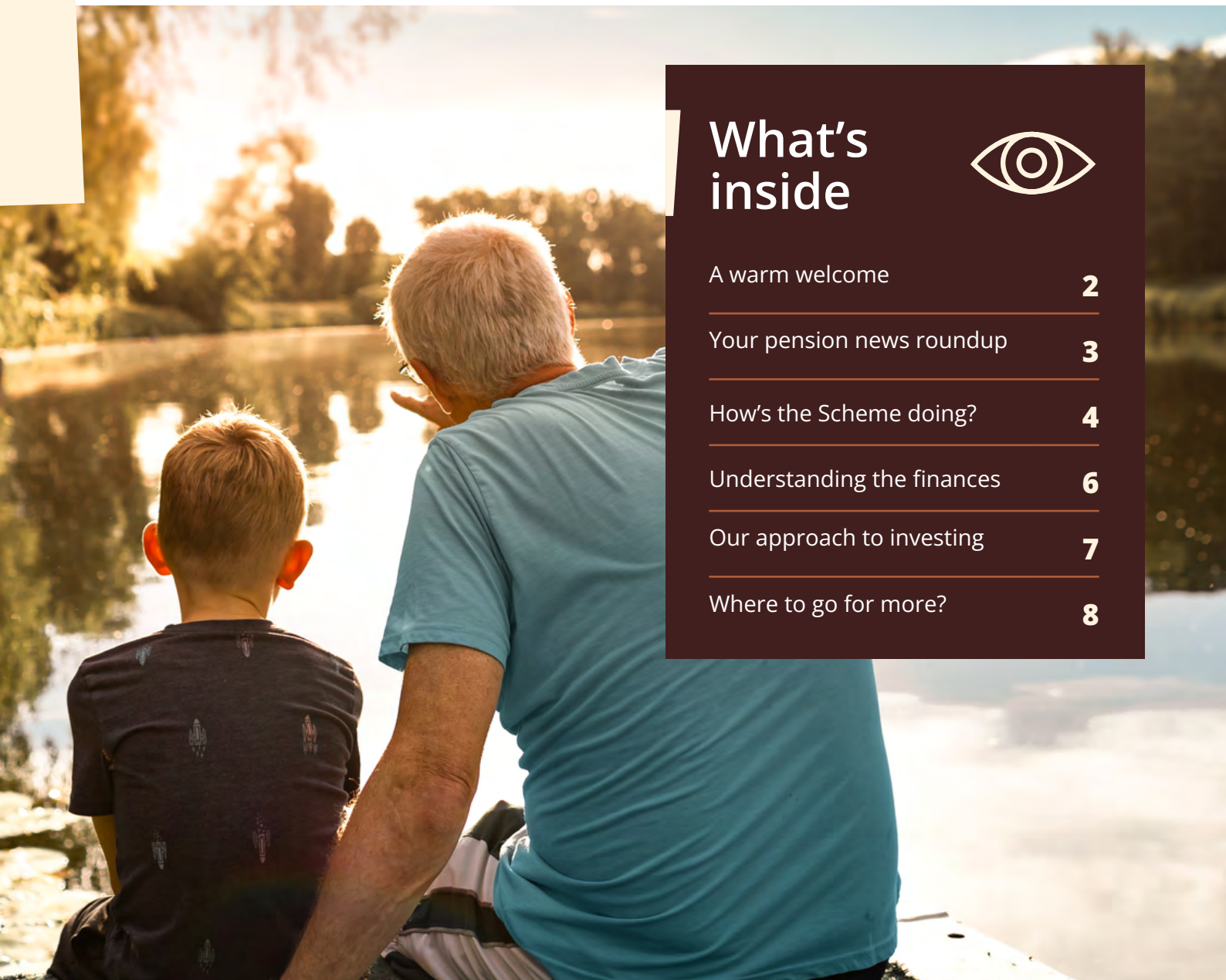


MONEY MATTERS

Your newsletter for the Thorntons Pension Scheme

2025



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A warm welcome

Welcome to the latest newsletter for members of the Thorntons Pension Scheme.

