Scheme members became deferred members in 2009, when the Scheme closed to the future build-up of benefits.

	At 6 April 2025	At 6 April 2024
<b>Deferred members</b> with preserved benefits in the Scheme	145	146
<b>Pensioner members</b> receiving benefits from the Scheme (including the dependants of members who have died)	151	151
<b>Total</b>	<b>296</b>	<b>297</b>

## PENSION INCREASES

The Scheme provides the following pension increases:

### **Increases to your pension in deferment**

After you left the Scheme and before your pension starts to be paid, your pension will be increased each year. The increase will depend on the different elements of your pension. If you have any Guaranteed Minimum Pension (GMP) this will be revalued by the relevant fixed rate. Any pension in excess of GMP and your cash lump sum will be increased by inflation up to a maximum of 5% p.a.

### **Increases to pensions in payment and your cash lump sum**

Your pension will receive increases each April. The first increase will be proportionate if you do not retire on 6th April. Pension in excess of Guaranteed Minimum Pension (GMP) will increase each year in line with the Retail Price Index (RPI) to a maximum of 6% p.a.

Any GMP will receive a fixed increase of 3% per annum.

The RPI linked increase applied in respect of 2024 was 2.7% which was based on the increase in RPI inflation in the year up to September 2024. The increase to be applied in respect of 2026 will be 4.5% based on the increase in the year up to September 2025.

## A FUNDING UPDATE

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. If there is a deficit, the Trustee will agree with the Company a Recovery Plan to meet the deficit over a short a period as possible.

The most recent funding update was based on the Scheme's position at 5 April 2025 the results of which are set out in the Summary Funding Statement issued alongside this newsletter. This showed that on 5 April 2025 the Scheme had a shortfall; the results noted in the table below are compared to the position at the 2024 actuarial update.

Type of Valuation	Annual actuarial update	Annual actuarial update
Date	5 April 2025	5 April 2024
Value of the Scheme's assets	£14,824,000	£15,732,000
Value of the Scheme's liabilities	£16,644,000	£17,924,000
Surplus/(shortfall)	(£1,824,000)	(£2,192,000)

Although the Scheme does show a deficit, the funding position has improved.

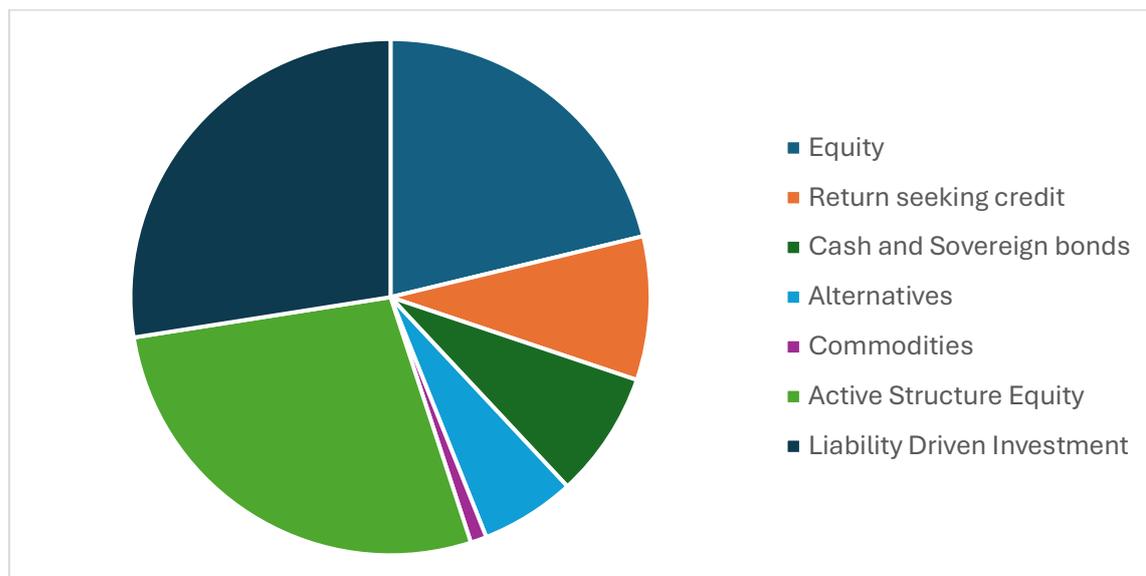
In order to meet the deficit identified in the 2023 valuation, the Trustee has agreed with Babcock Training Limited ('BTL') that it will continue to pay deficit contributions of £900,000 per annum which is expected to clear the deficit within four years and five months from the valuation date.

