



# Kingfisher Pension Scheme

## Your Summary Funding Statement as at 31 March 2012

### Introduction

Each year the Trustee sends you a statement on the financial position of the Kingfisher Pensions Scheme (KPS), known as your 'Summary Funding Statement'. The information given here is your statement for 2012 and shows the KPS finances as they stand at 31 March 2012.

As you will be aware the Kingfisher Pension Scheme - Final Salary section (KPS-FS) closed to future accrual on 30 June 2012. With effect from 1 July 2012 all KPS-FS benefits for all active members of the KPS-FS became deferred.

If you have any questions about this Statement please contact the Group Pensions Department. You can also visit our new improved website at [www.kingfisherpensions.com](http://www.kingfisherpensions.com).

Yours faithfully

Dermot Courtier  
Secretary  
Kingfisher Pension Trustee Ltd

### The position as at 31 March 2010

In your summary funding statement last year, following the full actuarial valuation of the KPS completed as at 31 March 2010, we reported an improvement from 2009 in the funding level and confirmed the KPS had a financial shortfall of £170m and a 'funding level' (see below) of 90.4%.

### The latest position

Every three years a new comprehensive financial report or 'actuarial valuation' has to be undertaken, however the Trustee and the Scheme's Actuary continue to monitor the funding level on a more regular basis. The full actuarial valuation of the KPS was completed as at 31 March 2010 and the results are summarised in the table below together with the latest position as at 31 March 2012.

Results (£m)	2010	2012
Assets	1,607	2,161
Liabilities	1,777	2,190
Shortfall	170	29
Funding level	90.4%	99%

**Assets:** the KPS contributions and investment income.  
**Liabilities:** the cost of the KPS benefits for all members.  
**Funding level:** the percentage of the KPS liabilities that would be covered by the KPS assets.

The funding position has continued to improve, from a funding level of 94% as at 31 March 2011, largely due to the special company contribution of £106m in June 2011 slightly offset by poor investment conditions.

## The Trustee's recovery plan

As part of the 31 March 2010 valuation, we agreed a recovery plan with Kingfisher plc to remove the £170m shortfall in the KPS finances, involving additional contributions from Kingfisher plc up to June 2011. We also agreed a revised investment strategy to continue to reduce our investment risk and we have a new target of having sufficient funds to be able to buy all members' benefits with an insurance company, if we need to, in 2030. Following the closure of KPS-FS to future accrual Kingfisher plc will pay contributions to KPS-FS, including rental income from the Special Property Vehicle (or SPV) of £32m a year, subject to review following the 2013 valuation.

As a result of this agreed plan, KPS-FS is not subject to any directions or contribution instructions from the Pensions Regulator.

## Have any payments been made to Kingfisher plc?

No payments have been made out of KPS funds to Kingfisher plc or to any of the participating employers in the previous 12 months.

## How is my pension paid for?

All participating employers pay contributions to the KPS so that pensions can be paid to members when they retire. Prior to the closure of the KPS-FS on 30 June 2012 active members of the KPS-FS also paid contributions. The money paid into the KPS-FS is held in a common fund and not in a separate account for each individual member.

## The importance of Kingfisher plc's ongoing support

Our objective is to have enough money in the KPS to pay pensions now and in the future. The success of this plan relies on continuing support from Kingfisher plc and the participating companies. We review the position with Kingfisher plc regularly (usually every three years).

## What would happen if the KPS started to wind up?

If the KPS were to start to wind up the participating companies would be required to pay enough money into it to enable members' benefits to be provided instead by an insurance company. Neither the Trustee nor Kingfisher plc has any plans to wind up the KPS but we are required by law to let you know the KPS's financial position if this were to happen.

The full actuarial valuation as at 31 March 2010 revealed the following position:

	(£m)
Value of KPS assets	1,607
Estimated cost of buying benefits with an insurance company	2,497
Shortfall	890
Funding level	64.4%

If Kingfisher plc and the participating companies could not pay this full amount or became insolvent, the Pension Protection Fund (PPF) might be able to take over the KPS and pay compensation to members.

Further information and guidance is available on the PPF's website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk). Or you can write to the Pension Protection Fund at Knollys House, 17 Addiscombe Road, Croydon, Surrey, CR0 6SR.

If you have any questions about any of the information provided here, please contact the Group Pensions Department Kingfisher Pension Trustee Limited, 3 Sheldon Square, Paddington, London, W2 6PX. If you need any help please ring **+44 0207 644 1192** (Monday to Friday, 8.45am – 5pm).