

# Comet Pension Scheme

November 2021

Dear Member,

## Letter on behalf of the Scheme Trustee

On behalf of the Trustee, I am now pleased to update you further on the Scheme's recovery and the impact of COVID-19 on our funding position and our corporate sponsor.

Enclosed with this letter are our annual Summary Funding Statement and our Trustee Report for 2021.

## The Scheme Funding Position

The annual Summary Funding Statement attached confirms that, following the significant impact of COVID-19 on our investments at 31 March 2020, the Scheme's funding position has recovered well and is now once again back to over 100%.

## Investment Management

Although the available vaccines continue to help reduce the worst effects of the virus and developed economies have continued to improve, investment markets remain quite volatile due to the impact of inflation and disruption to global supply chains. As I reported in May, there is still a long way to go and many challenges ahead. So, the Trustee will continue to remain cautious about investment returns generally and its approach to investment strategy.

In order for us to be as flexible as possible in responding to future market opportunities and also to the emerging guidance and regulation for 'journey planning' in relation to long term scheme funding, the Trustee has reviewed its overall approach to investment management.

I can report that after a competitive tender for investment advisory services and recognising our long and successful relationship, the Trustee has re-appointed River & Mercantile Solutions ("RMS") as our investment adviser with a broader fiduciary mandate effective from 1 April 2021.

Under these new arrangements the Trustee retains control of the overall investment strategy and broad asset allocation guidelines, with RMS having more flexibility to select how the scheme's funds are deployed with a diversified set of investment managers, and

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# Comet Pension Scheme

with the ability to redeploy our funds more promptly in response to market conditions and opportunities.

## Our Sponsor

As previously reported to you, the Trustee and its covenant adviser, Ernst & Young LLP, continue to actively and regularly communicate with our Sponsor, Fnac Darty, to understand what actions the group has taken to help mitigate the economic impact of the COVID-19 virus on its operations and financial position.

As you know, in May I was able to report to you that the Fnac Darty group had traded successfully for the 12 months to 31 December 2020. Total reported sales rose by 1.9% and overall net income from continuing operations for the year amounted to €96 million, down only €19 million on 2019, despite the impact of several lockdowns in its various markets.

In addition, the group has been able to repay the €500 million French state-guaranteed loan obtained from its banks in April 2020 and that due to the strength of its operations was not used. Furthermore, since the year end the group has been able to improve its access to longer term finance with the issue of a new convertible bond and at the same time increase and extend its existing revolving credit facility, with the option of extending this out to March 2028.

In September Fnac Darty reported a further successful trading period for the half-year to 30 June 2021, with strong like-for-like sales (compared to a period that was severely impacted by store closures in 2020 due to COVID lockdowns), a current operating income of €34million, and a free cash flow €74 million higher than the prior year.

The general economic impact of the pandemic remains the key unknown variable which may affect the important Xmas and second half trading period. However, management has stated it expects full year operating income to be between €260million and €270million, which is similar to the income level for 2019.

As always, the Trustee will continue to monitor regularly the strength of our sponsor's covenant with its covenant adviser, Ernst & Young LLP.

## Our Scheme Administration and paying benefits

In accordance with guidance for pension scheme trustees generally, we will continue to prioritise our collective ability to ensure we are able to pay member benefits. Whether these are our current pensioner payroll, new retirements for members, or sadly the payment of death benefits.

Once again, the Trustee continues to urge all members to please be aware of the heightened risk of pension scams in relation to accessing your pension benefits, whether through taking a transfer to another pension scheme arrangement or taking early retirement to access a tax-free lump sum. The Trustee has reviewed, together with our

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# Comet Pension Scheme

administrator, our processes for dealing with member requests to transfer funds out of the Scheme, and has recently signed up to the Pensions Regulator's Pledge to combat pension scams.

Please read the section in our enclosed Trustee Report on Pension Scams and remain vigilant. If anyone approaches you and suggests that now is a good time to transfer due to the COVID-19 crisis or for any other reason, please be mindful that there are unscrupulous individuals trying to take advantage of people. The government has banned cold calling in relation to pensions and so if anyone calls you out of the blue in relation to your pension, you should be aware that there is a high risk that it could be a scam.