## INVESTMENT COMMENTARY

The Scheme's assets continued to be managed on a fiduciary management basis by Schroders Solutions. This means that although the Trustee remains responsible for the governance and investment of the Scheme's assets (including setting objectives and approving the overall strategy), day-to-day matters are managed by Schroders Solutions within guidelines set by the Trustee.

### ASSET ALLOCATION

The chart shows the Scheme's agreed strategic allocation as at 5 April 2025.



The Scheme is targeting full funding on a prudent low dependency basis by November 2028 at which point the expectation is that the Scheme would be sufficiently well funded to be able to adopt a low risk investment and funding strategy so that there is a lower expectation that further support would be required from the Employer.

Further details of the Scheme's investment strategy are set out in the Statement of Investment Principles ("SIP"), which is available at ([Guidance Pension Scheme \(pensionpal.co.uk\)](https://www.pensionpal.co.uk))

The SIP also sets out the Trustee's investment policies on Environment, Social and Governance ("ESG") factors (including climate change) and stewardship (including voting and engagement). Currently the Trustee delegates responsibility around corporate governance and stewardship to the fiduciary manager. The Trustee continues to believe it is appropriate to delegate voting and engagement decisions to the fiduciary manager and their Underlying Investment Managers in order to achieve an integrated and joined up approach, which will benefit the Scheme's members in financial and non-financial terms as a result. Further details can be found in the Section 4 of the SIP.

Schroders Solutions reports to the Trustee every quarter and at Trustee meetings where the Trustee focuses on investment matters in greater detail.

## INVESTMENT PERFORMANCE

Over the year to 30 April 2025, the Scheme aims to outperform the expected liabilities by c. 2.9% per year (or in monetary terms about £0.43m p.a.). We can project the expected cashflows on a year by year basis and then represent the liabilities by a collection of government bonds (gilts) and gilt-like instruments that have similar characteristics as our Scheme's expected pension payments. This collection is called the Liability Benchmark Portfolio ('LBP'), and it's what we compare our performance to. So, the aim is to do better than the LBP by 2.9% per year.

This approach means that a combination of Company contributions and investment return will together continue to improve the financial health of the Scheme towards full funding. For the year to 31 March 2025, the overall target was -5.6%. However, the Scheme's assets delivered -7.4%, so it had a negative effect on the Scheme's financial health. The Trustee continues to monitor performance regularly.

# PENSIONS ROUND-UP

In this section we outline some headline news items of more general pensions interest.

## **Inheritance tax**

In October 2024, the Government announced a proposed consultation to review the tax treatment of certain death lump sums. The consultation looked at measures to include these benefits in the deceased's estate, meaning they would be subject to inheritance tax ('IHT'). This is a change from the current position where pensions are broadly exempt from inheritance tax.

Recently the Government published its response to the consultation and confirmed it is going ahead with its proposal of including most unused pension funds and death benefits in the value of a person's estate for IHT purposes from 6 April 2027. Under government proposals, it is expected that Personal Representatives would be responsible to HMRC for reporting and paying any Inheritance Tax due on unused pension funds and pension death benefits.

We are unable to provide financial or legal advice on this matter. If you think you are likely to be impacted by this you should seek independent financial and or legal advice.

## **Change to the Normal Minimum Pension Age**

The Normal Minimum Pension Age is the earliest age most people can start taking benefits from a personal or workplace pension scheme. The minimum age is increasing from 55 to 57 on 6 April 2028.

This is being put in place to coincide with the expected rise in the State Pension Age and will generally affect members of pension schemes (like the Scheme) who are not retiring due to ill health.

If you were born before 6 April 1971 then this will not affect you. If you are already receiving a Scheme pension by 5 April 2028 then this will not affect you. It does not affect the Scheme's ability to pay benefits to dependants or to members who are allowed to retire because of their ill-health.

If you were born between 7 April 1971 and 5 April 1973 then you might be able to retire from your 55<sup>th</sup> birthday, but if you have not already retired before 6 April 2028 then you wouldn't then be able to retire until your 57<sup>th</sup> birthday. Please contact us using the contact details below if you would like details of the options available to you, preferably at least 6 months in advance. Note that early retirement under the Scheme may be restricted and subject to Employer and/or Trustee consent.

