

MPlan

Trustees' report and financial statements

For the year ended 31 December 2020

Registered number: 14105779

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Trustees and advisers

Principal employer

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Paseo de la Castellana 4
28046
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 Trustee

CL Keeping
Atradius Crédito y Caución S.A. de Seguros y Reaseguros
3 Harbour Drive
Capital Waterside
Cardiff
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Pension administrators

Legal & General Assurance Society Limited
Legal & General House
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Surrey
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Plan Actuary

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Isio Group Limited
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Salford
M5 0QT

Investment manager

Legal & General Assurance Society Limited ("Legal & General")
One Coleman Street
London
EC2R 5AA

Trustees and advisers *(continued)*

Custodians (appointed by Legal & General)

HSBC plc
27-32 Poultry
London
EC2R 8AJ

Citibank NA
Lewisham House
25 Molesworth Street
London
SE13 7EX

Auditor

Grant Thornton UK LLP
1020 Eskdale Road
Winnersh
Wokingham
RG41 5TS

Solicitors

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

Bankers

Lloyds Bank Plc
36 - 38 New Street
Birmingham
B2 4LP

AVC Provider

Legal & General Assurance Society Limited
One Coleman Street
London
EC2R 5AA

Report of the Trustees for the year ended 31 December 2020

Introduction

The Trustees are pleased to present their Report on MPlan ("the Plan") for the year ended 31 December 2020.

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 Caución 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.

Trustee

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 Caución 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 2020 are set out on pages 26 to 35, and the independent Auditor's statement about contributions and Trustees' summary of contributions are set out on pages 36 and 37. 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 2020 *(continued)*

Changes to the Plan

A deed of amendment changed the trust deed and rules of the Plan to clarify what would constitute a quorum in a trustee meeting and to document the change in contribution rate from 1 January 2020 to allow a 1% voluntary contribution from members matched by a 1% contribution from the employer.

In addition, £66,045 was paid out of trustee funds to members' pots following the employer's decision to treat historical non-pensionable pay as pensionable pay for the period 2016-2019.

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 Trustee have 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 requires 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%.

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

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 42. In addition, as required by FRS 102, the Trustees have included the Report on Actuarial Liabilities on page 43, 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 35. Details of the Plan's investments are given in Notes 10 to 14 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.

Contributions

With effect from 1 January 2020 a voluntary employee contribution of 1% was introduced, matched by an additional company contribution of 1%.

During the year the Trustees funded backdated contributions following the Company's decision to treat historical non-pensionable pay as pensionable pay for the period 2016-2019. The total payment was £66,045.

Report of the Trustees for the year ended 31 December 2020 *(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 2019	240
Plus: New joiners	30
Less: Leavers with deferred pensions	(28)

At 31 December 2020	242

Deferred pensioners	
At 31 December 2019	259
Adjustment due to late notification	2
Plus: New leavers with deferred pensions	28
Less: Retirements	(1)
Transfers out	(8)

At 31 December 2020	280

Report of the Trustees for the year ended 31 December 2020 (continued)

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.

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.

Report of the Trustees for the year ended 31 December 2020 *(continued)*

Investment objectives *(continued)*

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.

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	12.32	5.98	9.33
<i>Benchmark</i>	12.43	5.94	9.24
Legal & General (PMC) Global Equity Market Weights 70:30 Index 3	6.16	6.21	9.97
<i>Benchmark</i>	6.26	6.45	10.21
Legal & General (PMC) Pre-Retirement 3	10.99	6.87	7.97
<i>Benchmark</i>	11.39	7.00	8.03
Legal & General Cash 3	0.30	0.53	0.44
<i>Benchmark</i>	-0.11	0.05	-0.04
Legal & General (PMC) Ethical Global Equity Index 3	11.04	10.15	14.07
<i>Benchmark</i>	11.44	10.65	14.43
Legal & General (PMC) 3 AAA-AA-A Corp Bond All Stocks Index	7.19	4.57	5.66
<i>Benchmark</i>	7.32	4.60	5.48
Legal & General (PMC) Diversified Fund 3B	5.25	5.34	7.81
<i>Benchmark</i>	4.10	4.36	0.00

Report of the Trustees for the year ended 31 December 2020 *(continued)*

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.

