

# Bridon Group (2013) Pension Scheme Newsletter

Welcome to your latest Scheme newsletter, keeping you up to date with Scheme developments and wider pensions news.

## Autumn 2021

The COVID-19 pandemic continues to dominate our lives as the UK's vaccination programme rolls out. The economy remains fragile, but our role as Trustees remains the same – to monitor the Scheme's development and to make any changes we feel are necessary to protect the Scheme and all members' best interests.

Inside, you can read how the Scheme's funding position is developing in our latest summary funding statement. I am pleased to report that, despite the current market volatility, the effects of the pandemic have had limited impact on the Scheme's finances to date. We also include the usual updates from the accounts and investments.

In wider pensions news, we look at the increasing importance of Environmental, Social and Governance (ESG) investments. We also include important reminders on the ongoing threats of cybercrime and pension fraud.

Please do get in contact if you have a query about the Scheme or your benefits. Contact details are on page 6.

Susan Anyan, representing Capital Cranfield Pension Trustees Limited  
Chair of the Trustees

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# In numbers


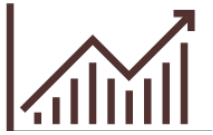


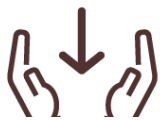
## The membership

At 31 December 2020 there were 316 members in the Scheme compared with 328 members at 31 December 2019.

197	<b>Deferred members</b> - no longer building up benefits but have benefits in the Scheme for when they retire.
119	<b>Pensioner members</b> - 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. 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 31 December 2019	£90.1M	
The increase in the value of the assets over the reporting year	£13.4M	
The total value of Company contributions paid into the Scheme during the year	£0.3M	
The total value of benefits paid to members during the year	-£5.6M	
The value of the assets supporting the Scheme at 31 December 2020	£98.2M	

# Investment update

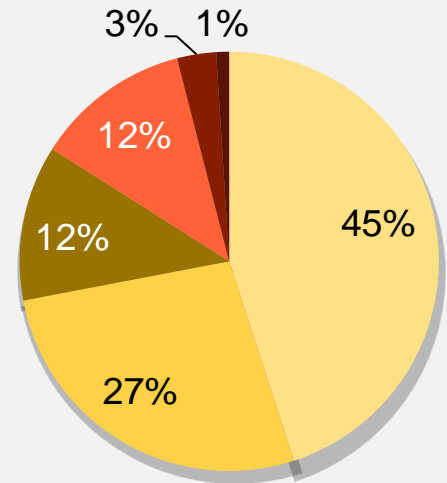
As Trustees, it is our responsibility to decide on the overall investment strategy. We work closely with our investment advisers and we keep a close eye on how the funds are performing.

## Asset allocation

At 31 December 2020, the Scheme held assets of £98.2M compared with £90.1M at 31 December 2019.

The chart adjacent shows how the Scheme's assets (excluding members' AVC benefits) were allocated at 31 December 2012, across asset types.

- Hedging Component
- Bonds
- Equities
- Diversified Growth Funds
- Cash
- Property



## Performance

The table below shows how the Scheme's investments have performed to 31 December 2020.

	Over the year		Since inception* (% per year)	
	Performance	Liability Benchmark	Performance	Liability Benchmark
	15.3%	13.8%	13.5%	11.9%

\*Inception date is 30 April 2019. This is the date that the Scheme's investments were transferred to Aon Investment Limited.

You can see that performance was positive over the year to date and since inception with the Scheme's investments exceeding the liability benchmark.

During 2020, following the strong investment performance experienced by the Scheme, the Trustees took further steps to move some of the Scheme's assets to less risky asset classes to help reduce the risk of a deterioration in the Scheme's funding position.

## Protect yourself from cybercrime

Scam messages and phone calls have been on the rise and spotting these is becoming increasingly difficult. Many well-crafted communications will even fool the experts. There are some common tactics that criminals will use to try and get you to respond without thinking.

Things to look out for are:

**Authority** - Is the message claiming to be from someone official? For example, your bank, doctor, a solicitor, or a government department. Criminals often pretend to be important people or organisations to trick you into doing what they want.

