MPlan

Trustees' report and financial statements
For the year ended 31 December 2021
Registered number: 14105779

Contents

Trustees and advisers

Principal Employer

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Madrid

Trustees

Adrian Hamilton	- Chair
Anne Middleton	
Alan Wadey	
Jonathan Spink	- Member-nominated Trustee
Owen Bassett	- Member-nominated Trustee
Andrew Abrons	- Member-nominated Trustee

Secretary to the Trustees

CL Keeping
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Life assurance

Legal & General Assurance Society Limited ("Legal & General")
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Trustees and advisers *(continued)*

Custodians (appointed by Legal & General)

HSBC plc
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EC2R 8AJ

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Solicitors

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AVC Provider

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EC2R 5AA

Report of the Trustees for the year ended 31 December 2021

Introduction

The Trustees are pleased to present their Report on MPlan ("the Plan") for the year ended 31 December 2021.

The format of the Trustees' report and financial statements follows guidelines laid down by The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and the Statement of Recommended Practice, Financial Reports of Pension Schemes (revised June 2018).

Any member or beneficiary may request a copy of the Trustees' report and financial statements. Applications are encouraged and should be addressed to Caroline Keeping, Atradius Crédito y Caucion S.A de Seguros y Reaseguros, 3 Harbour Drive, Capital Waterside, Cardiff CF10 4WZ or email caroline.keeping@atradius.com.

The Plan

The purpose of the Plan is to provide pension and other benefits to members upon their retirement or ill health and/or to their dependants on death before or after retirement. The benefits are outlined in the Plan booklet.

The Plan is a defined contribution arrangement. The Plan was established and governed in accordance with the terms of a Definitive Trust Deed, dated 28 February 2002, as subsequently amended. There is a defined benefit underpin for members of the 2000 section, since they were contracted-out of the State Second Pension. This underpin is effectively the Reference Scheme Test which applies for contracting-out on a salary related basis. As a result of this underpin, there is a requirement for triennial valuations for MPlan even though there is no provision in the Trust Deed & Rules.

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

The Plan complies with legislative preservation requirements and members were contracted out of the State Second Pension ("S2P") until it ceased on 5 April 2016.

Administration of the Plan is delegated by the Trustee to Legal & General Assurance Society Limited.

The Plan retains a number of professional advisers in connection with the operation of the Plan, and a list of these advisers is given on pages 1 and 2 of this Report.

Trustees

The Trustees are listed on page 1 of this Report.

The Plan rules contain provisions for the appointment and removal of Trustees.

Under the terms of the Trust Deed, the Principal Employer, Atradius Crédito y Caució S.A. de Seguros y Reaseguros, has the power to appoint new or additional Trustees and, if necessary, remove the existing Trustees. A Member-nominated Trustee can only be removed from their Trustee role with the agreement of all other Trustees. The Member-nominated Trustees will remain in office for a period of four years at which point they become available for re-election unless in the meantime they leave the employment of the Company for reasons other than retirement. A Trustee can choose to retire from office at any time.

During the Plan year the Trustees held three meetings.

Plan financial statements and summary of contributions

The Plan's financial statements for the year ended 31 December 2021 are set out on pages 26 to 36, and the independent Auditor's Statement about Contributions and Trustees' Summary of Contributions are set out on pages 37 and 38. The financial statements have been prepared and audited in accordance with regulations made under Sections 41(1) and (6) of the Pensions Act 1995.

Report of the Trustees for the year ended 31 December 2021 *(continued)*

Changes to the Plan

There were no changes to the Plan during the year.

The financial development and actuarial position

The latest actuarial valuation of the Plan as at 31 December 2018 was completed in accordance with the Plan Funding requirements of the Pensions Act 2004. This shows that the Plan had Technical Provisions (the amount required to make provision for the accrued benefits when they fall due) of £20.735 million, assets of £20.718 million, a deficit of £0.017 million, and a funding level of 99.9%, on the basis of the agreed assumptions.

As a result of the deficit the Company and Trustees agreed a Recovery Plan. The Plan now follows the Statutory Funding Objective that it will have sufficient and appropriate assets to cover its Technical Provisions and aims to do so by the end of the Recovery Plan. The Schedule of Contributions dated 27 April 2020 agreed between the Company and Trustees required a deficit funding contribution of £17,000 in January 2019. In addition, the Company is continuing to pay regular contributions as required under the Rules, as well as meeting expenses and insurance premiums. Additional insured benefits are provided via a Group Income Protection policy.

An annual update of the Plan as at 31 December 2019 showed that the Plan had Technical Provisions of £25.3 million, assets of £25.4 million, a surplus of £0.1 million, and a funding level of 100%.

An annual update of the Plan as at 31 December 2020 showed that the Plan had Technical Provisions of £28.7 million, assets of £28.6 million, a deficit of £0.2 million (due to rounding), and a funding level of 99%.

The next triennial valuation is due as at 31 December 2021 and is ongoing.

Further details of how the Statutory Funding Objective will be met, including assumptions for valuing the Technical Provisions and how the Recovery Plan is formulated are in the Statement of Funding Principles dated 27 April 2020. Copies of this document, the Actuarial Valuation, the Schedule of Contributions and the Recovery Plan are available on request.

The Actuary's Certification of the Schedule of Contributions is given on page 40. In addition, as required by FRS 102, the Trustees have included the Report on Actuarial Liabilities on page 41, which forms part of the Trustees' report.

Further details of the financial development of the Plan may be found in the audited financial statements on pages 26 to 36. Details of the Plan's investments are given in Notes 11 to 15 to the financial statements.

Cash equivalents

Cash equivalents paid during the Plan year with respect to transfers have been calculated and verified in the manner prescribed by the Pensions Schemes Act 1993 and do not include discretionary benefits.

Report of the Trustees for the year ended 31 December 2021 *(continued)*

General Data Protection Regulation ("GDPR")

The Trustees recognise that maintaining high standards of security is essential to protecting personal data which is done through robust policies and processes that address data protection and security measures. The Trustees review the procedures adopted by them and their advisers to ensure that they comply with the revised requirements of GDPR which would ensure that they have appropriate policies and procedures in place.

To help keep our records up to date, members are reminded to keep us informed of any changes, including death benefit nominations and beneficiaries. Please send all correspondence to the Plan Administrators whose details are on page 1.

Membership

The following changes in membership occurred during the year:

Active members	
At 31 December 2020	242
Adjustment due to late notification	(1)
Plus: New joiners	55
Less: Leavers with deferred pensions	(52)
Death	(1)
Transfers out	(2)
At 31 December 2021	241
Deferred pensioners	
At 31 December 2020	280
Adjustment due to late notification	3
Plus: New leavers with deferred pensions	52
Less: Retirements	(5)
Transfers out	(12)
At 31 December 2021	318

Investment management

The assets of the Plan are invested in an insurance policy with Legal & General Assurance Society Limited. Legal & General Assurance Society Limited is part of the Legal & General Group PLC, which is one of the largest financial institutions in the United Kingdom.

The policy is designed for corporate and public sector Pension Schemes and takes full advantage of the tax exemptions available to an insurance policy of this type. It is a unitised policy and the value of the units fluctuates directly in relation to the value of the underlying assets. All units are redeemable on any working day at prices that reflect Stock Market valuations and net cash flow on that day. The assets underlying the units are held by independent corporate custodians which are regularly reviewed by external auditors.

Under the terms of the agreement with the Investment Manager, Legal & General Assurance Society Limited have sole responsibility for the management of the Plan's investments. Overall responsibility for investments and their performance lies with the Trustees of the Plan.

The Trustees monitor the investment funds and their performance on a regular basis to ensure that an appropriate range of funds is offered to meet members' different needs and requirements.

Report of the Trustees for the year ended 31 December 2021 *(continued)*

Investment management *(continued)*

With effect from March 2012 members of the Plan were able to invest in the following range of pooled funds held with Legal & General: Global Equity Market Weighted (30:70) Index Fund – 75% Currency Hedged, Ethical Global Equity Index Fund, Pre-Retirement Fund, Over 5 years Index-Linked Gilts Index Fund, Cash Fund, AAA-AA-A Corp Bond All Stocks Index Fund and L&G (PMC) Diversified Fund.

The investment adviser and investment manager are all appropriately authorised under the Financial Services and Markets Act 2000.

Custodial arrangements

Custody services in accordance with FCA regulations are provided by HSBC plc and Citibank NA for all Legal & General Assurance Society Limited investment holdings. The records and procedures of the custodians are routinely subjected to scrutiny by external auditors and the regulatory authorities. The custodians accept complete responsibility for financial losses as a result of negligence or fraud. There is no involvement by the Trustees or principal employer in custody procedures.

Employer-related investment

There were no Employer related investments during the year or at the year end.

Investment objectives

The investment objectives of the various funds are:

Legal & General (PMC) Over 5 Year Index Linked Gilts Index Fund 3 – the aim of this fund is to get the best return from a portfolio of mainly index linked securities issued predominately by the UK Government.