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.

Report of the Trustees for the year ended 31 December 2020 *(continued)*

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:

- The Money and Pensions Service provides information to the public on matters relating to workplace and personal pensions.

Telephone: 0115 965 9570

Email: contact@maps.org.uk

Website: www.moneyandpensionsservice.org.uk/contact-us

- 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 2020 *(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

Trustee 

Date: 30/7/2021

The Chair's Annual Governance Statement

This statement has been prepared by the Trustees of mplan ('the Plan') in accordance with the Occupational Pension Plans (Plan 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 2020.

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 I. A copy of the full SIP is available on request.

A review of the default investment strategy took place in 2019. No changes were made to the strategy which remains the Drawdown Targeting Lifestyle. This uses predominantly passively managed investment options to minimise the risk of underperformance attributable to manager skill in asset selection.

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%	0.21%	0.37%
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 as a result 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 2020.
- 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.)	Average (% p.a.)
L&G PMC Cash 3	-0.04	-0.03	-0.02	0.00
L&G (PMC) Diversified Fund 3B	-0.06	-0.04	-0.01	0.00
L&G PMC Ethical Global Equity Index 3	0.01	0.00	-0.02	0.00
L&G PMC Over 5 Year Index Linked Gilts Index 3	0.05	0.07	0.10	0.07
L&G PMC AAA-AA-A Corp Bond All Stocks Index 3	-0.04	-0.03	-0.03	0.00
L&G PMC Pre-Retirement 3	0.02	0.00	0.10	0.04
L&G PMC Global Equity Market Weights 30:70 Index 3	0.04	0.02	0.04	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 undertook an updated assessment against the Pension Regulator's Code of Practice No. 13 in April 2018 and can confirm that the Plan continues to meet all the legal requirements associated with the Code.

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.

In December 2020 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.
- 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 are going to review the Plan's investment options (including the default investment strategy) and look at how they might improve communications with members.

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 2020.

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 members' retirement options – providing a detailed understanding of the different options and the potential implications of each one for members, both in terms of tax and likely retirement income.

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 have continued to work through the relevant modules in the Pensions Regulator's Trustee Toolkit, with a commitment to completing the modules in 2021. 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:

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.

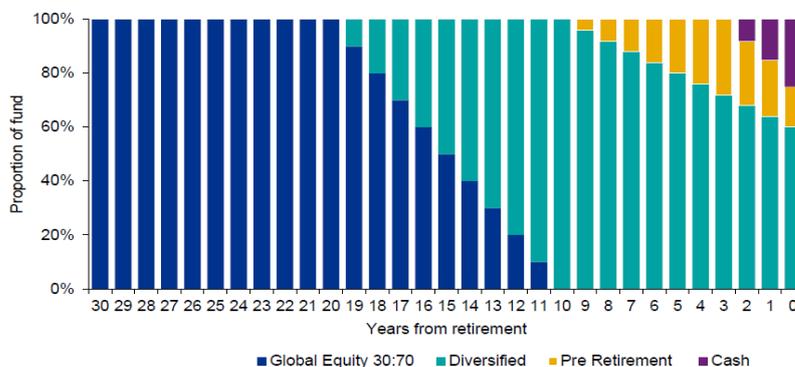
Policy

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)*

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

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)*

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 £27,500, paying £4,500 annual contributions	
Years from 31/12/20	Before charges (£)	After all costs and charges deducted (£)	Before charges (£)	After all costs and charges deducted (£)
1	£3,650	£3,641	£32,828	£32,727
3	£5,428	£5,403	£43,736	£43,376
5	£9,066	£8,992	£54,993	£54,290
10	£18,675	£18,359	£84,058	£82,099
15	£29,072	£28,325	£112,982	£109,152
20	£40,331	£38,934	£140,252	£134,038
25*	£52,535	£50,237	£163,940	£155,126
30	£65,434	£61,956		
35	£77,769	£72,840		
40	£88,815	£82,246		
45	£97,712	£89,515		

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 £27,500 for the 40 year old member with a salary of £30,000 and an annual total contribution rate of 15%.
4. Inflation 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:
 - 0.90% for periods up to 10 years to retirement
 - 0.38% at 5 years to retirement, reducing to
 - -0.14% 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 and 2020 and assumed zero transaction cost in the projection calculations if the actual transaction cost was negative.

