Comet Pension Scheme
(the "Scheme")

Summary Funding Statement
31 March 2022

What's this statement for?

The Trustee is required to provide you with this statement giving you an update about the Scheme's financial security. We hope you find it useful and easy to understand, but if you have any questions please contact XPS Administration.

Comet Pension Scheme,
XPS Administration,
PO Box 562
Middlesbrough, TS1 9JA

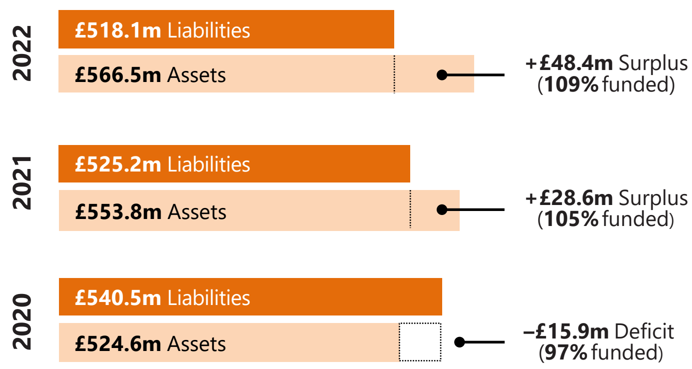
Email: cometadmin@xpsgroup.com

Telephone: 0118 918 5098

The last actuarial valuation at 31 March 2022

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'.

Full valuations usually take place every three years and the last one was on 31 March 2022, with a yearly update from the previous valuation on 31 March 2021 and 31 March 2020. The results of these valuations are shown on the right.



Scheme contribution arrangements

The Scheme is in surplus, therefore does not require a recovery plan.

Change in funding position since previous statement

The funding of the Scheme has improved since the previous statement, mainly due to changes in market conditions that have placed a lower value on the liabilities and higher than expected returns on investments.

Payment to the Company

We have to tell you that there has not been any payment made to Darty Limited out of the Scheme's assets since the last summary funding statement.

Winding-up

If the Scheme winds up, the duty to pay all members' benefits may be transferred to an insurance company. In the 2022 valuation it was estimated that the amount needed to secure all the Scheme's benefits was £733.2m, which was £166.7m more than the Scheme's assets. This is just an indication and is required under legislation, it does not mean that the Trustee or Darty Limited are considering winding up the Scheme.

What would happen if the Scheme started to wind up?

Whilst the Scheme is still running, even though funding may temporarily be below target, benefits will still be paid in full. If the Scheme did start to wind up, benefits may be secured with an insurance company. If there weren't enough assets to secure all the benefits, Darty Limited would have to make up the difference. You might not get all of the benefits you have built up, especially if the Company is not there to pay for any shortfall. In this case, the Pension Protection Fund ('PPF') might be able to take over the Scheme and pay compensation to members. Further information is available at www.pensionprotectionfund.org.uk

It is only if Darty Limited became insolvent and assets available to the Scheme were insufficient to secure PPF level benefits that the Scheme would apply for entry to the PPF.

How the Scheme works

This section has some information about this statement and the Scheme. If you would like any more information about the Scheme or your benefits, please contact XPS Administration.

How is my pension paid for?

The Scheme is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Scheme has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual. The Trustee's goal is for the Scheme to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Scheme needs?

As part of the three-yearly actuarial valuation, the Trustee agreed a funding plan (the Statement of Funding Principles) with Darty Limited, which aims to make sure there is enough money in the Scheme to pay for pensions now and into the future.

Updates from the Budget

As you may have heard, the 2023 Budget included several changes to Government policy that affect pensions. In particular, the Lifetime Allowance (a limit on the amount of pension savings you can make over your lifetime that can receive tax relief) is being abolished, and the Annual Allowance (the amount of tax-relieved savings you can make into a pension scheme each year) is being increased.

These changes, which will reduce or remove pensions tax charges, are not expected to impact the vast majority of Scheme members. You can find out more at https://www.gov.uk/government/publications/abolition-of-lifetime-allowance-and-increases-to-pension-tax-limits

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme for any reason, you should talk to an independent financial adviser before doing so. You can find one local to you at www.unbiased.co.uk

The Trustee is in the process of setting up preferential rates with a firm called Origen, and will provide further details shortly.

Stay in touch

If any of your personal details are changing, such as your name or address, please tell XPS Administration.

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of contributions to be paid by Darty Limited
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

How are the Scheme's assets invested?

The Trustee's policy is to invest in a broad range of assets, targeting the following splits:

Cash flow matching (credit)	20%
Liability hedging (Government bonds)	35%
Growth assets (pooled investment vehicles)	45%

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

Why doesn't the Trustee aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Scheme runs normally with the continuing support of Darty Limited. Aiming to have enough money to cover that cost would likely mean that the Scheme will have far more than it actually needs if it keeps running.