



fives

Landis Grinding Systems
Pension Fund

Annual Review

2025

Keeping Plan members
up to date

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Welcome

Welcome to the 2025 Annual Review, the newsletter for members of the Landis Grinding Systems Pension Fund (the 'Plan').

In what continues to be a challenging economic and regulatory environment, the Trustees continue to actively monitor the Plan's funding, investment strategy and governance, remaining fully focused on protecting your pension. We work closely with our professional advisers and investment managers to ensure your pension is managed responsibly and that benefits are paid on time.

Whether you're yet to retire or are already receiving your pension, our priority remains the same: to help you enjoy a secure financial future.

This year's *Annual Review* contains the usual summary of Plan accounts, detailing money going into and out of the Plan over the past year, and you'll find an overview of the Plan's investments on page 5.

Also, take a look at the Plan noticeboard on page 6, where we've provided answers to common questions from members, such as options for taking your benefits early from the Plan, how annual pension increases work and what would happen to members' benefits if the Plan were to enter the Government's lifeboat scheme, the Pension Protection Fund.

The funding check-up showed that the Plan's funding level has remained steady at 67%. Our next formal valuation is due as at 5 April 2026, and we will begin preparing for this soon. As a first step, we will agree with the Plan Actuary and Fives Landis Limited (the 'Company') the

assumptions that will be used by the Plan Actuary in their calculations. The Trustees have 15 months to complete the valuation and agree the funding and investment strategy with the Company, but we hope to be in a position to provide you with an update in next year's *Annual Review*.



Money in, money out

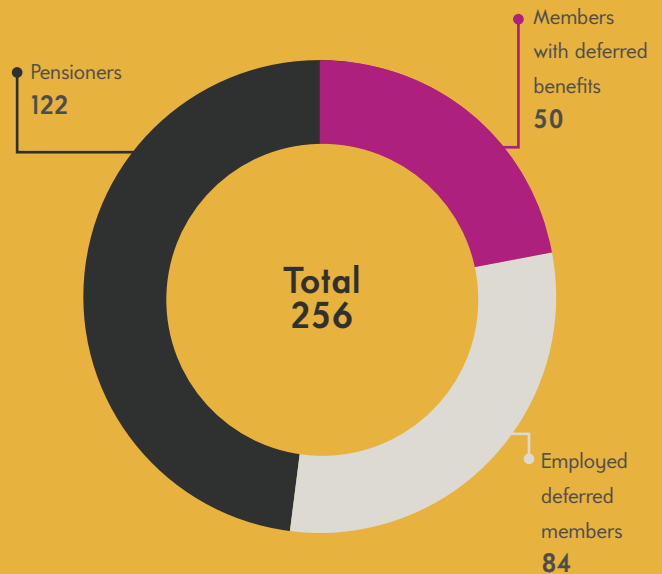
This table summarises the Trustees' Annual Report and Accounts for the year to 5 April 2025. The accounts have been independently audited by Nortons Assurance Ltd.

The full report is available to view on the member website, or you can request a copy from the Plan administrator, Isio.

	£'000
Value of the Plan at the start of the year	23,454
Money in, less money out	(1,006)
Net return on investments	(740)
Value of the Plan at the end of the year	21,708
Money in	
Employer contributions	1,248
Other income	21
Total	1,269
Money out	
Benefits paid	1,898
Administration expenses	377
Total	2,275

Our membership

As at 5 April 2025, you were one of 256 members in the Plan. The chart shows a breakdown of the membership.



The Plan closed to future accrual in 2013 and is becoming more mature as the proportion of pensioners increases.

Summary Funding Statement

Every three years, the Trustees must carry out a full valuation (also known as an actuarial valuation) to assess the Plan's funding in detail, with interim update reports being carried out in the years between full valuations.

The most recent actuarial valuation of the Plan took place as at 5 April 2023. The table below compares the results of the 2023 valuation and the 2024 update with the latest update, which was carried out as at 5 April 2025. The next full actuarial valuation of the Plan will be carried out as at 5 April 2026.

	2025 Funding update	2024 Funding update	2023 Funding valuation
Assets	£21.7m	£23.9m	£25.0m
Amount needed to provide benefits	£32.3m	£35.7m	£38.1m
Shortfall	£10.6m	£11.8m	£13.1m
Funding level	67%	67%	66%

Change in the funding position

The funding position over the year to 5 April 2025 had remained stable, with the shortfall in the Plan reducing from £11.8m to £10.6m.

Several factors have positively impacted the Plan's funding position. These include the increase in Government bond yields and lower than expected future inflation, which have reduced the value placed on the liabilities, as well as shortfall contributions of £1.0m made by Fives Landis Limited (the Employer) over the year. However, this improvement was offset by lower than expected investment returns.