Legal & General (PMC) Global Equity Market Weights 30:70 Index 3 – to capture the total returns of the UK and overseas equity markets as represented by the FTSE All-Share Index in the UK and the FTSE AW – All World (ex UK) Index overseas while maintaining a fixed 30/70 weighting between the UK and the overseas assets. A total of 75% of the overseas assets (excluding emerging markets) will be currency hedged to sterling, exposure to emerging market currencies, will be left unhedged.

Legal & General (PMC) Pre Retirement 3 – to invest in assets that reflect the investments underlying a typical non-inflation linked pension annuity product. The fund invests in the Over 15 Year Gilts Index Fund and the AAA-AA-A Corporate Bond Over 15 Year Index Fund and the mix between funds is regularly reviewed.

Legal & General Cash Fund 3 – to provide capital protection with growth at short-term interest rates. The fund invests in the short-term money markets such as bank deposits and Treasury Bills. The fund does not invest in any asset types where the capital value can fall, such as fixed interest securities. The value of the fund's assets would only fall if a deposit holder or the UK Government were unable to meet their obligations. If the interest earned by the fund's assets is insufficient to cover the annual fund charge and any additional fund expenses, the unit price will fall.

Legal & General (PMC) Ethical Global Equity Index 3 – to track the sterling total returns of the FTSE4Good Global Equity Index (including re-invested income, less withholding tax) to within +/- 0.5% per annum for two years in three.

Legal & General (PMC) Diversified 3B – the investment objective of the fund is to provide long-term investment growth through exposure to a diversified range of asset classes.

This fund aims to provide long term investment growth through exposure to a diversified range of asset classes including Developed Government Bonds, Developed Corporate Bonds, Equities, Alternatives and Cash. This fund targets lower volatility than typical equity funds while aiming to provide a long-term rate of return broadly similar to that of developed market equities.

Report of the Trustees for the year ended 31 December 2021 *(continued)*

Investment objectives *(continued)*

Legal & General AAA-AA-A Corp Bond All Stocks Index (PMC) 3 – the investment objective of this fund is to track the performance of the Markit iBoxx £ Non-Gilts (ex-BBB) Index to within +/- 0.5% for two years out of three.

Investment Performance

The table below shows the performance of the Plan's assets over various periods relative to the appropriate benchmarks:

Percentage returns	**1 year %**	**3 years %**	**5 years %**
Legal & General (PMC) Over 5 Year Index Linked Gilts Index 3	*4.56*	*7.21*	*4.96*
Benchmark	*4.64*	*7.41*	*5.03*
Legal & General (PMC) Global Equity Market Weights 70:30 Index 3	*20.20*	*16.29*	*10.87*
Benchmark	*20.36*	*16.45*	*11.12*
Legal & General (PMC) Pre-Retirement 3	*-4.86*	*5.52*	*3.78*
Benchmark	*-4.86*	*5.83*	*3.96*
Legal & General Cash 3	*-0.03*	*0.33*	*0.36*
Benchmark	*-0.30*	*-0.07*	*-0.07*
Legal & General (PMC) Ethical Global Equity Index 3	*24.88*	*20.32*	*13.45*
Benchmark	*25.39*	*20.79*	*13.95*
Legal & General (PMC) 3 AAA-AA-A Corp Bond All Stocks Index	*-3.94*	*3.48*	*2.57*
Benchmark	*-3.76*	*3.66*	*2.67*
Legal & General (PMC) Diversified Fund 3B	*9.39*	*9.76*	*7.05*
Benchmark	*23.79*	*20.45*	*13.60*

Statement of Investment Principles

The Trustees have produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995.

A copy of the Statement is available at: https://www.legalandgeneral.com/employer/workplace-pensions/literature/illustration-mplan/.

The Trustees' investment policy is guided by an overall objective of achieving, over the long term, a rate of return on the investments which is consistent with the long term assumptions made by the Actuary in determining the funding of the Plan. Over the shorter term, the objective is to achieve a favourable return against an appropriate benchmark return. All decisions about the day-to-day management of the assets have been delegated to the investment managers via a written agreement. This delegation includes decisions about:

- Realisation of investments;
- Social, environmental and ethical considerations in the selection, retention and realisation of investments; and
- The exercise of rights (including voting rights) attaching to the investments.

Report of the Trustees for the year ended 31 December 2021 *(continued)*

Statement of Investment Principles *(continued)*

The Trustees take investment managers' policies in the above respects into account when selecting and monitoring managers. The investment manager is expected to exercise their powers of investment with a view to giving effect to the principles contained within this statement, so far as reasonably practicable.

Additional Plan information

Most of the information required by members in respect of the Plan is supplied automatically. This includes general information, such as the Trustees' Report, and information such as Statements of Options on retiring. In addition, the documents governing the Plan, the Trust Deed and Rules, can be inspected at the address shown on page 1 of this Report. These rights apply to all members and most extend to their spouses and other beneficiaries, and recognised trade unions.

It is hoped that all members feel sufficiently well informed, and that specific requests are dealt with fully. Members who are dissatisfied or concerned about any matter relating to the Plan should first contact the Trustees to resolve the matter and may also seek advice or help from a number of outside bodies:

- MoneyHelper provides information to the public on matters relating to workplace and personal pensions.

  Telephone: 0800 011 3797
  Webchat: www.moneyhelper.org.uk/PensionsChat/
  Website: www.moneyhelper.org.uk
  Online enquiry form: www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form

- The Pensions Ombudsman is available to investigate and determine any complaint or dispute of fact or law in relation to the Plan. Any person claiming an entitlement under the Plan may call upon the Ombudsman. These services are free of charge to those who enquire because all pension schemes pay a levy to cover the costs.

  Address: 10 South Colonnade, Canary Wharf, London E14 4PU
  Telephone: 0800 917 4487
  Email: enquiries@pensions-ombudsman.org.uk
  Website: www.pensions-ombudsman.org.uk

- Information about the Plan and past and present Participating Employers can be obtained from the Department for Work and Pensions.

  Address: The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU
  Telephone: 0800 731 0193
  Email: enquiries@pension-tracing-service-uk.co.uk
  Website: www.gov.uk/find-pension-contact-details

The Pensions Regulator is responsible for regulating company pension schemes and enforcing the law as it relates to them. It has powers to:

- suspend, disqualify and remove Trustees for not carrying out their duties;
- wind up schemes where necessary;
- apply for information to prevent the misuse and misappropriation of scheme assets and enforce restitution where necessary; and
- take action to prevent schemes being left in deficit with nobody to meet the liability.

The Trustees, Plan Auditor, Actuary and others involved in the administration of the Plan have a statutory duty to make an immediate written report if they believe that legal duties concerned with the administration of the Plan are not being carried out which it is thought may pose a significant risk to members' interests.

Report of the Trustees for the year ended 31 December 2021 *(continued)*

Trustees' Responsibilities Statement

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Plan will continue as a going concern.

The Trustees are also responsible for making available certain other information about the Plan in the form of an annual report.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustees are responsible for the maintenance and integrity of the financial information of the Plan included on Legal and General's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Trustees' responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions showing the rates of contributions payable to the Plan by or on behalf of employers and the active members of the Plan and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Plan in accordance with the Schedule of Contributions.

Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

This Report, including the Report on Actuarial Liabilities, was approved by and signed on behalf of the Trustees.

Signed on behalf of the Trustees

Anne Middleton

Trustee Date: 26/7/2022

The Chair's Annual Governance Statement

This statement has been prepared by the Trustees of mplan ('the Plan') in accordance with the Occupational Pension Schemes (Administration) Regulations 1996. It describes how in relation to the Plan the Trustees have complied with the statutory governance standards that cover the following key aspects affecting the operation of the Plan:

- The default investment strategy
- Cost and charges
- Ensuring the costs and charges provide good value
- The monitoring of core financial transactions
- How the Trustees ensure they have sufficient knowledge so that the Plan is well run.

This statement covers the Plan's financial year from 1 January to 31 December 2021.

In advance of preparing this statement the Trustees have undertaken an updated assessment of the value the Plan offers to members and given due consideration to the recommendations resulting from this.

1 The default investment strategy

The Pensions Regulator requires the Trustees to set investment objectives and design and manage the Plan's investment strategies, including the default strategy.

Default investment funds are provided for members who join the Plan and do not choose an investment option for their contributions. Some members will actively choose the default option because they feel it is most appropriate for them. However, typically, most members in UK schemes do not make an active investment decision and are invested in default investment strategies. The Trustees review the appropriateness of the default arrangements on an ongoing basis and formally at least every three years (or sooner, if there is any significant change in investment policy or member demographics), to ensure that the risk and return on investments is consistent with the Trustees' aims, objectives and policies.

The Trustees prepare and keep under review a Statement of Investment Principles (SIP) that describes their investment policy for the Plan as a whole, covering such matters as the investment objectives for the Plan, the division of responsibilities, risk controls and the selection and monitoring of investment managers. A SIP for the default investment strategy is attached to this statement as Appendix 1. A copy of the full SIP is available on request.

A review of the default investment strategy commenced in 2021 and the Trustees decided to make some significant changes, introducing a much-improved ESG integration into both the default and alternative lifestyle strategies. As a result of the review the allocation to UK equities will be reduced, the de-risking period will be reduced from 20 to 15 years and the allocation to cash at retirement will be reduced from 25% to 15%.

