

2024 Pension Report

For members of the Really Useful Theatres Pension Scheme

Scheme position

Assets	£54,200,000
Money needed to pay benefits	£55,500,000
Deficit	-£1,300,000
Funding level	97.66%

This update states the position of the Scheme as at 31 December 2023.

Since the last update (as at 31 December 2022), the funding level has improved by £0.5m mainly due to a favourable experience in the financial markets. See pages 3 onwards for more details



Statement by the Chairman

Welcome to the 2024 Pension Report for Members of the Really Useful Theatres Pension Scheme (the Scheme)

I am pleased to present the Trustee's Annual Report for 2024 with audited accounts at 31st December 2023.

The most important news that I can bring you is that in May 2024 the Trustees had sufficient assets to fully secure all members benefits through an insurance contract with the insurance company Aviva. This means that all members benefits are guaranteed through this contract and that this guarantee is protected by the strength of a leading UK insurer and the compensation scheme that sits behind it in the very remote circumstance that Aviva should fail to meet these guarantees.

The Scheme continues to run on and be operated by the Trustees, on a fully insured basis, until such time as the principal employer, LW Theatres Group Limited, decides to terminate the Scheme, at which point the remaining members will be issued with an insurance policy in their own name by Aviva, with the same guaranteed benefits.

During 2024, the LW Theatres Group was re-organised, the result of which is that there is now only one participating employer under the Scheme, LW Theatres Group Limited (LWTGL). In summary, prior to the re-organisation, LWTGL had two direct trading subsidiaries, namely, LW Theatres Limited (LWT) and Gillian Lynne Theatre Limited (GLT). As

part of the re-organisation, LWT and GLT consolidated their business and assets into LWTGL and LWTGL was retained as the main trading entity of the LW Theatres group. GLT has never participated in the Scheme. The Trustees concluded that a stronger LWTGL was beneficial to the Scheme as it could provide greater support to the Scheme if needed and agreed to what is known as a Flexible Apportionment Agreement where any future liabilities to the Scheme are transferred from LWT to LWTGL.

At the latest actuarial valuation, with effect from 31st December 2021, the Scheme was over 100% funded and following the insurance contract purchase with Aviva, the Trustees know that it has now 100% covered its liabilities through the insurance contract. Any future expenses of the Scheme not covered by Aviva will be met by LWTGL.

The Trustees met in person four times during 2023 and also had regular virtual meetings with the investment manager to continue to regularly monitor the performance of the assets of the Scheme.

This report includes a summary of the results of the 31 December 2021 actuarial valuation, including a summary of the Scheme's financials at that date, together with an investment update and the Scheme's annual summary funding statement.

The Trustee Directors have continued to stay in close contact with the Company. Trading at the theatres has continued to be good due to their popular shows and increased tourism in London leading to increased ticket sales, which bodes well for future trading.

The strong funding position of the Pension Scheme since the 2018 actuarial valuation has meant that the Company has not had to pay contributions to the Scheme since 2019 and this position continued after the 2021 actuarial valuation. Importantly though, the Company remains committed to supporting any future funding the Scheme may require.

If currently, you receive this report by post and you would like instead to receive it by email in the future, please contact First Actuarial.

I hope that you will find this report helpful and easy to read.

Raymond Martin

Chairman of the Trustee Board

Your Scheme is looked after by

Trustee Directors

Raymond Martin, Protrustee Limited (Chairman)
Elizabeth Davies
Mark Fox
Lawrence Chapman

Scheme Administrator

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Scheme Actuary

Lane Clark and Peacock (LCP) – Tricia Gulliver

Scheme Auditor

Crowe UK LLP

Legal Advisers

Pinsent Masons

Investment Managers

Willis Towers Watson (until May 2024)