For this reason, we urge you to exercise extreme caution and visit [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) which has guidance relating to how to avoid scams generally and also specifically in relation to COVID-19. Useful information, particularly if you are approaching retirement, or have had your pension affected by the current economic conditions can also be found at [www.pensionsadvisoryservice.org.uk/about-pensions/when-things-change/coronavirus-how-will-this-affect-my-pension-or-investments](http://www.pensionsadvisoryservice.org.uk/about-pensions/when-things-change/coronavirus-how-will-this-affect-my-pension-or-investments)".

A copy of this letter and other Scheme information can be found on our website <https://www.comet-pensions.co.uk/>. If you require any scheme information, then please check our website before contacting the Scheme administration team.

Kind regards,

Ian Edwards  
Chairman of Trustee



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## COMET PENSION SCHEME 2021 TRUSTEE'S REPORT

This annual report is issued by the Trustee Directors of the Comet Pension Scheme to all deferred and pensioner members of the Scheme and supplements the annual summary funding statement which this year is enclosed with this report.

The Trustee's Annual report and Accounts contains, for the first time, an Implementation Statement which sets out:

- How the Trustee's policies on exercising voting rights and engagement have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

A copy of this Implementation Statement was posted onto the Comet Pension Scheme website, [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk) by 1 October 2021, as required by legislation.

The formal Trustee Report and Accounts for the year to 31 March 2021 is now available to view on the same website.

### YOUR SCHEME

The Scheme is a final salary pension arrangement that was closed to future accrual from 30 September 2007.

Darty Limited (formerly Darty plc and prior to that Kesa Electricals plc) is the Scheme's Principal Employer. Darty Limited was acquired by Groupe Fnac SA in July 2016.

Significant future developments relating to the Scheme will be communicated to members through these regular annual Trustee reports and through updates made available on the home page of the Scheme's website at [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

### SCHEME ASSETS

At 31 March 2021, the Scheme net assets were worth over £557 million (including members' AVC funds). This money is kept quite separate from Darty Limited, and is looked after for you, the members, by the Trustee Company, Comet Trustee Company Limited. The Directors of the Trustee Company are responsible to members and other beneficiaries (for example, widows or widowers of members) for the proper running of the Scheme.

Their duties include the collection of contributions from Darty Limited and the prudent investment of the Scheme's monies, the payment of benefits in accordance with the Scheme's Trust Deed and Rules and the maintenance of records of membership and financial transactions.

### YOUR TRUSTEE DIRECTORS

The Trustee Directors continue to meet regularly to discuss the governance, audit and investment of the Scheme's assets, and to monitor the funding of the Scheme. In addition, EY have been appointed to conduct regular assessments of the Principal Employer's covenant to provide the Trustee with reassurance that the Principal Employer can meet the ongoing funding of the Scheme.

At the year end the Directors of Comet Trustee Company Limited were:

<b>Ian Edwards</b>	Member Nominated Director & Chairman
<b>Frederic Jaillard</b>	Company Appointed Director
<b>Jon Herzberg</b>	Company Appointed Director
<b>James Arnold</b>	Company Appointed Director
<b>Victoria Milford</b>	Company Appointed Director
<b>Nick Marsh</b>	Member Nominated Director



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## ACTUARIAL VALUATION

Every three years the Trustee asks the Scheme Actuary to undertake a formal actuarial valuation of the Scheme in order to compare the amount of the Scheme's assets with the estimated amount needed to pay the benefits earned in the Scheme.

The next formal valuation is due as at 31 March 2022.

## COVID-19

We appear to be at last emerging from the COVID-19 pandemic which has had a dramatic effect on all our lives, the economy and consequently the Scheme's assets.

However, the Trustee has an investment strategy which takes a long-term view, whilst able to withstand short-term fluctuations. Our investment strategy has seen our investments and funding levels recover in the 12 months to 31 March 2021 without the need to change our approach to investment risk.

The Trustee continues to liaise with its advisers and Sponsoring Employer to monitor the impact of COVID-19 on our Sponsor's operations.

The Trustee has a good relationship with the Company and information is shared on a regular basis, with a report given at each Trustee's meeting. Regular calls between EY, the Trustee's Covenant adviser, and the Company have continued.