2 Charges and Transaction Costs

The level of costs and charges

All funds within the Plan's investment range have an Annual Management Charge of 0.16% pa. The company pays an additional annual charge of £30 per member to reduce the costs paid by the member. The charges for the funds are as follows:

The Chair's Annual Governance Statement *(continued)*

Fund	Annual Management Charge	Fund Management Charge	Total Expense Ratio
L&G PMC Cash 3	0.16%	0.09%	0.25%
L&G (PMC) Diversified Fund 3B	0.16%	0.23%	0.39%
L&G PMC Ethical Global Equity Index 3	0.16%	0.30%	0.46%
L&G PMC Over 5 Year Index Linked Gilts Index 3	0.16%	0.08%	0.24%
L&G PMC AAA-AA-A Corp Bond All Stocks Index 3	0.16%	0.12%	0.28%
L&G PMC Pre-Retirement 3	0.16%	0.12%	0.28%
L&G PMC Global Equity Market Weights 30:70 Index 3	0.16%	0.14%	0.30%

Transaction Costs

The Pension Regulator requires Trustees to comment on the costs that are borne by members in the Plan and whether those costs are appropriate. In addition to the charges referred to above, transaction costs are incurred by the fund managers because of buying, selling, lending or borrowing investments. These can be divided into:

- Explicit Costs: These are costs that are directly observable and are charged to or paid by the fund. They may include taxes (such as stamp duty), broker commissions (fees charged by the executing broker to buy and sell investments) and costs of borrowing or lending securities. These costs are billed to the fund and paid in cash and so can be accounted for precisely.

- Implicit Costs: These are not invoiced and settled for cash like explicit costs. They cannot be observed in the same way but will also result in a reduction in the total amount of capital invested. They cannot be calculated precisely.

Legal & General is using the 'spread' methodology to calculate implicit costs and recognises that its reporting of the above transaction costs does not fully utilise the slippage cost methodology outlined by the FCA. The 'spread' methodology has been approved by the FCA for calculating prior years' transaction costs which enables trustees to fulfil regulatory requirements on reporting transaction costs.

The table below:

- Shows transaction costs allowing for charges incurred on an ongoing basis within the fund and those incurred at the time of investing/disinvesting assets.
- Includes explicit costs of transaction taxes and broker commissions, and the implicit costs of market spread and market impact after any anti-dilution offsets for the year ending 31 December 2021.
- Does not include fund spread costs. L&G is working with its IGC to establish the appropriate means of demonstrating the implication of these costs for members.

Fund	2018 (% p.a.)	2019 (% p.a.)	2020 (% p.a.)	2021 (% p.a.)	Average (% p.a.)
L&G PMC Cash 3	-0.04	-0.03	-0.02	0.00	0.00
L&G (PMC) Diversified Fund 3B	-0.06	-0.04	-0.01	0.00	0.00
L&G PMC Ethical Global Equity Index 3	0.01	0.00	-0.02	0.00	0.00
L&G PMC Over 5 Year Index Linked Gilts Index 3	0.05	0.07	0.10	0.04	0.07
L&G PMC AAA-AA-A Corp Bond All Stocks Index 3	-0.04	-0.03	-0.03	0.00	0.00
L&G PMC Pre-Retirement 3	0.02	0.00	0.10	0.00	0.03
L&G PMC Global Equity Market Weights 30:70 Index 3	0.04	0.02	0.04	0.03	0.04

Generic illustrations showing the possible impact of charges on projected pension account values are included in Appendix 2. If the transaction costs were negative in a given year, we have assumed zero for the purposes of the average.

The Chair's Annual Governance Statement *(continued)*

3 Ensuring the costs and charges provide good value

The Trustees are committed to ensuring that members receive value for money from the Plan's arrangement with Legal & General i.e. the costs and charges deducted from members' fund values represent good value in relation to the benefits and services provided by or on behalf of the Trustees.

During the year the Trustees undertook a value for member assessment. This considered the charges paid by members, together with several of the services and benefits which members receive, both as a direct result of the charges they pay and the broader benefits of plan membership. The Trustees assessed the scheme using seven underlying components – charges, investment, retirement support, governance, administration, contributions and associated benefits, and education and engagement. These components were weighted by the Trustees based on a consideration of their relative importance and then assessed using a scoring matrix attributing "value" to each component.

Points considered by the Trustees in addition to the value for member assessment, include:

- All members benefit from the low level of charges which are subsidised by the annual charge paid by the employer. The charges incurred by members in the default Lifestyle Strategy are significantly below the statutory charge cap applicable to default investment options of 0.75%.
- As an alternative to the default Lifestyle Strategy, members have access to two alternative lifestyle strategies targeting annuity and encashment, as well as a broad range of investment funds covering a wide range of asset classes, all of which have competitive charges compared to the market. Following an investment strategy review in 2021 both the default strategies and the broader fund range will be further improved
- Members can take advantage of a range of services from both Legal & General and the Company to help them plan for retirement such as having access to online facilities and education through Manage Your Account, provided by Legal & General.
- The Trustees have implemented a master trust agreement with Legal & General which can be used by members as a drawdown option at retirement.
- The Trustees provide access to an independent annuity broker to assist members in accessing the open market, should they wish to purchase an annuity with their benefits.
- The Trustees regularly communicate with members and ensure these communications are clear and engaging.

Members benefit from the work carried out by the Trustees and their professional advisers in managing and governing the Plan, including the review of the default investment strategy. Based on the above points and the result of the assessment, the Trustees consider the Plan provides good value for members. Any areas identified for potential improvement are included in an action plan to improve the value proposition – for the year ahead the Trustees intend to implement a more formal communication strategy.

The Trustees will continue to review the costs and transaction charges deducted each year on a regular basis to ensure they continue to represent good value for members.

4 Monitoring the Plan's financial transactions

The Trustees are required to report the extent to which core financial transactions have been processed promptly and accurately by the administrator over the Plan year. The Pensions Regulator defines core financial transactions to include:

- Investment of contributions
- Transfer of members' assets to and from the Plan
- Switches between investments within the Plan
- Payments out of the Plan, to and in respect of members

The Chair's Annual Governance Statement *(continued)*

This is achieved through the review of quarterly reporting from the Plan's administrator, Legal & General. Legal & General does not have a specific service level agreement in place for the Plan but the Trustees do monitor the performance against Legal & General's service levels.

Processes adopted by the administrator to help meet service levels include:

- Full integration between their administration platform and dealing system
- Electronic checking of financial transactions
- Straight through processing for the majority of administrative functions
- Second set of eyes for checking of manual tasks and third set for high risk processes.

The Plan's accounts are audited annually by the appointed auditors, Grant Thornton, who report any concerns or discrepancies as part of this process to the Trustees. Based on the above, the Trustees are satisfied that the Plan's core financial transactions have been processed promptly and accurately during the period 1 January to 31 December 2021.

5 Trustees' knowledge and understanding (TKU)

As required by legislation and in line with the guidance set out in the Pensions Regulator's code of practice 7, a strong TKU process is in place to ensure that the Trustees have the appropriate knowledge and understanding to enable them to undertake their duties and responsibilities in relation to the Plan. The Trustees, with the help of their advisers, regularly consider training requirements to identify any knowledge gaps. The Trustees' advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustees' advisers would typically deliver training on such matters at Trustee meetings if they were material. During the year the trustees received training on:

- the retirement journey, including market developments, the various ways members can be supported in retirement decisions, and a detailed look at the different stages in the Plan's retirement journey; and
- state pensions – including when and how to claim, how it is calculated, options for extra NI contributions or deferral of state pension and how to get a state pension forecast.

All the Trustees are familiar with and have access to copies of the current Plan governing documentation, including the trust deed and rules (together with any amendments), the SIP and key policies and procedures. In particular, the Trustees refer to the trust deed and rules as part of considering and deciding to make any changes to the Plan and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments.

Further, the Trustees consider that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

During the year the Trustees continued to work through the relevant modules in the Pensions Regulator's Trustee Toolkit. A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. Additionally, the Plan has in place a structured induction process for new trustees.

Taking into account the knowledge and experience of the Trustees together with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors, the Trustees believe they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

Signed by the Chair on behalf of the Trustees of mplan

Date: 26/7/2022

Statement of Investment Principles for the MPlan default investment strategy

Appendix 1

Statement of Investment Principles for the mplan default investment strategy

Introduction

This document is the statement of investment principles made by the Trustees of mplan (the Plan) that specifically applies to the default investment arrangement (the Drawdown Targeting Lifestyle Strategy).

It includes extracts from the Plan's statement of investment principles. Further details of the investment principles applying to the Plan can be found in the statement of investment principles dated September 2020.

Objectives

To provide a default option to members which has an investment objective of moving from assets with a higher expected return to assets with a lower volatility as the member approaches retirement.

Policy

Members that do not make an investment choice are invested in the Plan's default investment option. The Trustees consider the needs of their members and how they are likely to use their pension account at retirement. Following analysis of the membership, and having taken advice, the Trustees believe a majority of members will transfer their benefit to an income drawdown provider at retirement.

