FUTUREPLANNER

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

Scheme Registration No: 00692742RW

LEONARDO

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TRUSTEE AND ADVISERS

Trustee:	Leonardo FuturePlanner (Trustee) Ltd
Trustee Directors:	Martin Flavell, Chair * Brian Airlie ** Wendy Allen * (Resigned 1 April 2021) Craig Drysdale * (Appointed 1 April 2021) Oliver Grammer ** (Appointed 1 February 2021) Paul Rees * Sian Riches ** Clare Roberts * Robert Sawford ** (Resigned 18 December 2020) Craig Weston ** * *Company Nominated* ** *Member Nominated*
Scheme Secretary:	Louise Dale
Scheme Address:	Leonardo FuturePlanner Leonardo UK Ltd Box 205 Lysander Road Yeovil Somerset BA20 2YB
Employer:	Leonardo UK Ltd [formally Leonardo MW Ltd] (02426132) 1 Eagle Place Piccadilly London SW1Y 6AF
Participating Employer:	Telespazio UK Limited [formally Telespazio VEGA UK Ltd] (07420777)
Auditor:	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Legal Advisers:	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX
Bankers:	Barclays Bank plc
Investment Managers:	Mobius Life Limited 7th Floor 20 Gresham Street, London EC2V 7JE
'At Retirement' Providers:	FIL Retirement Services Limited

TRUSTEE AND ADVISERS (continued)

Consultants & Administrators:	XPS Administration Limited Queen's Quay 33-35 Queen Square Bristol BS1 4LU
Investment Advisors:	River and Mercantile Investments Limited T/A River and Mercantile Solutions One Aldermanbury Square London EC2V 7HR

CHAIR'S INTRODUCTION
YEAR ENDED 5 APRIL 2021

I am pleased to present the Report and Financial Statements for Leonardo FuturePlanner (the "Scheme") for the year ended 5 April 2021.

2020 saw unprecedented market volatility as a result of the COVID 19 pandemic and the lockdown that followed. Market fluctuations were greater than those of the financial crisis in 2008. Equity markets saw their sharpest falls since the Great Depression in the 1930's with nearly all return-seeking asset classes suffering significant falls.

Our diversified and dynamic approach to asset allocation provided protection and allowed us to capitalise on market rebounds. The Scheme's three growth focused 'blend' funds provided very positive returns over the year and the 'blend' funds are still ahead of their long-term targets since inception (25 October 2011). During the year the portfolio moved to a higher risk position due to increased market confidence, influenced in particular by the vaccine rollout.

We review annually how we comply with The Pensions Regulator's Code of Practice for DC schemes. You will find more information about this on pages 30 to 34 in this report. This includes our formal review of how we provide "value for members", particularly in relation to the charges that apply to the funds FuturePlanner offers.

The Trustee engaged Lane, Clark & Peacock (LCP) to provide an external review of our "value for members". Overall the Scheme was rated very good, with our communications, governance and scheme design being of particular note. The Trustee also undertook an investment strategy belief session with LCP, this affirmed the Trustee's long term goals and belief in the strategy, which is to focus on member outcomes. The Trustee aims to achieve the target inflation plus returns over the long term in a risk controlled way. You can find more information about investment performance on page 11.

During the year, the Trustee and Company agreed to auto-enrol all new employees into the scheme at the higher contribution rate of 5% with a 10% company match. This positive move allowed the Scheme to continue to maintain the Pension Quality Mark Plus.

You have the ability to check how your pension is progressing and make changes online through XPS Administration's MyPension.com service where you will also find interactive modellers which allow you to look at your potential retirement options.

I would like to extend a warm welcome to Oliver Grammer as a Member nominated Director of the Trustee Board. He replaced Rob Sawford who has left the Company. Craig Drysdale is also welcomed, having been appointed as a Company nominated Director, he has replaced Wendy Allen, who stepped down due to work commitments.

I would like to express my thanks to all the Trustee Directors and our advisers for their significant contribution to the management of the Scheme and I look forward to working with them over the coming year.

Martin Flavell

Martin Flavell
Chair
Leonardo FuturePlanner (Trustee) Limited

Date: 29 September 2021

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustee presents to the members its annual report and financial statements for the year ended 5 April 2021.

Scheme Information

Leonardo FuturePlanner ("the Scheme") is governed by the Definitive Trust Deed, dated 1 July 2013, including subsequent amendments. Prior to 31 October 2016 the Scheme was known as Finmeccanica FuturePlanner.