XPS Administration worked efficiently, mainly from home, throughout the pandemic and following the successful vaccine rollout, are now phasing in a return to the office.

## MEMBERSHIP

At 31 March 2021, there were:

- 2,816 deferred pensioners who have an entitlement to a pension when they reach Normal Retirement Date. The normal retirement age for men and women in the Scheme is 60 years of age.
- 2,008 pensioners receiving their pension from the Scheme.

## NOMINATION FORM

On death before retirement, subject to the Rules, a return of contributions (plus interest) becomes payable when there are no dependants' or children's pensions payable. The lump sum is paid at the discretion of the Trustee to one or more of a member's dependants, relations, "nominee" or estate.

It is important to ensure that the Trustee understands your wishes over the payment of death benefits by keeping your Nomination Form up to date. If you need a new form or want to know more about this, please refer to the Comet Pensions website at [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk) or contact Ann Geer.

## DISPUTE RESOLUTION

If you have a complaint about the running of the Scheme or your benefits under it, initially this should be raised informally through XPS Administration. If you do not receive a satisfactory response, then you should write formally to the Complaints Procedure Officer who is Secretary to the Trustee, Ann Geer of Punter Southall Governance Services. Ann will supply you with a copy of the Internal Dispute Resolution Procedure.

## AVCs

Some Scheme members elected to pay Additional Voluntary Contributions (AVCs) in addition to their normal contributions to the Scheme. No further AVC payments are allowed but these members should regularly review their investments, particularly in the five years leading up to retirement.

The Trustee regularly reviews the range of AVC Funds available and are satisfied they remain appropriate. A separate communication to those members with AVC investments is issued each year.



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## INVESTMENT

During the year to 31 March 2021, the Scheme's investment strategy returned 8.0% outperforming the Liability Benchmark Objective by 7.5%. Over the 3-year period the annualised return was 5.2% versus a target of 4.6%. The Scheme outperformed its benchmark over the year, as a consequence of the strong rebound in growth assets following the significant market falls due to COVID-19 in Q1 2020.

As at 31 March 2021, the target allocation for the Scheme consisted of 20% invested in "off-risk" assets (which includes a liability hedge), 20% invested in "cashflow matching" assets (assets that provide income to help meet the Scheme's benefit payments) and 60% invested in growth assets (return generating assets i.e. those that are "on-risk").

The liability hedge was made up of a series of interest rate and inflation derivative based contracts together with a portfolio of government bonds (used as collateral for the contracts), with a view to closely match changes in value in the Scheme's liabilities.

The cashflow matching assets were invested in pooled funds which hold corporate bonds on a 'buy and maintain' basis and whose coupon and principal payments are tailored to meet the Scheme's cashflow profile. The interest rate exposure of the buy and maintain credit allocation is allowed for in the liability hedge.

The remaining 60% of the Scheme's assets were invested in a diversified portfolio of assets aimed at generating return whilst maintaining an acceptable level of risk in accordance with the Scheme objectives. Within this allocation, the Trustee has an allocation to Active Structured Equity, which is a portfolio of rolling equity option structures which in aggregate, aim to generate a return in excess of SONIA (i.e. cash) + 3.25% p.a.

Selection of parameters for structures is delegated to River and Mercantile who implement structures in line with market views. Both Active Structured Equity and the derivatives in the liability hedge are supported by a shared collateral pool of cash and UK Government Bonds.

The Trustee monitors the performance of the liability hedge on a regular basis and the Scheme's manager independently checks the counterparty valuations daily.

As required by the CMA Order, the Trustee undertook a formal review of the fiduciary management element of the portfolio and in December 2020, following a successful tender by R&M, agreed to move to a full fiduciary management arrangement, which was completed by 30 June 2021.

## STATEMENT OF INVESTMENT PRINCIPLES

In accordance with the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles (SIP), which describes the key elements of the investment arrangements of the Scheme.

Copies of the statement are available on the pension website, [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk). There have been no departures from the SIP in the year.

## THE FUND - VALUE JUST OVER £557 MILLION

During the last year, the Scheme's total net assets have remained broadly at the same level.