*25 years from 31/12/20 for the median member

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

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 31/12/20	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	£3,362	£3,356	£3,466	£3,454
3	£6,199	£6,168	£6,686	£6,627
5	£8,921	£8,854	£10,025	£9,888
10	£15,261	£15,055	£18,922	£18,439
15	£20,997	£20,597	£28,655	£27,587
20	£26,196	£25,560	£39,295	£37,369
25	£30,918	£30,015	£50,917	£47,822
30	£35,217	£34,025	£63,605	£58,987
35	£39,141	£37,645	£77,447	£70,906
40	£42,731	£40,924	£92,541	£83,625
45	£46,027	£43,904	£108,990	£97,192

40 year old active member – future contributions assumed investing in the fund with the lowest and highest charges				
Years from 31/12/20	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	£31,327	£31,252	£32,487	£32,349
3	£38,751	£38,505	£42,737	£42,248
5	£45,882	£45,437	£53,363	£52,420
10	£62,514	£61,467	£81,658	£79,081
15	£77,591	£75,826	£112,590	£107,589
20	£91,289	£88,719	£146,382	£138,055
25	£103,761	£100,328	£183,272	£170,596

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

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 31/12/20	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	£3,362	£3,354	£3,472	£3,463
3	£6,199	£6,160	£6,712	£6,669
5	£8,921	£8,837	£10,086	£9,985
10	£15,261	£15,004	£19,135	£18,778
15	£20,997	£20,497	£29,131	£28,335
20	£26,196	£25,402	£40,163	£38,714
25	£30,918	£29,791	£52,329	£49,979
30	£35,217	£33,732	£65,735	£62,198
35	£39,141	£37,279	£80,499	£75,443
40	£42,731	£40,484	£96,749	£89,794
45	£46,027	£43,389	£114,625	£105,334

40 year old active member – future contributions assumed investing in the fund with the lowest and highest expected returns				
Years from 31/12/20	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	£31,327	£31,233	£32,547	£32,447
3	£38,751	£38,443	£42,949	£42,592
5	£45,882	£45,324	£53,774	£53,083
10	£62,514	£61,205	£82,798	£80,888
15	£77,591	£75,387	£114,831	£111,088
20	£91,289	£88,083	£150,158	£143,866
25	£103,761	£99,482	£189,090	£179,419

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

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 £27,500 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 2.75% 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 and 2020 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 Global Equity Market Weights 30:70 Index	1.8
L&G (PMC) Diversified Fund	0.9
L&G PMC Pre-Retirement	-1.7
L&G PMC Cash	-2.3
L&G PMC Ethical Global Equity Index	1.6

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 2020, 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 2020 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 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 Trustees 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 Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement, 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 have 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.

Independent Auditor's Report *(continued)*

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).

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 Act 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 and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) 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 and through discussion with management, the Trustees, and from inspection of Trustees board minutes and legal and regulatory correspondence. We discussed 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 and net assets 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 such as those between the Fund Account and the Statement of Net Assets,
- journals posted to suspense accounts, and,
- journals with blank description

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. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from 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.

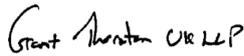
Independent Auditor's Report *(continued)*

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 are 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.

