

2026 Summary funding statement

The Trustee is required by law to give members of the scheme a summary funding statement following each actuarial valuation or annual funding update, which covers specific aspects of the scheme's funding position. The purpose of this summary funding statement is to provide the results of the actuarial valuation carried out at 31 December 2024 alongside the annual actuarial report recently received by the Trustee setting out the estimated funding position as at 31 December 2025.

The last summary funding statement provided in 2024 set out the results of the 2023 annual actuarial report for the scheme.

Actuarial valuation as at 31 December 2024

At 31 December 2024, the scheme's actuary carried out a new valuation of the scheme and found that the scheme had a surplus of £6.2 million, which is the same as a funding level of 108%.

	2024
Amount needed to provide benefits	£76.8M
The value of the scheme's assets	£83.0M
The surplus in the funding	£6.2M

In the above, the funding level is 108%, i.e. the value of the scheme's assets is 108% of the value of its liabilities (the benefits promised to members).

The next actuarial valuation is due as at 31 December 2027.

Annual actuarial report as at 31 December 2025

The actuary has also recently given the Trustee an approximate update to 31 December 2025. This showed that the surplus had increased slightly to £6.3 million by the end of 2025. In more detail, the results were as follows.

	2025
Amount needed to provide benefits	£75.0M
The value of the scheme's assets	£81.3M
The surplus in the funding	£6.3M
Funding level	108%

Over the year to 31 December 2025 the movement in liabilities has been broadly matched by the scheme's assets. This is due to the high level of protection from inflation and interest rate risk that is in place. Overall, this has resulted in a small improvement in the funding position.

Understanding the statement

As trustees, we are responsible for developing a funding plan for the scheme. We set out our aims, the funding target we believe is suitable for the scheme in order to provide the

benefits due to members, and how we plan to achieve this. To work out the funding target, we need to make a number of assumptions and look at how the outcome can change if any one of these turns out to be too low, or too high. We then use our judgement to consider how confident or cautious we want to be and we decide on a suitable safety margin to build into our target. This review tends to be done at each formal actuarial valuation of the scheme, which is completed at least every three years.

In the valuation, the actuary works out the amount the scheme needs to cover its funding target. Then she takes the value of the scheme's assets from the audited accounts and compares this with the funding target. This gives the scheme's funding position shown in the table above. An updated estimate of the funding position is produced at each interim 31 December. For the interim review to 31 December 2025, to enable results to be produced in good time, the actuary has used draft accounts, but the Trustee does not expect this to make much difference to the figures.

Leaving the scheme?

If you are considering leaving the scheme as a result of the funding position you should seek advice from an independent financial adviser (IFA). To find an IFA in your area, visit www.unbiased.co.uk. Some advisers may charge for their advice so be sure to check with them first.

The Company's support

The funding target we agreed for the scheme following the 2024 valuation meets the requirements of the Pensions Act 2004 and is called the 'technical provisions'. It aims to produce a prudent reserve of money to hold against the scheme's future needs. As there was a surplus, a funding plan was not required. However, the scheme still relies on Husqvarna UK Limited and its financial support to:

- pay the future expenses of running the scheme if the scheme's funding level is below a certain limit;
- make extra contributions to the extent agreed when there is a funding shortfall; and
- put in more money if the target set for funding the scheme turns out to be too low.

At the next valuation of the scheme in December 2027, the contributions the Company is paying will be reviewed and will depend on the funding position at that time.

Additional disclosure notes required by the Scheme Funding Regulations

No payments have been made or are due to be made from the scheme to Husqvarna UK Limited. The scheme has not been modified nor had any directions or a revised schedule of contributions imposed upon it by the Pensions Regulator.

What if the scheme started to wind up?

As part of the valuation, the actuary must also look at the scheme's solvency if it started to wind up (come to an end). This does **not** mean that the Company is thinking of ending the scheme.

The actuary looked at whether the scheme had enough money at the valuation date to buy insurance policies to provide members' benefits. Insurance companies have to invest in 'low risk' assets, which are likely to give low returns, and their policy prices will include administration charges and a profit margin. This means that a scheme can be less well funded on the solvency basis than on the technical provisions basis.

If the scheme had started winding up at 31 December 2024 the actuary estimates the amount the scheme needed to ensure benefits were paid in full (the full solvency position) was £78.1 million. On this basis the scheme's surplus was £4.9 million at 31 December 2024. The actuary also estimates that at 31 December 2025 the solvency position had improved, and there was a surplus of £9.2million.

The Pension Protection Fund

If the scheme was wound up, Husqvarna UK Ltd would have to pay enough money into the scheme to secure benefits with an insurance company. If Husqvarna UK Ltd becomes insolvent, the Pension Protection Fund (the PPF) may step in and pay some compensation to members. There are more details on the PPF website at www.pensionprotectionfund.org.uk.

Any questions?

If you have any questions about the scheme or your benefits, or if you would like a copy of the 2024 actuarial valuation report or the 2025 annual actuarial report, please contact:

Email us:

HusqvarnaPensions@Hymans.co.uk

Call us:

0141 566 7614

Write to us:

Husqvarna (UK) Limited Pension Scheme
Hymans Robertson LLP
20 Waterloo Street
Glasgow G2 6DB

You may also request copies of the following documents amongst others: Schedule of Contributions, Statement of Funding Principles, Statement of Investment Principles, Report and Accounts.

By law, we cannot give you advice about your pension arrangements. If you are thinking about any changes, you may want to obtain independent financial advice.

Please remember to tell us if your own address changes.