

**WWH PENSIONS TRUSTEES LTD**  
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Our Ref: PER-WWH515-0426448/0426487  
2 March 2007

**PRIVATE AND CONFIDENTIAL**

Mr M Payne  
63 Appleford Drive  
Minster  
Sheerness  
ME12 2SR

Dear Mr Payne

**The Horizon Pension Plan**

I am writing to advise you of the recent developments in the administration of your pension plan since my last letter to you.

I am pleased to report that the annual report and accounts for the scheme for the period ended 5 April 2006 have now been completed. The accountants' report is satisfactory and I am pleased to advise you that the assets of the pension scheme have once again increased in value over the period covered by the accounts. As at 5 April 2006 the aggregate value of the scheme assets was about 14% greater than at the comparable time a year earlier, even after taking into account the costs and expenses of running the scheme and of paying pensions in payment to pensioner members. Although the cost of providing members' benefits has also increased by an estimated 5% over the period, the net improvement in the scheme's overall funding position is substantial.

Indications are that this growth trend has continued into the year 2007 and I hope to be able to report similarly positive results for that period in my next letter. Copies of the annual report and accounts are available to members on request.

I am also pleased to report that the change over of the scheme advisers and actuaries from KPMG to the new service providers, Baker Tilly and Scottish Widows has now been fully completed. Thus the new management team is now fully in place. We have established a good working relationship with Scottish Widows and I hope this will be to the benefit of the membership overall.

The trustees have also been engaged in reviewing their previous decision to continue to operate the pension scheme as a "closed scheme" and have reached the conclusion that it would now be appropriate to place the scheme imminently into formal wind up. The matters which had previously informed the decision to continue to operate the scheme have now been resolved. Although the scheme has enjoyed exceptionally good asset growth in the last 3-4 years (which of itself would have justified the continued operation of the scheme) the trustees cannot be confident that such levels of growth can be maintained indefinitely. It is therefore felt that now would be a good time to bring the scheme into formal wind up without putting at risk the benefit of the gains made over the last few years in the growth of the fund.

I cannot yet say how long the wind up process is likely to take. This will be the subject of a detailed wind up plan which I will agree with my advisers and you will be notified of the timescales in due course.

I hope at the end of the winding up process to be able to offer all members a choice of future pension provision. This may be either the purchase of a deferred annuity or the transfer to a private pension plan or (in a limited number of cases, the transfer of your entitlement to a new employers scheme).

Broadly speaking a deferred annuity is a guaranteed pension provided by an insurance company at a future time. Because the level of benefit is guaranteed the pension offered tends to be lower than that which could be obtained in a personal pension plan in benign long term investment conditions. Each member will be required to decide for themselves at the appropriate time whether to choose the safer but more conservatively priced deferred annuity product over the slightly riskier but potentially more lucrative one. This is not something on which the trustees can advise the members and you will be recommended to take independent financial advice before reaching any decision. Obviously full financial information will be made available to you to enable you to make an informed choice at that time.

Yours sincerely

For and on behalf of WWH Pensions Trustees Limited



**PETER REES**  
**DIRECTOR**