How will the shortfall be removed?

At the last valuation, the Trustees agreed to retain the Employer's current contribution rate at £1m p.a., effectively deferring the increase in contribution rates to £1.5m until 31 July 2027 and extending the end point of Employer contributions from 31 August 2032 to 30 June 2035.

Ongoing Plan expenses are being met from the Plan's assets. The Employer has agreed to pay £18,000 (plus VAT) as a contribution towards these expenses each month between 1 July 2024 and 31 July 2027.

Given the financial constraints of the Employer, the Trustees continue to receive regular updates on the business strategy and performance, as well as independent advice as and when required in this regard.

How secure is my pension?

The Plan currently has 67% of members' benefits covered by its assets. You should be aware that the funding level can vary as a result of a number of different factors, particularly investment performance, interest rates and life expectancy. This means that the funding level can go up or down in the future. The Trustees and Plan Actuary will regularly monitor the Plan's finances and take steps to improve the security of your benefits further where possible.

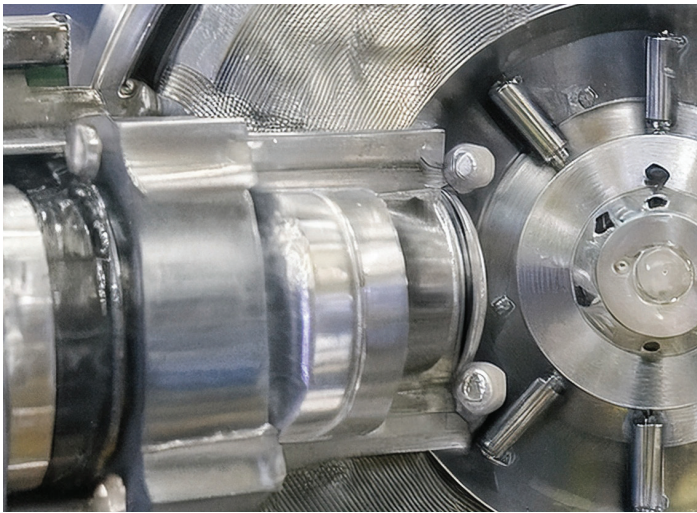


What would happen if the Plan were to wind up?

If the Plan were to wind up and the Employer was solvent, the Employer would be obliged to pay sufficient money into the Plan to ensure that members' benefits could be secured in full by the purchase of annuity policies. However, if the Employer could not pay the full amount required, then it is possible that the Plan could transfer to the Pension Protection Fund ('PPF').

The actuarial valuation includes a test of whether the Plan could afford to secure all of its benefits with an insurance company, for example if the Plan were to wind up. As at 5 April 2023, it was estimated that the Plan would have needed an additional £23.2m on top of the Plan's assets of £25.0m.

We are legally bound to disclose to you this figure – it does not imply in any way that the Employer is thinking of terminating (winding up) the Plan.



The Pension Protection Fund

If the Employer becomes insolvent and there is not enough money to buy all the benefits with an insurance company, members may be protected by the PPF. The PPF is a Government body which provides a safety net for all members but would pay lower benefits than the Plan would. For more information on how and why a pension scheme enters the PPF, and the benefits that members would be entitled to, please visit the PPF's website at www.ppf.co.uk

Why isn't the Plan funded for full solvency at all times?

The full solvency position assumes that benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporates the future costs of administration.

This approach would require substantially higher contributions from the Employer, which could affect the Employer's future prospects and the financial viability of the Plan.

By contrast, our current funding arrangements assume that the Employer will continue in business and support the Plan.



Your benefits in the Plan

If you are considering leaving the Plan by transferring your benefits to another pension arrangement, we recommend that you obtain advice from a financial adviser.

You can learn more about how to find advisers local to you at www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

Other information

By law, we are required to confirm whether any payment has been made to the Employer out of the Plan's assets since the last Plan financial update. We must also tell you if the Plan has been modified by the Pensions Regulator or whether the Pensions Regulator has made any directions regarding the Schedule of Contributions or how Plan benefits are valued. We can confirm that none of these events have occurred.

Additional documents available on request

- The Statement of Funding Principles – sets out the Plan's funding plan.
- The Recovery Plan – explains how the funding shortfall is being made up.
- The Statement of Investment Principles – explains how the Trustees invest the money paid into the Plan.
- The Schedule of Contributions – shows how much money is being paid into the Plan.
- The Annual Report and Accounts of the Plan – shows the Plan's income and expenditure in the year up to 5 April 2025.
- The Actuarial Valuation of the Plan – the full report on the Plan's funding position as at 5 April 2023.
- The Actuarial Update Report of the Plan – the update of the Plan's funding situation as at 5 April 2024 and 5 April 2025.
- The Member Booklet – a guide to your membership and benefits. It is available on the member intranet or from the Plan secretary.