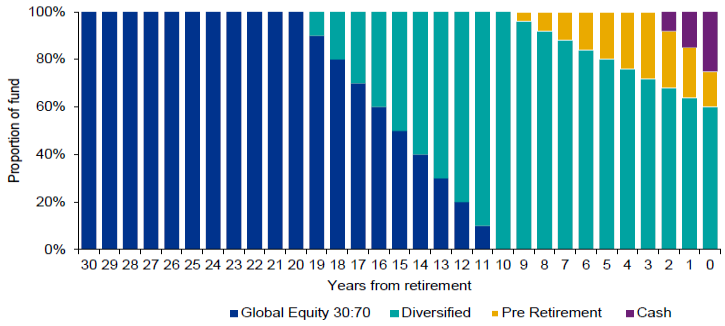
Therefore, the Plan's default lifestyle strategy:

a. aims to generate capital growth over the long term whilst reducing the volatility in the years to retirement through investing in a diversified portfolio that provides an appropriate balance between risk and return for members expecting to use their fund for income drawdown in retirement.

b. consists of

- a growth fund that is 100% weighted to the L&G Global Equity (30:70) fund until 20 years from retirement, at which point it starts switching gradually to a diversified growth fund to reduce volatility.
- a diversified growth fund (L&G Diversified Fund) is used to generate capital growth from 20 years prior to retirement.
- a protection fund (L&G Pre-Retirement) from 10 years before retirement to provide more diversification and provide some tracking of level annuity prices.
- a cash fund (L&G Cash) from 3 years before retirement so that at retirement, the member's fund is weighted to 25% L&G Cash, 60% L&G Diversified Fund and 15% L&G Pre Retirement Fund

Drawdown Targeting Lifestyle



Statement of Investment Principles for the MPlan default investment strategy *(continued)*

Appendix 1

Division of responsibilities
The Trustees of the Plan are responsible for determining a default investment option. For full details of divisions of responsibility, please refer to the mplan Statement of Investment Principles dated September 2020.

Manager structure

Legal & General has been selected as the Plan's provider. The appointment of the investment managers will be reviewed by the Trustees from time to time, based on the results of their monitoring of performance and process.

Risk management

The Trustees recognise several risks in the investment of assets of the Plan including:

- Inflation risk - the risk that the investment value will not grow quickly enough to keep up with increases in the cost of living. If it does not grow in line with inflation, the real value of members' investments will be less. Most funds can be considered to grow broadly in line with inflation in the long run, but some funds carry more risk than others
- Mismatching risk - the risk that the way a member's retirement account is invested in the years prior to retirement is not aligned with how the member intends to use their benefits in retirement.
- Capital value risk - the risk that the value of a member's account may fall in value over any period.
- Missed opportunity risk - the risk that members do not take enough risk when they are able.
- Currency risk - the risk that members' investments reduce because of currency fluctuations
- Liquidity risk - the risk that members cannot easily redeem their investments should the need arise
- Political risk - the risk of adverse influence on investment values arising from political intervention.
- Diversification risk - the risk that members invest in assets whose returns are correlated with one another
- Environmental, social and governance risk – management of investments with regard to environmental, social and governance factors, including but not limited to climate change, can impact performance and member outcomes

These risks have been mitigated through careful consideration and construction of the investment strategy for the default arrangement. The Trustees also offer a range of alternative Lifestyle Strategies and self-select funds with different characteristics for those members who wish to make individual investment decisions. It is recognised that not all risks can be fully mitigated at all times, so members are encouraged to review their investment decisions to ensure they are appropriate for their personal objectives.

Illustrations of the effects of costs and charges

Appendix 1

Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) Amendment) Regulations 2021 introduces new requirements for trustees of DC pension schemes. From 1 October 2021, the Trustees are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.
Below are the annualised net investment returns to 31 December 2021 for all funds where no lifestyling takes place.

Self-select funds:

Fund name	1 Year (%)	5 Years (% p.a.)
L&G PMC Ethical Global Equity Index 3	24.4	13.0
L&G PMC Over 5 Year Index Linked Gilts Index 3	4.3	4.6
L&G PMC AAA-AA-A Corp Bond All Stocks Index 3	-4.2	2.3
L&G PMC Global Equity Market Weights 30:70	19.9	10.5
L&G PMC Diversified Fund 3B	8.9	6.6
L&G PMC Pre-Retirement 3	-5.2	3.5
L&G PMC Cash 3	-0.3	0.2

Below are the annualised net investment returns to 31 December 2021 for all funds where lifestyling does take place.

Default lifestyle:

Time period	1 Year (%) 31/12/2020 to 31/12/2021	5 Years (% p.a.) 31/12/2016 to 31/12/2021
Age of member at beginning of period (years)		
25	19.9	10.5
45	14.4	7.5
55	5.9	5.7

Source: Providers, Isio calculations, Financial Express
Notes
1. Longer term returns are not available from the platform provider.
2. Returns calculated as the annual geometric average.
3. Age-related returns for members in lifestyle strategies assume annual switching in the glidepath.
4. Performance is net of fees including total expense ratios and the average transaction costs from 2018 – 2021.

Illustrations of the effects of costs and charges *(continued)*

Appendix 2

Illustrations of the effect of costs and charges

Background

The next few pages contain the required illustrations about the cumulative effect of costs and charges on member savings within the Plan over different periods. The illustrations have been prepared having regard to statutory guidance.

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustees have had to make a number of assumptions about what these might be. The assumptions are explained in the Notes section below the illustrations.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future. This means that the information contained in this Chair's Statement is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

Key points to note

The tables below illustrate the potential impact that costs and charges might have on different investment options provided by the Plan. Not all investment options are shown - the Trustees have chosen illustrations which they believe will provide an appropriate representative sample of the different investment choices that members can make.

In each of the illustrations, the "Before charges" column gives the hypothetical value of the investments if members were able to invest in funds at no cost. However, there will always be some cost to investing. This is because the organisations which manage the funds charge fees for their services, and because buying and selling the stocks and shares which drive the funds' performance also has a cost. The "After all costs and charges deducted" column reflects the performance of the funds after these costs have been deducted.

If transaction costs for a fund are negative due to the methodology used in the calculations, we have assumed zero transaction charges in any of the projections shown.

In the illustrations, we have shown the projections for the following:

1. The default lifestyle strategy
2. The fund with the highest charges (the L&G PMC Ethical Global Equity Fund)
3. The fund with the lowest charges (the L&G PMC Cash Fund)
4. The fund with the highest expected return (the L&G PMC Global Equity Market Weights 30:70 Index)
5. The fund with the lowest expected return (the L&G PMC Over 5 Year Index Linked Gilts Index)

Illustrations of the effects of costs and charges *(continued)*

Appendix 2

1.1 Member projections – the default lifestyle arrangement

The table below sets out how the pension pot of a member currently aged 20 and 40, invested in the default investment strategy, will increase over time, with and without charges. Please see the Notes below for more details on the assumptions used.

Active member – contributions assumed to be invested in the default lifestyle strategy				
	20 year old, with a starting pot of £1,900, paying £1,520 annual contributions		40 year old, with a starting pot of £38,500, paying £4,500 annual contributions	
Years from 31/12/21	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	£3,486	£3,478	£44,018	£43,882
3	£5,112	£5,089	£55,473	£54,998
5	£8,487	£8,418	£67,507	£66,601
10	£17,692	£17,391	£99,689	£97,207
15	£28,105	£27,379	£133,743	£128,829
20	£39,888	£38,495	£167,969	£159,824
25	£53,218	£50,869	£199,460	£187,689
30	£68,028	£64,362	-	-
35	£83,397	£77,983	-	-
40	£98,549	£90,997	-	-
45	£111,987	£102,185	-	-

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65.
3. The starting pot size is assumed to be £1,900 for the 20-year-old member with a salary of £19,000 and an annual total contribution rate of 8% and £38,500 for the 40 year old member with a salary of £30,000 and an annual total contribution rate of 15%.
4. Inflation and salary growth is assumed to be 2.5% each year.
5. Values shown are estimates and are not guaranteed.
6. The projected annual growth rates in relation to inflation for the default strategy at various periods to retirement are:
   - 2.50 – 1.80% for periods up to 10 years to retirement
   - 1.24% at 5 years to retirement, reducing to
   - 0.56% at retirement age
7. The charges assumed for each fund are the current charges as shown in the Chair's Statement.
8. We have used average transaction costs across 2018, 2019, 2020 and 2021 and assumed zero transaction cost in the projection calculations if the actual transaction cost was negative.

Illustrations of the effects of costs and charges *(continued)*

Appendix 2

1.2 Individual fund projections the fund with the lowest and highest charges
The tables below show the projected pots for a member aged 20 and a member aged 40 invested in the L&G PMC Cash Fund (which has the lowest charges of all funds available), and the L&G PMC Ethical Global Equity Fund which has the highest charges of all funds available. Please read the Notes below for more details on the assumptions used.