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
Statutory Auditor, Chartered Accountants
Reading
Date: 30/7/2021

Fund account

for the year ended 31 December 2020

	Note	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Contributions and benefits							
Contributions receivable							
Employer contributions		17,000	1,767,757	1,784,757	17,000	1,365,164	1,382,164
Employee contributions		-	30,764	30,764	-	52,305	52,305
Total contributions	3	17,000	1,798,521	1,815,521	17,000	1,417,469	1,434,469
Other income	4	-	-	-	-	68	68
		17,000	1,798,521	1,815,521	17,000	1,417,537	1,434,537
Benefits paid or payable	5	-	(3,676)	(3,676)	-	(43,121)	(43,121)
Payments to and on account of leavers	6	-	(305,650)	(305,650)	-	(551,209)	(551,209)
Administrative expenses	7	-	(4)	(4)	-	-	-
		-	(309,330)	(309,330)	-	(594,330)	(594,330)
Net gains from dealings with members		17,000	1,489,191	1,506,191	17,000	823,207	840,207
Returns on investments							
Investment income	8	-	4	4	-	157	157
Change in market value of investments	11	-	1,747,038	1,747,038	-	3,846,100	3,846,100
Investment management expenses	12	-	(39,938)	(39,938)	-	(36,907)	(36,907)
Net returns on investments		-	1,707,104	1,707,104	-	3,809,350	3,809,350
Net increase in the fund during the year		17,000	3,196,295	3,213,295	17,000	4,632,557	4,649,557
Transfer between sections		(17,000)	17,000	-	(17,000)	17,000	-
Net assets of the Plan							
At 31 December		-	25,367,663	25,367,663	-	20,718,106	20,718,106
At 31 December		-	28,580,958	28,580,958	-	25,367,663	25,367,663

The notes to the financial statements on pages 28 to 35 form part of these financial statements.

Statement of Net Assets
(available for benefits as at 31 December 2020)

	Note	2020 £	2019 £
Investment assets	11		
Pooled investment vehicles	10	28,581,121	25,368,119
Current assets	15	793	500
Current liabilities	16	(956)	(956)
Net Assets of the Plan at 31 December 2020		28,580,958	25,367,663

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 42 to 43 of this annual report. These financial statements should be read in conjunction with them.

30/7/2021

These financial statements were approved by the Trustees on

Signed on behalf of the Trustees:



Trustee

Anne Middleton

Trustee

The notes to the financial statements on pages 28 to 35 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 are monitoring the impact of the Coronavirus 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 and deficit contributions 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) 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.

iii) 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.

iv) Fees and expenses

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

v) Investment income

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

b) Valuation of investments

Investments are included in the Statement of Net Assets at their fair value at 31 December 2020, 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.

Notes to the financial statements *(continued)*

3. Contributions receivable

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Employer						
Normal	-	1,266,287	1,266,287	-	1,081,679	1,081,679
Additional voluntary	-	501,470	501,470	-	283,485	283,485
Deficit funding	17,000	-	17,000	17,000	-	17,000
Employee						
Normal	-	26,544	26,544	-	20,369	20,369
Additional voluntary	-	4,220	4,220	-	31,936	31,936
	<u>17,000</u>	<u>1,798,521</u>	<u>1,815,521</u>	<u>17,000</u>	<u>1,417,469</u>	<u>1,434,469</u>

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 requires a deficit funding contribution of £17,000 each January. In addition, the Company is continuing to pay regular contributions as required under the Rules, as well as meeting expenses and insurance premiums.

The previous Schedule of Contributions that had applied since 14 December 2016 required the same level of contributions but also required that deficit funding contributions of £17,000 be paid each January.

With effect from 1 January 2020 a voluntary employee contribution of 1% was introduced, matched by an additional company contribution of 1%.

4. Other income

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Other income	-	-	-	-	68	68
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68</u>	<u>68</u>

Other income consists of auto-enrolment contributions received by Legal & General in respect of members opting not to join the Plan.

5. Benefits paid or payable

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Lump sum retirement benefits	-	3,676	3,676	-	43,121	43,121
	<u>-</u>	<u>3,676</u>	<u>3,676</u>	<u>-</u>	<u>43,121</u>	<u>43,121</u>

Notes to the financial statements *(continued)*

6. Payments to and on account of leavers

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Refunds to employer	-	-	-	-	131	131
Individual transfers to other schemes	-	305,650	305,650	-	551,078	551,078
	-	305,650	305,650	-	551,209	551,209

7. Administrative expenses

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Bank charges	-	4	4	-	-	-

8. Investment income

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Interest on cash deposits	-	4	4	-	157	157

9. 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.