Insurer

Aviva

Introduction

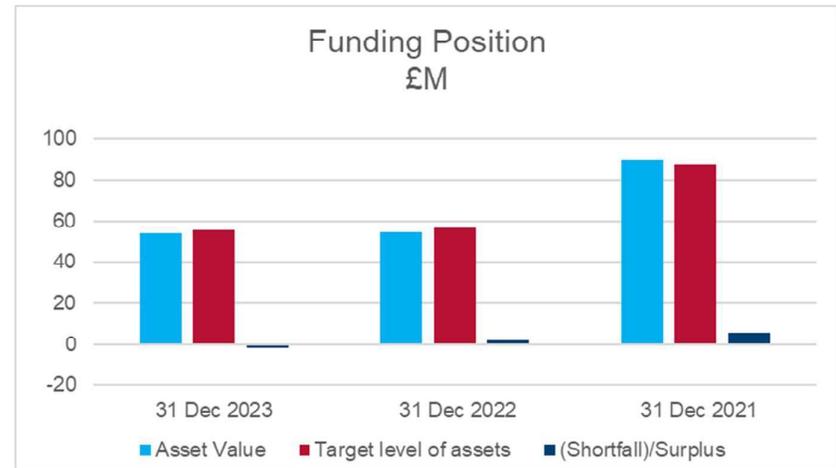
The purpose of this statement is to give you an update on the Scheme’s funding position and is intended to provide a brief overview of the Scheme’s financial health based on the previous formal actuarial valuation of the Scheme and subsequent updates. This statement is for your information; you do not need to take any action.

The Scheme Actuary carries out a formal “actuarial valuation” every three years. The actuarial valuation compares the value of the benefits earned up to the valuation date that the Scheme will have to pay to its members and beneficiaries in the future (the Scheme’s liabilities) with the amount of money currently invested in the Scheme (the Scheme’s assets). Over time, the Scheme’s ‘funding position’ (i.e. how its assets compare with its liabilities) will fluctuate. In these annual summary funding statements, we will tell you about the Scheme’s financial position and how it has changed since the previous statement.

Under the provisions of the Pensions Act requirements, the Trustees of the Scheme and the Employer must agree upon a funding plan for the Scheme. This involves agreement upon various assumptions to be made, for example, on mortality and other demographic factors to be used.

Your Scheme’s finances

The charts to the right show that on 31 December 2023 there was a £1.3m shortfall in the Scheme against the target level of assets.



	31/12/2023	31/12/2022	31/12/2021
Asset Value	£54.2m	£54.9m	£89.5m
Target level of assets	£55.5m	£56.7m	£87.5m
(Shortfall) / Surplus	(£1.3m)	(£1.8m)	£2.0m

The £1.3m shortfall does not affect the pensions being paid out of the Scheme we have always paid members their pensions in full.

When we wrote to you last year, we reported a shortfall of £1.8 million as at 31 December 2022. The schemes financial position has therefore improved by £0.5 million over the last year. This is due to a favourable experience in the financial markets.

As the Scheme’s benefits are now backed by the insurance policy held with Aviva, we expect the position to remain relatively stable from year to year in future.

The next full actuarial valuation is due as at 31 December 2024.

Assumptions

The Trustee employs an independent expert to provide regular checks on the Scheme's finances. These regular check-ups involve calculating a target level of assets. The latest update is shown above.

The target level of assets is the amount that is expected to be enough to continue to pay out all the pensions that members have already built up in the Scheme, based on assumptions about the future. For example, how long people will live; what inflation will be; and what returns will be earned on the Scheme's investments, amongst other factors.

Nobody knows exactly how much money will be needed to pay everybody's pensions. This will depend on how actual experience compares with the assumptions made.

Your Scheme's assets

The assets of the Scheme come from contributions paid by members and by the Company, together with investment growth.

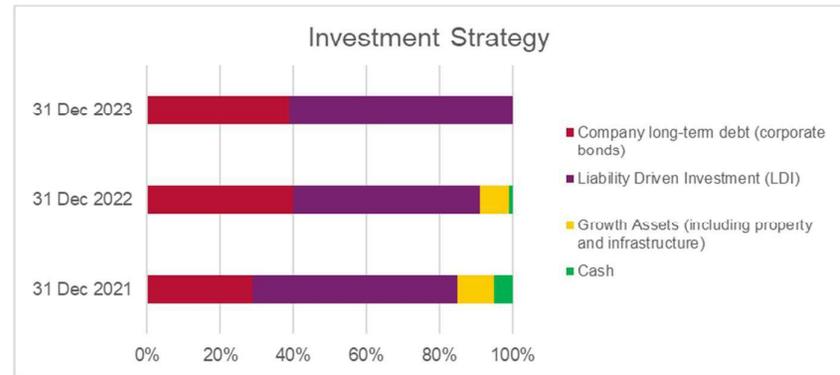
The assets of the Scheme are held separately from the Company and the Scheme's Trustee is responsible for investing the money.

