Pendragon Group
Pension Scheme

PENDRAGON

MONEY MATTERS

Your Scheme's financial roundup for 2025

Hi there,

Welcome to your yearly Summary Funding Statement, where you can get a breakdown on how the Scheme's doing financially – a copy of the full valuation is available on request.

You will see that the style of this year's SFS is different from the approach we have taken in previous years. We hope you find the new format easier to follow.

As your Trustee, it's our job to make sure there's enough money to cover the pensions of both current pensioners and those members who have not taken their pension yet but plan to do so in the future. To do this, we regularly check how much money has been built up in the Scheme and how much might be needed in the future, which you can read about in this Summary Funding Statement.

Just to note – this document doesn't hold any personal information or include any benefits you may receive from this pension scheme, either now or in the future.

Get familiar with the finances

How's the Scheme doing?

To help us keep things on track, the Scheme undergoes a full valuation every three years, with annual checks that take place in between.

These valuations and yearly checks are done by our Scheme Actuary, who gives us a detailed financial health-check of how the Scheme's doing.

Here's the breakdown of the Scheme's financial health at the last full valuation, and how this compares with previous annual checks.

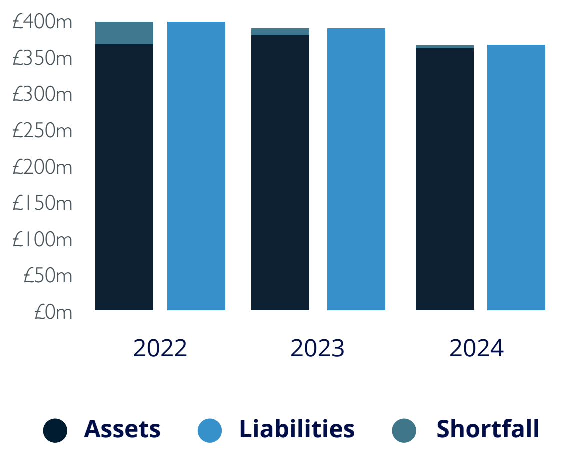
Our last full valuation was carried out on 31 December 2024. The next full valuation is due on 31 December 2027.

	31 December 2022	31 December 2023	31 December 2024
Assets The value of the Scheme's investments	£366.3m	£378.8m	**£360.6m**
Liabilities The estimated costs of providing members' benefits	£397.2m	£388.4m	**£365.4m**
Shortfall The difference between the assets and liabilities	(£31.0m)	(£9.6m)	**(£4.8m)**
Funding level The assets as a percentage of the liabilities	92%	98%	**99%**

To check how the Scheme is doing, we compare the value of our liabilities to our assets. If we have more assets than liabilities, then we're in surplus and the funding level will show 100% or more. If we have less assets than liabilities, we're in shortfall and the funding level will show below 100%.

It's worth remembering that these valuations are only a snapshot in time. As the market changes, it's perfectly normal for the funding level to change from time to time.

The Scheme's financial position



The Scheme was in shortfall...

As at 31 December 2024, the Scheme had a funding level of 99%. The return on assets over the year ending 31 December 2024 was lower than anticipated. This was primarily driven by changes in gilt yields, which also resulted in a reduction in the value of the Scheme's liabilities. This reduction in liabilities was greater than the fall in the value of our assets, which has led to a reduction in the value of the current shortfall, as well as a slight improvement in the funding level. The contributions paid into the Scheme by the Company have also contributed positively to Scheme funding.

The Company has continued to pay contributions throughout 2025 and we are pleased to say that the Scheme reached full funding on its technical provisions basis in July 2025.

Protecting your benefits

As your Trustee, we always aim to have enough money in the Scheme to pay pensions and other benefits to members and beneficiaries, with the support of the Company.

If the Company goes out of business or decides to stop paying into the Scheme, it's expected to pay the Scheme enough money to secure or buy all the benefits built up by members with an insurance company. This is known as the Scheme being 'bought-out' and 'wound-up'.

As part of the full valuation, the Scheme's Actuary works out how much money the Scheme would need if the Company could no longer support it, and the Scheme was wound up.

So for example, if the Scheme had wound up on 31 December 2024, it would have needed £393.3m to buy the necessary insurance policies, resulting in a shortfall of £32.6m compared with the value of the Scheme's investments on the same date. In this case, the Company would have had to make up the shortfall.

If the Scheme winds up and doesn't have enough money to secure all benefits with an insurer, and the Company can't make up the shortfall, you may not receive the full benefits you were expecting.

To protect members in this situation, the Government set up the Pension Protection Fund (PPF) where it provides compensation to members of eligible UK pension schemes, like ours. If the Scheme enters the PPF, the pension you receive may be less than the full amount you earned under the Scheme. The amount of compensation you receive depends on your age and when your Scheme benefits were built up. You can find out more about the PPF on their website **www.ppf.co.uk**

Including this information doesn't mean that we, or the Company, are thinking of winding-up the Scheme – it's simply required as part of our report.

The legal bit

Legally, we must let you know that the Company has not taken any surplus payments out of the Scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Scheme, or to impose a direction, or a schedule of contributions.

Our approach to investing

To help get the most out of our investments, we've appointed specialist advisers to help us establish and follow a clear investment strategy. When developing an investment strategy, we work with our advisers to take into account environmental, social and governance issues, along with climate related risks and opportunities.

More information about our investment strategy is published in our Statement of Investment Principles but in the meantime, we've summarised on the right how the Scheme's investments are split between different investment types. You can get a copy of all the Scheme's documents by getting in touch with the Scheme Administrator, or by visiting the Scheme website at **https://members.pensionpal.co.uk/pendragonpensions**

54.1%	LDI and Collateral	**6.9%**	Diversified Growth
19.5%	Credit	**5.5%**	Equities
14.0%	Illiquid		

In addition, some assets are held in the Trustee Bank Account, Central Asset Reserve, annuities and AVCs.

Your Trustee

Pendragon Group Pension Trustees Limited

Your Scheme Administrator

For any questions regarding the Scheme, or for copies of Scheme documents, contact the administrators.

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Stay in touch

Please remember to let the Scheme Administrator know if you move home, so that we can keep in touch with you and make sure your benefits are paid on time. Or, you can send us your email address – that way we're less likely to lose touch with you.

Your data

If you want to find out more about how we use your personal data please contact the Scheme Administrator.