**Urgency** - Are you told you have a limited time to respond (such as 'within 24 hours' or 'immediately')? Criminals often threaten you with fines or other negative consequences if you don't respond quickly.

**Emotion** - Does the message make you panic, fearful, hopeful or curious? Use of threatening language, false claims of support, or enticing you into wanting to find out more are all common methods.

**Scarcity** - Is the message offering something in short supply, like concert tickets, money or a cure for medical conditions? Fear of missing out on a good deal or opportunity can make you respond quickly.

**Current events** - Are you expecting to see a message like this? Criminals often exploit current news stories, big events or specific times of year (like tax reporting) to make their scam seem more relevant to you.

**Stop and think.** If something looks too good to be true, makes you worried or frightened, don't respond immediately. Stop and give yourself time to check if the request is real, ask for a phone number to ring the caller back or speak to a friend or relative before you act.

- **Be aware of suspicious emails and texts.**
- Don't click on links, share your bank details or personal information following unsolicited requests.
- Read the National Cyber Security Centre guidance at [www.ncsc.gov.uk/guidance/suspicious-email-actions](http://www.ncsc.gov.uk/guidance/suspicious-email-actions) for further information on how to stay safe.

## Pension fraud

Pension fraud remains a threat to your retirement savings. The Pensions Regulator recently launched a campaign calling on the industry to pledge to combat pension fraud. The pledge involves several commitments including:

- regularly warning members about pension scams, and
- taking appropriate due diligence measures when members request a transfer out.

You can read more about the pledge at [www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams)

As Trustees, we are committed to giving you the information you need to be aware of the warning signs. We also take every precaution and make all necessary checks before processing a request to transfer out of the Scheme.

For more information about pension fraud:

- Go to [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) for tips and online resources to help you protect yourself.
- Go to [www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams) and download the pension scams booklet.

## Responsible investing

You may have heard about responsible investing in the news recently as it's getting more attention across the pension industry. Responsible investing aims to incorporate environmental, social and governance (ESG) factors into investment decisions, which can help to create long-term sustainable returns.

- **Environmental:** the impact companies and their assets have on the environment.
- **Social:** how companies treat their employees, customers and the community.
- **Governance:** how companies and their assets are governed.

As Trustees of the Scheme, we assess ESG factors when agreeing how to invest the Scheme's assets. Our appointed investment managers also incorporate ESG factors into their day-to-day processes.

For further details on our investment approach, read our Statement of Investment Principles at [www.bridonpensions.co.uk](http://www.bridonpensions.co.uk). You can also how our policy on engagement activities and voting has been followed during the year.

## 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 Trustees, 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.

You can download a blank Expression of Wishes form from the Scheme website.

## Single code of practice for the Pensions Regulator

Following a public consultation, the Pensions Regulator will be combining its existing (multiple) codes of practice into one single, shorter code. A formal consultation is being carried out. There will be an increased focus on good governance, meaning greater overall protection for your benefits.



## Lifetime Allowance frozen until 2026

In the March 2021 Budget, the Chancellor announced that the Lifetime Allowance will be frozen for the next five tax years. This means it will remain at the current rate of £1,073,100 up to and including the 2025/26 tax year.

Recently, the Lifetime Allowance has been increased each April in line with inflation, as measured by the Consumer Prices Index, but now the next increase is not due until 6 April 2026.

The Lifetime Allowance is the value of overall retirement savings you can build up during your lifetime which qualifies for full tax relief (excluding the State Pension). If you build up retirement savings and take benefits above this level, you will face a tax charge on the excess unless you have a form of Lifetime Allowance protection in place.

The freeze means that, in the long run, more people with significant retirement savings could exceed the Lifetime Allowance and therefore be liable to the tax charge.

### Important

It is your responsibility to measure how close you may be to the Lifetime Allowance by adding up all the pension schemes you belong to. You can find help on how to do this and more information about the Lifetime Allowance at [www.gov.uk/tax-on-your-private-pension/lifetime-allowance](http://www.gov.uk/tax-on-your-private-pension/lifetime-allowance).

If you are unsure how close you may be to the Lifetime Allowance, we recommend you speak with an independent financial adviser.

# More information

To find out more about the Scheme, please visit [www.bridonpensions.co.uk](http://www.bridonpensions.co.uk) or scan the QR code to the right.