The Scheme provides pensions and lump sum benefits on retirement and death for those employees who are members of the Scheme, and is governed by a Trust Deed and Rules.

The Scheme provides defined contribution pensions. The Scheme is open to new employees.

Trustees are appointed and removed from office by the Principal Employer in accordance with the Trust Deed. They have the responsibility for ensuring that the Scheme is properly run in accordance with its governing documents, and in the best interests of the members.

The Trustee is a sole Corporate Trustee, Leonardo FuturePlanner (Trustee) Limited. The Trustee Directors are listed on page 2. During the year the Trustee Board was increased from five to eight Directors.

Under the provisions of the Pensions Act 2004, at least one-third of the Trustee must be nominated by Scheme members. In accordance with these provisions four Member Nominated Trustee Directors have been appointed.

During the year the Trustee met regularly to review the management of the Scheme and to monitor the performance of the investment managers, administrators and advisers.

A comprehensive website, www.futureplanner.co.uk provides access to key information about Leonardo 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 training workshops is provided onsite to members to improve understanding of the Scheme. During the year, Pensions Management visited major sites to promote the Scheme to members and answer questions. Consultative committees are also given regular briefings on developments and performance of key suppliers.

Membership

The number of members as at the year end was:

Active members at 6 April 2020		3,877
New joiners	749	
Retirement	(3)	
Deferred	(388)	
Refunds/ Opt outs	(11)	
Death	(6)	
Active members at 5 April 2021		4,218
Deferred pensioners at 6 April 2020		1,032
From Active	388	
Retirement	(23)	
Transfer Out	(143)	
Refunds/ Opt outs	(2)	
Death	(1)	
Deferred pensioners at 5 April 2021		1,251
Total members at 5 April 2021		**5,469**

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2021 (continued)

FuturePlanner has been used to auto-enrol employees who are not currently in a qualifying pension scheme. Auto enrolled employees may subsequently opt out and become a member with preserved benefits (whose contributions paid to the date of opt out would be retained in the Retirement Account). These employees would be re-enrolled at the next triennial re-enrolment exercise. The results of the most recent exercises are set out below:

Employer	Re-enrolment date	New members
Leonardo UK Ltd	1 June 2019	31
Telespazio UK Ltd	1 December 2020	0^

^ All Telespazio employees are enrolled into the scheme hence no additional new members

The minimum contribution level required under auto-enrolment legislation increased from 6 April 2018. The participating employers comply with the auto-enrolment requirements by satisfying alternative quality standards as set out in the Regulations and a certificate has been issued to confirm this for the period 1 April 2019 to 30 September 2020. As provided for under this certificate all jobholders paying less than the Scheme's default level were auto-escalated to this level as at 1 April 2019.

Scheme Changes

There have been no Scheme changes during the year.

Financial Development of the Scheme

Changes in the Scheme's net assets during the year were as follows:

	£'000s
Net assets at 5 April 2020	135,253
Net additions from dealings with members	23,265
Net returns on investments	33,691
Net assets at 5 April 2021	192,209

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

Taxation Status

The Scheme is a registered pension scheme within the meaning of Section 153 of the Finance Act 2004.

COVID-19

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. This has resulted in worldwide restrictions on travel, government fiscal stimulus and extreme financial market volatility.

The Trustee has worked with its advisers and service providers throughout the pandemic to ensure that the Scheme could continue to pay members' benefits as they fell due, and to monitor the impact on the position of the Scheme in terms of the employer's business and its ability to continue providing the funding the Scheme requires, the value of the Scheme's investments, and the funding position. The Trustee is satisfied that all the appropriate steps have been taken to ensure that operations can continue and to mitigate any risks as far as possible.

Contributions to the Scheme have been maintained at the agreed level and the Employer and Trustee are in regular contact regarding the financial position and future plans of the Employer. The expectation is that contributions will continue to be paid in line with the payment schedule. The investment strategy being followed protected the asset value well during the downturn in markets as the pandemic took hold early in 2020 and has benefited from the subsequent recovery. The day-to-day administration of the Scheme has continued as usual and all payments to members have been made when due.

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2021 (continued)

Enquiries

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustee:

c/o XPS Administration Limited
33-35 Queens Square
Bristol
BS1 4LU

E-mail: futureplanner@xpsgroup.com.

