The Consortium CARE Scheme

2025 Summary Funding Statement

The purpose of this Summary Funding Statement is to explain the funding of the Consortium CARE Scheme ('the Scheme'). This Statement is being sent to all members and covers the results of the latest actuarial valuation as at 31 May 2024 for the Scheme.

Please let us know if you're unable to read this letter. We can provide this in alternative formats including braille and coloured paper.

Role of the Trustee

The Scheme is set up under trust and looked after by Vidett Trustee Corporation Ltd (the 'Trustee'). The Trustee is responsible for paying the benefits provided by the Scheme, investing the Scheme's assets and ensuring that the Scheme is properly funded.

The benefits provided by the Scheme are described in the Scheme's Trust Deed & Rules and the Member Booklet.

The Scheme's assets are looked after by the Trustee, on behalf of the members, and are kept separate from RM Educational Resources Ltd (formerly known as The Consortium for Purchasing and Distribution Limited) ('the Employer'). The main assets of the Scheme are invested collectively in a common fund; they are not invested in individual funds for each member. The only exception is AVCs and any money purchase arrangements which are held in separate individual funds.

The Trustee relies on the financial support of the Employer to ensure that the Scheme has enough money to provide the promised level of benefits. Unfortunately, the cost of providing defined pension benefits cannot be predicted with any certainty. It depends on what happens in the future such as future inflation and how long people live. Therefore, the amount of money required from the Employer will vary depending on how things turn out in practice. This is explained in more detail below.

How is the Scheme funded?

The Scheme is funded by the payment of contributions from the Employer. Since March 2011, no further pension benefits are being accrued within this Scheme and members are no longer required to pay contributions into the Scheme. The Employer's contribution is determined by an "actuarial valuation" every three years.

The actuarial valuation is carried out by the "Scheme Actuary" who is an independent professionally qualified actuary appointed by the Trustee. The results of this valuation are also used to determine the level of future contributions payable by the Employer.

What is an actuarial valuation?

The actuarial valuation is a detailed assessment undertaken every three years to determine the financial position of the Scheme. Legislation also requires that a less detailed check, known as an actuarial report, is carried out in the years between the valuations in order to monitor the funding position of the Scheme.

The triennial actuarial valuation is carried out on an "ongoing" basis and a "winding up" basis.

The **"ongoing"** basis assumes that the Scheme continues in its present form and has the continued financial support of the Employer. It involves making assumptions about what will happen in the future such as future price inflation, future life expectancy and future investment returns.

The **"winding up"** basis assumes that the Scheme is immediately wound up and members' benefits are secured by purchasing individual annuity policies from an insurance company. Therefore, the winding up position depends on the cost of buying these annuities.

The cost of buying annuities is usually significantly higher than the value placed on the benefits for "ongoing" purposes. This is because insurance companies invest very cautiously and make allowance for their expenses and projected profit. By contrast, the Trustee invests some of the Scheme's assets in growth assets and assume that, over the long term, these investments will provide higher returns than more cautious investments such as government bonds.

What happens if the Scheme winds up?

If the Scheme winds up the Employer has a statutory obligation to ensure that the Scheme has enough money to buy individual annuity policies from an insurance company for all members of the Scheme. If the Employer is not able to do this because it is insolvent the Scheme should be protected by the Pension Protection Fund. The Pension Protection Fund is a compensation scheme set up by Government to protect pension schemes in the event of employer insolvency.

The Pension Protection Fund will protect a significant proportion of your benefits but it would not pay your pension in full. Further information on the benefits it will provide and other useful information is available on the Pension Protection Fund website at www.ppf.co.uk. The Pension Protection Fund can also be contacted by telephone on 0345 600 2541 or by email at information@ppf.co.uk.

When was the last actuarial valuation of the Scheme?

The last actuarial valuation of the Scheme was carried out with an effective date of 31 May 2024.

What was the financial position of the Scheme at 31 May 2024?

The complete results of the actuarial valuation as at 31 May 2024 are set out in the Scheme Actuary's report dated 17 March 2025. On an **"ongoing"** basis, using the assumptions described in the Scheme Actuary's report, the financial position of the Scheme at the last valuation date is set out below:

Funding position	Actuarial Valuation as at 31 May 2024 (£000s)
Assets (market value excluding AVCs)	13,600
Scheme liabilities	(13,488)
Surplus / (Deficit)	112
Funding level	101%

On a **"winding up"** basis the estimated deficit as at 31 May 2024 was £3.8 million. This is a theoretical calculation which must be carried out as part of the actuarial valuation process; it does not mean that the Employer is thinking of winding up the Scheme.

What contributions are being paid to the Scheme at the moment?

As part of the 31 May 2024 valuation, although the Scheme is found to be in a surplus on an "ongoing" basis, the Employer has agreed to continue to fulfil the contributions set out since the 31 May 2021 valuation. As such, the Employer will pay the following contributions to the Scheme:

- £1.2 million pa to be paid in monthly instalments from 1 June 2024 to 31 December 2026.