## Removal of the Lifetime Allowance

From April 2024, the Lifetime Allowance, which was the maximum value of benefits that could be taken from a registered pension scheme without being subject to the lifetime allowance tax charge, was abolished. In its place, three new allowances were introduced which you may need to consider when you retire or transfer out, or in the event of a member's death as shown below. The first two limit the amount of tax-free benefits that can be paid, the last applies to overseas transfers.

The limits are:

- the lump sum allowance - £268,275
- the lump sum and death benefit allowance - £1,073,100
- the overseas transfer allowance - £1,073,100

The lump sum allowance applies at a relevant benefit crystallisation event, which is when tax-free benefits are being taken. The allowance is the overall size of tax-free cash you can take in total from all the pension schemes you are a member of. The amount is currently £268,275. When you come to retire from the Scheme our administrator will ask you to complete some forms to ensure we tax your benefits appropriately.

The annual allowance, which is the maximum amount of pension benefits you can save each year with the benefit of tax relief, still remains. For the 2024/25 tax year, it is £60,000 but if you have a high income or have started to draw money purchase benefits in a flexible way, your annual allowance may be as low as £10,000 a year.

**If you are impacted by any of these changes, we recommend you seek professional advice prior to taking any action.**

## Other information

### Transferring your benefits

If you are not yet receiving benefits and 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 appropriate independent advice before a transfer can proceed.

Some members paid Additional Voluntary Contributions over the course of their membership of the Scheme which are invested in a with-profits fund managed by Prudential. We issue these members with a benefit statement each year. As a matter of good practice, we would recommend that, if you hold one of these policies, you consider reviewing whether the policy and the investment strategy remains appropriate and that you may wish to obtain independent advice.

### Be aware of Pension Scams

One of the most common methods used by scammers to commit pension fraud is through cold calling. Pension cold calling is now banned which means firms will no longer be able to 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. If you receive a call concerning your pension from anyone other than Atkin Pensions or the Trustee then please hang-up the phone.

**We strongly advise you to find out more 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.

It is important that you are aware of pension scams that are unfortunately becoming increasingly common in the UK, especially in these challenging times. This not only applies to your benefits in the Scheme but also any other pension benefits you may have.

The Pensions Regulator has recently updated some case studies and videos including those shown below (the first is only 30 seconds long and the second 6 minutes).

(short version) <https://www.youtube.com/watch?v=V7A5q7bNDVI&t=1s>

(longer version) <https://www.youtube.com/watch?v=jTHmLTC553s&t=2s>

To help protect yourself and your pension savings, please visit the Pensions Regulator's website at

<https://www.thepensionsregulator.gov.uk/en/pension-scams>

and the Financial Conduct Authority's (FCA) website at

<https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>

for more information on how 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?

**If you think you are or have been scammed:**

- Report the incident to the FCA – by contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at [www.fca.org.uk](http://www.fca.org.uk)
- Report to Action Fraud – on 0300 123 2040 or at [www.actionfraud.police.uk](http://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>

## Financial advice

The law does not allow anyone involved with the Scheme to give you financial advice. If you would like help with your pension arrangements or retirement planning, consider talking to your independent financial adviser (IFA).

If you do not have an appointed IFA, you can find one in your area by searching online at [www.unbiased.co.uk](http://www.unbiased.co.uk)

Simply enter your postcode into the search bar on the homepage to see a list of IFAs local to you. Moneyhelper also provides useful tips on finding a financial adviser.

Go to:

<https://moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser>

## Keeping safe online

You will be aware in the media of high-profile cyber and data exfiltration attacks during the past year. Pension schemes are also a potential target for cyber criminals due to the data held. The Trustee takes the matter seriously and works with Atkin Pensions in particular to ensure there are controls in place. While every effort is made to keep your data safe, below are some important steps you can take to help protect yourself:

- Look out for phishing emails or fraudulent activity on your pension or your other online accounts.
- Reset passwords on your pension and your other online accounts.
- Use strong, unique passwords for each online account you have.

## Pensions News

### Understanding your retirement

The Trustee would like to highlight some other sources of help and guidance that may help you with your retirement planning.

#### **MoneyHelper: free and impartial guidance**

MoneyHelper is a free and impartial guidance service introduced by the Government. It is there to assist people with retirement saving options and to help people make wellinformed decisions to ensure good retirement outcomes.

You can access MoneyHelper online at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

You can also book a free appointment through the website or by calling 0800 138 3944. Please note that MoneyHelper does not provide pensions advice but will provide guidance to help you understand your options.

#### **State Pension Age**

Your State Pension Age (**SPA**) is the earliest age from which you can claim your State Pension. As of October 2020, this was age 66 for both males and females.