There are lots of useful websites that can help you understand your options and support you with your retirement planning.

## Get to know your pension at [www.yourpension.gov.uk](http://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](http://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.

## [www.maps.org.uk](http://www.maps.org.uk)

The Money & Pensions Service brings together three main guidance bodies, the Money Advice Service, the Pensions Advisory Service and Pension Wise.

The combined service is relaunching as MoneyHelper this summer. To find out more, go to [www.maps.org.uk/moneyhelper/](http://www.maps.org.uk/moneyhelper/)

## Taking advice

If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser (IFA). You can find an adviser in your area by searching the Money Advice Service directory at <https://directory.moneyadvice.service.org.uk/en>.

Before you appoint anyone, you should check that the adviser is suitably qualified and authorised. You can do this online at <https://register.fca.org.uk> or by phoning the Financial Conduct Authority helpline, **0800 111 6768**.

**Remember:** if you would like more information about the Scheme, you can request a copy of the Trustees' Annual Report & Accounts. Contact the administration team (details below).

## Contact point

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

Email: [bridonpensions@aon.com](mailto:bridonpensions@aon.com)

Phone: 0345 268 8476  
(lines are open Monday to Friday, 9am to 5pm)

Write to: Bridon Pensions  
Aon  
PO Box 196  
Huddersfield  
HD8 1EG

## Behind the scenes

In February 2021, we wrote to all members to report that there were two vacancies for Member-nominated Directors in the Scheme, and invited members to apply for the positions. Following completion of the exercise, both vacancies were filled as follows:

- Gary Peters has been reappointed to the board and his new term of office will last until 13 May 2024;
- Chris Finlay has been appointed to the board and his term of office will last until 13 May 2024.

As a result, the current Trustee board is shown below:

Company-appointed	Member-nominated	Independent
G Cook	G Dallard C Finlay G Peters	S Anyan, Chair, representing Capital Cranfield Pension Trustees Limited

As Trustees 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.

We also appoint professionals to support us on areas of particular expertise. During 2021, we decided to replace Squire Patton Boggs with *gunnercooke* as the Scheme's Legal Adviser. The current advisers are details below:

Administrator	Aon Solutions UK Limited (formerly Aon Hewitt Limited)
Actuary	A Shah, Aon Solutions UK Limited
Auditor	Ernest & Young LLP
Investment	Aon Investment Limited
Legal Adviser	<i>gunnercooke</i> LLP

# Summary Funding Statement

This section summarises the results of the funding update at 31 December 2020. It also looks at the most recent previous results. 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 31 December 2018.

	Annual Actuarial Update	Actuarial Valuation	Annual Actuarial Update
Date	31 December 2020	31 December 2019	31 December 2018
The funding level	<b>110%</b>	<b>108%</b>	<b>96%</b>
The funding target	£89.5 million	£83.3 million	£84.5 million
The value of the Scheme's assets	£98.1 million	£90.0 million	£81.3 million
The overall position	Surplus of £8.6 million	Surplus of £6.7 million	Shortfall of £3.2 million

The latest update shows that the funding level has improved since the valuation at 31 December 2019.

The next financial check will be based on the Scheme's position at 31 December 2021. 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.

## Reasons for the change

The increase in the surplus since the valuation at 31 December 2019 is largely as a result of positive asset performance.

## Funding position

While the Scheme is showing as having a surplus when valued on an ongoing basis, which provides security for members' benefits, the Scheme is likely to have a deficit when measured on the full solvency basis (see page 8).

# Summary Funding Statement

## Financial support

As the Scheme was in surplus as at 31 December 2019 valuation, the Company does not currently need to contribute to the Scheme.

## Parent Company Guarantee

As part of the negotiations for the 31 December 2019 valuation, the Company agreed to put in place a parent Company Guarantee from NV Bekeart SA. The Guarantee provides additional protection of members benefits.

## If the Scheme came to an end

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

- The 'ongoing' basis (shown [above]), 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 valuation. 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 31 December 2019, the Scheme full solvency funding level was 77% with a shortfall of £26.5 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](http://www.thepensionsregulator.gov.uk).

