# BOC Senior Executive Pension Scheme





# Chair's welcome

# Welcome to the 2022 Summary Report and Accounts for members of the Senior Executive Pension Scheme (the Scheme).

In this newsletter you can find the latest update on the Scheme's financial position and investment performance. Over the course of the last Scheme year, its funding level rose to 109% as at 31 March 2022, increasing from 100% as at 31 March 2021. If you'd like to know more about the Scheme's financials, turn to pages 4 and 5. You can also find more information about how the Scheme's investments have performed on pages 6 and 7.

We've included an important update about one of the Scheme's newsletters that we send to pensioner members – Contact Magazine – on page 10 and you can meet the Trustees (the people who look after the Scheme on your behalf) on page 11.

As we publish this newsletter, the cost-of-living crisis is ongoing, with inflation soaring and the Bank of England announcing interest rates at their highest level in years. We know that some of you might be worried about your pension from the Scheme. Please be reassured that the Scheme's assets and funding level are being carefully monitored. The assets remain secure and your benefits within the Scheme are protected. We have no concerns about remaining able to pay pensions over both the short and long term.

Day-to-day, we're still doing more and more online – from socialising to banking, to shopping and exercising. Criminals continue to exploit this, so please make sure you stay safe online. You can find out more about how to spot the signs of a scam and keep your finances (including your pension) safe at www.which.co.uk/consumer-rights/advice/how-to-spot-a-scam

As ever, if you have any feedback or suggestions for future issues of this newsletter, please get in touch with us using the contact details on the back page.

### Sally Williams Chair of the Trustee Board

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## The headlines

You can read more detail about the financials of the Scheme on the following pages. If you'd just like a quick overview, you can read the summary below.

As at 31 March 2022:

The fund value was

## £269.471 million

This is an increase on the previous year.

Investment performance was **lower** than the target (benchmark) over one year, but **higher** over three and five years.

Please note: Figures have been rounded.

# Expenditure has decreased to £10.484 million

Net return on investments was **£4.053 million** 

# There were **181 members**

This includes people who are no longer actively contributing to the Scheme (deferred members), and people receiving their Scheme pension (pensioner members).

# Financials

# The Trustee creates an Annual Report and Accounts to show how the finances of the Scheme have changed over the year.

You can see the Scheme's level of income and expenditure for the year ended 31 March 2022, compared with the income and expenditure for the year ended 31 March 2021 in the graphic below.



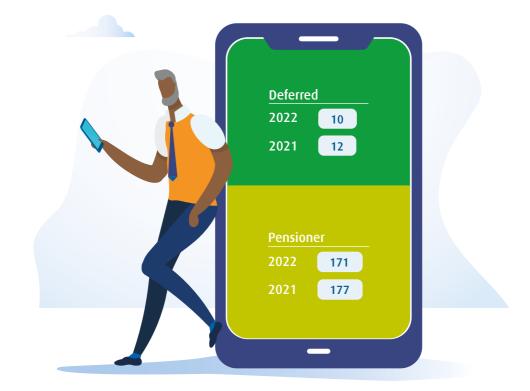
\* Company contributions includes the reimbursement of the Pension Protection Fund (PPF) levy by the Company.

\*\* Administration expenses include the PPF levy.

\*\*\* After management charges.

## Membership details

You can see how many members were in the Scheme as at 31 March 2022 below.



## nvestments 🔁

# The Trustee's aim when investing is to make sure the assets in the Scheme are sufficient to pay the liabilities.

## Choosing how to invest

In order to achieve its aim, the Trustee chooses an investment strategy based on its investment adviser's recommendations. It chooses a balance of return-seeking assets, which aim to get higher returns, and matching assets, which aim to match the cost of paying members' benefits.

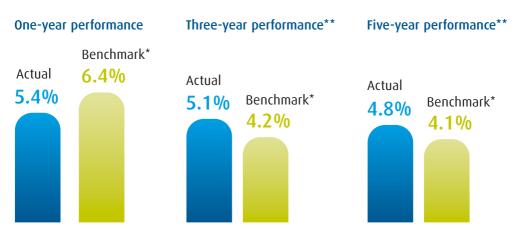
### You can see how the Scheme's assets were invested as at 31 March 2022 below:



### Investment performance

To track the performance of the Scheme's investments, the Trustee uses an independent performance measurement service called BNY Mellon Analytical Solutions.

This service compares the actual investment performance against a target (or benchmark). The graphic below shows how the Scheme's actual investment performance compared with the benchmark over one-, three-, and five-year intervals.



\* Benchmark is defined as UK Gilts plus 2.2% a year.

\*\* The three- and five-year figures have been annualised.

