

**WWH PENSIONS TRUSTEES LTD**  
**100 FETTER LANE LONDON EC4A 1BN**  
**TEL: 020 7242 1011 FAX: 020 7894 6550**

Our Ref: PER-WWH515-0426448\0426487  
28 November 2005

**PRIVATE AND CONFIDENTIAL**

Mr M Payne  
63 Appleford Drive  
Minster  
Sheerness  
ME12 2SR

Dear Mr Payne

**The Horizon Pension Plan**

I am writing to explain the developments and progress since I last wrote to you on 31 January 2005.

Regulatory Requirements

I am pleased to confirm that the plan is up to date with its reporting and other regulatory requirements and that its administrative affairs are generally in order. The scheme accounts for the financial year ended 31 March 2005 have recently been completed and filed, within the relevant deadlines. There have been no changes to the Plan's constitution and rules since the last report to members and no changes are currently under discussion.

The Consultation Exercise and Deferral of Wind Up

The Trustees have decided to defer the wind up of the plan following the consultation exercise with the plan members conducted earlier this year.

As you will remember, I wrote to all members on 31 January 2005 to seek your views on the future direction of the scheme and in particular in relation to whether or not this scheme should proceed to immediate wind up or continue to operate as a closed scheme.

From the 59 responses I received there were 52 members who either wished or were content to defer the wind up as opposed to just 7 members who wanted to proceed to immediate wind up. 18 Members expressed a wish to opt out of the plan if this option became open to them. In the circumstances, the scheme will continue to operate in its present mode as a closed scheme although the situation will be kept under constant review as it is the trustees aim to place the scheme into wind up eventually but at a time when it is considered in the best overall interests of the membership to do so.

Accounts and Funding

The pension plan auditors have recently completed their audit for the year ending April 2005 and I am pleased to report that there are no qualifications to the report and that the appropriate filing has now been made.

At the start of the year the value of the plan investments was £4,643,418 and at the end of the year I am pleased to confirm that the value of the investments had risen to £5,034,363.

As you are aware, the overall management and responsibility for the plan is vested in the trustees. Therefore, with the objective of achieving an improved real rate of return on the investments, the trustees have adopted a revised statement of investment principles to allow them to adopt a wider range of investments for the plan. As you will appreciate, one of the factors which will influence the level of benefits you receive will be the performance of the scheme's investments in future years.

### Actuarial Valuation

As you may be aware, I am required to produce an actuarial valuation of the scheme once every 3 years. This is a statutory requirement the object of which is to confirm the value of the fund's assets is sufficient to meet its obligations to pay for pensions as they fall due. The last actuarial valuation was prepared as at 1 May 2002 and as such I intend to instruct the scheme's actuary to undertake a further actuarial valuation in the near future. This will be carried out with reference to the financial position of the scheme as at 1 May 2005 and the report is required to be complete by not later than 30 April 2006.

### Transfer Values

Once the current funding position has been established the trustees will hopefully be in a position to offer member transfer values once again. As indicated above a number of members have requested transfers as part of their response to the consultation exercise and I am aware that there may also be others who would like to transfer their benefits to an alternative pension provider. You will be aware from previous communications that the quoting of individual transfer values from the scheme is currently suspended.

### Change of Advisers

At present the scheme's advisers are KPMG. Please note that the trustees have taken the decision to terminate their appointment and to transfer the administrative and advisory work currently provided by them to Scottish Widows. This difficult decision has been made for purely economic reasons and it is no way a reflection of the level of past costs or the service we have been provided with by KPMG. The reality of the situation is that the trustees have received a substantially cheaper quote from Scottish Widows and as such feel that the work that KPMG currently undertake on your pension scheme can be moved to them without jeopardising service standards. In short, due to the cost savings that can be made we feel that the members interests will now be best served by changing advisers. The transfer of work from KPMG to Scottish Widows is currently taking place and should be completed shortly. When this is complete I will write to you again with the details of the new advisers.

I will contact you further once the actuarial valuation has been completed but in the meantime should you have any queries whatsoever then please contact either myself or my colleague Melissa Hope.

Yours sincerely

For and on behalf of WWH Pensions Trustees Limited

**PETER REES**



**DIRECTOR**