Any tax charge in the Fund Account represents irrecoverable withholding taxes on investment income.

10. Pooled investment vehicles

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

	2020 £	2019 £
Equities	25,334,781	22,695,958
Bonds	2,584,629	2,326,943
Cash	661,711	345,218
	28,581,121	25,368,119

Notes to the financial statements *(continued)*

11. Reconciliation of investments

Defined contribution assets

	Value at 31.12.2019 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31.12.2020 £
Pooled investment vehicles	25,368,119	3,210,501	(1,744,537)	1,747,038	28,581,121

The change in market value of investments during the year comprises all increases and decreases in the market value of investment 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 £1,345,614.

During the year, £66,045 of Trustees' funds were used to fund back dated payments for the MPlan non-pensionable elements converted to pensionable elements for the period 1 March 2016 to 31 December 2019.

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:

	2020 £	2019 £
Members' normal investments	27,757,948	24,586,859
Trustees unallocated account	823,173	781,260
	28,581,121	25,368,119

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

	2020 £	2020 %	2019 £	2019 %
Legal & General Global Equity Fund	17,196,913	60.2	15,880,091	62.6
Legal & General Diversified Fund	7,826,400	27.4	6,604,168	26.0
Legal & General Pre-Retirement Fund	1,463,572	5.1	-	-

12. Investment management expenses

	DB section 2020 £	DC section 2020 £	Total 2020 £	DB section 2019 £	DC section 2019 £	Total 2019 £
Administration and custody	-	39,938	39,938	-	36,907	36,907

Notes to the financial statements *(continued)*

13. 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 2020	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	28,581,121	-	28,581,121
At 31 December 2019	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	25,368,119	-	25,368,119

14. 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.

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.

Notes to the financial statements *(continued)***14. Investment risks** *(continued)*

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	2020	2019
<i>Pooled investment vehicles</i>					£28,581,121	£25,368,119
Ethical global equity Over 5 year index linked gilts	None	Significant	None	Significant		
AAA-AA Corp Bond	Significant	None	Significant	None		
all stocks index	Significant	Partial	Significant	None		
Pre-retirement fund	Significant	Partial	Significant	Partial		
Global equity 30:70	None	Partial	None	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.

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.

Notes to the financial statements *(continued)*

14. Investment risks *(continued)*

(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

2020	Investment grade	Non- investment grade	Unrated	Total
	£	£	£	£
Pooled investment vehicles	-	-	28,581,121	28,581,121
	=====	=====	=====	=====
2019	Investment grade	Non- investment grade	Unrated	Total
	£	£	£	£
Pooled investment vehicles	-	-	25,368,119	25,368,119
	=====	=====	=====	=====

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.

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.

Notes to the financial statements *(continued)*

14. Investment risks *(continued)*

(iii) Interest rate risk *(continued)*

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.

15. Current assets

<u>Not designated to members</u>	2020 £	2019 £
Cash balances	793	500
	<u> </u>	<u> </u>

16. Current liabilities

<u>Designated to members</u>	2020 £	2019 £
Unpaid benefits	956	956
	<u> </u>	<u> </u>

17. 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.

18. 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.

19. Contingent liabilities

There were no contingent liabilities in the Plan as at 31 December 2020 (2019: £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 Schedules of Contributions to the MPlan in respect of the Plan year ended 31 December 2020 which is set out on page 37.

In our opinion contributions for the Plan year ended 31 December 2020 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Actuary on 14 December 2016 and 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 Schedules 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.