In this edition, we are pleased to update you on the financial and funding position of the Scheme which has improved since completion of the last Actuarial Valuation in 2023. The latest annual funding update at 31 May 2025 shows that the funding level has improved to 97%. Formal Actuarial Valuations are completed every 3 years to assess the Scheme's long-term financial health, with the next taking place on 31 May 2026.

Also included in the newsletter is an overview of the payments into and out of the Scheme during the year, as well as articles on upcoming changes to the scope of Inheritance Tax and how to recognise potential pension scams.

We're delighted to share that the Trustee has appointed Spence & Partners Limited as the new administration provider with effect from summer 2026. We wanted to make you aware of this change now, but you will receive further information, including how to contact the new administrator, in the coming months as part of the transition of services from Aptia UK Limited (formerly known as Mercer). We would like to thank the Aptia team for their support.

As always, we hope that you find this edition of your newsletter interesting and informative and we thank you for taking the time to read it.

If you would like to share any feedback about this year's newsletter or what you might like to see in next year's edition, please contact the Scheme Administrator.

Yours sincerely

Hetal Kotecha

**For and on behalf of Independent Trustee Services Limited,
as Trustee of the Thorntons Pension Scheme**

Independent Trustee Services Limited (part of Independent Governance Group) continues to act as the Professional Corporate Sole Trustee (PCST), represented by Hetal Kotecha and Paul Sherman. A PCST substitutes a trustee board with an experienced team of pension professionals who are dedicated to providing trustee services. You can find a list of our advisers below:

Scheme Administrator – Aptia UK Limited.
From summer 2026, Spence & Partners Limited will be the new Scheme Administrator.

Scheme Actuary – Mercer Limited

Investment Consultant – Mercer Limited

Independent Auditor – BDO LLP

Legal Adviser – Gowlings WLG (UK) LLP

Covenant Adviser – Ernst & Young



Your pension news roundup

Upcoming changes to Inheritance Tax

The Government has announced significant changes to how Inheritance Tax (IHT) will apply to pensions from April 2027.

At the moment, most unused pension funds and death benefits sit outside your estate for IHT purposes. This means they can usually be passed on to your beneficiaries free from IHT. From 2027, however, the rules are set to change so that any unused pension funds will be included in the value of your estate. As a result, they could become subject to IHT at the standard rate (currently 40%) if the total value of your estate exceeds the IHT thresholds.

There will be some key exceptions. Pension death benefits paid to a spouse, civil partner, or charity will remain exempt from IHT, and registered death-in-service benefits are expected to stay outside these new rules.

These changes could mean that more estates fall within the scope of IHT, and beneficiaries may face additional steps before pension funds can be paid out.

Now is a good time to review your financial plans. Check that your Expression of Wish form is up to date by contacting the Scheme Administrator, take stock of the overall value of your estate, and consider speaking with an independent financial adviser if you think you might be affected.

While the reforms are still being finalised, getting to grips with them early can help you plan ahead and make confident, informed decisions about your legacy.

Stay safe from pension scams

In 2023 alone, reports show that over £17 million was lost to pension scams, with £47,000 being the average amount stolen – which is often a big chunk of someone's life savings.

Fraudsters are using more sophisticated tactics – including fake pension dashboards, AI-generated voices, and social media messaging – to steal life savings. To protect yourself, follow three simple steps: **Stop. Start. Secure.**

Stop and think before responding to unexpected contact about your pension. Scammers create urgency to rush you into bad decisions. If someone promises guaranteed returns or early access to your money, it's almost certainly a scam.

Start taking control of your pension. Know who your provider is, what your pension is worth, and where it's held. The new Government-backed Pensions Dashboard will help you keep track when it launches over the next few years.

