

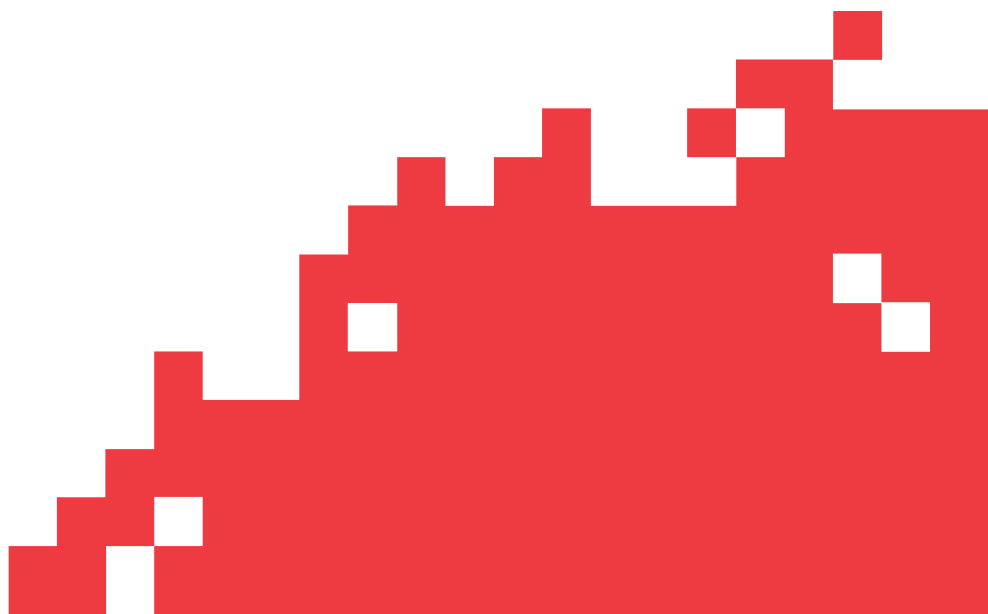


FINMECCANICA

FUTUREPLANNER

**REPORT AND FINANCIAL
STATEMENTS**

YEAR ENDED 5 APRIL 2016



FINMECCANICA FUTUREPLANNER

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

FINMECCANICA FUTUREPLANNER

CONTENTS

	Page
Trustees and their advisers	1
Chair's Introduction	2
Trustees' report	3 - 14
Chair's Statement	15 - 17
Statement of Trustees' responsibilities	18
Independent Auditor's report to the Trustees	19
Fund account	20
Statement of net assets (available for benefits)	21
Notes to the financial statements	22 - 31
Statement about Contributions	32
Summary of Contributions	33

FINMECCANICA FUTUREPLANNER

TRUSTEES AND THEIR ADVISERS YEAR ENDED 5 APRIL 2016

Trustees	Martin Flavell, Chairman (Company Nominated) John Archbold (Company Nominated) Paul Rees (Company Nominated) Brian Airlie (Member Nominated) Adam Collins (Member Nominated)
Secretary to the Trustees	Mike Nixon
Scheme Address	Finmeccanica FuturePlanner Box 205 Lysander Road Yeovil, Somerset BA20 2YB
Principal Employer	Finmeccanica UK Limited (05360430) Lysander Road Yeovil, Somerset BA20 2YB
Scheme and address	Administrator administration Aon Hewitt Limited Briarcliff House Kingsmead Farnborough Hampshire GU14 7TE
Statutory Auditor	Ernst & Young LLP (ceased on 23 February 2016) RSM UK Audit LLP (appointed on 25 February 2016)
'At retirement' Provider	FIL Retirement Services Limited ('Fidelity' from 27 July 2015)
Investment Manager	Old Mutual Wealth Life Assurance Company Limited
Investment Advisor	P-Solve Investments Limited
Banker	Bank of Scotland
Solicitor	Burges Salmon LLP

FINMECCANICA FUTUREPLANNER

CHAIR'S INTRODUCTION YEAR ENDED 5 APRIL 2016

Chair's Introduction

I am pleased to present the ninth annual report and accounts for Finmeccanica FuturePlanner.

It has been a further year of change for FuturePlanner as we support members with their evolving pension options. The Government's 'freedom & choice' changes were effective from April 2015, allowing members much more flexibility in how to take their pension at retirement. We have launched an 'at retirement' service with Fidelity to support members with these choices, with a basic level of service provided free of charge. Members can find more information from the 'Approaching Retirement' section of www.futureplanner.co.uk or by using the Government's own advice service www.pensionwise.gov.uk.



Also from April 2015 the Government's cap of 0.75% per annum on the level of member borne charges for default investment funds became effective. Whilst FuturePlanner already met this standard, we have taken steps to reduce costs further and we have checked carefully that the charges represent 'value for money'. You can find my formal report confirming this on pages 15 to 17.

Our joint investment committee with the sister Leonardo UK schemes has worked well to deploy our shared resources to the effective governance of our investment strategy. We have adjusted our default strategy so that our 'off risk' fund provides a suitable platform for the 'at retirement' options members now have. We have also reviewed the 'pick & mix' range of funds for those who actively manage their investment. While we consider that the overall range remains suitable, we are changing two of the low risk funds from 'Government Bond' to 'Annuity Protection' from 1 July 2016, so that they better suit the needs of those close to retirement who are looking to purchase an income for life.

We also worked collaboratively with our sister schemes to review our auditor and I am pleased to welcome RSM who have been appointed to review this latest set of Financial Statements. I am grateful to Ernst & Young for fulfilling this role since inception of FuturePlanner.

Our three 'blend' funds that form the growth phase of our default strategy had a difficult year in what have been challenging investment markets. However since inception (25 October 2011) each of these funds have produced positive returns which are at least 2% ahead of the long term targets. Detailed return figures can be found on page 10 of this report.

The innovative nature of our investment strategy was recognised by 'Portfolio Institutional' magazine as we were named 'Best DC Scheme' for 2016. We also continue to hold the Pension Quality Mark Plus standard.

I would like to thank the trustees, our support staff and service providers for their hard work.

MARTIN FLAVELL
Chair of the Trustees



FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Introduction

The Trustees present their report for the year ended 5 April 2016, which together with the audited financial statements, comprise the annual report and financial statements.