At 31 March 2020	£528,775,000
Income (1)	£490,000
Investment (2)	£41,898,000
Expenditure (3)	(£13,375,000)
At 31 March 2021	£557,788,000



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The total net assets at 31 March 2021 shown above include c.£4.0 million representing members' AVCs.

- (1) **Income**..... includes Company contributions.
- (2) **Investment** ..... is the change in the market value of the Scheme's assets over the year and investment income, less investment management expenses.
- (3) **Expenditure**.... Includes pension payments, transfers out of the Scheme and expenses.

## PROFESSIONAL ADVISERS

The Trustee has a duty of care and must act prudently. To help the Directors, they employ various professional advisers. These are currently:

<b>Scheme Actuary</b>	Steve Leake of XPS Pensions Limited
<b>Administrator</b>	XPS Administration
<b>Auditors</b>	BDO LLP
<b>Bankers</b>	Bank of Scotland
<b>Covenant Advisers</b>	EY
<b>Investment Managers</b>	R&M, Columbia Threadneedle, LGIM, PIMCO & Insight
<b>Investment Consultants</b>	River & Mercantile Solutions
<b>Solicitors</b>	Eversheds-Sutherland
<b>Trustee Company Secretary</b>	Wayne Phelan
<b>Secretary to the Trustee</b>	Ann Geer of Punter Southall Governance Services

## GENERAL DATA PROTECTION REGULATION (GDPR)

In order to administer the Scheme, data is used by the Trustee and the Scheme Actuary who both act as Data Controllers. Your personal data will be processed fairly and lawfully in accordance with the principles of the GDPR solely in connection with the Scheme. If you have any queries in relation to your personal data, please contact the Scheme's administrator.

All members will have received a Privacy Notice outlining your rights under the GDPR regime. Please refer to the the Comet Pensions website at [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk) or contact Ann Geer for the latest Privacy Notice.

The current XPS Pensions Scheme Actuary and XPS Pensions when providing defined benefits actuarial consulting services are Data Controllers and so we share your personal information with XPS Pensions in order for them to provide their services.

The XPS Pensions Privacy Information is available at: <http://www.xpsgroup.com/legal-regulatory/privacy-policy/> and the relevant notice for you is labelled "Combined Scheme Actuary and actuarial consulting services".

XPS Pensions may make changes from time to time so you should check the latest version of this Privacy Information occasionally.

## TAKING YOUR PENSION BENEFITS OPTIONS

If you are considering taking your pension benefits, you should carefully review the options available to you before making any decisions. The Trustee Directors cannot give you any advice or guidance on which option you should take and recommend that you obtain independent financial advice before making a decision. As a reminder, the options available to you are set out below.

### Take retirement benefits from the Scheme

You can apply to take retirement benefits from the Scheme from age 55 onwards. The Scheme's Normal Retirement Age for both men and women is 60 years of age. You will be given the option to take a Scheme pension which will be payable to you in monthly instalments. You can usually opt to exchange some of this Scheme pension for a tax-free cash lump sum, resulting in a lower Scheme pension payable monthly. The maximum tax-free cash lump sum most people can take represents 25% of the total value of your benefits in the Scheme.



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## Trivial commutation

Members over age 55 with pension savings in all pension schemes they are a member of (not just the Comet Pension Scheme) which are worth less than £30,000 in total (and who meet certain other conditions) can choose to exchange all benefits in the Scheme for a one-off lump sum known as a 'trivial lump sum'.

If the member's Comet Pension Scheme benefits alone are worth less than £10,000, the Scheme benefits can be exchanged for a one-off lump sum, known as a 'small lump sum', without reference to any other benefits in other pension schemes.

Both trivial lump sums and small lump sums are paid via the Scheme's pensioner payroll. For those not yet retired 25% of each payment is usually paid tax-free with the remainder being taxed as earned income under PAYE. From time to time, the Trustee may write to members eligible for a trivial or small lump sum to remind them of this option.

## AVCs

Members with AVCs under the Scheme can use their AVCs to fund any tax-free cash lump sum they choose to take on retirement before exchanging Scheme pension for tax-free cash. If the tax-free cash lump sum payable from the Scheme does not use up the total value of the AVCs, the remainder of the AVCs must be used to buy an annuity from an insurance company. In some circumstances, the Trustee Directors allow members to use the remaining AVCs to buy additional Scheme pension as an alternative to buying an annuity.