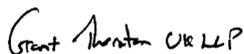
Respective responsibilities of the Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, 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
Statutory Auditor, Chartered Accountants
Reading

Date: 30/7/2021

Summary of Contributions

Trustees' Summary of Contributions payable under the Schedules in respect of the Plan year ended 31 December 2020

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 Schedules of Contributions certified by the Actuary on 14 December 2016 and 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	
Deficit Funding	1,266,287
	17,000
Employee	
Normal	26,544
	1,309,831
Contributions payable under the Schedules (as reported on by the Plan Auditor)	1,309,831
	£

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)	1,309,831
Additional voluntary contributions	505,690
	1,815,521
Total contributions reported in the financial statements	1,815,521

30/7/2021

Signed on behalf of the Trustee on



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 Law's 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 Law's 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 19 th of each month and are to be paid within one month of their due dates.

Signed on behalf of the Trustees

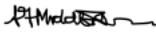
Signature: 

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

mplan Schedule of Contributions

Introduction

This Schedule of Contributions covers the period from 15 December 2016 to 31 December 2025 and sets out the rates and due dates of Company contributions to mplan (the "Plan"). It is subject to review from time to time as required by legislation and by the Pensions Act 2004, or otherwise.

Participating Employers

This schedule covers contributions to the Plan from the following employer:

Abadius Credit Insurance NV

Rates and dates of employer's contributions

The participating employer will contribute to the Plan as follows:

2000 Section of mplan (percentage of Pensionable Pay)	2005 Section of mplan (percentage of Pensionable Pay)	2014 Section of mplan (percentage of Pensionable Pay*)
<p>Core contributions of:</p> <ul style="list-style-type: none"> • 8.25% for members under age 40 until 31 March 2017 • 11.25% for members over age 40 until 31 March 2017 • 5.5% for members under age 40 from 1 April 2017 • 9.5% for members over age 40 from 1 April 2017 <p>Plus matching contributions:</p> <ul style="list-style-type: none"> • contributions matching members' contributions up to 1% <p>Plus, for Salary Sacrifice Members</p> <ul style="list-style-type: none"> • contributions equal to members' Notional Contributions <p>Plus additional contributions to eliminate the funding shortfall at 31 December 2015 as per the Recovery Plan:</p> <ul style="list-style-type: none"> • £17,000 due by the end of January each year from 2017 up to and 	<p>Core contributions of:</p> <ul style="list-style-type: none"> • 10% for all members until 31 March 2017 • 12% for all members from 1 April 2017 <p>Plus, for Salary Sacrifice Members:</p> <ul style="list-style-type: none"> • contributions equal to members' Notional Contributions 	<p>Core contributions of:</p> <ul style="list-style-type: none"> • 1% until 30 September 2017 • 2% from 1 October 2017 to 30 September 2018 • 3% from 1 October 2018 <p>Plus, for Salary Sacrifice Members</p> <ul style="list-style-type: none"> • Contributions equal to members' Notional Contributions

Including 2025 Plus any special contributions as may be required under the Trust Deed and Rules		
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* Where Pensionable Pay for 2014 Section members is the same as the definition of qualifying earnings for auto-enrolment purposes

In addition, the participating employer may pay additional contributions to increase a member's Accumulated Credit, e.g. as part of an individual benefit augmentation or an ill health retirement.

The participating employer will also pay additional amounts to cover the costs of meeting any expenses incurred by the Trustees (including levies and insurance premiums to meet the cost of the insured group life cover).

The participating employer will ensure that the Trustees receive the employer core and matching contributions within 19 days, or 22 days if paid electronically, of the end of the calendar month to which the contributions relate. In addition, the participating employer will ensure that the Trustees receive the National Contributions in respect of Salary Sacrifice Members within 19 days, or 22 days if paid electronically, of the end of the calendar month to which the National Contributions relate.

Any special or additional contributions shall be payable as specified above or as and when they fall due.