The assets are held in a common fund – they are not held in separate pots for each member.

Pensions are paid to retired members out of this common fund.

Your Scheme's Investments

We have made some changes to the Scheme's investments to reduce the level of investment risk taken and the volatility of the Scheme's funding position. The proportion invested in each asset class as at 31 December 2023 compared with proportions at the previous updates was as follows:



The Scheme's investments were sold earlier in 2024 in order to fund the premium for the Aviva insurance transaction. Currently the only remaining assets in the Scheme are cash and the insurance policy.

Further information

If you have any questions or would like to see a copy of the Scheme's financial accounts, rules, investment or funding policy documents, please contact the Scheme's administrators using the details below.

If you're considering making any changes to your pension arrangements, you should consult a financial adviser before taking any action. The law prevents us from providing you with financial advice.

Are your details up to date?

Please let us know if your contact details have changed. If you'd like to change the people you have nominated to receive benefits upon your death, please complete an Expression of Wish form.

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Pension News

Information correct at time of print (prior to Autumn 2024 Budget).

State Pensions

The state pension went up by 8.5% in April 2024.

People entitled to the full level of the New State Pension will receive a total rate of income of £11,502.40 pa by the end of the 2024/25 tax year. You can claim the new State Pension when you reach State Pension age if you have at least 10 years of National Insurance contributions and are:

- A man born on or after 6 April 1951
- A woman born on or after 6 April 1953

Pensioners who were born before these dates qualify for Basic State Pension and will have a total annual income of £8,814, plus a possible additional amount depending on your National Insurance Contributions. The 8.5% increase in State Pension this year arises from the application of the "triple lock", whereby State Pension is increased annually by the higher of inflation, average earnings increases, or 2.5%. Although both the Conservatives and Labour have committed, in their election manifestos, to maintaining the "triple lock" throughout the next parliament, neither have provided a commitment to maintain the "triple lock" in the long-term, so members should not presume that this provision will continue forevermore.

The amount of State Pension you get will depend on your National Insurance record, so you could get more or less than the headline rates. Also, the age at which you can access your State Pension is gradually increasing from 65 to 68.

To find out your State Pension Age and obtain an estimate of your state pension, go to: www.gov.uk/check-state-pension

To explore whether it is possible to top up your State Pension go to: Voluntary National Insurance: Overview - GOV.UK (www.gov.uk)

Pension Credit

If you're on a low income, you might be eligible for pension credit, a means-tested benefit to boost your state pension.

There are two types of top-ups: the 'guarantee credit' and the 'savings credit.' You may be eligible for one or both.

In 2024-25, if you live in the UK and are over state pension age, and if your income is less than £218.15 a week, the guarantee credit may top you up to that amount. For a couple, the combined income figure is £332.95 per week. Eligibility requires people to satisfy certain terms and conditions - savings and investments are also factored into your income calculation for pension credit claims.

It is also possible to claim guarantee credit if your income already exceeds these levels but:

- You have a severe disability
- You are a carer
- You have to pay housing costs

Savings credit is payable to pensioners who reached state pension age before 6 April 2016. If you're eligible you'll get up to £17.01 a week (£19.04 a week if you have a partner).

For further details please see:
Pension Credit: What you'll get - GOV.UK (www.gov.uk)

This link also contains details of some other benefits that may be due in some circumstances.

Spring Budget 2024 – Changes to pension saving limits

The "lifetime allowance" (LTA), which limited the pension savings you could make tax free over your lifetime, has been scrapped with effect from 6 April 2024.

However, the amount of yearly pension savings you can make tax free remains limited to the Annual Allowance (AA). The standard AA in the current tax year is £60,000 (or 100% of your income if you earn less than this amount). A reduced AA potentially applies if you have "threshold income" over £200,000.

