

is there anything you need?

To make the most of your membership, you need to take a little time to think about your pension. We've suggested some starting points here. If you need any extra information, or a form to update your details, just fill in the slip overleaf and return it to the Pensions Department. Many of the scheme documents will soon be on the **helinet** under 'pensions'.

planning your savings

The earlier you start to save, the better, and the less it will cost you in the long run. What income will you have when you retire, and will your long-term savings meet your needs? Think about your plans as a whole, including:

- **Your scheme pension** Use your annual benefit statement to check on the progress of your scheme pension. Ask the Pensions Department if you need more information.
- **State pension** The Pension Service can give you a forecast of your State pension.
- **Pensions from previous schemes** Ask for a statement once a year if you do not already receive one.
- **Any other long-term savings** Magazines and newspapers often carry articles on savings products and options. There are also many financial websites. The Financial Services Authority website is useful for finding out the questions you need to ask. The address is www.fsa.gov.uk/consumer

protecting the people who matter to you

The Scheme provides valuable life cover for employed members. How do we share out these benefits?

We decide who receives the cash sum if you die as an employed member of the scheme. This is therefore free of tax. There is also a pension for your husband or wife. If you are not married, we can consider paying this pension to your partner.

To help us decide who should receive these benefits, we need you to keep your Expression of Wish form up to date. It allows us to consider people who might not otherwise qualify for benefits under the rules. This is particularly important if you are not married to your partner or your family situation has changed.



“Too many people never plan for tomorrow!”

Malcolm Gillam

46119

your questions answered
how safe are my benefits?
 Several members have asked us about the safety of our scheme and their benefits. Our actuary will be reviewing the funding position regularly. If necessary, adjustments will be made to keep the scheme on track.
 If you have questions about the scheme or your benefits, the Pensions Department is your first point of contact. You can also ask members of the Pensions Council if there is something you want them to raise at the next meeting. But are there any questions you think the trustees should cover in future issues of in touch? Telephone, write or email Helen Pass with your ideas.

our administration team
 Outside administrators deal with the routine record-keeping and administration for us. But we also have a pensions team based here at Westland. John Sturffins, Helen Pass, Sue Johnson and Sue Smith will be happy to help with your queries about the scheme or your benefits. If you want to get in touch with the team, phone 01935 704139.
 Or write to:
 Westland Pensions Department, Box 205, Westland, Lyxander Road, Yeovil, Somerset BA20 2YB.

Steve Pym

“Training was very intense... and I did learn a lot.”

“The opportunity arose to form a new pensions scheme and provide for our collective long-term security. It is a worthy challenge.” Jim Hawke

The Company can put any changes to the Council and the Council can make recommendations to the Company. The Council is also the place where the company and trade unions agree the process for selecting member trustees. As trustees, we do not take part in negotiations between the company and employees. Our role is to brief the Council each year and answer its questions about the scheme.

- Six company representatives.
- Two representatives for non-procedurally covered staff
- Ten trade union representatives

The Council is made up of:
 Management and trade union representatives meet and review pension issues at the Pensions Council.

Pensions Council

As trustees, we hold the scheme's assets in trust for everyone due benefits from it. There are nine of us: the Company puts forward five (including the chairman) and members select the other four. We have appointed a range of specialists to advise us on technical issues such as pension funding, investment and pensions law. We have also set up two committees to look into investment and administration issues on our behalf. These report back to us with their recommendations, but we will still have overall responsibility for managing the scheme.

on your behalf

- Nominated by the Company**
- Andrew Milne (Chairman of trustees)
 - Bert Brookes
 - Nigel Hunter
 - Alan Ladd
 - David Lee
- Selected by members**
- Peter Flannery
 - Malcolm Gillam
 - Jim Hawke
 - Steve Pym
- Secretary to the trustees**
- John Sturffins
- Professional advisers**
- Simon St. Ledger-Harris
 - Hewitt Bacon & Woodrow
 - Ernst & Young
 - National Westminster Bank
 - Linklaters & Alliance
 - Solicitors
 - AVC Scheme Administrators
 - Prudential Assurance

WESTLAND
 An AgustaWestland Company

December 2003

Westland Pension Scheme

keeping you informed

Welcome to **intouch**, the newsletter that will keep you informed about your pension scheme. As trustees of your scheme, we recognise the importance of communications. We want to do more than simply satisfy pension laws. You need information to help you make the most of your membership and we want to aim for 'best practice' in this area.

This first issue helps you get to grips with the range of information available to you. We will put many of the documents onto a new pensions section of **helinet**, which we will launch in February 2004. In the meantime, you can use the tear-off slip to ask for anything you need. As well as a round-up of news items, each issue of the newsletter will give you an **insight** into a particular pensions topic.

As this is our first issue, we also introduce ourselves and tell you how we view our work as trustees. The people who work together to run your scheme are very much Westland-based. Our Pensions Department is onsite and they and your trustees will always be there for you. We hope you enjoy keeping **intouch** with your scheme.

“We aim to achieve best practice in all aspects of our work as trustees.”

IN THIS ISSUE
 it all adds up
 investment matters
 who's in our scheme
 in touch with our pensioners
 moving between schemes
 insight
 on your behalf
 your questions answered
 is there anything you need?

“Historically shares outperform other types of investments and with a young scheme, time is on our side. But we also need to invest in a spread of investments to reduce the impact of unstable markets.”

Peter Flannery

it all adds up

Ernst & Young have audited the scheme's accounts covering the period from 1 July 2002 to 5 April 2003. Here is a summary of the main items. You can use the tear-off slip to ask the Pensions Department for a copy.