From April 2015, the Government has allowed members with Defined Contribution benefits (including AVCs) more flexibility and choice in how and when these benefits can be accessed. This gives members the option to make decisions about their AVCs separately from their Scheme benefits. The full flexibilities introduced by the Government are not available directly from the Comet Pension Scheme but members can transfer their AVCs to an alternative registered pension scheme to access these additional flexibilities elsewhere.

## Transfer your benefits

As an alternative to taking your benefits from the Scheme, you can choose to transfer your benefits to an alternative registered pension scheme or a qualifying overseas pension scheme (known as a QROPS).

As noted above, members with AVCs could choose to transfer their AVCs to an alternative registered pension scheme and leave their final salary benefits in the Scheme (rather than also take their AVCs as retirement benefits from the Scheme).

By giving notice to the Trustee at any time before your 59th birthday, you may be able to transfer the value of your Scheme benefits to another pension arrangement. If you want to consider a transfer prior to taking your benefits from the Scheme, please request a quotation from the administration team using the contact details show below. It is a good idea to take advice from an independent financial adviser who specialises in pension scheme transfers before making a decision as to whether to transfer your benefits out of the Scheme. If your transfer value is more than £30,000, you will be required to take financial advice in any event. Please read the section below on Pension Scams carefully before deciding to consider a transfer of your Scheme benefits.

### FCA BAN ON CONTINGENT CHARGING

From October 2020, the FCA has banned financial advisors from charging contingent fees when advising members of defined benefit pension schemes to transfer to other arrangements.

This means that an IFA's payment for advice will no longer depend on a transfer proceeding and whilst this will help to avoid conflict of interest in financial advice, it could lead to worse outcomes in the short-term as members find it difficult to take advice, either because they are unwilling to pay upfront advice fees or due to a shortage of capacity as firms withdraw from the market.

### PENSION SCAMS

If you are considering a transfer of your Scheme benefits to another pension arrangement, you should be aware of the risk of pension scams. The Pensions Regulator, MoneyHelper (formerly The Pensions Advisory Service) and HM Revenue & Customs (HMRC) have issued strong warnings about pension scams and the potential risks of taking up offers which claim to be able to release cash from your pension before you reach age 55 or in larger quantities than are currently allowed under the law without a sizeable tax charge becoming payable (sometimes referred to as "pension liberation" "early pension release" or "pension loans"), and/or to offer higher investment returns than normally expected.

The Pensions Regulator has launched a new campaign calling on trustees, providers and administrators to do everything they can to protect scheme members from scammers to take the pledge. We have taken the pledge. By taking the pledge, we want to show you we are determined to tackle scams and will continue to follow the principles issued by the Regulator.



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You can find more information about the consequences of these offers from the Scheme's administrator. A copy of the Pensions Regulator's leaflet "Thinking of doing something with your pension pot?" is available, so that you can be aware of the warning signs of pension scams.

You can also find an online tool to help you to identify a pension scam on the Financial Conduct Authority website at <https://www.fca.org.uk/scamsmart>. This will give you some guidance on identifying a potentially bad pension investment, help you to recognise the signs of a pension scam and provide you with some next steps based on your answers.

Please also see the enclosed joint letter from the Pensions Regulator, the Financial Conduct Authority and the Money and Pensions Service.

If you decide to transfer your benefits from the Scheme, upon receipt of fully completed transfer forms, all requests are referred to the XPS Anti Scam Hub. They will then arrange a call to discuss your transfer and identify whether there are any warning signs of a pension scam. Should any warning sign(s) be identified, your case will be referred to the Trustee for review and may require some additional confirmation from you.

### BAN ON COLD CALLING

New legislation introduced by the government aims to tackle unsolicited calls, as these are the most common method for companies who operate pension scams to contact people. Following this legislation cold calls about pensions are now illegal and fines can be imposed of up to £500,000. There are some circumstances where the ban does not apply, and these are:

- the caller is authorised by the Financial Conduct Authority, or is the trustee or manager of an occupational or personal pension scheme, and;
- the recipient of the call consents to calls from the caller, or has an existing client relationship with the caller.