Finmeccanica FuturePlanner is an occupational defined contribution pension scheme and is administered by Aon Hewitt Limited in accordance with the governing Deed and Rules dated 1 July 2013.

Trustees and Advisers

The present Trustees and their advisers are shown on page 1.

The Rules of Finmeccanica FuturePlanner provide that there shall be at least two Trustees. The current Trustee structure is for three Trustees to be nominated by the Principal Employer and two Trustees to be nominated by the members. The Rules of Finmeccanica FuturePlanner provide that once Trustees have been selected, they are appointed by Finmeccanica UK Limited. Trustees are able to resign on one month's written notice or can be removed by the Principal Employer (with the agreement of all other Trustees in the case of a Member-Nominated Trustee).

Ernst & Young LLP ceased as Scheme auditor on 23 February 2016 and RSM UK Audit LLP was appointed in their place on 25 February 2016. Ernst & Young LLP confirmed that they knew of no circumstances connected to their cessation which affected the interests of members, prospective members or beneficiaries of the Scheme.

Trustee meetings

The Trustees met six times during the year and four times in the new joint investment committee with the sister schemes which use the same DC investment strategy. 100% attendance was achieved at these meetings.

The Trustees are in contact between meetings to discuss any issues arising and for urgent matters. For valid decisions to be taken, a minimum of two Trustees must be present at a meeting comprising at least as many Company-Nominated Trustees as Member-Nominated Trustees. Decisions require the support of a majority of the Trustees present with the Chairman having a casting vote.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Participating Employers

The Principal Employer of Finmeccanica FuturePlanner is Finmeccanica UK Limited.

Finmeccanica FuturePlanner is provided for all eligible employees of the Principal Employer, and Participating Employers listed below:

AgustaWestland Limited (00604352)
Lysander Road
Yeovil
Somerset
BA20 2YB
Adhered from 1 November 2007

Aviation Training International Limited (03490323)
Coldharbour Business Park
Sherborne
Dorset
DT9 4JW
Adhered from 1 November 2007

Leonardo MW Ltd (02426132 – known as Selex ES Limited until 9 September 2016)
Sigma House
Christopher Martin Road
Basildon, Essex
SS14 3EL
Adhered from 15 July 2008

Telespazio VEGA UK Limited (07420777)
350 Capability Green
Luton
Bedfordshire
LU1 3LU
Adhered from 1 December 2010

Communication

A comprehensive website – www.futureplanner.co.uk – provides access to key information about Finmeccanica FuturePlanner, including modelling tools, latest news and interactive newsletter. Email alerts are sent to members on an occasional basis to highlight new developments.

A programme of 'mid life' training is provided onsite to members to improve understanding of the scheme. During the year 6 sites were visited with sessions attended by over 400 members. Consultative committees are also given regular briefings on developments and performance of key suppliers.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Scheme changes

There were no changes to the Rules of the Scheme during the year.

A new at retirement guidance and support service has been made available through Fidelity to members of the scheme to provide support in relation to the Government's 'freedom & choice' options. Changes to the default investment strategy have been made to position assets to better fit the revised at retirement options.

Changes have also been made to the investment strategy to ensure that investment charges are within a new charge cap of 0.75% per annum introduced by the Government.

Scheme Membership

Details of the membership of the Scheme as at 5 April 2016 are given below:

	Active members 2016	Members with preserved benefits 2016	Total 2016
Membership at the start of the year	2,561	433	2,994
Adjustments to members	(200)	214	14
New entrants in the year	431	-	431
Retirements	(7)	(3)	(10)
Deaths	(2)	-	(2)
Members leaving with preserved benefits	(271)	271	-
Member leaving with no further liabilities	(4)	-	(4)
Trivial commutations	-	(2)	(2)
Members rejoining Scheme	3	(3)	-
Transfers out	-	(31)	(31)
Total membership at the end of the year	<u>2,511</u>	<u>879</u>	<u>3,390</u>

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

Adjustments to the members at the start of the year are in respect of late notifications to the Administrator after the completion of the prior year annual renewal, and updates in respect of data cleansing.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

FuturePlanner has been used to auto enrol employees who are not currently in a qualifying pension scheme. The staging dates reached and number of new members enrolled for participating employers are set out in the table below:

Employer	Staging date	New members
AgustaWestland Limited	1 July 2013	51
Selex ES Limited	1 September 2013	310
Aviation Training International Limited	1 May 2014	1
Telespazio VEGA UK Limited	1 July 2014	0

The first triennial re-enrolment exercise was due on 2016 and this was completed as a joint exercise as follows:

Employer	Re-enrolment date	New members
AgustaWestland Limited	1 June 2016	1
Selex ES Limited	1 June 2016	22

Review of the financial developments during the year as shown by the audited financial statements

The financial statements on pages 20 to 31 show that the value of the Scheme's assets increased by £10,135,496 to £77,048,452 as at 5 April 2016. The increase was comprised of net additions from dealings with members of £10,503,630 together with return on investments of (£368,134).

The financial statements have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

Further details of the financial developments of the Scheme may be found in the audited financial statements on pages 20 to 31.

Investment Managers

As required by the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles (SIP) setting out their policy on investment, which includes the Trustees' policy on Socially Responsible Investment. A copy of the SIP is available on request.

The Trustees have no separate custodians for the Scheme as the investment manager make its own custodial arrangements for the assets underlying the funds they manage.

The investment manager fee is included in the daily price, therefore no invoices are issued.

Employer-related investments

The investments of Finmeccanica FuturePlanner are invested in accordance with Section 40 of the Pensions Act 1995. FuturePlanner held no employer-related investments during the year.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Contributions

A Payment Schedule was in place from 1 July 2013.

A new payroll provider was put in place by AgustaWestland Limited, Finmeccanica UK Limited and Selex ES Limited with effect from 1 January 2014. In the initial period of appointment there were some incidents of contributions being paid in error to sister pension schemes within the Group and underpayment of contributions. A recovery plan was completed by the end of 2014 to reconcile all contributions paid and make good any investment losses experienced by members. There were also some overpayments of expense contributions by employers and these were reconciled and re-paid by the end of June 2015.