For details see:

Tax on your private pension contributions: Annual allowance - GOV.UK (www.gov.uk)

Also, once you have started to draw down on your money purchase pension savings the annual limit on the amount of contributions that you can subsequently pay into a money purchase arrangement is further reduced to, currently, £10,000.

Although the lifetime allowance is being abolished, there will still be a cap (of £268,275) on the tax-free lump sum you can take from your pension. Some people may have a protected higher amount - check with your pension provider if you're unsure.

The King's Speech

A new Pension Schemes Bill was announced in the King's Speech on 17 July 2024. Measures announced in the Bill include:

- Proposals to automatically consolidate small deferred money purchase pots
- A new Value for Money framework
- New requirements on money purchase schemes to offer a retirement income solution (or solutions).
- Plans to consolidate the final salary market through commercial superfunds.
- The Pensions Ombudsman will be reaffirmed as a competent court, which should make it easier for trustees to recover overpayments.

The government say that measures in the Bill could help an average saver have over £11,000 more in their pension pots at retirement.

Pension Scams

Please be aware that scammers are taking advantage of the current situation to target pension scheme members. They are known to increase their activity at times of financial stress. The Pensions Regulator has said you should exercise extreme caution and visit the www.fca.org.uk/scamsmart website.

In particular, if you are called out of the blue by an individual or company promising to move your savings to a 'safe haven', please hang up. Cold-calling in this way is illegal. Pension scams can be hard to spot. Scammers can be articulate with credible websites, testimonials and materials that are hard to distinguish from the real thing.

If you're thinking about how to invest your retirement savings, consider getting impartial information and advice – you can find specialist help through <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser>. If you are concerned please contact the Scheme's administrators (see contact details on page 2) or go to <https://www.moneyhelper.org.uk/en>.

Ways to spot a scam

The following are things to watch out for, that are likely the sign of a **scam**:

- Contacting you out of the blue via phone, email, or text – this is cold calling which is illegal
- Promises of high or guaranteed returns
- Offers of free pension reviews
- Offers access to your pension before age 55 - this isn't possible except for in ill-health, or if you have a protected retirement age (which the scheme has at age 50)
- Pressures you to act quickly such as limited time offers
- Unusual, complex, or difficult to understand structures

Top tips for avoiding scammers

- **Check who you are dealing with.** Scammers often advertise online and can have websites that look official or government backed. You can check these on the FCA ScamSmart service: <https://www.fca.org.uk/scamsmart>
- **Reject any unexpected offers.** If someone calls you and says they represent the Scheme or the Trustee but you were not expecting the call then please hang up and contact the Trustee using the details provided at the end of this newsletter.

Get to know your pension: hints and tools from the DWP

As part of its ongoing campaign to get people more engaged with their retirement savings, the Department for Work and Pensions (DWP) has recently published a <https://www.yourpension.gov.uk/> to help people plan for their retirement. It brings together various tools to trace lost pensions, find out what your likely State pension will be, and work out how much money you may need to enjoy the retirement you want.

Further information

The documents listed below must be published on a publicly accessible website:

- Statement of Investment Principles
- Implementation statement

They are available at the following website:

<https://lwpensions.myscheme.online>

Also available on the above site is the latest Trustees' annual report and accounts, the Scheme's privacy notice, and last year's member report.

Alternatively, you can ask your Scheme Administrator – contact details are on page 2 – for copies of any of the following documents:

- Statement of Funding Principles
- Statement of Investment Principles
- Implementation statement
- Recovery Plan & Schedule of Contributions
- Trustees' annual report and accounts
- Latest actuarial valuation report
- Shorter actuarial reports
- Scheme booklet

If you have yet to start receiving your pension and we have not sent you an estimate of your pension at retirement in the last 12 months, you can ask the Scheme Administrator for one.

If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking action.

Please also help us to keep in touch with you by telling your Scheme Administrator – contact details are on page 2 – if you change address.

Using your personal information

The personal information we hold on you and your dependants will only be used in connection with the Scheme or to provide you with guidance on the benefits you are entitled to.

For details on how your information is used and your rights to access information we hold on you, please consult the Scheme's privacy notice.