20 year old active member– future contributions assumed investing in the fund with the lowest and highest charges				
Years from 31/12/21	L&G PMC Cash Fund (lowest charging fund)		L&G PMC Ethical Global Equity Fund (highest charging fund)	
	Before Charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£3,380	£3,373	£3,481	£3,469
3	£6,274	£6,243	£6,753	£6,693
5	£9,082	£9,014	£10,178	£10,038
10	£15,740	£15,526	£19,452	£18,951
15	£21,915	£21,488	£29,843	£28,714
20	£27,640	£26,947	£41,485	£39,407
25	£32,948	£31,944	£54,529	£51,120
30	£37,870	£36,519	£69,144	£63,949
35	£42,433	£40,708	£85,518	£78,001
40	£46,665	£44,543	£103,864	£93,392
45	£50,588	£48,053	£124,420	£110,250

40 year old active member – future contributions assumed investing in the fund with the lowest and highest charges				
Years from 31/12/21	L&G PMC Cash Fund (lowest charging fund)		L&G PMC Ethical Global Equity Fund (highest charging fund)	
	Before Charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£42,389	£42,287	£43,937	£43,749
3	£49,992	£49,662	£55,189	£54,537
5	£57,369	£56,782	£66,964	£65,725
10	£74,864	£73,520	£98,856	£95,546
15	£91,086	£88,843	£134,588	£128,208
20	£106,127	£102,872	£174,623	£163,984
25	£120,073	£115,716	£219,478	£203,169

Illustrations of the effects of costs and charges *(continued)*

Appendix 2

1.3 Individual fund projections – the funds with the lowest and highest expected return

The table below shows the projected pots for a member aged 20 and a member aged 40 invested in the L&G PMC Over 5 Year Index Linked Gilts Index (which has the lowest expected returns of all funds available), and the L&G PMC Global Equity Market Weights 30:70 Index (which has the highest expected returns of all funds available). Please read the Notes below for more details on the assumptions used.

20 year old active member – future contributions assumed investing in the fund with the lowest and highest expected returns				
Years from 31/12/21	L&G PMC Over 5 Year Index Linked Gilts Index (lowest expected return)		L&G PMC Global Equity Market Weights 30:70 Index (highest expected return)	
	Before Charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£3,380	£3,372	£3,486	£3,478
3	£6,274	£6,237	£6,779	£6,736
5	£9,082	£8,999	£10,239	£10,137
10	£15,740	£15,479	£19,673	£19,304
15	£21,915	£21,396	£30,347	£29,508
20	£27,640	£26,798	£42,424	£40,865
25	£32,948	£31,729	£56,087	£53,506
30	£37,870	£36,231	£71,546	£67,576
35	£42,433	£40,341	£89,037	£83,237
40	£46,665	£44,094	£108,826	£100,668
45	£50,588	£47,519	£131,216	£120,069

40 year old active member – future contributions assumed investing in the fund with the lowest and highest expected returns				
Years from 31/12/21	L&G PMC Over 5 Year Index Linked Gilts Index (lowest expected return)		L&G PMC Global Equity Market Weights 30:70 Index (highest expected return)	
	Before Charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£42,389	£42,264	£44,018	£43,882
3	£49,992	£49,590	£55,473	£54,998
5	£57,369	£56,654	£67,507	£66,601
10	£74,864	£73,228	£100,325	£97,878
15	£91,086	£88,359	£137,456	£132,690
20	£106,127	£102,173	£179,466	£171,438
25	£120,073	£114,784	£226,996	£214,566

Illustrations of the effects of costs and charges *(continued)*

Appendix 2

Notes on member illustrations

1. The illustrations show the how the pots grow for the youngest member of the Plan (currently aged 20), and an average member of the Plan (currently assumed to be aged 40). The projections are to age 65 (i.e. in 45 and 25 years' time respectively).
2. The starting pot size for the member is assumed to be £1,900 which is the expected starting pot for a member aged 20 with a salary of £19,000 a year and a total contribution rate of 8% per year. For the member aged 40, we have used the median sized pot which is currently around £38,500 with a salary of £30,000 and a total contribution rate of 15% per year.
3. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
4. Inflation is assumed to be 2.5% each year.
5. Salary is assumed to increase by 2.5% each year.
6. Values shown are estimates and are not guaranteed.
7. Transaction costs have been estimated based on the data available from L&G and the underlying fund managers.
8. We have used average transaction costs across 2018, 2019, 2020 and 2021 and assumed zero transaction cost in the projection calculations if the actual transaction cost was negative.
9. The projected annual growth rates for each fund are shown in the table below. These are consistent with the rates used in the Statutory Money Purchase Illustration (SMPI) Assumptions when preparing the annual benefit statements.

Fund	**Return assumption above inflation (% pa)**
L&G PMC Cash 3	-1.50
L&G (PMC) Diversified Fund 3B	1.80
L&G PMC Ethical Global Equity Index 3	2.30
L&G PMC Over 5 Year Index Linked Gilts Index 3	-1.50
L&G PMC AAA-AA-A Corp Bond All Stocks Index 3	-0.90
L&G PMC Pre-Retirement 3	-1.00
L&G PMC Global Equity Market Weights 30:70 Index 3	2.50

Independent Auditor's report
To the Trustees of MPlan

Opinion

We have audited the financial statements of MPlan (the 'Scheme') for the year ended 31 December 2021, which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Scheme's operating model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustees.

Independent Auditor's Report *(continued)*

Conclusions relating to going concern *(continued)*

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of the Trustee for the financial statements' section of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to wind up the Scheme, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

Independent Auditor's Report *(continued)*

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud *(continued)*

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant are the Pensions Acts 1995 and 2004 and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP")).
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, such as the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) and those laws and regulations under which the Scheme operates.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience, through discussion with management and the Trustees, and from inspection of Trustees' board minutes and legal and regulatory correspondence. We enquired about the policies and procedures regarding compliance with laws and regulations with the Trustees.
- We assessed the susceptibility of the Scheme's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to the risk of management override of controls through posting inappropriate journal entries to manipulate results for the year.

Our audit procedures involved:

- Journal entry testing, with a focus on large manual journals to unusual account codes, including manual journals with unusual account combinations and journals posted to suspense accounts; and
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.

In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual Report and accounts with applicable financial reporting requirements.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent Auditor's Report *(continued)*

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud *(continued)*

All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of schemes of a similar size and complexity, appropriate to their role within the team. The engagement team is required to complete mandatory pensions sector training on an annual basis, thus ensuring they have sufficient knowledge and of the sector the underlying applicable legislation and related guidance.

We did not identify any matters relating to non-compliance with the laws and regulations specified above or relating to fraud.

Use of our report

This report is made solely to the Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 26/7/2022

Fund account

for the year ended 31 December 2021

	Note	**DB section 2021 £**	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Contributions and benefits							
Contributions receivable							
Employer contributions		**-**	**1,942,572**	**1,942,572**	17,000	1,767,757	1,784,757
Employee contributions		**-**	**30,909**	**30,909**	-	30,764	30,764
Total contributions	*3*	**-**	**1,973,481**	**1,973,481**	17,000	1,798,521	1,815,521
Transfers in	*4*	**-**	**28,361**	**28,361**	-	-	-
Other income	*5*	**-**	**261,233**	**261,233**	-	-	-
			2,263,075	**2,263,075**	17,000	1,798,521	1,815,521
Benefits paid or payable	*6*	**-**	**(511,389)**	**(511,389)**	-	(3,676)	(3,676)
Payments to and on account of leavers	*7*	**-**	**(443,281)**	**(443,281)**	-	(305,650)	(305,650)
Administrative expenses	*8*	**-**	**(4)**	**(4)**	-	(4)	(4)
		-	**(954,674)**	**(954,674)**	-	(309,330)	(309,330)
Net gains from dealings with members		**-**	**1,308,401**	**1,308,401**	17,000	1,489,191	1,506,191
Returns on investments							
Investment income	*9*	**-**	**-**	**-**	-	4	4
Change in market value of investments	*12*	**-**	**4,286,680**	**4,286,680**	-	1,747,038	1,747,038
Investment management expenses	*13*	**-**	**(49,885)**	**(49,885)**	-	(39,938)	(39,938)
Net returns on investments		**-**	**4,236,795**	**4,236,795**	-	1,707,104	1,707,104
Net increase in the fund during the year		**-**	**5,545,196**	**5,545,196**	17,000	3,196,295	3,213,295
Transfer between sections		**-**	**-**	**-**	(17,000)	17,000	-
Net assets of the Plan							
At 1 January		**-**	**28,580,958**	**28,580,958**	-	25,367,663	25,367,663
At 31 December		**-**	**34,126,154**	**34,126,154**	-	28,580,958	28,580,958

The notes to the financial statements on pages 28 to 36 form part of these financial statements.

Statement of Net Assets
(available for benefits as at 31 December 2021)

	Note	**2021**	2020
		£	£
Investment assets	*12*		
Pooled investment vehicles	*11*	**34,126,752**	28,581,121
Current assets	*16*	**358**	793
Current liabilities	*17*	**(956)**	(956)
Net Assets of the Plan at 31 December 2021		**34,126,154**	28,580,958

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Trustees' Report on page 4 and in the Actuarial Certificates included on pages 40 to 41 of this annual report. These financial statements should be read in conjunction with them.