MoneyHelper

MoneyHelper provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service. MoneyHelper can be contacted at:

MoneyHelper
Holborn Centre
120 Holborn
London EC1N 2TD

Tel: 0800 011 3797
Email: contact@maps.org.uk
Website: www.moneyhelper.org.uk

Pensions Ombudsman

Early Resolution Service

The early resolution service is available to assist with any difficultly that has not been resolved or to assist with a potential complaint.

Tel: 0800 917 4487
Email: helpline@pensions-ombudsman.org.uk

Complaints

If a member has a complaint against the Scheme that has not been resolved to his or her satisfaction through the Scheme's Dispute Procedure, the government appointed Pensions Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustee or Scheme administrators, or disputes of fact or law. The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London E14 4PU

Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

The Pensions Regulator (tPR)

The Pensions Regulator can intervene if they consider that a scheme's trustees, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Napier House
Trafalgar Place
Brighton BN1 4DW

Tel: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

TRUSTEE'S REPORT FOR THE YEAR ENDED 5 APRIL 2021 (continued)

The Pension Scheme Registry

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 00692742RW. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU

Tel: 0800 731 0193
Website: www.gov.uk/find-lost-pension

INVESTMENT REPORT

Market Background

Over the year to 31 March 2021 return-seeking asset classes performed extremely positively as they bounced back strongly from the falls experienced at the start of the pandemic in March 2020. Unprecedented levels of fiscal and monetary stimulus injected by central banks and governments around the world, news of effective vaccines and the pace of the vaccination rollout programs had a positive effect on equity markets resulting in four consecutive quarters of strong equity performance. Gilt yields rose over the year and credit spreads tightened.

In Q2 2020, the prospect of economies reopening and the enormous amount of fiscal and monetary stimulus announced served to support growth asset prices and was seen to outweigh the impact of lockdown restrictions on economic growth, corporate revenues and earnings. The Federal Reserve expanded their quantitative easing programme, announcing they would be buying corporate bonds from the market for the first time. The European Central Bank promised further stimulative measures, with the announcement of another €750 billion EU Recovery Package. The Bank of England voted twice to keep base rates at 0.1% and announced an additional £100 billion of government bond buying. The Bank's announcements pushed gilt and swap yields lower over the second quarter. Global equity markets rebounded sharply over the quarter despite escalation in US-China tensions and protests for the Black Lives Matter movement. However, the strong rebounds were dominated by certain sectors such as Technology and Healthcare, with others faring considerably less well and remaining well below the levels set at the beginning of the year.

Global equities gained over Q3, with emerging markets outperforming developed market equity, despite an escalation in US China tensions. UK equities continued to perform poorly, as exposure to banks, real estate, the suppressed oil price, and a lack of exposure to online businesses has weighed on performance. European equities lagged as the region saw a resurgence in virus cases and the prospect of renewed shutdowns. The Eurozone slid into deflation in Q3 for the first time in four years, despite unprecedented levels of stimulus. Gilt and other government bond yields rose over Q3. The US Federal Reserve made a significant announcement, that it would tolerate higher inflation, dispensing with its 2% target in favour of a 2% average level. In response, investor expectations strengthened that highly accommodative monetary policy will remain in place for a long time to come, which partially dampened the rise in yields.

The final quarter of 2020 was another strong quarter for equities resulting in double digit performance in all major regions in local currency (with high single digits in GBP terms). October experienced a decline in markets due to the uncertainty presented by the US presidential election and resurgence of Covid-19 cases leading to renewed widespread restrictions. The relatively decisive outcome of the US election in November combined with the positive developments of a Covid-19 vaccine resulted in a sharp rally in equity over November. Plans for widespread roll-out of a COVID-19 vaccine, increased likelihood of a new US stimulus bill, and the UK and European Union’s trade and cooperation agreement, fuelled strong performance in most equity markets. Market leadership began to change, with cyclical sectors such as financials and energy rallying in comparison to defensive sectors, the relative winners of the pandemic.

The start of the first quarter of 2021 was initially sluggish, characterised by rising government bond yields, with both UK and US 10-year yields rising to well above levels not seen since the start of the pandemic in 2020. This had a negative effect overall on equity markets, particularly less cyclical sectors that were relatively expensively priced. Nevertheless, equities continued to rise toward the end of the quarter after successful vaccination programs in developing countries and significantly increasing stimulus agreed in the US. The quarter saw dramatic falls in government bond prices globally as investors sold holdings amid growing concern of inflationary pressure caused by the large stimulus packages from governments. The market stabilised toward the end of the quarter as restrictions began to lift and the economic outlook became increasingly positive, offsetting some of the inflationary fears.