Secure your future by staying cautious. Only deal with FCA-authorized firms and never share personal or financial details unless you're sure who you're speaking to.

Sources for more detailed guidance include www.moneyhelper.org.uk and www.reportfraud.police.uk. You can ring Report Fraud on **0300 123 2040** for help.

Stop the scam. Start asking questions. Secure your retirement.

Get familiar with the finances

How's the Scheme doing?





To help us keep things on track, the Scheme undergoes a full valuation every three years, with annual checks that take place in between.

These valuations and yearly checks are done by our Scheme Actuary, who gives us a detailed financial health-check of how the Scheme's doing.

Here's the breakdown of the Scheme's financial health at the latest funding update, and how this compares with its recent annual checks.



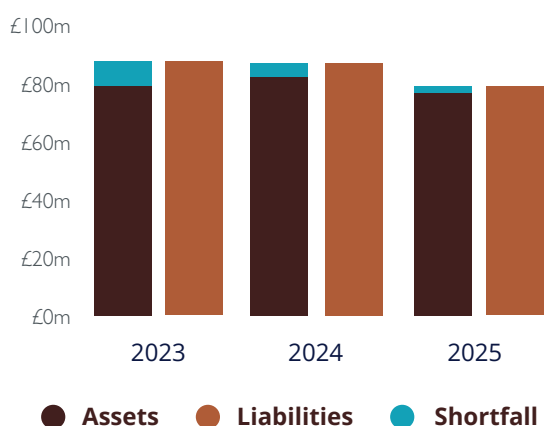
Our last full valuation was carried out on **31 May 2023**. The next full valuation is due on 31 May 2026 - we'll share the results with you as soon as they're ready.

	31 May 2023	31 May 2024	31 May 2025
 Assets The value of the Scheme's investments	£78.9m	£82.2m	£76.7m
 Liabilities The estimated costs of providing members' benefits	£87.4m	£87.0m	£78.9m
 Shortfall The difference between the assets and liabilities	£8.5m	£4.8m	£2.2m
 Funding level The assets as a percentage of the liabilities	90%	95%	97%

To check how the Scheme is doing, we compare the value of our liabilities to our assets. If we have more assets than liabilities, then we're in surplus and the funding level will show 100% or more. If we have less assets than liabilities, we're in shortfall and the funding level will show below 100%.

It's worth remembering that these valuations are only a snapshot in time. As the market changes, it's perfectly normal for the funding level to change from time to time.

The Scheme's financial position



The Scheme's in shortfall...

As at 31 May 2025 the Scheme had a funding level of 97%. The Recovery Plan put in place with the Company after the previous formal valuation in 2023 includes a commitment to continue paying additional contributions to help remove the shortfall.

The Scheme's funding position has improved since 31 May 2024 primarily due to the effect of increases in gilt yields which reduced the value placed on the Scheme liabilities by more than the reduction in the Scheme's assets.

The Company agreed to make up the shortfall of £8.5m identified at the 31 May 2023 valuation by paying the following contributions:

£395,833 in February 2024;

£10,417 per month from 1 March 2024 to 30 April 2024;

£125,000 per month from 1 May 2024 to 30 June 2028.

The Trustee's aim is for the shortfall to be paid off by 31 December 2027.

Protecting your benefits

As your Trustee, we always aim to have enough money in the Scheme to pay pensions and other benefits to members and beneficiaries, with the support of the Company.

If the Company goes out of business or decides to stop paying into the Scheme, it's expected to pay the Scheme enough money to secure or buy all the benefits built up by members with an insurance company. This is known as the Scheme being 'bought-out' and 'wound-up'.

As part of the full valuation, the Scheme's Actuary works out how much money the Scheme would need if the Company could no longer support it, and the Scheme was wound up.

So for example, if the Scheme had wound up on 31 May 2023, it would have needed £101.3m to buy the necessary insurance policies, resulting in a shortfall of £22.6m compared with the value of the Scheme's investments on the same date. In this case, the Company would have had to make up the shortfall.