These financial statements were approved by the Trustees on 26/7/2022

Signed on behalf of the Trustees:

Trustee

Anne Middleton

Trustee

The notes to the financial statements on pages 28 to 36 form part of these financial statements.

Notes to the financial statements
(forming part of the financial statements)

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (revised June 2018).

The financial statements have been prepared on the going concern basis which the Trustees believe to be appropriate based on their expectations for a 12 month period from the date of approval of these financial statements which indicate that sufficient funds should be available to enable the Plan to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due. The Trustees continue to monitor the impact of the Coronavirus and Russia-Ukraine crisis on the Plan's investments and are following advice from The Pensions Regulator and duly appointed Plan advisers in order to take the appropriate actions as required. Since the year-end the Employer has continued to make the required contributions as set out in the Schedule of Contributions.

The Plan is established as a trust under English law. The address for enquiries to the Plan is included in the Trustees' Report.

The Plan's functional and presentational currency is pounds sterling (GBP).

2. Accounting policies

The principal accounting policies which have been applied consistently with the previous year are:

a) Inclusion of income and expenditure

i) Contribution income

Normal contributions relating to wages and salaries earned in the financial year are included on the accruals basis at rates agreed between the Trustees and the participating employer for the year, and as recommended by the Plan Actuary.

ii) Other income

Other income is accounted for on an accruals basis.

iii) Transfers to and from other schemes

Transfer values are included in the financial statements when the Trustees of the receiving scheme accept the liability of the transferring members. They do not take account of members who have notified the Plan of their intention to transfer.

iv) Benefits payable

Benefits payable are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving. Unsettled amounts have been included based on estimated amounts.

v) Fees and expenses

All administrative expenses (except bank charges) are borne by the Employer, Atradius Crédito y Caució S.A. de Seguros y Reaseguros.

vi) Investment income

Investment income arising from pooled investment vehicles is reinvested and reflected in the unit price and the change of market value.

Notes to the financial statements *(continued)*

2. Accounting policies *(continued)*

b) Valuation of investments

Investments are included in the Statement of Net Assets at their fair value at 31 December 2021, which is determined as follows:

- Pooled investment vehicles are stated at the latest bid prices or single unit price quoted by the investment manager at the year end.

3. Contributions receivable

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Employer						
Normal	**-**	**1,353,180**	**1,353,180**	-	1,266,287	1,266,287
Additional voluntary	**-**	**589,392**	**589,392**	-	501,470	501,470
Deficit funding	**-**	**-**	**-**	17,000	-	17,000
Employee						
Normal	**-**	**22,303**	**22,303**	-	26,544	26,544
Additional voluntary	**-**	**8,606**	**8,606**	-	4,220	4,220
	-	**1,973,481**	**1,973,481**	17,000	1,798,521	1,815,521

Employer normal contributions include contributions to the Plan under the salary sacrifice arrangements made available to members by the Employer with effect from 1 October 2008.

Employer additional voluntary contributions are member additional voluntary contributions made under salary sacrifice arrangements with effect from 1 October 2008.

The Schedule of Contributions dated 27 April 2020 agreed between the Company and Trustees required no further deficit funding contributions to be paid into the Plan from the date of signing. The Company is continuing to pay regular contributions as required under the Schedule of Contributions, as well as meeting expenses and insurance premiums. With effect from 1 January 2020 a voluntary employee contribution of 1% was introduced, matched by an additional company contribution of 1%.

4. Transfers in

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Individual transfers in from other Schemes	**-**	**28,361**	**28,361**	-	-	-

5. Other income

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Death in service receipt	**-**	**261,233**	**261,233**	-	-	-

Notes to the financial statements *(continued)*

6. Benefits paid or payable

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Lump sum retirement benefits	**-**	**86,621**	**86,621**	-	3,676	3,676
Death benefit	**-**	**311,062**	**311,062**			
Purchase of annuities	**-**	**113,706**	**113,706**	-	-	-
	-	**511,389**	**511,389**	-	3,676	3,676

7. Payments to and on account of leavers

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Refunds to employer	**-**	**20**	**20**	-	-	-
Individual transfers to other schemes	**-**	**443,261**	**443,261**	-	305,650	305,650
	-	**443,281**	**443,281**	-	305,650	305,650

8. Administrative expenses

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Bank charges	**-**	**4**	**4**	-	4	4

9. Investment income

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Interest on cash deposits	**-**	**-**	**-**	-	4	4

10. Taxation

The Plan is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. However, the Plan cannot reclaim certain amounts of withholding taxes relating to overseas investment income.

Notes to the financial statements *(continued)*

11. Pooled investment vehicles

The holdings in Pooled investment vehicles are as detailed in the table below.

	2021	2020
	£	£
Equities	**30,612,257**	25,334,781
Bonds	**2,691,628**	2,584,629
Cash	**822,867**	661,711
	34,126,752	28,581,121

12. Reconciliation of investments

Defined contribution assets

	Value at 31.12.2020 £	Purchases at cost £	Sales Proceeds £	Change in market value £	**Value at 31.12.2021 £**
Pooled investment vehicles	28,581,121	4,664,451	(3,405,500)	4,286,680	**34,126,752**

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. Included within investment purchases and sale proceeds above are investment switches amounting to £2,662,178 *(2020: £1,345,614)*.

There were no direct employer related investments during the year.

Indirect costs are also borne by the Plan in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid/offer spread of these investments and are not separately reported. No direct transaction costs were borne by the Plan.

Investments purchased by the Plan are allocated to provide benefits to individuals on whose behalf the corresponding contributions were paid. Accordingly, the assets identified as allocated to members do not form a common pool of assets available to members generally. Members receive an annual statement confirming the contributions paid on their behalf and the value of the money purchase rights.

Defined contribution investment assets are allocated as follows:

	2021	2020
	£	£
Members' normal investments	**33,299,032**	27,757,948
Trustees unallocated account	**827,720**	823,173
	34,126,752	28,581,121

The following investment holdings represent more than 5% of the Plan's net assets:

	2021	**2021**	2020	2020
	£	**%**	£	%
L&G PMC Global Equity Market Weights 30:70 Index 3	**19,763,347**	**57.9**	17,196,913	60.2
L&G PMC Diversified Fund 3B	**10,162,496**	**29.8**	7,826,400	27.4

Notes to the financial statements *(continued)*

13. Investment management expenses

	DB section 2021 £	**DC section 2021 £**	**Total 2021 £**	DB section 2020 £	DC section 2020 £	Total 2020 £
Administration and custody	**-**	**49,885**	**49,885**	-	39,938	39,938

14. Investment fair value hierarchy

The fair value hierarchy of financial instruments has been estimated using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 Inputs are unobservable (i.e. for which data is unavailable for the asset or liability).

The Plan's investment assets have been fair valued using the above hierarchy categories as follows:

Defined contribution assets

At 31 December 2021	Level 1 £	Level 2 £	Level 3 £	**Total £**
Pooled investment vehicles	-	34,126,752	-	**34,126,752**

At 31 December 2020	Level 1 £	Level 2 £	Level 3 £	**Total £**
Pooled investment vehicles	-	28,581,121	-	**28,581,121**

15. Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Notes to the financial statements *(continued)*

15. Investment risks *(continued)*

The risks disclosed here relate to the default investment strategy. Members are able to choose their own investments from the range of funds offered by the Trustees and therefore may face a different profile of risks from their individual choices compared with the default option.

The Plan has exposure to these risks because of the investments it makes to follow the investment strategy. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

The following table summarises the magnitudes of the financial risks affecting the Plan's investments. Further information on the Trustees' approach to risk management and the Plan's exposures to credit and market risks are set out below.

Fund	**Credit risk**	**Currency risk**	**Interest rate risk**	**Other price risk**	**2021**	2020
Pooled investment vehicles					**£34,126,752**	£28,581,121
Ethical global equity	None	Significant	None	Significant		
Over 5 year index linked gilts	Significant	None	Significant	None		
AAA-AA Corp Bond all stocks index	Significant	Partial	Significant	None		
Pre-retirement fund	Significant	Partial	Significant	None		
Global equity 30:70	None	Partial	None	Significant		
Diversified Fund	Significant	Significant	Significant	Significant		
Cash Fund	Significant	None	Partial	None		

Investment strategy

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

The investment objectives of the Plan are:

- To provide assets of appropriate liquidity which will generate income and capital growth which, together with new contributions from members and the employer, will provide a fund at retirement with which to secure a retirement income.
- To recognise and limit (in as far as is reasonably consistent with the provision of member choice) the risk of a member's account failing to satisfy the member's reasonable expectations over the long term.
- To maximise the long-term benefits from the Plan by allowing members to maximise the returns on their assets whilst having regard to the objectives shown under the previous paragraph.

The Trustees decided to offer predominantly passively managed investment options, with the exception of an actively managed cash fund.