Under current law, the SPA is due to increase gradually to age 67 between 2026 and 2028 and to age 68 between 2044 and 2046. The Government has announced plans to potentially bring forward the timetable for the increase in SPA to age 68 to between 2037 and 2039.

An individual's SPA varies by month of birth and you can find out your SPA at <https://www.gov.uk/state-pension-age>

#### **State Pension forecast**

If you are interested in checking your state benefit entitlement, you can get a State Pension forecast by calling 0800 731 0175 or online at <https://www.gov.uk/check-state-pension>

You can also request this by post using the following address:

Future Pension Centre  
The Pension Service 9  
Mail Handling Site A  
Wolverhampton WV98 1LU

## **Retirement living standards**

The Pensions and Lifetime Savings Association (**PLSA**) has a mission to help everyone achieve a better income in retirement. They work to get more people and money into retirement savings, to get more value out of those savings, and to build the confidence and understanding of savers.

As part of its work, the PLSA has published an illustrative level of income needed to fund different lifestyles in retirement. The aim is to help savers think in a practical way about the kind of retirement lifestyle they are targeting and plan accordingly.

If you are interested in what life may look like for you in retirement go to <https://www.retirementlivingstandards.org.uk/>

## **Mid-life MOT**

The Government has recently launched a digital Midlife MOT website to help people start thinking about work, health and money with future planning in mind. It is aimed at people aged 45-65 but you may find it useful at any age. Whether you want to take stock of your finances, enjoy a healthy working life or plan for a more secure retirement and review your pension arrangements, the digital Midlife MOT can help provide the support you need.

You can find out more at <https://jobhelp.campaign.gov.uk/midlifemot/home-page/>

## BEHIND THE SCENES

This section lists the people and organisations who continue to manage the Scheme on your behalf.

### YOUR TRUSTEE

The Scheme is set up under 'trust' and managed by Capital Cranfield Pension Trustees Limited. The Scheme assets are held separately from those of Babcock Training Limited (BTL).

Our role as Trustee is to manage the Scheme in line with its own Rules and pensions law, and with all members' best interests in mind. We decide on the overall investment strategy and ensure that members' benefits are paid correctly and on time.

You can contact the Trustee at the address below:

Secretary to the Trustee, Guidance Pension Scheme  
Capital Cranfield Trustees Ltd  
Unit 15  
Poplars Court  
Lenton Lane  
Nottingham  
NG7 2RR

Or by email: [guidanceenterprises@cctl.co.uk](mailto:guidanceenterprises@cctl.co.uk)

### OUR ADVISERS

To help us run the Scheme, we appoint a number of professionals to advise us on areas which require particular expertise.

**Actuary:** N Atkin, Atkin Pensions

**Administrators:** Atkin Pensions

**Auditors:** J W Hinks LLP

**Lawyers:** Arc Pensions Law

**Fiduciary manager:** Schroders

**Banker:** Natwest

#### **Reminder: keeping us updated**

It is important that we have your correct details on file so that we can contact you about the Scheme and your benefits. If you change your name or move house, please remember to let us know using the attached form. Additionally if you are a pensioner member, please update us if there is a change to your bank or building society account.

It is also your responsibility to update your Expression of Wish form. This is the form we use to help us decide who any benefits should go to if you die before you retire. It is a good idea to update your form every so often, particularly if there is a change in your circumstances, for example if you marry or become a parent. Your form will automatically replace any previous nominations you made.

## CONTACT POINT

As a member of the Scheme, you can obtain further information on it on request. The contact details you need are:

Email: [email@atkin.uk.com](mailto:email@atkin.uk.com)

Phone: 0121 506 8200

Or write to:

Atkin Pensions  
Cornwall House  
Blythe Valley Business Park  
Solihull  
B90 8AF

## FURTHER INFORMATION

If you would like more general information about pensions and saving for retirement, there are a number of helpful websites.

<https://maps.org.uk/>

The Money & Pensions Service provides free, impartial advice on all money matters including pensions and how to find an IFA. Provides the MoneyHelper website.

<https://www.moneyhelper.org.uk/en/pensions-and-retirement>

<https://www.moneyhelper.org.uk/retirement-adviser-directory>

### **www.gov.uk**

The Government's website features a section 'Working, jobs and pensions'.

<https://www.gov.uk/plan-retirement-income>

<https://www.gov.uk/state-pension-age>

[www.age.uk](http://www.age.uk) provides information on pensions and annuities

<https://www.ageuk.org.uk/information-advice/money-legal/pensions/>