With the current strong position of the Scheme, the Trustee and Employer have also agreed that the Scheme's assets will meet the Scheme's expenses, subject to the Scheme remaining above prescribed funding levels at the point of each annual actuarial report. This ensures that the Scheme will only meet expenses if the funding level remains in a healthy position.

In addition, the Trustee has a funding plan in place with the Employer – aiming for a lower-risk target by 2032 - along with a memorandum of understanding that sets out how we will work together to reduce risk in the Scheme.

The Pensions Regulator has not exercised any of its powers in relation to the funding of the Scheme.

When will the Employer's contribution rate be reviewed?

The next full actuarial valuation will be carried out with an effective date of 31 May 2027.

Following this valuation the Trustee will be required to put in place a formal funding plan to help ensure the amount of contributions paid (if required) are likely to be sufficient to pay defined benefits members' pensions now and in the future.

How has the financial position of the Scheme changed since the last Summary Funding Statement was issued?

The last Summary Funding Statement showed that the Scheme's funding position at the 31 May 2023 actuarial report was 88%. The Scheme has since completed the triennial actuarial valuation as at 31 May 2024, which, as noted above, showed that the funding level has improved to 101%.

The main reasons for this improvement are a rise in government bond yields leading to a fall in the value placed on the Scheme liabilities, as well as continued payment of deficit reduction contributions. However, this has been partially offset by increases to both actual and expected future inflation and a decrease in the value of the liability matching investments which aim to match movements in interest rates and inflation.

The Trustees continue to monitor the Scheme's funding position, which can be volatile.

How are the Scheme's assets invested?

The Trustee has a fiduciary management arrangement with Schroders IS Limited, who undertake the day to day management of the Scheme's assets.

The Trustee's current investment strategy is set out in their "Statement of Investment Principles" which is available on request. The Scheme's assets are currently invested in a blend of growth assets including equities as well as liability matching investments.

As a reminder, your benefits from the Scheme are primarily Defined Benefit (DB) and do not depend on investment performance. The pension you receive at retirement is worked out using a formula set out by the Scheme rules and is based on your length of service in the Scheme and your salary at date of leaving (with increases until your retirement date).

Has the Employer received any payments from the Scheme?

Legislation requires the Trustee to notify members if the Employer has received any payments from a surplus in Scheme during the last 12 months. The Trustee can confirm that no such payments have been made.

Who is the Scheme Actuary?

The Scheme Actuary has recently changed as Ruth Thomas has been replaced with the reappointment of Bethany Allison, both of Barnett Waddingham. It is important to draw this to your attention because the Scheme Actuary is considered to be a Joint Data Controller of the Scheme, i.e. a holder, user and processor of your personal data, along with the Trustee, for the purposes of the General Data Protection Regulation (GDPR). Further details about the use of your personal data with regards to GDPR can be found in the Privacy Notice located in the link below.

Where can I get more information?

As a reminder, the Scheme website is available to view at the following web address www.rmpensions.co.uk. The website will provide you with general information about the Scheme and also include updates from the Trustee. You can also use the website to navigate to a separate member website hosted by Barnett Waddingham by clicking on 'My Pension'. The member website gives you access to Barnett Waddingham's secure, easy to use online tools to help you manage your pension whenever and wherever suits you. If you are not yet in receipt of a pension, here you will be able to view an illustration of your likely pension at retirement. If you are in receipt of a pension you will be able to access payslip information. You can also view details of your benefits and update your contact details and expression of wishes.

If you don't already have your log-in details for Barnett Waddingham's member website, please contact Barnett Waddingham on the details below.

The following additional documents are available on request:

- *The Statement of Investment Principles*. This explains how the Trustee invests the money paid into the Scheme.
- *The Statement of Funding Principles*. This explains the Trustee's approach to funding the Scheme.
- *The Schedule of Contributions*. This shows how much money is being paid into the Scheme.
- *The Recovery Plan*. This describes how the Employer is to meet the shortfall in the Scheme.
- *The Annual Report and Accounts*. This shows the Scheme's audited accounts detailing income and expenditure during the year up to 31 May 2024.
- *The full report on the Actuarial Valuation of the Scheme at 31 May 2024*.
- *The Consortium CARE Scheme Explanatory Booklet* (you should have been given a copy when you joined the Scheme, but further copies are available).

Before making any decisions about your benefits in the Consortium CARE Scheme we strongly suggest that you take independent financial advice.

Please note that the Scheme's contact details have recently been updated from Barnett Waddingham's Cheltenham address to the below Bristol address. If you have any other questions or would like any more information, please contact us using the updated details below.

Please also help us to keep in touch with you by telling us if you change address either using these contact details or through Barnett Waddingham's member website.

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For and on behalf of the Trustee of the Consortium CARE Scheme
May 2025