

The Capper & Co Limited Pension and Assurance Scheme (“the Scheme”)

Summary Funding Statement as at 30 April 2024 and 30 April 2025

This statement is being sent to you to share the results of the latest triennial valuation of the Scheme that has recently been completed. Based on the funding principles agreed by the Trustees and A. F. Blakemore and Son Limited (“the Employer”), the Scheme Actuary calculated the funding position of the Scheme as at 30 April 2024 and 30 April 2025 to be as follows:

	30 April 2024 Full valuation £m	30 April 2025 Approx. update £m
Assets	29.6	27.8
Technical provisions (i.e. liabilities)	30.2	28.8
Deficit (technical provisions <i>less</i> assets)	0.6	1.0
Funding level	98%	97%

This ongoing funding position assumes that the Scheme will continue to be supported by the Employer and will not be wound up. Technical provisions represent the present value of all future pension benefits the ongoing Scheme would expect to pay.

Change in funding position

The 30 April 2024 valuation showed a deficit of £0.6 million corresponding to a funding level of 98%. The valuation update as at 30 April 2023 showed a deficit of £4.0 million corresponding to a funding level of 89%. The main reason the deficit has reduced over the year to 30 April 2024 is that long-term interest rates increased over the period, which has reduced the amount of assets the Scheme will need in order to meet all future benefit payments.

The valuation update as at 30 April 2025 showed a deficit of £1.0 million corresponding to a funding level of 97%. The main reason the deficit increased over the year to 30 April 2025 is that investment returns in the intervening 12-month period have been lower than assumed in the valuation basis. This has been mostly offset by the further increase in long-term interest rates over the period, which has reduced the value of the liabilities.

Therefore, over the two-year period up to 30 April 2025, the deficit reduced by £3.0m.

Rates of contribution due

In order to eliminate the shortfall, the Trustees and the Employer have agreed a recovery plan in which the Employer will pay contributions of £200,000 per annum, until 31 July 2028, whereupon the deficit is projected to be eliminated if the assumptions made under the recovery plan are borne out. Under a Pension Scheme Contribution Arrangements agreement, additional contingent Bonus Contributions may become payable if certain financial targets are met by the Employer. In addition, the Employer will separately pay any levies and the expenses of managing the Scheme, except for investment management and investment consultancy expenses.

The funding position and the rate of contributions required will be formally reviewed as part of the next scheme funding valuation, which will have an effective date no later than 30 April 2027.

Fluctuations in the funding level

It is the nature of defined benefit pension schemes that the funding level can fluctuate from year to year. The Trustees follow an investment strategy that is expected to deliver returns over the long term that, together with the continued support of the Employer, will enable the Scheme to pay all benefits as they fall due. The purpose of regular funding reviews is to check that progress remains on track and, where necessary, to take corrective action. The Trustees remain confident of the financial strength of the Employer and its ability to continue making contributions to the Scheme when required.

Funding position if the Scheme had wound up

If the Scheme were to wind up, the Employer would be required to pay enough into the Scheme to enable benefits to be fully secured by purchase of annuity contracts from an insurance company. This would require a large injection of cash, since an insurer would need to invest much more cautiously, using low return assets, in order to guarantee all future benefit payments. The Scheme Actuary estimated that, had the Scheme been discontinued and wound up on 30 April 2024, the amount by which the assets would have fallen short of the amount required to secure benefits would have been around £11.2 million.

If the Employer could not meet the wind-up shortfall in full (for example, because it was in liquidation), member benefits might need to be cut back. The amount of any cutback would depend on the assets ultimately available to the Scheme. The Scheme Rules and legislation would dictate how the assets are allocated. If the Scheme did not have sufficient assets to meet the level of compensation available from the Pension Protection Fund (PPF), the PPF might take over the Scheme in order to deliver that compensation to members. PPF compensation is, in general, less than the full benefits you are entitled to under the Scheme. Further information and guidance is available on the Pension Protection Fund's website at www.ppf.co.uk. Alternatively, you can call the Pension Protection Fund on 0345 600 2541, or send an email to information@ppf.co.uk.

Whilst the Scheme remains ongoing, even though funding may temporarily be below target, benefits will continue to be paid in full.

Required statements

The Trustees are required to confirm that no payments have been made to the Employer out of Scheme assets since the date of the previous summary funding statement, other than to reimburse the Employer when appropriate, for example in respect of pensions and other benefits paid to members. The Trustees can also confirm that the Pensions Regulator has not had to use any of its powers to intervene in the Scheme's funding plan.

Further information

If you would like any more information about the Scheme, please send an email to:
capper@hughespricewalker.co.uk.

Alternatively, you can write to:

The Trustees of the Capper & Co Limited Pension and Assurance Scheme, c/o Hughes Price Walker Limited,
Pembroke House, 15 Pembroke Road, Clifton, Bristol BS8 3BA.

If you need to advise a change of address, please contact the Scheme administrator on 0117 427 8900.

October 2025**Issued on behalf of the Trustees of The Capper & Co Limited Pension and Assurance Scheme**