Investment update

The Trustees set the investment strategy after taking advice and delegates the day-to-day decision-making about the investments to a fiduciary manager, who selects specialists to manage individual investments.

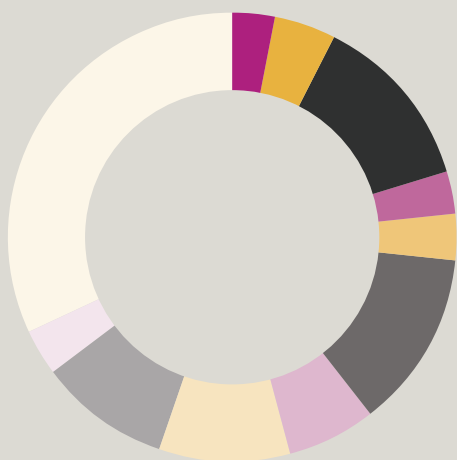
This approach allows the Trustees to retain ownership of the strategy and focus on important strategic decisions, such as setting the overall return target for the portfolio, while the day-to-day tasks are carried out by specialist advisers.

The Plan's investment strategy sets out how the money that has built up to pay members' benefits is invested across different asset classes. The strategy is set out in a formal document called the Statement of Investment Principles ('SIP'), which is reviewed regularly. The current SIP, dated October 2023, is available on the member website, www.landis.yourisio.com under 'Documents'.

Investment split

The chart shows how the Plan's assets were invested on 5 April 2025.

Equities	£2.56m	11.8%
Return Seeking Bonds	£3.07m	14.1%
Low Risk Bonds Strategy	£1.39m	6.4%
Diversified Alternatives	£2.59m	11.9%
Opportunities Strategy	£0.38m	1.7%
Hedging	£8.23m	37.9%
Cash & NCAs	£1.22m	5.6%
Return Seeking Credit	£1.64m	7.6%
Illiquid	£0.10m	0.5%
Insured Pensioners**	£0.54m	2.5%
Total*	£21.71m	100%



* Figures are impacted by rounding

** Value taken from the work carried out for the Valuation of Insured Annuity Policies as at 5 April 2025

Investment performance

The table below details the performance of the Plan for periods ending 31 March 2025, which is the closest available performance to the year-end (5 April).

	The Plan	Target return
1 year (%)	-7.6	-6.0
3 years (% p.a.)	-18.8	n/a
5 years (% p.a.)	-9.0	n/a

Returns are net of fees. Please note, this confirms past performance, which is not a guide to future performance. The value of investments can go down as well as up.

The value of the Plan's investments decreased over the past year, primarily due to a decline in bond and gilt prices. This was driven by rising market yields, which typically reduce the value of fixed-income investments.

While the Plan's investment values fell over the past year, liabilities also decreased due to market-driven financial adjustments. This balance has maintained the Plan's funding level.



Plan noticeboard

Your questions answered

1. Do I need the Company's permission to draw my pension early?

Yes, Company consent is required. Trustee consent is also required if you've left the Company's employment or ceased to be in Pensionable Service before the Plan was closed in November 2013.

2. Can I continue to be employed by Fives Landis Limited (the 'Company') if I draw my pension early?

No. Payment of an early retirement pension is conditional on a member having left the Company's employment.

3. Is the pension paid from the Plan's assets or does the Plan purchase an annuity for me?

When a member retires, their pension is paid out from the Plan's accumulated assets. The Plan does not purchase individual annuities for members.

4. If I've started to draw my pension, is my monthly payment guaranteed for life regardless of whether the Company goes out of business and the Pension Protection Fund ('PPF') becomes involved?

If the Company goes out of business and the PPF becomes involved, the PPF will continue to pay your pension, but the amount you receive may be subject to the PPF's compensation rules and caps.

If the Company were to go out of business, then any member who has already reached the Plan's Normal Pension Age will typically receive 100% of their pension benefits from the PPF. For those below the Normal Pension Age, the PPF provides 90% of the benefits.