Our administrator, Aon Hewitt Limited, is also making changes to its operating model and has reported some errors made during 2015 under its previous model. A remediation project has been agreed with the Trustees to correct errors found and make good any losses made by members and the project is due to complete by the end of September 2016. The 'lifestyle' switching process within the default investment strategy has also been re-set to the administrator's preferred standard.

Transfers

Details of transfer values paid during the year are given on page 24. The Trustees make no allowance in the calculation of transfer values for discretionary benefits.

Additional voluntary contributions (AVCs)

There is provision for members to pay AVCs in order to increase their retirement savings. AVCs benefit from tax relief and members have the same investment fund choices as are available for their normal Finmeccanica FuturePlanner contributions. Members are able to commence or change their AVCs on one month's notice at any time.

Expression of Wish Forms

The Trustees wish to remind members that they can indicate to the Trustees the persons to whom they wish any lump sum benefits and pension benefits to be paid in the event of their death. The Trustees will then be able to take members' wishes into account, although they are not obliged to do so. Members are also urged to review their Expression of Wish Form should their circumstances change.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Investment Report

Market Background

Markets have been subject to high levels of volatility over the 12 months to 31 March 2016. Although several major stock indices initially trended upwards, a combination of geopolitical and macroeconomic events contributed to most return-seeking assets finishing down for the year. Conversely, UK government bonds experienced strong performance.

The influence of two major transitions, the reversal of US monetary cycle and the rebalancing of the Chinese economy, have spawned uncertainty across markets for much of the latter half of 2015. China's persistent slowdown, exemplified through its unexpected deep fall in exports and weak manufacturing output, paved the way for mass panic selling. In August 2015, the People's Bank of China reacted by devaluing the Chinese renminbi against the US dollar. Markets interpreted the news as official concern of a faltering Chinese economy and all major equity markets fell sharply as a result.

As markets regained stability at the tail end of 2015, central bank rhetoric took prominence. The Federal Reserve undertook a gradualist approach of finally lifting interest rates by 25 basis points. Amongst the fervour of a changing US monetary policy, both the European Central Bank and the Bank of Japan maintained their stance on loose monetary policy.

Investors came into the New Year to a relapse of events that plagued the summer of 2015. After a succession of several disappointing economic data releases coupled with a lack of confidence, 2016 opened as the worst start to a year since the 1920s. In the midst of high levels of volatility and a flight to safety, the 12 months to 31 March 2016 saw negative returns for most return-seeking assets. UK and European equity markets posted returns of -5.9% and -12.6% respectively, and a global high yield index returned -0.7%.

In the UK, amidst January's risk-off sentiment, gilt yields experienced sharp falls. The FTSE Actuaries Over 15 Year Gilts Index, a basket of long-dated gilts, returned 4.0% over the 12 month period.

A continued oversupply of shale oil coupled with a waning Chinese economy continued crude oil's precipitous fall in price. The commodities market as a whole displayed a return of -22.8% (in US Dollar terms) over the period.

Note: Equity market returns based on returns of MSCI indices. All returns are stated in local terms.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Investment strategy

The Scheme's assets are all invested through a unit-linked insurance policy, designed for company pension schemes. The unit-linked policy invests in a wide range of investments through a number of investment managers. The Scheme's investment strategy comprises nine "member funds", which are made available to members through the "Default Lifestyle" arrangement and/or on a self-select, or "Pick 'n' Mix" basis. The funds in which the member funds themselves invest are known as "underlying funds".

The member funds are invested in a wide range of "underlying investments" (through the underlying funds) in different asset classes, including stocks and shares (equities), bonds, cash and other types of investment. The value of the member funds is worked out daily and will rise or fall. Members' investments are directly linked to the performance (after any applicable fees or charges) of the underlying funds in which money is invested.

For example, members may invest in the FuturePlanner Cash Fund – this is a member fund. This fund is itself 100% invested in the LGIM Sterling Liquidity Cash Fund – this is an underlying fund. The LGIM fund will hold various cash investments – these are underlying investments.

The value of the total policy is also worked out daily, based on the total number of units each member has in the unit-linked policy. As the value of the underlying funds rises or falls, so will the value of members' holdings in the policy. The policy can be cashed in on any working day that reflects up to date market valuations.

The investment strategy includes a number of options for members. The "Default Lifestyle" arrangement switches members across four member funds, called Core Funds. Each Core Fund is made up of a variety of underlying funds, managed by different investment managers. Each Core Fund also has its own risk and return objective, thereby taking account of members' changing needs as they approach retirement.

For members who choose not to use the Default Lifestyle arrangement, the investment strategy includes a range of self-select, or "Pick 'n' Mix" funds. This range includes three of the Core Funds underlying the Default Lifestyle arrangement (Long Term Growth Fund, Stable Growth Fund, Cautious Growth Fund), as well as five funds broadly representing more traditional equities, bonds and cash.

To facilitate the investment strategy, an "investment platform" is necessary. The Trustees have appointed Old Mutual Wealth Life Assurance Limited ("OMW") as provider and therefore assets are held by OMW. P-Solve Investments Limited ("P-Solve") is the investment advisor and has been appointed by the Trustees to carry out asset allocation and selection of the underlying managers in the member funds.

The underlying funds comprise a series of funds managed by professional investment managers (the "underlying managers"): BlackRock and Legal & General Investment Management. The portfolios of underlying investments are held by independent corporate custodians.

