

As Trustees, we provide all members with regular information about the level of funding that supports your pension.

This statement summarises the results of the full valuation at 1 January 2020 and the annual funding updates at 1 January 2021 and 1 January 2022.

These financial health checks are vital for monitoring the Scheme's progress. The information helps you to understand how the Scheme is developing.

The latest position

The table below shows the full valuation at 1 January 2020 alongside the annual funding updates at 1 January 2021 and 1 January 2022.

	Valuation	Update	Update
Date	1 January 2020	1 January 2021	1 January 2022
The funding level	106%	101%	115%
The funding target	£588.4 million	£637.3 million	£612.6 million
The value of the Scheme's assets	£625.9 million	£645.8 million	£702.1 million
The overall position	Surplus of £37.5 million	Surplus of £8.5 million	Surplus of £89.5 million

The latest update shows that the funding level deteriorated over 2021 but improved significantly over 2022.

It is important to remember that it is normal for pension scheme funding levels to fluctuate over time. Even if funding is temporarily below target, the Scheme will continue to pay benefits in full as long as it continues.

The Company also made voluntary £15M contributions in both December 2020 and December 2021 to boost scheme funding.

The next formal actuarial valuation is due at 1 January 2023. We will report on the results once they are complete, which is likely to be in 2024.

Reasons for the change

The position improved significantly from January 2021 to January 2022 as a result of:

- positive investment performance which has meant that the Scheme's assets have risen in value;
- Company contributions;
- a slight rise in interest rates which has increased expectations for future investment returns;
- offset to some extent by increases to expectations for inflation which has increased the value of the liabilities.

Financial support

The Company has provided significant financial support for the Scheme which has helped the Scheme to achieve its current funding position, including £15M contributions in both December 2020 and December 2021.

The Company is also currently paying 9% of Basic Earnings plus £0.8M a year in respect of new benefits for active members and £0.6M a year to cover expenses and levies.

The next formal valuation will look at the Scheme's position at 1 January 2023. This will include evaluating whether the Company needs to make further contributions to the Scheme.

If the Scheme came to an end

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

- The 'ongoing' basis (shown on the previous page), 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.

At 1 January 2020, the Scheme's full solvency funding level was 79% with a deficit of £166.9 million. At 1 January 2022, this had improved to c.90%

We are obliged to tell you if there have been any payments to the Company out of Scheme funds since the last update, and there have not been any such payments.

Contacts

If you have any questions about the Scheme or your pension, please contact the Company Secretarial Department at the following address:

Persimmon Pension Trustees Limited, Persimmon House, Fulford, York. YO19 4FE

The Pension Protection Fund

If the Company did become insolvent, the Pension Protection Fund (the PPF) may step in and pay some compensation to members. There are more details on the PPF website at:

www.ppf.co.uk

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.

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 and Pensions Service directory at:

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

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.