Income	
(from contributions and transfer payments into the scheme)	£226.4 million
Outgoings	
(pensions, cash sums, payments for leavers and administration expenses)	£5.2 million
+ Net return on investments	
(Investment income and the increase in values after accounting for expenses)	£3.4 million
= Value of the scheme at 5 April 2003	£224.6 million

investment matters

our strategy

Although we are responsible for drawing up an overall investment strategy for the scheme, we delegate responsibility for the day-to-day management of the assets to the following investment managers:

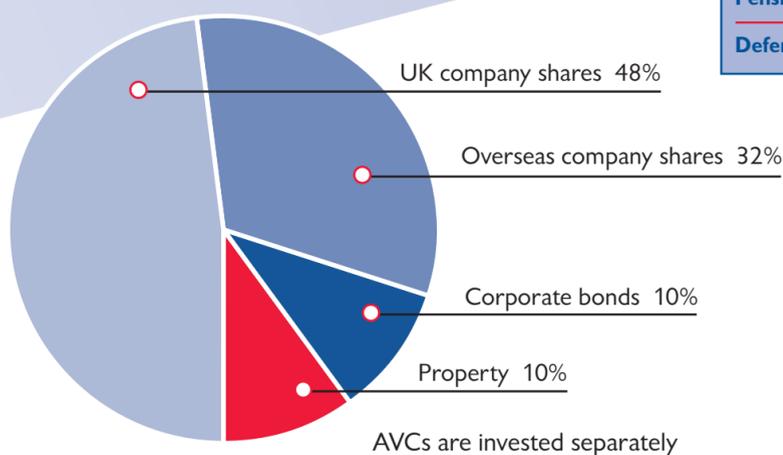
- Fidelity Pension Management
- Frank Russell Company
- Legal & General Investment Management
- Standard Life Investments

performance to 31 March 2003

The overall return on the scheme's investment in the period from 1 October 2002 (when assets first transferred to the scheme) to 31 March 2003 was +1.3%.

target spread of investments

We have drawn up a target spread of investments to meet the needs of the scheme (see the chart). This balances maximising the long-term return with minimising short-term instability and risk.



who's in our scheme

At 5 April 2003

Employed members	4,099
Pensioners	102
Deferred Pensioners	124

in touch with our pensioners

your pension increase

Each year, the scheme increases the pension you are receiving to protect its buying power. The increase is in line with increases in the retail prices index over the year to September. April 2003's increase was 1.7% and next year's increase will be 2.8%. (If you are over State Pension Age you receive the same total increase, but the Government may pay part of it with your State pension.)

know your rights

After working hard all their lives, many pensioners do not claim all the benefits they have a right to receive. The Government's Department for Work and Pensions (DWP) can tell you more about State pensions and other benefits. Look in your local phone book under 'Government offices' to find the nearest office. Or, if you have internet access, look at www.dwp.gov.uk If you are not sure where to make your enquiry, the DWP has a Public Enquiry Office. The phone number is 020 7712 2171.

insight

taking a long-term view

The accounts look at money coming in, the scheme's outgoings and the performance of the scheme's investments over a short time. However, trustees also need to take a long-term view. Members can build up benefits over working lives of more than thirty years, and pensioners can expect to enjoy their retirements for twenty or thirty years. Trustees therefore ask an actuary to check on the outlook for their scheme every few years, to ensure that it stays on track.

The actuary investigates the long-term progress of a scheme in a 'valuation'. He compares the scheme's assets with its liabilities. A scheme's liabilities are made up of:

- members' and pensioners' existing pensions, allowing for future increases; and
- the benefits which active members are building up.

The actuary makes assumptions about future economic factors, career patterns and life expectancies in order to work out the value of assets and liabilities. Sudden changes in market conditions can affect the actuary's assumptions, but only if they alter the long-term outlook.

In the valuation report, the actuary sets out his recommendations to the employers for the future pace and level of payments to the scheme. Information from the valuation also helps trustees to plan a suitable investment strategy, based on their scheme's long-term needs.

moving between schemes

bringing your benefits in

In running the scheme, we must take the needs of all our members into account. So we must think very carefully before we allow the scheme to take on extra responsibilities for any one person. The rules allow us to decide whether or not to accept transfers into the scheme. We have looked for a policy that we could use to invest individual transfer payments. However, we have not found anything suitable.

After taking professional advice, we have decided that we cannot accept transfers of benefits into the scheme for individual members.

taking your benefits out

The actuary has looked at the way we calculate transfer values for members who leave the scheme and want to transfer their benefits to another pension. We have read his report and accepted his recommendations. Although the transfer basis we are now using is more generous than before, it will not take account of 'discretionary' benefits. (These are benefits that we can choose to pay in future, but are not due to members as an automatic right.)

From:

Full name

National Insurance number

Address

Signed

Date

Please send me the following:

(Please tick the items you need.)

- Expression of wish form** tells us about the people who need protection in case anything happens to you.
- The scheme booklet** is a guide to how the scheme works and the benefits it provides.
- The Rules** set out how the scheme works in full legal detail. They govern the way we run the scheme and your rights to benefits from it.
- Our report and audited accounts** give a detailed account of the progress of the scheme each year.
- Our disputes resolution procedure** describes how we will sort out any problems or disagreements.
- Our Statement of Investment Principles** and Myners Code Adherence Document set out our investment policies and arrangements for following 'best practice' in this area.

Return this tear-off slip to:

John Stuffsins, Westland Pensions Department, Box 205, Westland, Lysander Road, Yeovil, Somerset BA20 2YB.