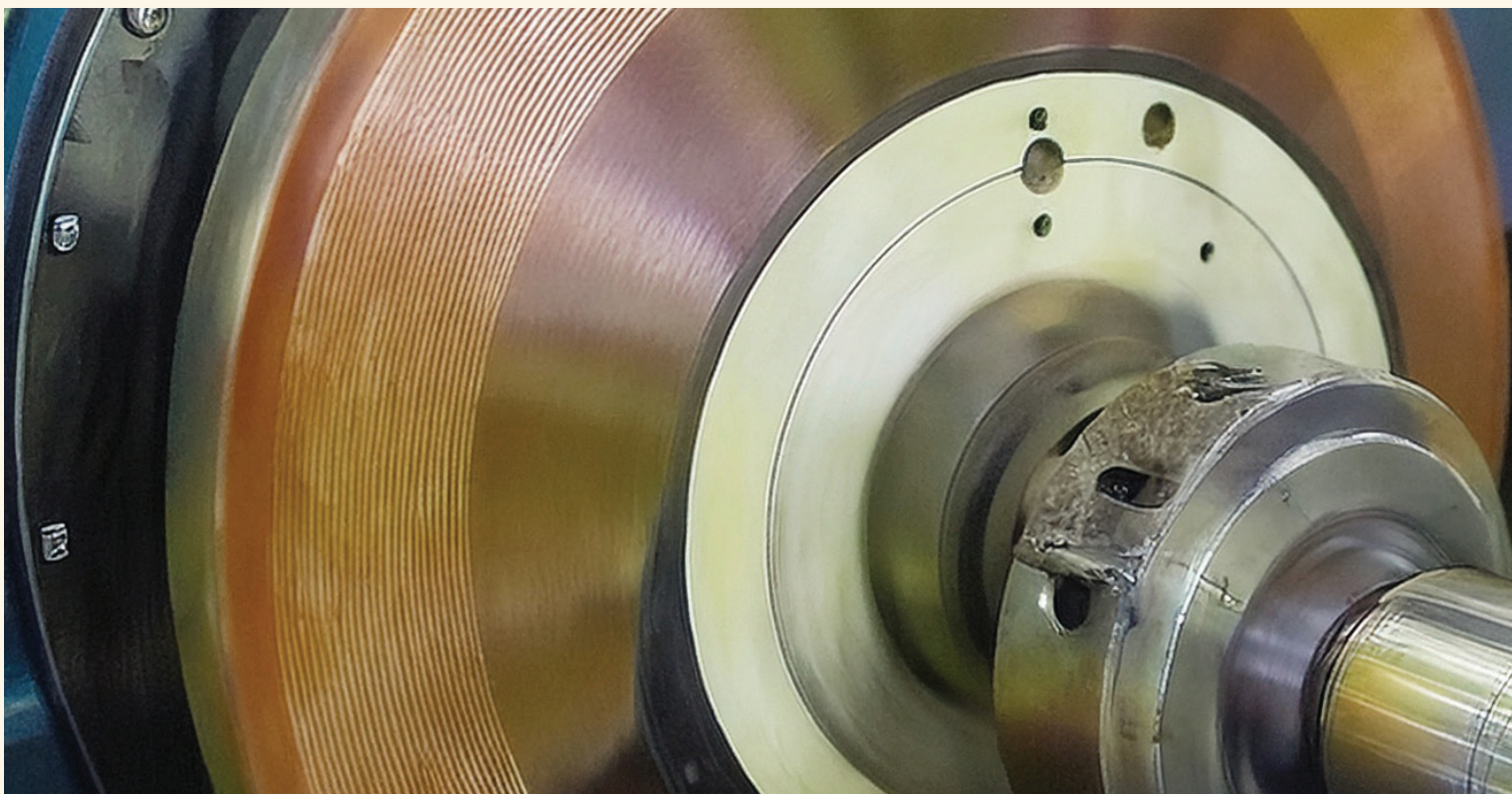
In either case, annual increases when in payment are capped at 2.5% (where inflation is greater) and do not apply to pension accrued before 6 April 1997.

5. If the Company goes out of business before I start to draw my pension, would I need to wait until age 65 or alternatively the State Pension Age before receiving payment via the PPF?

The timing of when a member can start receiving their PPF compensation depends on the rules of the PPF and the specific circumstances of the member.

Members have the option to take their compensation early, but this will result in an actuarial reduction to reflect the fact that the compensation will be paid for a longer period. The PPF allows early retirement from age 55 (rising to age 57 from 6 April 2028), but the amount will be reduced to account for the longer period of payment.

Further details are available on the PPF's website, including a booklet, 'What is the PPF?', which has examples of how compensation might be affected in different circumstances.



6. If the Company goes out of business and the PPF takes responsibility for the Plan, does the fact that the Plan is currently underfunded become a factor when my pension amount is calculated by the PPF?