# Summary Funding Statement

## The Scheme's financial health check

Every three years, the Scheme's actuary carries out a financial health check to see how well the Scheme is funded. This is called a full actuarial valuation.

The last actuarial valuation was as at 31 March 2020. The next one is due to be carried out as at 31 March 2023. In the years between actuarial valuations, the Scheme actuary prepares an interim report, which provides a less detailed snapshot of the Scheme's financial health.

Here is the Summary Funding Statement which shows the estimated development of the funding position from 31 March 2020 to 31 March 2022.

### Funding position At 31 March 2022 – Interim funding report At 31 March 2020 – Last full valuation Shortfall f23.6m £1.1m Liabilities Assets Assets Liabilities £260.1m £272.9m £249.3m £261.2m Funding level: 109% Funding level: 100%

The increase is primarily due to strong investment returns on the Scheme's assets.

Please note: Figures have been rounded.

## What would happen if the Scheme needed to wind up?

On the previous page we've shown you the Scheme's current funding position. In the last valuation special as at 31 March 2020, we outlined the Scheme's funding level on a discontinuance basis, which assumes the Scheme were to be wound up on the valuation date.



Including this information is a legal requirement and does not mean the Company has any intention of winding up the Scheme.

If the Scheme were to wind up, the Company would have to pay enough into the Scheme to cover the cost of buying members' benefits from an insurance company. The valuation as at 31 March 2020 showed that, if the Scheme had wound up on that date, the funding level would have been 93% compared with 81% in 2017.

### **Recovery Plan update**

At the time of the last full valuation, we reported that as at 31 March 2020, although the funding level at the valuation date was 100%, there was a relatively small shortfall of 1.1m. Allowing for positive investment performance since the valuation date, the Actuary assessed that there was no shortfall when the valuation was finalised and, as such, no Recovery Plan is needed.

### We can also confirm:

- The Pensions Regulator has not modified the Scheme, nor has it used any of its powers in relation to the Scheme
- There have been no payments to the Company from the Scheme, other than to reimburse the Company for the costs of administering the Scheme



### An update on Contact Magazine

For a number of years, we have sent a quarterly magazine, called Contact, to retired members of the Scheme to help them keep in touch with the company and read about what fellow colleagues have been up to since retiring.

Earlier this year, the Trustees of the Scheme made the decision to stop issuing Contact. This is to help the Scheme save on costs and continue to reduce its overall carbon footprint. Former recipients of the magazine will still be able to get in touch with us by emailing hello@yourcontactmag.com

Previous versions of the magazine, along with the continued quarterly publication of new obituary lists, will be available at www.bocpensions.co.uk/boc/pensioner/magazine



# Who looks after the Scheme?

## The Trustee manages the Scheme on a day-to-day basis

The Trustee is made up of Directors appointed by the Company, and Directors who are nominated and elected by members of the Scheme.

#### **Your Trustees**

**Company-Appointed Directors:** 

- Sally Williams (Chair, Gases, Brinsworth)
- Mike Roberts (PAN Trustees, Independent Trustee)

#### Member-Nominated Directors:

- Richard Chatterton (retired member)
- Neil Twist (retired member)

#### Updates to your Trustee Board

Sally Williams became Chair in January 2023, replacing Andrew Smith.

George Emmerson, a Professional Trustee, was replaced in January 2023 by Mike Roberts, Independent Trustee at PAN Trustees.

We'd like to thank Andrew and George for their work on the Scheme and wish them all the best.

# The Trustee is also supported in the running of the Scheme by several advisers and administrators:

#### Advisers

- Scheme Actuary (Richard Shackleton (FIA); Hymans Robertson LLP)
- Investment Adviser (Mercer Limited)
- Bank (HSBC Bank plc)
- Auditor (Ernst & Young LLP)
- Investment Manager (BOC Pensions Limited)

- Benefits Administrators (BOC Pension Services & ADP (Pension Payroll))
- Legal Adviser (Mayer Brown International LLP)
- Medical Adviser (Medigold Health)
- Covenant Adviser (Penfida Limited)

## Contact us

#### Email: pensions.uk@boc.com



Write to: BOC Pension Services Forge, 43 Church Street West Woking Surrey GU21 6HT



#### Legal note

Pease note Please note that this newsletter is intended to provide information and nothing in it grants any legal right to benefits. Your entitlement to benefits is defined in the Trust Deed and Rules (as amended from time to time). You can request a copy from BOC Pension Services. If you are a pensioner or a deferred member, you should ask for a copy of the edition which applied when you retired or left service. Nothing in this newsletter constitutes financial advice. It is your responsibility to obtain financial advice if you decide that you need it. To find details of financial advisers in your area visit **moneyhelper.org.uk**