All assets held by the Scheme are held through Pooled Investment Vehicles ("PIVs"). Member funds are PIVs whilst the underlying funds consist of PIVs and segregated accounts which are a combination of PIVs and directly held financial instruments.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Investment Performance

Performance of the Scheme's assets against the objectives to 31 March 2016 is shown below:

Fund	Return		
	1 year %	3 years % p.a.	since inception % p.a.
FuturePlanner Long Term Growth Fund	-1.4	5.8	8.6
Long-Term Target	5.5	5.7	6.4
Short-Term Benchmark	-1.9	6.9	9.7
FuturePlanner Stable Growth Fund	-0.9	5.1	7.8
Long-Term Target	4.5	4.7	5.4
Short-Term Benchmark	-0.9	6.1	8.6
FuturePlanner Cautious Growth Fund	-0.6	6.0	8.5
Long-Term Target	3.5	3.7	4.4
Short-Term Benchmark	0.1	5.6	6.6
FuturePlanner Retirement Protection Fund	-0.5	5.4	6.2
Benchmark	1.2	5.9	6.8
FuturePlanner Cash Fund	0.4	0.4	0.3
Benchmark	0.4	0.4	0.4
FuturePlanner Global Equity Fund	-3.8	7.1	9.8
Benchmark	-3.7	7.2	10.5
FuturePlanner Corporate Bond Fund	0.6	4.9	6.3
Benchmark	0.5	4.9	7.0
FuturePlanner Government Bond Fund	4.2	8.7	7.8
Benchmark	4.0	8.6	8.1
FuturePlanner Government Index-Linked Bond Fund	2.0	5.7	6.3
Benchmark	1.9	5.6	6.4

Source: Old Mutual Wealth, underlying fund managers. Performance is shown net of fees deducted from assets.

Past performance is not a guide to future returns. The value of investments and the income from them can fall as well as rise and members may not get back the full amount originally invested.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Long-term targets and short-term benchmarks are shown below:

Fund	Long-Term Target	Target/BM	Short-Term Benchmark
FuturePlanner Long Term Growth Fund	CPI + 5% p.a.		Composite benchmark of indices: 65% Equity, 25% High Yield Bonds, 5% Gilts, 5% Cash
FuturePlanner Stable Growth Fund	CPI + 4% p.a.		Composite benchmark of indices: 50% Equity, 35% Broad Bonds, 10% Gilts, 5% Cash
FuturePlanner Cautious Growth Fund	CPI + 3% p.a.		Composite benchmark of indices: 40% Equity, 30% Broad Bonds, 25% Gilts, 5% Cash
FuturePlanner Retirement Protection	20% Over 15 Year Index-Linked Gilts, 30% Over 15 Year Corporate Bonds. 50% Over 15 Year Gilts		No benchmark
FuturePlanner Cash Fund	Seven Day LIBID		No benchmark
FuturePlanner Global Equity Fund	30% FTSE All-Share Index, 60% FTSE All-World Developed, 10% Emerging Market Equities		No benchmark
FuturePlanner Corporate Bond Fund	iBoxx £ Non-Gilts Index		No benchmark
FuturePlanner Government Bond Fund	FTSE UK Gilts Over 15 Years Index Fund		No benchmark
FuturePlanner Government Index Linked Bond Fund	FTSE UK Gilts Index-Linked Over 5 Years Index		No benchmark

Statement of Investment Principles

In accordance with the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles, which sets out its policy on investment issues, including risks, performance targets, diversification of investments and details of the key elements of the investment arrangements of the Scheme. A copy of this statement is available for inspection and may be obtained from the contact listed for further information about the Scheme.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Compliance Statement

HM Revenue & Customs registration

Finmeccanica FuturePlanner is a registered pension scheme (reference number 0069274ZRW) in accordance with The Finance Act 2004. This means that the contributions paid by both the Company and the members qualify for full tax relief, and enables income earned from investments by the Trustees to receive preferential tax treatment.

Pension Tracing

The Scheme is registered with the Pension Tracing Service which maintains a list of up to date addresses of schemes to assist ex-members trace their rights if they have lost contact with the previous employers' scheme. The address for the Pension Tracing Service is:

The Registrar of Pension Schemes
PO Box 1NN
Newcastle Upon Tyne
NE99 1NN

0345 600 2537
<https://www.gov.uk/find-lost-pension>

Resolving difficulties/Internal Dispute Resolution

It is expected that most queries relating to benefits can be resolved with the Scheme's administration office. In the event that a complaint cannot be resolved members can make a formal complaint using the Scheme's Internal Dispute Resolution (IDR) procedure details of which can be obtained from the Trustees' office. The Pensions Advisory Service (TPAS) can assist members in taking their complaint through the IDR procedure. TPAS is an independent organisation which can help members of the public deal with pension problems. The name and address of the local TPAS adviser can be obtained from any local Citizens Advice Bureau or from:

The Pensions Advisory Service Limited
11 Belgrave Road
London
SW1V 1RB

If the complaint is not resolved satisfactorily, the Government appointed Pensions Ombudsman can investigate complaints of injustice by bad administration either by the Trustees or the Scheme Administrators, or disputes of fact of law. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

The Pensions Regulator

The Pensions Regulator (TPR) is the UK regulator of work-based pension schemes.

TPR's role is to act to protect the interest of pension scheme members and to enforce the law as it applied to occupational pensions.

The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify Trustees for acting unlawfully, and can impose fines on wrongdoers.

TPR can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

0870 600 0707
customersupport@tpr.gov.uk

The Pension Protection Fund

The Pension Protection Fund was established to provide compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection Fund is a statutory fund run by the Board of the Pension Protection Fund, a statutory corporation established under the provisions of the Pensions Act 2004. The Pension Protection Fund became operational on 6 April 2005.

Scheme Information

The Trust Deed and Rules, the Scheme details and a copy of the Payment Schedule and Statement of Investment Principles are available for inspection, free of charge, by contacting the Trustees at the address shown for enquiries below:

Box 205
Lysander Road
Yeovil, Somerset
BA20 2YB

Any information relating to the members' own pension position, including estimates of transfer value, should be requested from the administrators of the Scheme at the address detailed in this report.

FINMECCANICA FUTUREPLANNER

TRUSTEES' REPORT YEAR ENDED 5 APRIL 2016

Further information

Further information about Finmeccanica FuturePlanner is available on request by contacting the Scheme Administrator, Aon Hewitt Limited (futureplanner@aon.co.uk or 0345 8500688). In particular the Rules which govern Finmeccanica FuturePlanner and the Statement of Investment Principles are available for inspection on request to Aon Hewitt Limited.

Individual benefit statements are provided to Finmeccanica FuturePlanner members on an annual basis. In addition to the information shown on the benefit statement, members can request details of the amount of their current transfer value. Such a request can be made once in each Scheme year.

Members also have access to the Finmeccanica FuturePlanner website at www.futureplanner.co.uk which contains further information and a copy of the Member Booklet.