When a pension scheme is underfunded, the PPF steps in to ensure members receive compensation according to the PPF rules. The funding shortfall does not reduce the compensation members receive from the PPF, but the PPF does not cover the full pension benefits that were promised by the original scheme. Instead, it provides compensation based on its own rules and limits (see Q4).

7. How is the annual increase in pension payments calculated?

Every pension in payment under the Plan is increased each year on 6 April by the minimum amount required as outlined in section 51 of the Pensions Act 1995. The increase applied to pension benefits depends on when the pension was accrued. The table below confirms the pension increases applicable for the Plan:

Pension benefit	Service from	Service to	Increase to apply	Comment
Pre 88 GMP	06/04/1978	05/04/1988	0%	No statutory requirement for increases on GMPs earned during this period
Post 88 GMP	06/04/1988	05/04/1997	CPI max 3%	The lesser of 3% or the rate of inflation (as measured by the Consumer Prices Index, CPI)
Pre 6 April 1997 excess	-	05/04/1997	0%	No statutory requirement for increases in pensions accrued before this date
Post 5 April 1997 excess	06/04/1997	05/04/2007	CPI max 5%	The lesser of 5% or the rate of inflation (as measured by CPI)
Post 2007 excess	06/04/2007	-	CPI max 2.5%	The lesser of 2.5% or the rate of inflation (as measured by CPI)



Coming soon - Pensions Dashboards

You may remember from our previous newsletter that Pensions Dashboards are currently under development. This is a Government-backed initiative to support better retirement planning, by enabling people to access their pensions information online, securely and all in one place. (The Dashboards won't include details of any pensions already in payment, as it's assumed that members will already be aware of these.)

The Plan will be connecting to the Dashboards platform in August 2026. There will be a period of user testing before its launched to the public, and we don't expect this will happen before 2027. We'll write to you before the launch date, so watch this space.

In the meantime, you don't need to do anything. Please be aware that scammers may attempt to take advantage of the Pensions Dashboards project as it gains momentum and greater public awareness. If anyone claiming to be from a 'Pensions Dashboard' asks you to confirm your personal data, please be very cautious.

Running the Plan

The Trustees are responsible for running the Plan on behalf of members. They are assisted by the Plan's professional advisers.

Your Trustees

BESTrustees Ltd, represented by Ann Rigby (Chair)
Anthony Howarth (Member nominated)
Philip Snowden (Company appointed)

Advisers to the Trustees


Administration	Isio
Plan Actuary	Sangeeta Shah, Isio
Plan Secretary	Jay Solanki, Isio
Fiduciary investment manager	Aon Solutions UK Ltd
Auditor	Nortons Assurance Ltd
Legal adviser	Field Fisher
Bank	Virgin Money / HSBC


Get in touch


If you have any questions about the Plan or your benefits, please contact the Plan administrator, Isio.

You can also use the details below to let us know if you have changed your contact details, so that we can keep in touch with you about the Plan and pay your benefits when they are due.

To ensure we can reach you quickly and efficiently, we also kindly request that you provide Isio with your current mobile phone number and email address.

 0800 488 0794

 LandisClient@isio.com

 Isio, PO Box 108, Blyth NE24 9DY

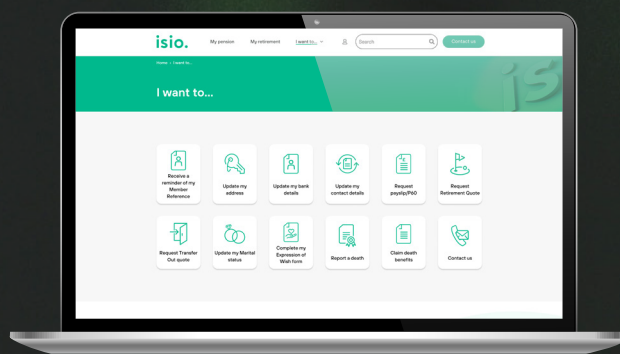
Keep in touch!

It is essential that you remain in contact with us, notifying us of any change of address or difficulty with delivering post to you. If you are receiving a pension from the Plan, lack of contact from you may result in your pension being suspended.

If you are not yet receiving your pension and we do not have your latest address, this could cause delays when your benefits become payable. You may also miss out on receiving important communications from us. If you would like to provide us with your email address, this may help if we are unable to contact you by post.

Plan website

The Trustees have a Plan website available where key Plan-specific documents and standard administration forms can be found. Simply visit www.landis.yourisio.com. If you have any questions about the website, please contact the Plan administrator, Isio.



To contact the Trustees

If you would like to get in touch with the Trustees, or you have any comments about this newsletter, please contact the Secretary to the Plan, Jay Solanki: Jay.Solanki@isio.com