Notes to the financial statements *(continued)*

15. Investment risks *(continued)*

The default investment option is a lifestyle strategy comprising of:

- A growth fund that is 100% weighted to the LGIM Global Equity (30:70) fund until 20 years from retirement, at which point it starts switching gradually to a diversified growth fund to reduce volatility.
- A diversified growth fund (LGIM Diversified Fund) is used to generate capital growth from 20 years prior to retirement.
- A protection fund (LGIM Pre-Retirement) which invests in Multi-Asset Bonds (Fixed), from 10 years before retirement to provide more diversification and provide some tracking of level annuity prices.
- A cash fund (LGIM Cash) from 3 years before retirement so that, at retirement, the member's fund is weighed to 25% cash, 60% LGIM Diversified Fund and 15% Pre-Retirement Fund.

(i) Credit risk

The Plan is subject to credit risk in relation to the instruments it holds in the pooled investment vehicles. There is also indirect exposure to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled manager. Pooled investment arrangements used by the Plan comprise unit linked insurance contracts.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles and diversified growth fund. The risk is mitigated by largely investing in funds which hold at least investment grade rated investments and by diversification.

Analysis of direct credit risk

2021	Investment grade	Non-investment grade	Unrated	**Total**
	£	£	£	**£**
Pooled investment vehicles	-	-	34,126,752	**34,126,752**

2020	Investment grade	Non-investment grade	Unrated	**Total**
	£	£	£	**£**
Pooled investment vehicles	-	-	28,581,121	**28,581,121**

Direct credit risk is mitigated by the ring-fenced nature of the pooled investment vehicles, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

Notes to the financial statements *(continued)*

15. Investment risks *(continued)*

The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager.

(ii) Currency risk

The Plan is subject to currency risk because some of the Plan's investments are held in overseas markets via pooled investment vehicles. The Trustees limit overseas currency exposure by provision of the currency hedged Global Equity (30:70) fund, which has a benchmark of 25% of the global equity exposure that may be held in unhedged global equity funds.

(iii) Interest rate risk

The Plan is subject to interest rate risk because some of the Plan's investments are held in bonds through the Pre-retirement and Diversified funds with Legal & General.

The Plan invests in pooled vehicles that invest in fixed income products that will be exposed to indirect interest rate risk. Investing in pooled funds, the interest rate risk is diversified by term, investing in assets from a range of maturities. Interest rate risk has been considered in the design of the investment strategies and funds appropriate for how members may wish to take their benefits at retirement e.g. using bond assets that closely align with price movements in the cost of purchasing an annuity.

(iv) Other price risk

Other price risk arises principally in relation to the Global equity and Diversified funds which include equities held in pooled investment vehicles. The Global Equity Fund is 70% global and 30% UK equity and the default lifestyle strategy moves away from this fund gradually from 20 years before retirement to reduce risk as members approach retirement.

The Diversified fund targets lower volatility than typical equity funds while aiming to provide a long-term rate of return broadly similar to that of developed market equities.

The Plan manages the exposure to overall price movements by investing in pooled funds that are constructed of diverse portfolios of investments across various markets.

16. Current assets

Not designated to members	**2021 £**	2020 £
Cash balances	**358**	793

17. Current liabilities

Designated to members	**2021 £**	2020 £
Unpaid benefits	**956**	956

18. Self investment

The Plan does not hold any direct investment in Atradius Crédito y Caución S.A. de Seguros y Reaseguros or in any other company or person connected with the company.

Notes to the financial statements *(continued)*

19. Related party transactions

The Plan has received contributions in respect of certain Trustees who are contributing members of the Plan.

The Principal Employer provides secretarial services to the Plan and bears these and certain other costs (including costs of death in service insurance premiums) of the Plan itself. The costs borne by the Principal Employer in relation to the Plan are not quantifiable and are not reflected in these financial statements.

All of the above transactions were made in accordance with the Plan Rules.

There were no other related party transactions during the year as defined by FRS 102 section 33.

20. Contingent liabilities

There were no contingent liabilities in the Plan as at 31 December 2021 (*2020: £NIL*).

Independent Auditor's Statement about Contributions To the Trustees of MPlan

Statement about contributions

We have examined the Summary of Contributions payable under the Schedule of Contributions to the MPlan in respect of the Plan year ended 31 December 2021 which is set out on page 38.

In our opinion contributions for the Plan year ended 31 December 2021 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Actuary on 27 April 2020.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of the Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Plan's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedules of Contributions to the Plan and to report our opinion to you.

The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Plan's Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's Trustees those matters we are required to state to them in an Auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustees, as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading

Date: 26/7/2022

Summary of Contributions

Trustees' Summary of Contributions payable under the Schedule in respect of the Plan year ended 31 December 2021

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of, the Trustees. It sets out the Employer and member contributions payable to the Plan under the Schedule of Contributions certified by the Actuary on 27 April 2020. The Plan's Auditor reports on contributions payable under the Schedules in the Auditor's Statement about Contributions.

	£
Contributions payable under the Schedules in respect of the Plan year	
Employer	
Normal	1,353,180
Employee	22,303
Normal	
Contributions payable under the Schedules (as reported on by the Plan Auditor)	1,375,483

	£
Reconciliation of contributions payable under the Schedules of Contributions reported in the financial statements in respect of the Plan year	
Contributions payable under the Schedule (as above)	1,375,483
Additional voluntary contributions	597,998
Total contributions reported in the financial statements	1,973,481

Signed on behalf of the Trustees on 26/7/2022

Anne Middleton

Trustee

Schedule of Contributions

Name of Scheme **Atradius MPlan**

Schedule of Contributions and Certificate

This Schedule of Contributions is required by Section 227 of the Pensions Act 2004 and has been prepared by the Trustees after obtaining advice from the Scheme Actuary. It covers the period from the date it is certified by the Scheme Actuary to five years after this date.

Contributions to be paid to the Plan:

Contributions	Amount
By the members In respect of future service benefits	For members other than Salary Sacrifice Members: 2006 Section: No contributions 2014 Section: 3% of Pensionable Pay until 6 April 2019 and 5% thereafter (or minimum required under Automatic Enrolment Laws if greater) For Salary Sacrifice Members, no contribution is required.
By the Company In respect of future service benefits	2006 Section: 12% of Pensionable Pay 2014 Section: 2% of Pensionable Pay until 6 April 2019 and 3% thereafter (or minimum required under Automatic Enrolment Laws if greater) Plus, for Salary Sacrifice Members, contributions equal to member's Notional Contributions
2000 Section	£17k by 31 January 2019 already paid plus any special costs required by the Trust Deed & Rules
Additional Voluntary Contributions (AVCs)	Members of the 2006 Section may make any additional voluntary contribution.
Scheme expenses (including PPF levies)	All expenses excluding investment expenses to be met by the Company in addition to the above or from the Plan's assets and reimbursed by the Company as requested by the Trustees.
Additional contributions	The Company may pay additional contributions of any amount and at any time from those described above.
Timing of contributions	Company contributions which are payable monthly are due on the 19th of each month and are to be paid within one month of their due dates.

Signed on behalf of the Trustees

Signature: .....

Name: Adrian Hamilton

Position: Trustee Chair

Date: 27 April 2020

Signed on behalf of the Company

Signature .....

Name: Anne Middleton

Position: HR Manager

Date 27 April 2020

Actuary's Certification of the Schedule of Contributions

1. Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected to be met by the end of the period specified in the Recovery Plan dated (i.e. signed on behalf of the Trustees) on 27 April 2020.

2. Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated (i.e. signed on behalf of the Trustees) on 27 April 2020 .

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature:	Robert Watkin	**Date:**	27 April 2020
Name:	Robert Watkin FIA	**Qualification:**	Fellow of the Institute and Faculty of Actuaries
Address:	Isio 66 Queen Square Bristol BS1 4BE	**Employer:**	Isio Group Limited

Report on Actuarial Liabilities (forming part of the Trustees' report)

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 31 December 2018. This showed that on that date:

The value of the technical provisions was: £20.735 million

The value of the assets was: £20.718 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows: (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit method.

Significant actuarial assumptions

Pre-retirement discount interest rate: This assumption should be a prudent estimate of the investment return on the assets held by the Plan, less a margin to allow for the expected impact of lifestyling based on market conditions at the effective date of the actuarial investigation. Assumption is set at a margin of 1% above RPI inflation.

Non pensioners: pre-retirement: 4.3% post-retirement: 1.45%

Post-retirement discount interest rate: This assumption should reflect the expected cost of securing liabilities by purchasing an annuity at retirement. Assumption is set 0.3% below a cashflow weighted gilt yield.

Pensioners: 1.45%

Future Retail Price Inflation: Determined using a cash flow weighted inflation spot curve figure (determined with reference to the Bank of England UK implied inflation spot curve) of suitable duration published by the Bank of England (3.3%).

Future Consumer Price Inflation: this is assumed to be 1.00% lower than RPI inflation, reducing to 0.9% lower from 31 December 2019 (2.30%).

Pension increases: a reduction or increase is considered to the assumption for price inflation when looking at inflation linked pension increases subject to a cap and/or collar.
The Black Scholes model is used to derive the pension increase assumptions with an appropriate estimate of the expected future volatility of inflation.

