

Pearl Group Staff Pension Scheme - Summary Funding Statement

You will recently have received a copy of the report on the actuarial valuation of the Scheme as at 30 June 2006, which included a Summary Funding Statement. The Trustee must provide members with a further Summary Funding Statement after obtaining an annual report (as required under the Pensions Act 2004) from the Scheme Actuary on factors affecting the funding position since the previous valuation or annual report.

As a result of the recent annual report this update gives you the key items of funding data and an indication of changes that have taken place since the valuation. All other sections of the Summary Funding Statement included with the recent Report on the Actuarial Valuation are unchanged (a copy of which can be found on the Scheme website or from the Scheme Administrators – see below).

Final Salary Sections Only

The recent communication issued by the Trustee concerning the latest actuarial valuation of the pension scheme showed that on 30 June **2006** the funding position was as follows:

Assets	£1,716 million
Amount needed to provide benefits (technical provisions)	£2,099 million
Shortfall	£383 million
Funding level	82%

As detailed in the previous communication, the Trustee and Pearl Group Limited have entered into an agreement to reduce the deficit over the next 20 years to reach the target of 100% "Gilt" funding by 30 June 2027.

Change in funding position since the previous statement

The latest actuarial report by the Scheme Actuary showed that on 30 June **2007** the funding of the Scheme was progressing as anticipated and the funding level was estimated to be 84% with a reduced shortfall of £350 million. The position had got better since the previous statement mainly due to higher investment returns than expected.

If the Scheme had started winding up (full solvency), it is estimated that the assets available would have been sufficient to secure, on average, 76% of benefits for members of the final salary sections (the valuation as at 30 June 2006 showed a solvency level of 75%).

Inclusion of this information does not imply that Pearl Group Limited is thinking of winding-up the Scheme.

Important: If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.

Payment to Pearl Group Limited

There has not been any payment to Pearl Group Limited out of Scheme funds since the last statement was issued.

Next review

The next annual "actuarial report" will be carried out as at 30 June 2008 and members can expect to receive a further Summary Funding Statement in early 2009. The financial position of the Scheme and the level of contributions required will be reviewed at the next actuarial valuation, which is expected to be carried out no later than 30 June 2009.

Get in touch

If members have any queries concerning the scheme, their benefits or the valuation they should contact First Actuarial, the Scheme Administrators.

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