2025

VAILLANT GROUP PENSION SCHEME

Summary Funding Statement

Your Defined Benefit Scheme (the Scheme)

Based on results from the Actuarial Report as at 5 April 2024 and information from the Scheme's 2025 Report and Accounts.

What's in this Summary Funding Statement?

Review of the accounts

On this page, you can see the Scheme's receipts and payments for 2024/2025. These are audited figures which may differ from those shown on **page 4**.

Net assets at beginning of year

(06/04/2024) £455.3m

+

Cash received

Company contributions	£6m
Investment income received (net of fees)*	£1.89m
Total	**£7.89m**

−

Change in investment value	**(£1.88m)**
Investment management expenses	**(£1.21m)**

−

Cash paid

Benefits paid	(£31.96m)
Transfers	(£0.52m)
Total	**(£32.48m)**

=

Net assets at end of year

(05/04/2025) £427.7m

As at 5 April 2025, the net assets of the Scheme were **£455.3m**. This means there was a decrease of **£27.6m** since the last Actuarial Report as at 5 April 2024.

This decrease in assets was also paired with a decrease in long-term liabilities, which means the Scheme's overall funding level has improved slightly between April 2024 and April 2025. This means the Scheme is now closer to its aim of full funding. You can find out more about the funding level on **page 4**, along with more information about the Scheme's financial health.

Jargon buster

Assets – the money available to the Scheme, built up from contributions from members and the Company, plus any investment returns (minus any expenses paid by the Scheme).

Liabilities – the estimated cost of providing pensions currently in payment and future benefits that have been promised to members (or their dependants) who have not yet retired.

Shortfall/Deficit – when the value of the Scheme's assets is less than the value of its liabilities.

Note: The figures in this table have been rounded up. Figures in brackets represent minus figures.
*Where these are directly invoiced to Scheme.

Measuring the Scheme's financial health

What is an Actuarial Valuation?

Every three years, an actuary carries out a financial health check on the Scheme – this is called an actuarial valuation and it lets us know how well funded the Scheme is. The next full actuarial valuation as at 5 April 2025 is currently being undertaken, and the results of this valuation are expected towards the end of this year. We will communicate the results through a Special Valuation Newsletter in early 2026.

What is an Actuarial Report?

In between valuations, an actuary creates a report which allows us to track the Scheme's financial health in the years between full actuarial valuations. Though actuarial reports aren't as detailed or accurate as full actuarial valuations, they allow us to effectively track and monitor the Scheme's funding level year on year, and this lets the Trustees know if they need to take additional actions or put extra measures in place to continue to protect the benefits (and prospective benefits) of all our members.

Why do we have actuarial valuations and reports?

It's important to check the Scheme's funding levels and financial security regularly because this allows us to decide whether we need to take any action in members' best interests. Regular checks also help us to identify any future funding risks and give us a clear picture of how the Scheme's assets compare to its liabilities.

How do we measure the Scheme's financial health?

Both actuarial valuations and actuarial reports measure the difference between the Scheme's assets and liabilities – this difference is expressed as a percentage which we call the funding level. If the Scheme's assets are greater than its liabilities, it has a surplus, and its funding level would be expressed as 100% or more. If the Scheme's assets are less than its liabilities, it has a shortfall or deficit, and its funding level would be less than 100%. If there is a shortfall in the Scheme's funding, the Trustees take action to reduce it.

As well as our goal of achieving a funding level of 100%, we have set a longer-term target for the Scheme that looks beyond this to help secure members' assets even further into the future, without the need to rely on the Company to pay additional contributions. We call this longer-term target "self sufficiency" and it is a target that is much closer to "buying out" all of the benefits with an insurance company. We also measure the Scheme's financial security against this longer-term target as well as the goal of reaching full funding.

When will the next full actuarial valuation take place?

The next actuarial valuation as at 5 April 2025 is currently underway.

The Scheme's financial health check

On this page we give you an overview of the latest figures. More details will follow in our 2026 Special Valuation Newsletter.

As at 5 April 2025, the Scheme's expected funding level was 93%. This is a slight improvement on the level reported in the last full Actuarial Valuation carried out as at 5 April 2022.

Change since the last Actuarial Report and Valuation:

	As at April 2022 (Actuarial Valuation)	As at 5 April 2025
Liabilities	£744.9m	£461.7m
Assets	£676.2m	£427.7m
Funding level	91%	93%

Note: Figures are rounded. The Scheme Actuary's annual report is based on the Scheme's 'unaudited' asset values so the figures in this table may differ from the actual audited asset values on **page 2**.

Securing the future of the Scheme

The Recovery Plan ended on 31 October 2025 but the Company has agreed to continue contributions of £0.5m per month until the April 2025 Actuarial Valuation is completed and a new Recovery Plan can be agreed.

What if the Scheme were to wind up?

If the Company were to go out of business, we would expect it to pay the Scheme the amount needed to secure your pension benefits with an insurance company. This means the Scheme would 'wind up', or no longer exist.

If the Scheme had wound up on 5 April 2022 (the date of the last full Actuarial Valuation we have results for), its assets would have covered around 75% of the estimated costs of paying members' benefits. In the unlikely event that the Company became insolvent, the Pension Protection Fund (PPF) may be able to compensate our members.

The good news is that there are no plans for the Scheme to wind up and we're only including this information because it's a legal requirement.

The Scheme's investments

Find out more about the Scheme's investment strategy and the impact recent market events have had on investments.

Recent market events

With the impact of the mini budget at the end of 2022, the effects of the Russia Ukraine conflict, US elections, and the conflict in the Middle East, there have been a number of uncertainties to navigate, and the market has often felt the negative impact of this over the past three years. We're very pleased that the impact of such events has been less than expected and our funding levels have continued to improve.

The Trustees continue to regularly review and monitor the Scheme's hedging strategies and risks, with advice from SEI, our investment adviser and fiduciary manager.

Where does the Scheme invest?

Pooled Investment Funds (by type)	Market Value at 5 April 2025
Bonds	£121.5m
LDI	£115.2m
Equities	£70.8m
Alternatives	£66.0m
Property	£34.7m
Total	**£408.4m**
Cash (and monies awaiting investment)	£8.6m
AVCs	£0.3m
Other	£7.3m
Total	**£424.4m**

Note: The figures in this table have been rounded up.

Get in touch

The Company's Pensions Team looks after the administration of your benefits. Please get in touch if you want more information about the Scheme or if you have a specific query about your benefits.

Write to: Vaillant Group Pension Scheme, Nottingham Road, Belper, Derbyshire. DE56 1JT
Email: vaillant.pensions@vaillant-group.com **Telephone:** 01773 596 048

! Visit **vaillantpensions.com** for up-to-date information on the Scheme and to find both old and new useful documents.