### GMP EQUALISATION

Further to the 2018 judgement in respect of GMP equalisation, on 20 November 2020 the High Court ruled that schemes would need to revisit individual transfer payments made since May 1990.

Those members affected by these judgements will be contacted in due course.

### INFORMATION

If you require any information about the Scheme or you would like a copy of the more detailed disclosure report, please refer to the Comet Pensions website at [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk) or ask:

**XPS Administration  
Limited**

**Scheme Administrator**  
or

**Ann Geer  
Secretary to the Trustee**

[cometadmin@xpsgroup.com](mailto:cometadmin@xpsgroup.com)

☎ 0118 918 5098

Albion, Fishponds Rd, Wokingham, Berks RG41 2QE

[ann.geer@psgovernance.com](mailto:ann.geer@psgovernance.com)

Forbury Works, 37-43 Blagrove Street, Reading, Berks RG1 1PZ

**Issued by the Trustee – November 2021**



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## COMET PENSION SCHEME 2021 SUMMARY FUNDING STATEMENT

Trustees are required to send members a brief statement giving a regular update of the Scheme's funding position. The Trustee of the Comet Pension Scheme ("the Scheme") is therefore pleased to provide the Summary Funding Statement for 2021.

The Trustee is responsible for administering the Scheme and ordinarily you should expect to receive an annual statement to let you have updated information about the funding of the Scheme. The statement refers only to the Comet Pension Scheme (i.e. your final salary benefits).

### WHAT IS THE PURPOSE OF THIS STATEMENT?

This statement has been produced by the Trustee and its purpose is:

- to summarise the results of the latest actuarial valuation carried out as at 31 March 2019; and
- to explain how the funding position has changed since the valuation was carried out.

### WHAT IS AN ACTUARIAL VALUATION?

The Scheme Actuary studies the financial position of the Scheme periodically (at least every three years) by carrying out an actuarial valuation. The valuation is used to estimate the amount of money required to pay benefits as they fall due and compare this with the assets held in the Scheme. To make this assessment, the Scheme Actuary has to use a number of assumptions about what will happen in the future such as how long people will live, what inflation will be and how much income the Scheme will earn from its investments.

### ACTUARIAL VALUATION

The most recent actuarial valuation of the Scheme was completed as at 31 March 2019, and annual updating reports were produced as at 31 March 2020 and 31 March 2021. The funding positions at these dates are shown below for information.

	31 March 2019 £thousands	31 March 2020 £thousands	31 March 2021 £thousands
Value of assets	526,500	524,600	553,800
Value of past service liabilities	(520,500)	(540,500)	(525,200)
Past service surplus/(deficit)	6,000	(15,900)	28,600
Funding level	101%	97%	105%

As the actuarial valuation as at 31 March 2019 showed that the funding shortfall had been removed, a recovery plan was not required.



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## CHANGE IN THE FUNDING POSITION

The following factors have affected the funding position of the Scheme between 31 March 2020 and 31 March 2021, by the approximate amounts shown:

	£m
Deficit as at 31 March 2020	(15.9)
• Net effects of changes in market conditions and investment returns	40.4
• Contributions received	0.5
• Inflation experience	2.8
• Other factors	0.8
Surplus as at 31 March 2021	28.6

As shown on the previous page, it is estimated that overall these factors have led to the Scheme's funding position improving by around £44.5 million over the period between 31 March 2020 and 31 March 2021. Over the same period the ratio of the assets to the estimated value of the liabilities, known as the funding level, has increased from 97% to 105%.

## FUNDING POSITION OF THE SCHEME HAD IT WOUND-UP

The aim of the Trustee is for there to be enough money in the Scheme to pay pensions now and in the future, but this depends on Darty Limited carrying on in business and continuing to support the Scheme. If Darty Limited goes out of business, it must pay enough money to buy all the benefits built up by members from an insurance company. This is known as the Scheme being 'wound-up'. The comparison of the Scheme's assets to the cost of buying the benefits from an insurance company is known as the "solvency position".

