

Kingfisher Pension Scheme – Final Salary Section



Summary Funding Statement as at 31 March 2018

Each year the Trustee sends you a statement on the financial position of the Kingfisher Pension Scheme – Final Salary section (“the Scheme”), known as your ‘Summary Funding Statement’. The information given here is your statement for 2018 and shows the Scheme’s finances as they stand at 31 March 2018.

This newsletter is for information purposes only, it does not affect your current benefits.

If you have any questions about this Statement please contact the Group Pensions Department. You can also visit our website at www.kingfisherpensions.com.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dermot".

Dermot Courtier
Secretary
Kingfisher Pension Trustee Ltd

The position at 31 March 2017

In your 2017 Summary Funding Statement, following the formal actuarial valuation of the Scheme completed as at 31 March 2016, we reported an improvement to the funding level and confirmed the Scheme had a surplus of £15m and a ‘funding level’ of 100% on a ‘Technical Provisions’ basis as at 31 March 2017. Both, the funding level and surplus have improved since 31 March 2017. Please see overleaf for further information.

Scheme Funding Level

100%

Surplus

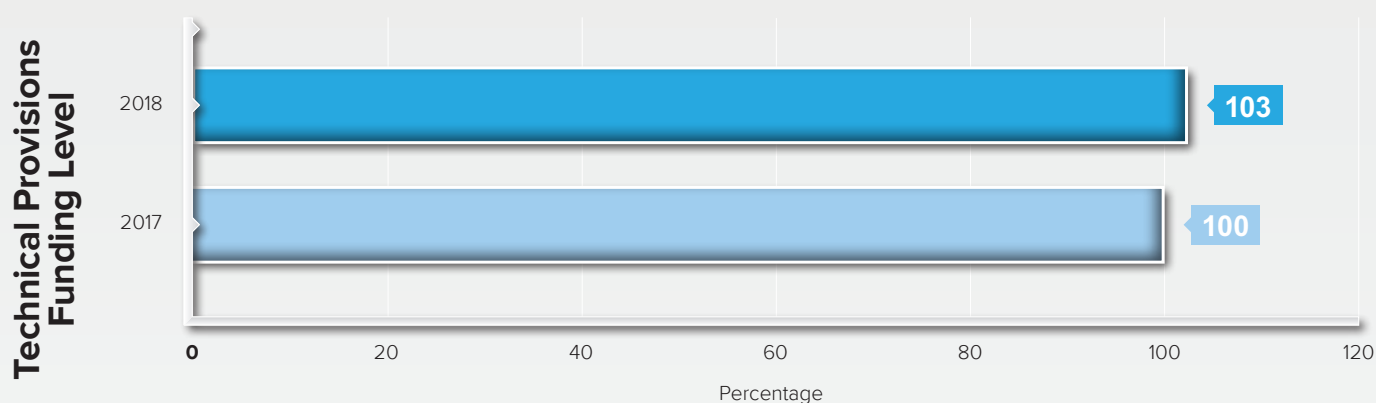
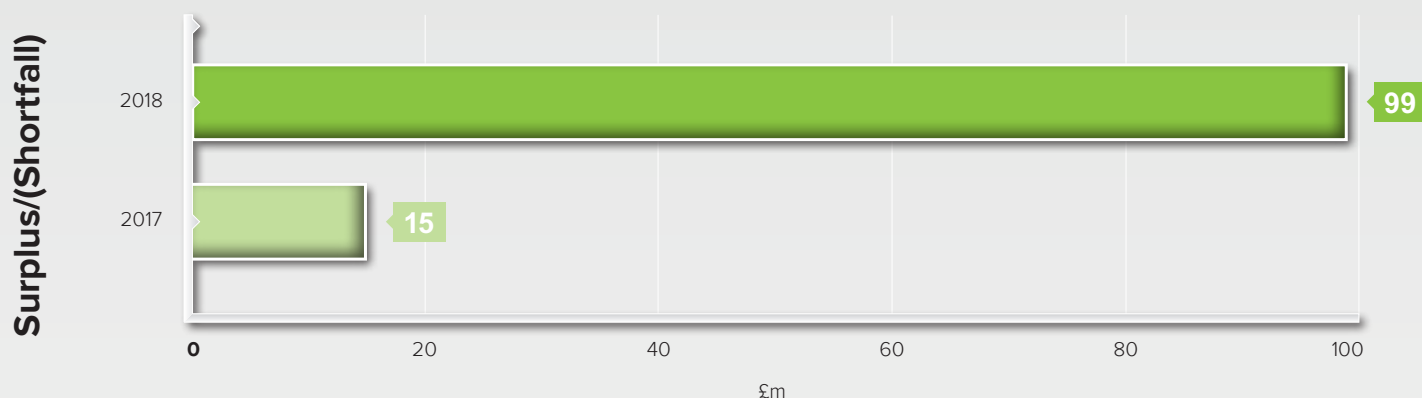
£15m

The latest position

Every three years a full '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 funding level on a Technical Provisions basis has improved from 100% at 31 March 2017 to 103% at 31 March 2018, which means the Scheme's surplus has increased from £15m to £99m over the period. The position has improved due to membership experience, positive asset returns over the year and contributions received from the Company towards meeting the 2FO.