Rates and dates for payment of members' contributions

Employees who are active Plan members will contribute to the Plan as follows:

2000 Section of mplan (percentage of Pensionable Pay)	2008 Section of mplan (percentage of Pensionable Pay)	2014 Section of mplan (percentage of Pensionable Pay*)
<p>For members other than Salary Sacrifice Members:</p> <p>Core contributions of:</p> <ul style="list-style-type: none"> • 4% for all members <p>Plus:</p> <ul style="list-style-type: none"> • any voluntary contribution (subject to maximum total member contributions of 15% of remuneration) <p>For Salary Sacrifice Members:</p> <p>Nil</p>	<p>For members other than Salary Sacrifice Members:</p> <p>Core contributions of:</p> <ul style="list-style-type: none"> • 2% for all members until 31 March 2017 • 0% for all members from 1 April 2017 <p>Plus:</p> <ul style="list-style-type: none"> • any voluntary contribution (subject to maximum total member contributions of 15% of remuneration) <p>For Salary Sacrifice Members:</p> <p>Nil</p>	<p>For members other than Salary Sacrifice Members:</p> <p>Core contributions of:</p> <ul style="list-style-type: none"> • 1% for all members until 30 September 2017 • 3% for all members from 1 October 2017 to 30 September 2018 • 5% for all members from 1 October 2018 <p>For Salary Sacrifice Members:</p> <p>Nil</p>

* Where Pensionable Pay for 2014 Section members is the same as the definition of qualifying earnings for auto-enrolment purposes

The participating employer will ensure that the Trustees receive the employee contributions within 19 days, or 22 days if paid electronically, of the end of the calendar month in which the contributions were deducted from the employees' salaries.

Determination of amounts shown in this schedule

The details shown in this schedule have been agreed between the participating employer and the Trustees

Signed on behalf of the Employer

Signature: 

Name: A.M. VAN DER HAEG

Capacity: HR Director

Date: 14 December 2016

Signature: 

Name: OSCAR CRUZ CORTES

Capacity: HEAD OF GENP FINANCE

Date: 14 December 2016

Signed on behalf of the Plan's Trustees

Signature: 

Name: A.C. MIDDLETON

Capacity: TRUSTEE

Date: 14 December 2016

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 from 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 statement



Atradius Mplan Implementation Report

July 2021



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 2020 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

There have been no significant changes to the Plan's investment strategy over the reporting year. Each quarter the Trustees review the net performance of the funds underlying the default arrangement with input from the investment managers.

The Trustees are also to undergo ESG training in 2021 to understand how these factors can be implemented in the Plan, and a review of the default investment strategy which has been moved forward to this year.

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.

MPlan
Trustees' report and financial statements
For the year ended 31 December 2020

Signed 
Position Chair of the Trustees of Mplan
Date

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 will undertake a full review of the default 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 will undertake 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 will undertake a full review of the default investment strategy over 2021.
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 will undertake 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 will undertake a full review of the default investment strategy over 2021.
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 will undertake a full review of the default investment strategy over 2021 and will pay particular attention to ESG considerations.

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 2020.

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 2020. 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	<p>Meetings eligible to vote for: 7,188</p> <p>Resolutions eligible to vote for: 77,223</p> <p>Resolutions voted: 99.69%</p> <p>Votes for management: 84.53%</p> <p>Votes against management: 14.75%</p> <p>Abstained from voting: 0.72%</p>	<p>Whitehaven Coal – (Legal and General Investment Management (LGIM)) voted for the approval of capital protection;</p> <p>Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.</p>	<p>LGIM's Investment Stewardship team manage voting and engagement across all funds, leveraging all possible capital to maximise effectiveness.</p> <p>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.</p> <p>LGIM produce an annual Active Ownership report to summarise how they have worked towards creating sustainable value for clients.</p>

Fund name	Voting summary	Examples of significant votes	Commentary
L&G Diversified Fund	<p>Meetings eligible to vote for: 10.973</p> <p>Resolutions eligible to vote for: 112,453</p> <p>Resolutions voted: 98.76%</p> <p>Votes for management: 81.97%</p> <p>Votes against management: 17.48%</p> <p>Abstained from voting: 0.55%</p>	<p>Qantas Airways Limited – LGIM Voted against the participation of Alan Joyce in the Long-Term Incentive Plan and voted for the approval of the remuneration report.</p> <p>The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as they wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package.</p>	Please see above.

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