A test of this solvency position at 31 March 2019 showed that the Scheme's assets could not have paid for the full benefits of all members to be provided by an insurance company if the Scheme had wound-up at that date. If the Scheme had wound-up on 31 March 2019 then it is estimated that the amount needed to buy the Scheme benefits in full from an insurance company would have been £894 million (that is, a shortfall of around £368 million). This figure is just an estimate and is not meant to imply that the Trustee or Darty Limited are considering winding-up the Scheme. It is just another piece of information that we are required to tell you and we hope will help you understand the financial security of your benefits.

## THE SCHEME'S FINANCIAL SECURITY

The Scheme's assets are held separately from Darty Limited's assets. If the Scheme was to wind-up (come to an end), then Darty Limited (supported by the guarantee from the Fnac group) would be required to pay enough into the Scheme to enable members' benefits to be secured with an insurance company. The Government established the Pension Protection Fund (PPF) to pay benefits to members if the Scheme is wound-up when the Scheme and Darty Limited do not have enough money to cover the cost of buying all members' benefits with an insurer. The pension you would receive from the PPF is likely to be less than the full benefit you have earned in the Scheme, depending on your age and when your benefits were earned.

In certain circumstances, the Pensions Regulator has powers to modify a pension scheme, impose directions on it, or impose a schedule of contributions. The Trustee can confirm that no such intervention has taken place for the Scheme.

Further information is available on the PPF website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk) or you can email the Pension Protection Fund using [information@ppf.co.uk](mailto:information@ppf.co.uk).



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## PAYMENTS TO THE COMPANY

The Trustee is required to make an annual statement on any payment from the Scheme that has been made to Darty Limited. We can confirm that there have not been any payments to Darty Limited out of Scheme funds since the inception of the Scheme.

## HOW ARE THE SCHEME'S ASSETS INVESTED?

The Trustee employs specialist fund managers to look after the day to day investment of the Scheme's assets. We set the investment strategy and monitor the fund managers' performance on a regular basis. We invest in a broad range of assets, limiting the amount invested in a particular class of assets.

As at 31 March 2021, the Scheme's target asset allocation was:

Government securities (gilts)	20.0%
Buy and maintain credit	20.0%
Structured Equities	15.0%
Opportunistic mandate	15.0%
Corporate bonds	14.0%
Dynamic asset allocation	12.0%
Other investments	4.0%

A full breakdown of the Scheme's investment strategy (Statement of Investment Principles) is available on [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

## WHERE CAN I GET MORE INFORMATION?

If you have any questions, or would like any more information, please write to:  
Comet Pension Scheme,  
XPS Administration,  
Albion, Fishponds Road,  
Wokingham, Berkshire RG41 2QE

Email: [cometadmin@xpsgroup.com](mailto:cometadmin@xpsgroup.com)  
Telephone: 0118 918 5098

A list of the documents available is set out below. If you want to be sent a copy of any of these documents please contact XPS Administration using the details shown above.

We ordinarily send you a Summary Funding Statement each year, so if you change address you should let us know so that we can update our records. A form for you to use for this purpose is enclosed.

## ADDITIONAL DOCUMENTS AVAILABLE FROM [WWW.COMET-PENSIONS.CO.UK](http://WWW.COMET-PENSIONS.CO.UK)

### The Statement of Investment Principles

This explains the Trustee's principles for investing the money in the Scheme.

### The Annual Report and Accounts of the Comet Pension Scheme

This shows the Scheme's annual income and expenditure.



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## [Pension Scheme Benefits](#)

This website is a guide to the various benefits provided by the Scheme.

*ADDITIONAL DOCUMENTS AVAILABLE ON REQUEST FROM XPS ADMINISTRATION*

## [The Formal Actuarial Valuation Report as at 31 March 2019](#)

This contains the details of the Scheme Actuary's check of the Scheme's financial situation as at 31 March 2019.

## [Statement of Funding Principles](#)

This sets out the Scheme's funding plan.

## [The Schedule of Contributions](#)

This explains that as the Scheme is in surplus, no contributions are being paid by Darty Limited into the Scheme in order to restore the Scheme's funding. A certificate from the Scheme Actuary is included showing that this is acceptable given the Scheme was in surplus.

## [Annual Updating Valuation Reports](#)

These show the Scheme Actuary's review of the Scheme's financial situation as at 31 March 2020 and 31 March 2021.



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