The significant rise in bond yields over Q1 2020 led to a rise in gilts yields over the year. Credit spreads tightened over the year as the perceived riskiness of corporates reduced following unprecedented global stimulus.

Sterling appreciated against the US Dollar, Euro and Yen over the course of the 12-month period.

INVESTMENT REPORT (continued)

Statement of Investment Principles

A Statement of Investment Principles has been produced as required under Section 35 of the Pensions Act 1995 and a copy is available on request. All investments made during the year were in accordance with this Statement.

The Trustee periodically reviews its investment managers' policies with regard to the exercising of voting rights attached to investments. The Trustee may request the investment managers to exercise these rights in a certain manner, subject to the Trustee acting in the best financial interest of the Scheme's beneficiaries. Where the Scheme's assets are held in pooled investments, the Trustee accepts that it is the manager of the pooled investments who exercises the voting rights attached to the underlying investments on behalf of all participants in the pooled funds.

The Trustee may make its views known to the investment managers on social, environmental and ethical factors and may ask them not to hold certain investments but any request will have regard to the Trustee's duty to act in the best financial interest of the Scheme's beneficiaries. The Trustee accepts that the policy on social, environmental and ethical factors is set by the fund manager in respect of the pooled investments held.

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 thirteen "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. In addition to this, in April 2020, a Fund designed to favour investment in companies which exhibit Environmental, Social and Governance ('ESG') characteristics, that are expected to add value over the long term, was added to the range of member funds. The value of the members' 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);
- three lifestyle choices targeting alternative options at-retirement (Take Your Pot As Cash, Income For Life / Annuity Purchase, Invest Into Retirement / Income Drawdown);
- five funds broadly representing more traditional equities, bonds, cash and property; and
- an ESG-focussed equity fund.

To facilitate the investment strategy, an "investment platform" is necessary. The Trustees have appointed Mobius Life ("ML") as the provider and therefore the Scheme assets are held by ML. River and Mercantile Solutions ("R&M Solutions") 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.

INVESTMENT REPORT (continued)

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.

Investment Performance

The manager and total Scheme performance to 5 April 2021 was as follows:

	Return		
Fund	**12 Months**	**3 Years p.a.**	**Since Inception p.a.**
FuturePlanner Long Term Growth Fund	26.2%	7.7%	8.7%
Long-Term Target	5.7%	6.4%	6.6%
Short-Term Benchmark	32.7%	10.4%	10.4%
FuturePlanner Stable Growth Fund	24.2%	6.9%	7.8%
Long-Term Target	4.7%	5.4%	5.6%
Short-Term Benchmark	26.1%	8.8%	8.8%
FuturePlanner Cautious Growth Fund	17.8%	6.1%	7.9%
Long-Term Target	3.7%	4.4%	4.6%
Short-Term Benchmark	19.0%	7.9%	7.6%
FuturePlanner Retirement Focus Fund (Default)	8.4%	3.8%	5.6%
Benchmark	1.6%	3.1%	5.5%
FuturePlanner Retirement Focus Fund (Invest into Retirement)	13.1%	-	-
Benchmark	2.8%	-	-
FuturePlanner Retirement Focus Fund (Income For Life)	-0.8%	-	-
Benchmark	-0.9%	-	-
FuturePlanner Retirement Focus Fund (Take Your Pot As Cash)	0.1%	-	-
Benchmark	0.0%	-	-
FuturePlanner Cash Fund	0.0%	0.4%	0.3%
Benchmark	0.0%	0.4%	N/a
FuturePlanner Global Equity Fund	42.3%	9.0%	10.5%
Benchmark	43.4%	9.5%	N/a
FuturePlanner Corporate Bond Fund	8.6%	4.0%	5.5%
Benchmark	7.0%	4.0%	N/a
FuturePlanner Fixed Annuity Focus Fund	3.0%	4.4%	6.7%
Benchmark	2.9%	4.4%	N/a
FuturePlanner Inflation-Linked Annuity Focus Fund	2.5%	4.3%	6.2%
Benchmark	4.4%	4.2%	N/a
FuturePlanner ESG Fund	-	-	-
Benchmark	-	-	-

Source: Mobius Life (Fund prices, April 2021), Underlying fund managers (benchmark performance, April 2021), R&M Solutions (Calculations, April 2021)

Performance is shown net of fees deducted from assets. Since inception numbers are as at 25 October 2011 unless otherwise stated.

The alternative Retirement Focus lifestyle options incepted in September 2018. As such, only 1-year performance is available.