If you have a complaint in relation to Finmeccanica FuturePlanner you should in the first instance contact the Scheme Administrator, Aon Hewitt Limited (futureplanner@aon.co.uk or 0345 8500688).

Data Protection

The Data Protection Act 1984 covered information, which was held electronically, i.e. computer-based information. The Data Protection Act 1998 extends data protection laws to cover paper-based records held for individuals and new restrictions on the processing of sensitive personal data to which individuals must have given express consent. Sensitive information can include information on, for example, the health of a member.

Your personal data will be used by Finmeccanica FuturePlanner advisers to administer Finmeccanica FuturePlanner and the provision of your risk benefits, and may be passed to other professional providers or advisers in order to maintain the risk benefits provided by the Life Offices who underwrite the relevant insurance.

The Trustees, the Company and Finmeccanica FuturePlanner's advisers each have legal obligation and a legitimate interest to process data relating to members for the purpose of administering and operating Finmeccanica FuturePlanner, which includes passing on data to third parties, as mentioned above.

The Trustees and the Company are regarded as "Data Controllers", for the purposes of the Data Protection Act 1998, in relation to the process referred to above. The advisers appointed by the Trustees are "Data Processors".

FINMECCANICA FUTUREPLANNER

CHAIR'S STATEMENT

Investment strategy

The Trustees have in place a Statement of Investment Principles ("SIP") which governs decisions about investments and sets out the aims and objectives of the Plan's investment strategy, including full information about the default investment strategy. In particular it covers:

- the Trustees' investment policy, including policies on risk, balancing and realising assets, return and ethical investing; and
- how the default investment strategy is intended to ensure that assets are invested in the best interests of members and beneficiaries.

The performance of the funds underlying the default investment strategy is formally reviewed quarterly.

Generally, the Trustees undertake to review the default strategy at least triennially, or in response to any significant changes in investment policy or member demographics. Reviews of the net performance of underlying funds take place at quarterly intervals.

You can see the SIP at www.futureplanner.co.uk (follow 'how to invest?' then 'The Trustees' role').

Value for money review

The Trustees are committed to ensuring that members get value for money (i.e. the costs and charges deducted from members' pots provide good value in relation to the benefits and services provided) and keep value for money in mind on an on-going basis, including as an item on the Plan's risk register. The Trustees undertake an annual value for money assessment with support from its advisers.

For the purpose of this assessment, the Trustees looked at whether the total cost of Plan membership represented value for money. The sources of fees can be categorised between investment management charges, additional expenses and investment platform charges. The Trustees considered, among other items, the absolute level of charges, the competitiveness of charges relative to the marketplace and the level of service provided to members. The Trustees also note that the costs of administering Plan benefits are met by the employer.

In accordance with the Pensions Regulator's guidance for DC schemes in this area, it was concluded that, with the average fee of 0.57%, the Plan represents value for money for its members, due to:

- A bespoke investment strategy that takes account of membership needs and controls risk based on the time to retirement and the need for protection to increase.
- Good investment performance, with the funds on average performing broadly in line with the fund objectives as advised to members.
- Risk management within the blend funds based on delegation of day to day decisions and asset allocation.
- Robust internal controls and operations covering business continuity plans, internal and external audit of the funds and a wide range of investment operations.

The average fee compares favourably to the charge cap set by the Government of 0.75%.

FINMECCANICA FUTUREPLANNER

CHAIR'S STATEMENT

Charges and transaction costs

The total expense ratios (TER, defined as the annual management charge plus any additional fees for fund management expenses) for the funds available for selection by members of the Plan are:

Fund	TER
Long Term Growth	0.59%
Stable Growth	0.64%
Cautious Growth	0.55%
Retirement Protection	0.41%
Global Equity Fund	0.27%
Corporate Bond Fund	0.22%
Government Bond Fund	0.21%
Government Index Linked Bond Fund	0.21%
Cash Fund	0.25%

The default investment strategy is constructed using the top four funds in the list above. The average TER a member would pay across each year in the default investment strategy is 0.57% (assuming a 40 year working lifetime).

The Trustees also consider the impact of transaction costs on investment and support industry efforts to improve disclosure of these costs in a cost-effective, scalable manner, using automated processes.

The Trustees' investment adviser has discussed with all of the Plan's investment managers their approach to disclosing transaction costs and we expect this to be taken into account more fully in the value for money review in future years.

Financial transactions

Core financial transactions are processed by the various service providers to the Trustees. These providers are appointed under agreements with specific service standards. The providers issue quarterly reports against these standards which are reviewed at the Trustees meetings to confirm that transactions have been processed promptly and accurately.

The year saw the conclusion of a recovery plan in relation to the payroll provider which was appointed from 1 January 2014 by AgustaWestland Limited, Finmeccanica UK Limited and Selex ES Limited. In the initial period of appointment there were some incidents of contributions being paid in error to sister pension schemes within the Leonardo group and underpayment of contributions. The recovery plan was completed by the end of 2014 to reconcile all contributions paid and make good any investment losses experienced by members. There were also some overpayments of expense contributions by employers and these were reconciled and re-paid by the end of June 2015.

Our administrator, Aon Hewitt Limited, is also making changes to its operating model and has reported some errors made during 2015 under its previous model. A remediation project has been agreed with the Trustees to correct errors found and make good any losses made by members. The project is due to complete by the end of September 2016. The 'lifestyle' switching process within the default investment strategy has also been re-set to the administrator's preferred standard.

Knowledge and understanding

The Pensions Act 2004 requires the Trustees to be conversant with key documents and to have knowledge and understanding of areas of importance in pensions. The Trustees have spent time reviewing the contents of the various constitutional documents in order to satisfy the legislative requirements.

FINMECCANICA FUTUREPLANNER

CHAIR'S STATEMENT

Trustee meetings include updates on changes in the law or regulatory guidance which are of relevance to the Plan from the internal Pensions Management team, the administrator, the investment consultant, the investment platform provider, the auditor and other service providers as appropriate. Trustees participate in external training events depending on the assessment of their training needs and a formal trustee training day is held each year jointly with the sister UK pension schemes in the Leonardo group.

MARTIN FLAVELL
Chair of the Trustees

Date

FINMECCANICA FUTUREPLANNER

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Scheme's Trustees are responsible for obtaining audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland) and for making available certain other information about Finmeccanica FuturePlanner in the form of an annual report.

Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Financial Statements and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised November 2014).

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a payment schedule showing the rates of contributions payable to Finmeccanica FuturePlanner by or on behalf of the Employers and the active members of Finmeccanica FuturePlanner 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 Finmeccanica FuturePlanner and for monitoring whether contributions are made to Finmeccanica FuturePlanner by the Employer in accordance with the Payment Schedule. Where breaches of the Schedule occur, the Trustees are required by the Pensions Act 1995 and 2004 to consider making reports to the Pensions Regulator and the Members.

The Trustees 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 Finmeccanica FuturePlanner and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Chairman
On behalf of the Trustees

FINMECCANICA FUTUREPLANNER

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FINMECCANICA FUTUREPLANNER

We have audited the financial statements of Finmeccanica FuturePlanner ("the Scheme") for the year ended 5 April 2016 on pages 20 to 31 which comprise the fund account, the statement of net assets (available for benefits) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Trustees, as a body, in accordance with the Pensions Act 1995. 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 the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, set out on page 18, the Scheme's Trustees are responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2016, 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 Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Financial Statements and a Statement from the Auditor) Regulation 1996, made under the Pensions Act 1995.

RSM UK Audit LLP
Statutory Auditor
25 Farringdon Street
London EC4A 4AB

Date:

FINMECCANICA FUTUREPLANNER

FUND ACCOUNT FOR THE YEAR ENDED 5 APRIL 2016

	Note	2016 £	2015 £
Contributions and Benefits			
Employees contributions	5	130,125	113,522
Employers contributions	6	13,537,657	12,284,800
		<u>13,667,782</u>	<u>12,398,322</u>
Transfers in	7	220,657	280,732
Other income	8	242,051	227,200
		<u>14,130,490</u>	<u>12,906,254</u>
Benefits paid or payable	9	(951,924)	(435,374)
Payments to and on account of leavers	10	(1,527,870)	(1,243,885)
Other payments	11	(713,780)	(657,876)
Administrative expenses	12	(433,286)	(331,016)
		<u>(3,626,860)</u>	<u>(2,668,151)</u>
Net additions from dealings with members		<u>10,503,630</u>	<u>10,238,103</u>
Returns on investments			
Investment income	13	8,611	4,104
Change in market value of investments	14	(376,745)	7,241,182
		<u>(368,134)</u>	<u>7,245,286</u>
Net returns on investments		<u>(368,134)</u>	<u>7,245,286</u>
Net increase in the fund during the year		<u>10,135,496</u>	<u>17,483,389</u>
Net assets of the Scheme			
At 6 April		<u>66,912,956</u>	<u>49,429,567</u>
Net assets of the Scheme		<u>77,048,452</u>	<u>66,912,956</u>
At 5 April		<u>77,048,452</u>	<u>66,912,956</u>

The notes on pages 22 to 31 form an integral part of these financial statements.

FINMECCANICA FUTUREPLANNER

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 5 APRIL 2016

	Note	2016 £	2015 £
Investment assets			
Pooled investment vehicles	16	74,284,545	64,150,852
Cash in transit	14	34,164	-
Total investments		<u>74,318,709</u>	<u>64,150,852</u>
Current assets	17	3,063,972	3,031,893
Current liabilities	18	(334,229)	(269,789)
Net Assets at 5 April		<u><u>77,048,452</u></u>	<u><u>66,912,956</u></u>

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

The notes on pages 22 to 31 form an integral part of these financial statements.

These financial statements were approved by the Trustees and were signed on their behalf by:

Trustee:

Trustee:

Date:

Date:

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1. GENERAL INFORMATION

The Scheme is a registered pension scheme under the Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief, and income and capital gains earned by the Scheme receive preferential tax treatment.

2. 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 issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (Revised November 2014).

This is the first year FRS 102 and the Revised SORP have applied to the Scheme's financial statements. There was no effect on these financial statements other than additional disclosures. The Trustees have elected to adopt early the amendments to FRS 102 fair value hierarchy disclosures issued in March 2016.

3. ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements.

2.1 Accruals concept

The financial statements have been prepared on an accruals basis. The principal accounting policies, all of which were adopted last year and this year, unless otherwise indicated, are as follows:

2.2 Contributions and benefits

Contributions, including voluntary contributions, are generally accounted for on an accruals basis in the payroll period to which they relate.

AVCs are accounted for on an accruals basis, and the resulting investments are included within the net assets statement on the basis of values provided by the AVC investment managers.

Benefits to members are accounted for in the period in which they fall due, whenever the members' wishes are known.

2.3 Transfers to and from other schemes

Individual transfer values to and from other pension schemes are included in the financial statements when member liability is accepted or discharged.

Group transfers are accounted for on the accruals basis when the Trustees have agreed to accept the liability for members' benefits.

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

3. ACCOUNTING POLICIES (continued)

2.4 Investment income

Interest on bank deposits is accounted for as it accrues.

2.5 Valuation of investments

Investments are stated at market value.

Pooled Investment Vehicles are stated at bid prices quoted by the fund's manager at the year end date as advised to the Trustees by the investment managers.

2.6 Administrative and investment manager expenses

Administration and investment manager expenses are accounted for on an accruals basis.

2.7 Currency

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

4. TAXATION

The Scheme 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.

5. EMPLOYEES' CONTRIBUTIONS

	2016 £	2015 £
Normal	130,125	113,522

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

6. EMPLOYERS' CONTRIBUTIONS

	2016 £	2015 £
Normal	7,595,174	6,971,147
Additional voluntary contributions	925,670	706,223
Smart Contributions	3,652,737	3,378,397
Expense Contributions	1,364,076	1,229,033
	13,537,657	12,284,800

Employer's expense contributions are contributions towards the costs of death in service cover and administration and are ongoing under the Payment Schedule.

Employer's Smart contributions are the contributions the Employer pays on behalf of the members who participate in the Smart Salary Sacrifice arrangement.

Employee AVC contributions have been reclassified as they are paid via Smart.

7. TRANSFERS IN

	2016 £	2015 £
Individual transfers in from other schemes	220,657	280,732

8. OTHER INCOME

	2016 £	2015 £
Claims on term insurance policies	218,664	227,200
Other income	23,387	-
	242,051	227,200

Other income of £23,324 includes amounts received in recompense from Aon Hewitt following a delay in investment of contributions.