If the Scheme winds up and doesn't have enough money to secure all benefits with an insurer, and the Company can't make up the shortfall, you may not receive the full benefits you were expecting.

To protect members in this situation, the Government set up the Pension Protection Fund (PPF) where it provides compensation to members of eligible UK pension schemes, like ours. If the Scheme enters the PPF, the pension you receive may be less than the full amount you earned under the Scheme. The amount of compensation you receive depends on your age and when your Scheme benefits were built up. You can find out more about the PPF on their website at www.ppf.co.uk

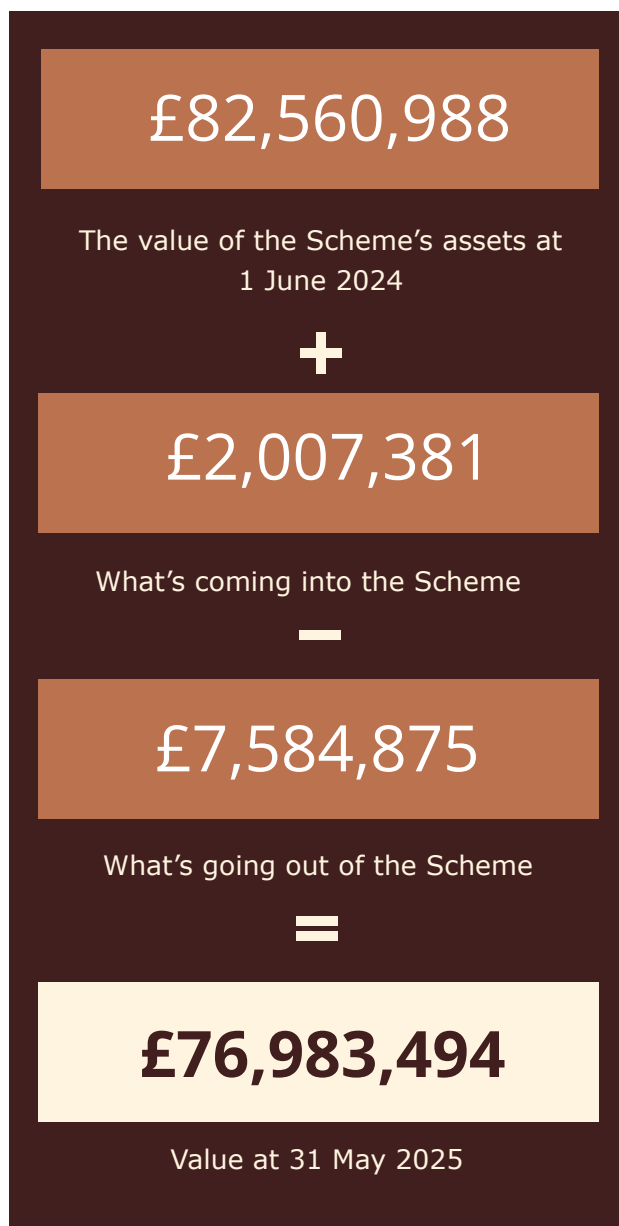
Including this information doesn't mean that we, or the Company, are thinking of winding-up the Scheme – it's simply required as part of our report.

The legal bit

Legally, we must let you know that the Company has not taken any surplus payments out of the Scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Scheme, or to impose a direction, or a schedule of contributions.

Understanding the finances

Here's a summary of the money we received, and the payments we made, over the last Scheme year.



The total asset values given here are higher than in the funding section (on page 4) – this is because the values here include all Additional Voluntary Contributions (AVCs), which are not a part of the funding numbers.

Company Contributions

If there's any shortfall in the funding position, then the amount of contributions that are paid into the Scheme by the Company is usually agreed as part of the actuarial valuation. For example, it may be decided that the level of contributions to the Scheme may increase or for contributions to be paid for longer.