FuturePlanner ESG fund incepted in April 2020. As such, performance is not available for the time periods detailed in the table. Fund performance over Q1 2021 was 6.8% versus a benchmark of 6.9%.

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.

INVESTMENT REPORT (continued)

Long-term targets and short-term benchmarks as at 31 March 2021 are shown below:

Fund ↓ Target/BM →	Long-Term Target	Short-Term Benchmark
FuturePlanner Long Term Growth Fund	CPI + 5% p.a.	Composite benchmark of indices: 65% Global Equity, 25% Credit, 5% Gilts, 5% Cash
FuturePlanner Stable Growth Fund	CPI + 4% p.a.	Composite benchmark of indices: 50% Global Equity, 35% Credit, 10% Gilts, 5% Cash
FuturePlanner Cautious Growth Fund	CPI + 3% p.a.	Composite benchmark of indices: 40% Global Equity, 30% Credit, 25% Gilts, 5% Cash
FuturePlanner Retirement Focus (Default)	Composite of underlying Cautious Growth / Cash / Annuity Focus	
FuturePlanner Retirement Focus (Invest Into Retirement / Income Drawdown)	Composite of underlying Cautious Growth / Cash / Annuity Focus	
FuturePlanner Retirement Focus (Income For Life / Annuity Purchase)	Composite of underlying Cautious Growth / Cash / Annuity Focus	
FuturePlanner Retirement Focus (Take Your Pot As Cash)	Composite of underlying Cautious Growth / Cash / Annuity Focus	
FuturePlanner Cash Fund	Seven Day LIBID	
FuturePlanner Global Equity Fund	30% FTSE All-Share Index, 60% FTSE All-World Developed (hedged), 10% Emerging Market Equities	
FuturePlanner Corporate Bond Fund	iBoxx £ Non-Gilts Total Return Index	
FuturePlanner Annuity Focus Fund	Composite benchmark of corporate bonds and gilts	
FuturePlanner Inflation-Linked Annuity Focus Fund	Composite benchmark of index-linked corporate bonds and gilts	
FuturePlanner ESG Fund	FTSE All-World ex CW Climate Balanced Factor Index (50% Currency Hedged)	

Employer Related Investments

There were no employer related investments during the year.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

- 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 its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 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 the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

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

The Trustee is responsible under pensions legislation for securing that a Payment Schedule is prepared, maintained and from time to time revised showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the Payment Schedule. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee's Report, which includes the Investment Report and the Statement of Trustee's Responsibilities was approved by the Trustee.

For and on behalf of the Trustee

Martin Flavell

Trustee Director, Leonardo FuturePlanner (Trustee) Ltd Date: 29 September 2021

Brian Airlie

Trustee Director, Leonardo FuturePlanner (Trustee) Ltd Date: 29 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF LEONARDO FUTUREPLANNER

Opinion

We have audited the financial statements of Leonardo FuturePlanner for the year ended 5 April 2021 which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 5 April 2021, and of the amount and disposition at that date of its assets and liabilities, other than the 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 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

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

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 Schemes ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Schemes Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Schemes Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF LEONARDO FUTUREPLANNER (continued)

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 13, the Trustee is 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 trustee determines 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 Trustee is responsible for assessing the Schemes 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 Trustee either intends to liquidate the Scheme or to cease operations, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Scheme operates in and how the Scheme is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP).

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF LEONARDO FUTUREPLANNER (continued)

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the Schemes Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Schemes Trustee 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 Scheme and the Schemes Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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

Date: 29 September 2021

FUND ACCOUNT

For the year ended 5 April 2021

	Note	2021 £'000s	2020 £'000s
CONTRIBUTIONS AND BENEFITS			
Employer contributions	4	28,665	23,848
Employee contributions	4	220	211
Total contributions	4	28,885	24,059
Transfers in	5	1,054	1,694
Other income	6	613	375
		30,552	26,128
Benefits paid or payable	7	1,766	1,278
Payments to and on account of leavers	8	3,774	4,896
Other payments	9	1,036	1,166
Administrative expenses	10	711	463
		7,287	7,803
NET ADDITIONS FROM DEALINGS WITH MEMBERS		23,265	18,325
RETURNS ON INVESTMENTS			
Investment income	11	1	12
Change in market value of investments	12	33,690	(10,186)
NET RETURNS ON INVESTMENTS		33,691	(10,174)
NET INCREASE IN THE FUND FOR THE YEAR		56,956	8,151
OPENING NET ASSETS		135,253	127,102
CLOSING NET ASSETS		192,209	135,253

The notes on pages 19 to 27 form part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

At 5 April 2021

	Note	2021 £'000s	2020 £'000s
INVESTMENT ASSETS	12		
Pooled investment vehicles	13	186,140	130,509
Cash deposits		50	-
TOTAL NET INVESTMENTS		186,190	130,509
CURRENT ASSETS	17	6,431	5,517
CURRENT LIABILITIES	18	(412)	(773)
CLOSING NET ASSETS		192,209	135,253

The notes on pages 19 to 27 form part of these financial statements.