Results (£m)	2017	2018
Assets	3,591	3,557
Technical Provisions Liabilities	3,576	3,458
Surplus/(Shortfall)	15	99
Technical Provisions Funding level	100%	103%



Definitions

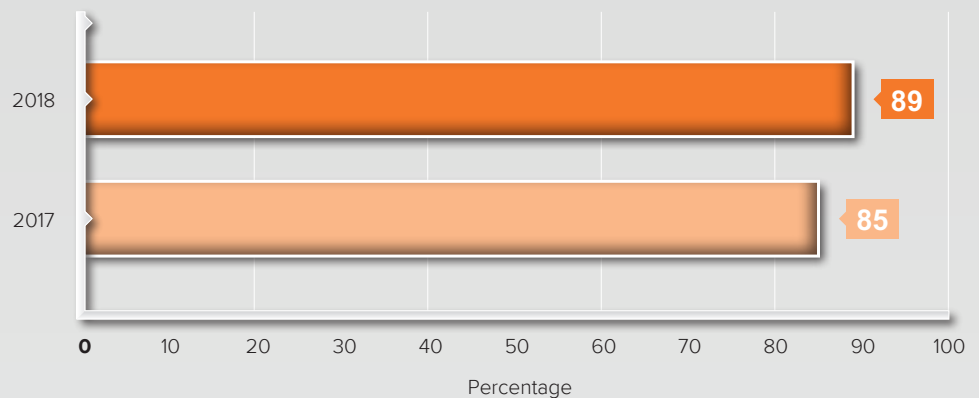
Assets – the Scheme's contributions and investment income.

Technical Provisions Liabilities – the cost of Scheme benefits for all members calculated using the assumptions set out in the Scheme's Statement of Funding Principles.

Technical Provision Funding level – the percentage of the Scheme's Technical Provisions liabilities that would be covered by the Scheme's assets.

Secondary Funding Objective (2FO)

The Trustee and Company have agreed a long term objective, known as the Secondary Funding Objective. Its aim is to hold enough funds to pay for all of the Scheme's liabilities and invest mainly in low risk assets by 2030 in order to limit the reliance the Scheme has on the Company for further financial support.



The Scheme's Actuary uses a different set of assumptions to calculate the liabilities under the 2FO. The Trustee monitors the 2FO funding level on a regular basis. The 2FO funding level improved from 85% at 31 March 2017 to 89% at 31 March 2018.

The Company is currently paying £37m (which includes the contributions received from the Scheme's SPV) each year towards improving the 2FO based funding level.

Have any payments been made to Kingfisher plc?

No payments have been made out of the Scheme's 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 Scheme so that pensions can be paid to members when they retire. Prior to the closure of the Scheme on 30 June 2012 active members also paid contributions. The money paid into the Scheme 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 Scheme 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 financial position of the Scheme with Kingfisher plc regularly (usually every three years).




What would happen if the Scheme started to wind up?

If the Scheme 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 Scheme but we are required by law to let you know the Scheme's financial position if this were to happen.

The full actuarial valuation as at 31 March 2016 revealed the following position:

	(£m)
Estimated cost of buying benefits with an insurance company	4,136
Estimated value of the Scheme's assets on wind up	2,803
Shortfall	1,333
Funding level	68%

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 Scheme and pay compensation to members.

Further information and guidance is available on the PPF's website at www.pensionprotectionfund.org.uk

Or you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.



...and finally

If you have any questions on any of the information provided in this announcement, please contact the Trustee.

A copy of the Summary Funding Statement report as at 31 March 2018 is available on the Trustee website www.kingfisherpensions.com or on written request to the Group Pensions Department.

Data control

In order to administer your pension scheme, your personal data is used by the Kingfisher Pension Trustee Limited (of 3 Sheldon Square, Paddington, London, W2 6PX), and the Scheme Actuary (of 20 Waterloo Street, Glasgow, G2 6DB) who both act as Data Controllers. You can read the Trustee's Privacy Notice at www.kingfisherpensions.com.

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 0303 334 7080 (Monday to Friday, 9am – 5pm). Please note calls cost your phone operator's access charge.