9. BENEFITS

	2016 £	2015 £
Commutations and lump sum retirement benefits	152,033	95,920
Purchase of annuities	395,371	276,420
Lump sum death benefits	404,520	63,034
	951,924	435,374

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

10. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2016 £	2015 £
Individual transfers to other schemes	1,527,870	1,243,885

11. OTHER PAYMENTS

	2016 £	2015 £
Premiums on term insurance policies	713,780	657,876

12. ADMINISTRATIVE EXPENSES

	2016 £	2015 £
Administration and processing	323,458	221,018
Audit fee	10,890	9,090
Legal fees	11,039	7,750
TPR levy	3,789	3,060
Bank charges	660	253
Investment advice	(13,099)	23,411
Trustee liability insurance	2,760	2,160
Other administration expenses	93,789	64,274
	433,286	331,016

Other administration expenses relate to Optum which provide the Employee Assistance Program, Pensions Quality Mark responsible for the PQM with PLSA and Shilling as Communication Consultants.

The negative amount shown in the Investment advice figures is in relation to returned fees from P-Solve (£15,099). The returned fees were in regards to the overpayment in previous periods.

13. INVESTMENT INCOME

	2016 £	2015 £
Bank Interest	8,611	4,104

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

14. INVESTMENTS

MOVEMENTS IN INVESTMENTS

	Value at 06/04/2015	Purchases at cost	Sales proceeds	Change in market value	Value at 05/04/2016
	£	£	£	£	£
Pooled investment vehicles	64,150,852	18,572,376	(8,061,938)	(376,745)	74,284,545
	<u>64,150,852</u>	<u>18,572,376</u>	<u>(8,061,938)</u>	<u>(376,745)</u>	<u>74,284,545</u>
Cash in transit	-				34,164
	<u>64,150,852</u>				<u>74,318,709</u>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investments purchased by Finmeccanica FuturePlanner are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment unit on a pooled basis for the Trustees. Finmeccanica FuturePlanner's administrator allocates investment units to members. The value of the units held in the name of the Trustees as at 5 April 2016 is £74,284,545 (2015: £64,150,852).

Defined contribution assets are allocated to provide benefits on behalf of the members who paid contributions and do not form part of a common pool of assets available for members generally.

15. TRANSACTION COSTS

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Indirect transaction costs are incurred through the bid-offer spread on investments within Pooled Investment Vehicles. The amount of indirect transaction costs are not separately provided to the Scheme.

16. POOLED INVESTMENT VEHICLES

	2016 £	2015 £
Equities	3,827,575	3,642,537
Bonds	1,751,337	1,510,624
Cash	927,031	723,538
Diversified Growth Funds	67,778,602	58,274,153
	<u>74,284,545</u>	<u>64,150,852</u>

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

17. CURRENT ASSETS

	2016 £	2015 £
Sundry debtors	15,834	-
Employer contributions due	-	6,115
Trustee bank account (designated)	1,528,580	1,742,400
Prepayments	26,068	24,233
Trustee bank account (undesignated)	1,241,422	986,800
Prepaid Life Assurance	231,183	254,710
VAT recoverable	20,885	17,635
	<u>3,063,972</u>	<u>3,031,893</u>

18. CURRENT LIABILITIES

	2016 £	2015 £
Accrued benefits	67,423	-
Accrued expenses	261,293	138,045
Due to Employer	5,513	131,744
	<u>334,229</u>	<u>269,789</u>

19. RELATED PARTY TRANSACTIONS

Four Trustees are contributing members of the Scheme. Contributions in respect of these members are paid in accordance with the normal Scheme rules.

Governance services are provided by an in house pensions team based at AgustaWestland Limited which is one of the Participating Employers. Costs of the governance service are agreed with AgustaWestland Limited and are met from the employer expense contribution. Trustees who are pensioners of the group receive remuneration from AgustaWestland Limited and this is included in the costs of the governance service.

The Trustees are not aware of any material related party transactions that require disclosure in the financial statements, other than those already disclosed.

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

20. INVESTMENT RISK

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 of 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 Trustees determine their investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Risk assessment

The Scheme is subject to various types of risks but member level risk exposures will be dependent on the member funds invested in by members. The main types of risks include (but are not limited to) credit risk and market risk, arising from the underlying investments in the underlying funds. Market risk is composed of foreign exchange ("FX"), interest rate and other price risk.

The Trustees consider risks at a member fund level to be more important, recognising the benefit of diversification and offsetting risks within the investment funds.

Risks are classified as "Direct" if they relate to an investment held directly by the Scheme, or "Indirect" if they relate to an investment held by one of the pooled underlying funds.

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

Fund	Credit (Direct)	Credit (Indirect)	FX	Interest Rate	Other Price
FuturePlanner Long Term Growth Fund	+	+	+	+	+
FuturePlanner Stable Growth Fund	+	+	+	+	+
FuturePlanner Cautious Growth Fund	+	+	+	+	+
FuturePlanner Retirement Protection Fund	+	+	+	+	+
FuturePlanner Cash Fund	+	-	-	+	+
FuturePlanner Global Equity Fund	+	-	+	-	+
FuturePlanner Corporate Bond Fund	+	+	-	+	+
FuturePlanner Government Bond Fund	+	+	-	+	+
FuturePlanner Government Index Linked Bond Fund	+	+	-	+	+

+ significant exposure

- insignificant or no exposure

Fund	Value at 5 April 2016 £	Value at 5 April 2015 £
FuturePlanner Long Term Growth Fund	17,226,990	14,447,328
FuturePlanner Stable Growth Fund	22,514,218	20,010,531
FuturePlanner Cautious Growth Fund	22,279,468	19,166,199
FuturePlanner Retirement Protection Fund	5,757,925	4,650,095
FuturePlanner Cash Fund	927,032	723,538
FuturePlanner Global Equity Fund	3,827,575	3,642,537
FuturePlanner Corporate Bond Fund	770,238	723,413
FuturePlanner Government Bond Fund	817,071	692,780
FuturePlanner Government Index Linked Bond Fund	164,028	94,431
Total assets	74,284,545	64,150,852

Credit risk

All assets of the Scheme are subject to direct credit risk in relation to Old Mutual Wealth (OMW) through the Scheme's holding in unit linked insurance funds provided by OMW. Direct credit risk relates to insolvency of OMW or the underlying managers or the custodians used by the underlying managers to hold fund assets.