Our members

As at 1 June 2024

- 877** Members who have left but not retired
- 819** Pensioners, including beneficiaries

As at 31 May 2025

- 833** Members who have left but not retired
- 842** Pensioners, including beneficiaries

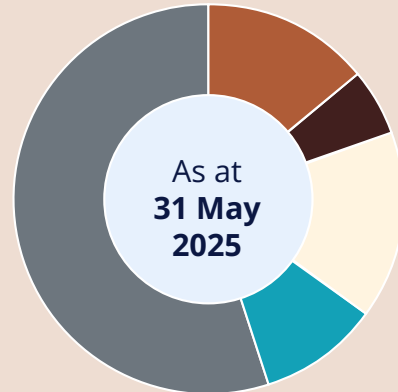
Further details can be found in the Scheme's Reports and Accounts, which are available at www.weareigg.com/client-docs/thorntons

Our approach to investing



To help get the most out of our investments, we've appointed specialist advisers to help us establish and follow a clear investment strategy. When developing an investment strategy, we work with our advisers to take into account environmental, social and governance issues, along with climate related risks and opportunities.

More information about our investment strategy is published in our Statement of Investment Principles but in the meantime, we've summarised on the right how the Scheme's investments are split between different investment types. You can find certain key Scheme documents, including the Statement of Investment Principles, at www.weareigg.com/client-docs/thorntons. Alternatively, you can get a copy of all the Scheme's documents by getting in touch with the Scheme Administrator, by visiting <https://pensionuk.aptia-group.com>



- 14.0% Equities
- 5.5% Emerging Market Debt
- 15.5% Property
- 10.0% Multi-Asset Credit
- 55.0% Liability Driven Investments

Breaking down the jargon

Emerging Market Debt

Bonds issued by governments or companies in developing (emerging market) countries. These bonds typically offer higher yields than developed market debt, but come with higher risks, including political, economic, and currency risk.

Equities

Shares in a company which are bought and sold on a stock exchange.

Liability Driven Investments

Addresses interest rate and inflation risks by investing in a range of assets that closely match the behaviour of the pension liabilities.

Multi-Asset Credit

The Multi-Asset Credit Fund invests in a range of bonds and other credit assets, rather than just one type of investment. This gives an element of diversification that you don't get when investing in a single asset class.

Property

Property funds invest in commercial property e.g., shops and offices rather than in residential property.

Where to go for...



Your pension information

For more information about the Scheme, you can request a copy of the following documents from the Scheme Administrator using the contact details below:

- the trust deed and rules
- actuarial valuations
- the schedule of contributions
- the statement of investment principles


More information

These websites offer helpful information on pensions and more general financial topics:

- **gov.uk** for Government information and public services, including workplace pensions and the State Pension.
- **moneyhelper.org.uk** is here to help make your money and pension choices clearer. It's free to use, provides impartial guidance and can recommend further, trusted support if you need it. Ring MoneyHelper free on **0800 011 3797**, Monday to Friday 9am to 5pm.

Your Scheme Administrator

For any questions regarding the Scheme, or for copies of Scheme documents, contact the administrators.

 **Aptia UK Limited**
Thorntons Pension Scheme
Administration Team, Aptia Limited,
Maclaren House, Talbot Road
Stretford, Manchester, M32 0FP

 **0141 222 8460**

 **<https://pensionuk.aptia-group.com>**

Stay in touch

Remember to let the Scheme Administrator know if you move home, so that we can keep in touch with you and make sure your benefits are paid on time. Or, you can send us your email address – that way we're less likely to lose touch with you.

Your data

If you want to find out more about how we use your personal data, please see the Scheme's Privacy Notice at **www.weareigg.com/client-docs/thorntons**

Your new Scheme Administrator

From summer 2026, Spence & Partners will be taking over as the Scheme's new Administrator. Until then, please continue to contact Aptia if you have any questions. We'll be in touch with more details nearer the time.

SPENCE

www.spenceandpartners.co.uk