CPI Max 2.5%: 1.85%
CPI Max 5%: 2.30%

Mortality: Advice will be taken form the Plan Actuary as to how the most recently published mortality tables which are most appropriate for pension schemes may be used, taking into account the nature of the membership of the Plan to the extent it is prudent to do so. An allowance for future improvements in mortality experience for future improvements in mortality experience will also be considered.

SAPS S2 light tables with CMI_2018 improvements with a 1.5% long term trend rate and a smoothing factor of 7.5.

Implementation Report

Atradius Mplan Implementation Report

June 2022

isio.

Document classification: Confidential

Background and Implementation Statement

Background

The Department for Work and Pensions (DWP) is increasing regulation to improve disclosure of financially material risks. This regulatory change recognises Environmental, Social and Governance (ESG) factors as financially material and schemes need to consider how these factors are managed as part of their fiduciary duty. The regulatory changes require that schemes detail their policies in their statement of investment principles (SIP) and demonstrate adherence to these policies in an implementation report.

Statement of Investment Principles (SIP)

There have been no significant changes to the SIP over the reporting period. The SIP can be found online at the web address:

https://www.legalandgeneral.com/employer/workplace-pensions/literature/illustration-mplan/

Implementation Report

This implementation report is to provide evidence that the Plan continues to follow and act on the principles outlined in the SIP.

This report details the following for the Plan:

- actions the Trustees have taken to manage financially material risks and implement the key policies in their SIP
- the extent to which the Trustees have followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 December 2021 for and on behalf of the Plan including the most significant votes cast by the Plan or on its behalf

Summary of key actions undertaken over the Plan reporting year

The Trustees underwent a strategy review that recommended incorporating ESG into the default and alternative lifestyles via the global equity mandate and the Diversified Growth Fund. These were agreed by the Trustees and post the Plan year end a project has been underway to implement the changes. Along with increasing ESG in the default, these changes would also reduce the UK equity home bias. The Trustees also agreed to reduce the life styling period to 15 years and to reduce the allocation to cash at retirement to reduce cash drag for members closer to retirement.

The Trustees also agreed to add the two ESG funds as well as a number of alternative asset classes to the self-select fund range to increase choice for members who wish to invest outside of the default or alternative lifestyles.

The Trustees also received training on ESG so as to better understand the implications and requirements of the Trustees in considering ESG as a financially material risk.

Each quarter the Trustees review the net performance of the funds underlying the default arrangement with input from the investment managers.

Implementation Statement

This report demonstrates that Atradius Mplan has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position Trustee

Date 26/7/2022

Anne Middleton

HR Manager and Trustee

Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions over the reporting period
Inflation	This is the risk that the investment value will not grow quickly enough to keep up with increases in the cost of living. If it does not grow in line with inflation, the real value of members' investments will be eroded. Most funds can be considered to grow broadly in line with inflation in the long run, but some funds carry more risk than others.	This is managed by the provision of index-linked gilt funds as well as funds investing in equities, which are generally viewed to have inflation hedging properties over the long term. Quarterly performance reports help assess whether the returns have kept pace with inflation.	The Trustees review fund performance on a quarterly basis and have undertaken a full review of the investment strategy over 2021.
Mismatching	This is the risk that the way a member's pension account is invested in the years prior to retirement, is not aligned with how the member intends to use their benefits in retirement.	This is managed by providing a default investment strategy which targets income drawdown in retirement by remaining in growth assets, and by providing two alternative lifestyle strategies which target annuity purchase or full encashment at retirement. Three yearly investment strategy reviews and quarterly performance reporting identify how the characteristics of certain funds are suitable for different at-retirement options.	The Trustees review fund performance on a quarterly basis and have undertaken a full review of the default investment strategy over 2021.
Capital value	This is the risk that the value of a member's pension account may fall in value over any period of time.	This is managed by the inclusion of a cash fund within the lifestyle strategies and the self-select fund range. Performance is measured and monitored quarterly.	The Trustees review fund performance on a quarterly basis.

Risk / Policy	Definition	Policy	Actions over the reporting period
Missed opportunity	This is the risk that members do not take enough risk when they are able.	This is managed by the inclusion of equities and a diversified growth fund within the lifestyle strategies and the self-select fund range. Measuring the impact of different investments on member pots at retirement is a key part of any review of the investment strategy.	The Trustees review fund performance on a quarterly basis and undertook a full review of the default investment strategy over 2021 to ensure that they are comfortable with the level of risk being taken in the default. The Trustees have also increased the number of options available in the self-select fund range for members to select their own investment strategy.
Currency	This is the risk that members' investments reduce as a result of currency fluctuations.	This is managed by the provision of the currency hedged Global Equity (30:70) fund within the lifestyle strategies and the self-select fund range. Quarterly monitoring of performance includes consideration of movements in foreign currencies relative to pound sterling.	The Trustees review fund performance on a quarterly basis and undertook a full review of the default investment strategy over 2021.
Liquidity	This is the risk that members cannot easily redeem their investments should the need arise.	This is managed by the use of pooled funds which are easily sold to provide members with the required level of liquidity. When considering new investment options or reviewing the existing options, consideration is given to the pricing and dealing terms of the underlying funds.	There have been no liquidity issues over the reporting period.

Risk / Policy	Definition	Policy	Actions over the reporting period
Political	This is the risk of adverse influence on investment values arising from political intervention.	This is managed through the fund governance procedures of both the investment manager, the investment platform and the Trustees' investment consultant. Quarterly market reviews and performance reports include an assessment of the drivers of market and fund performance, which includes the economic and political backdrop.	The Trustees review fund performance on a quarterly basis.
Diversification	This is the risk that members invest in assets whose returns are correlated with one another.	This is managed through the provision of a diversified growth fund plus a fund range that includes equities, bonds and cash. Regular performance monitoring and strategic review of the investment strategy includes consideration of the success of diversification approaches used and correlations or similarities between the available funds.	The Trustees review fund performance on a quarterly basis and undertook a full review of the default investment strategy over 2021. As a result of this an overweight allocation to UK equities was identified and there are plans to reduce exposure. There was also a discussion around expanding the self-select options available for members to provide a wider variety of asset classes.
Environmental, social and governance	Management of investments with regard to Environmental, Social and Governance (ESG) factors, including but not limited to climate change, can impact performance and member outcomes.	Monitoring of the investment managers against ESG policies is undertaken on a periodic basis and is documented at least annually.	The Trustees undertook a full review of the default investment strategy over 2021 and paid particular attention to ESG considerations in the default, alternative

lifestyles and the self-select fund range.

Engagement

As the Plan invests via fund managers, Isio has requested from the managers details of their engagement actions including a summary of the engagements by category for the 12 month period to 31st December 2021.

Fund name	Engagement summary	Commentary
L&G Global Equity Market Weights (30:70) Index Fund – Currency Hedged	L&G currently do not provide details of their engagement activities at fund level, however, this is something they are looking to implement going forwards. Isio remains in contact with L&G surrounding the firm's engagement reporting.	L&G has firm wide ESG policies and a dedicated ESG team known as the Investment Stewardship team. They manage the voting and engagement across all funds, leveraging all possible capital to maximise effectiveness. Engagement activity is recorded in a dedicated data management system. This system is also used to oversee progress and quantify engagement effectiveness.
L&G Diversified Fund	Please see above.	Please see above.
L&G Pre-Retirement Fund	Please see above.	Please see above.
L&G Cash Fund	Please see above.	Please see above.

Voting (for equity/multi asset funds only)

As the Plan invests via fund managers, the managers provided details on their voting actions including a summary of the activity for the 12 month period to the end of 2021. The managers also provided examples of any significant votes.

Fund name	Voting summary	Examples of significant votes	Commentary
L&G Global Equity Market Weights (30:70) Index Fund – Currency Hedged	Meetings eligible to vote at: 6,269 Resolutions eligible to vote for: 64,914 Resolutions voted: 99.86% Votes for management: 82.30% Votes against management: 16.72% Abstained from voting: 0.98%	**AT&T** – LGIM voted against the advisory vote to ratify named executive officers' compensation. LGIM identified serious issues with the structure and quantum of AT&T's executive remuneration. In particular, the $48 million sign-on equity award to the incoming CEO of its Warner Media division and a $9 million retention grant to the General Counsel of $9 million USD. The awards and payments made by AT&T did not meet LGIM's expectations of fair and balanced remuneration both in respect to their magnitude and the lack of performance criteria.	LGIM's Investment Stewardship team manage voting and engagement across all funds, leveraging all possible capital to maximise effectiveness. LGIM share their finalised ESG scorecards with portfolio companies, highlighting the metrics on which they are based, LGIM's key focus areas and the improvements companies could make to better their score. LGIM produce an annual Active Ownership report to summarise how they have worked towards creating sustainable value for clients.

Fund name	Voting summary	Examples of significant votes	Commentary
L&G Diversified Fund	Meetings eligible to vote at: 7,721 Resolutions eligible to vote for: 78,917 Resolutions voted: 98.60% Votes for management: 79.05% Votes against management: 20.26% Abstained from voting: 0.69%	**NextEra Energy, Inc.**– LGIM voted against the election of Director James L. Robo. LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles.	Please see above.

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