OMW is authorised by the Prudential Regulation Authority, regulated by the Financial Conduct Authority and the Prudential Regulation Authority and maintains capital for its policy holders. In the event of default by OMW, the Trustees are able to apply for compensation as the Scheme is protected by the Financial Services Compensation Scheme ("FSCS").

As well as the regulatory environment in which the investment platform operates, direct credit risk is mitigated at the investment platform level by the assets backing the Scheme's policy being ring-fenced from those of OMW the investment platform provider.

Direct credit risk in the underlying funds operated by the underlying managers is mitigated by the underlying investments being ring-fenced from those of the underlying manager and through the regulatory environments in which the underlying managers operate. The amount that can be claimed from FSCS by the Trustees in the event of an insolvency of the underlying manager will depend on the structure of the underlying fund. In the event of a custodian becoming insolvent, the level of asset

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

recovery will depend on the custody agreement in place between the underlying manager and the custodian.

The Trustees carry out due diligence checks on the appointment of the investment platform and new investment managers and, on an ongoing basis, monitor any changes to the regulatory and operating environments of both.

The Scheme's investments are all held in pooled investment vehicles. At the end of the Scheme year, the total value of member funds subject to direct credit risk was £74.3m (2015: £64.2m).

The Scheme is also subject to indirect credit risk arising on the underlying investments held by the underlying funds, including the segregated accounts. Credit risk is mitigated by utilising investment managers whose mandate includes one or more of the following:

- invest in government bonds where the credit risk is minimal;
- invest in corporate bonds which are rated at least investment grade;
- diversification of the underlying investments.

Currency Risk

Some member funds are subject to indirect currency risk because some of the underlying investments are held in overseas markets via pooled investment vehicles or segregated accounts. The Trustees regard currency risk as one which can, in some cases, add value and have delegated management of this risk to their investment advisor.

There is no direct exposure to currency risk. All member and underlying funds are priced in GBP and no foreign denominated assets are held directly.

Interest Rate Risk

Some member funds are subject to indirect interest rate risk because some of the underlying investments are held in bonds or cash through pooled vehicles or segregated accounts. If interest rates fall the value of these investments will rise (all else equal) and vice versa.

The Scheme manages this risk through the following:

- diversification, where appropriate, to reduce the impact of a change in interest rates; or
- allowing the risk, where appropriate, in recognition that a change in interest rates will likely be correlated with a change in annuity rates and therefore this degree of "matching" is desirable.

No assets are subject to direct interest rate risk as no interest rate sensitive investments are held directly.

Other Price Risk

All assets are subject to indirect other price risk, including those held in segregated accounts. Other price risk arises in relation to risks not mentioned above, such as those affecting equity markets, property, non-investment grade bonds, etc.

The Scheme manages this risk by making available member funds with a diverse portfolio of investments across various markets, designed to minimise the overall price risk. Members may also invest in funds with a higher degree of overall price risk should they choose.

No assets are subject to direct other price risk as no price sensitive investments are held directly.

FINMECCANICA FUTUREPLANNER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

21. FAIR VALUE

The fair value of finance instruments has been disclosed using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for an identical asset or liability 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 market data is unavailable) for the asset or liability.

	Level 1 £	At 2016 Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	74,284,545	-	74,284,545
Cash in transit	34,164	-	-	34,164
	34,164	74,284,545	-	74,318,709
	34,164	74,284,545	-	74,318,709
		<i>At 2015</i>		
	<i>Level 1</i> £	<i>Level 2</i> £	<i>Level 3</i> £	<i>Total</i> £
Pooled investment vehicles	-	64,150,852	-	64,150,852
	-	64,150,852	-	64,150,852
	-	64,150,852	-	64,150,852

FINMECCANICA FUTUREPLANNER

STATEMENT ABOUT CONTRIBUTIONS FOR THE YEAR ENDED 5 APRIL 2016

Independent Auditor's Statement about Contributions to the Trustees of Finmeccanica FuturePlanner.

We have examined the Summary of Contributions to Finmeccanica FuturePlanner in respect of the Scheme year ended 5 April 2016 to which this statement is attached.

This statement is made solely to the Trustees, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditors' statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees, as a body, for our work, for this statement, or the opinion we have formed.

Respective responsibilities of Trustees and Auditor

As described in the Statement of Trustees' Responsibilities, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a payment schedule showing the rates and due dates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme. The Scheme's Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Payment Schedule.

It is our responsibility to provide a statement about contributions paid under the Payment Schedule and to report our opinion to you.

Scope of work on statement about contributions

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

Statement about contributions payable under the payment schedule

In our opinion contributions for the Scheme year ended 5 April 2016 as reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Payment Schedule dated 1 July 2013.

RSM UK Audit LLP
Statutory Auditor
25 Farringdon Street
London EC4A 4AB

Date:

FINMECCANICA FUTUREPLANNER

SUMMARY OF CONTRIBUTIONS FOR THE YEAR ENDED 5 APRIL 2016

Summary of Contributions payable under the Schedule in respect of the Scheme year ended 5 April 2016

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 Finmeccanica FuturePlanner under the Payment Schedule dated 1 July 2013 in respect of the Scheme year ended 5 April 2016. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

Contributions payable under the Schedule in respect of the Scheme Year

	£
Employer:	
normal contributions	7,595,174
smart contributions	3,652,737
expense contributions	1,364,076
Employee:	
normal contributions	130,125
Total contributions payable under the Schedule	<u>12,742,112</u>

Reconciliation between contributions payable under the Payment Schedule and contributions reported in the financial statements respect of the Scheme Year

Contributions payable under the Schedule (as above)	12,742,112
Contributions payable in addition to those due under the Schedule:	
Employer' additional voluntary contributions	<u>925,670</u>
Total contributions reported in the financial statements	<u><u>13,667,782</u></u>

Trustee: _____ Trustee: _____

Date: _____ Date: _____