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

These financial statements were approved by the Trustee on 29 September 2021.

Signed on behalf of the Trustee

Martin Flavell

Trustee Director, Leonardo FuturePlanner (Trustee) Ltd

Brian Airlie

Trustee Director, Leonardo FuturePlanner (Trustee) Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 5 April 2021

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pensions 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 2018).

As stated in the Statement of Trustee's Responsibilities on page 13, the Trustee is responsible for preparing the Financial Statements on a going concern basis unless it is inappropriate to presume that the Scheme will continue on this basis. The Trustee has undertaken an assessment in relation to going concern and has considered such matters as the potential impact on the Scheme's investment strategy, the Employer's business and its ability to pay contributions to the Scheme, taking into account the Scheme's status as a defined contribution scheme, well diversified investment strategy, strength of the Employer position to continue to support the Scheme. The Trustee has also noted that sufficient unallocated funds exist in the Scheme to meet several years of future expenses. The Trustee Board has determined that whilst there is some uncertainty over the impact of COVID-19 on the Employer's financial performance and resources, this is anticipated to be modest and there is not a material uncertainty as to the ability of the Scheme to continue as a going concern for the foreseeable future and the Trustee therefore believes it remains appropriate to prepare the Financial Statements on a going concern basis.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is c/o XPS Administration Limited, Queen's Quay, 33-35 Queen Square, Bristol, BS1 4LU.

E-mail: futureplanner@xpsgroup.com.

3. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements are prepared on an accruals basis.

(b) Contributions

Employee contributions, including AVCs, are accounted for when they are deducted from pay by the employer, except for the first contribution due where the employee has been auto-enrolled by the employer, in which case it is accounted for when received by the Scheme.

Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions.

Employer augmentations are accounted for in accordance with the agreement under which they are paid, or in the absence of an agreement, on a receipts basis

(c) Payments to Members

Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Individual transfers in or out are accounted for when the member liability is accepted or discharged which is normally when the transfer is paid or received.

(d) Expenses

Expenses are accounted for on an accruals basis. The Scheme bears all the costs of administration.

(e) Investment Income

Interest receivable is taken into account on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

3. ACCOUNTING POLICIES (continued)

(f) Investments

Investments are included at fair value as follows:

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager.

(g) Currency

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

4. CONTRIBUTIONS

	2021 £'000s	2020 £'000s
Employer contributions		
Normal	15,214	12,837
Additional voluntary	2,523	2,563
Smart contributions	7,468	6,286
Expense contributions	3,460	2,162
	28,665	23,848
Employee contributions		
Normal	136	121
Additional voluntary	84	90
	220	211
	28,885	24,059

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 contributions the Employer pays on behalf of the members who participate in Smart Salary Sacrifice agreement.

Members can pay additional voluntary contributions (AVCs). Employer AVC contributions are paid via Smart and are invested in the same way as other contributions.

5. TRANSFERS IN

	2021 £'000s	2020 £'000s
Individual transfers in from other schemes	1,054	1,694

6. OTHER INCOME

	2021 £'000s	2020 £'000s
Other income	-	4
Claims on term insurance policies	613	371
	613	375

7. BENEFITS PAID OR PAYABLE

	2021 £'000s	2020 £'000s
Commutation of pensions and lump sum retirement benefits	780	679
Purchase of annuities	232	106
Lump sum death benefits	613	371
Refunds of contributions on death	141	122
	1,766	1,278

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

8. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2021 £'000s	2020 £'000s
Refunds of contributions	4	3
Individual transfers out to other schemes	3,770	4,893
	3,774	4,896

9. OTHER PAYMENTS

	2021 £'000s	2020 £'000s
Premiums on term insurance policies	1,036	1,166

10. ADMINISTRATIVE EXPENSES

	2021 £'000s	2020 £'000s
Administration	363	344
Legal fees	4	18
Trustee fees & expenses	27	18
Other professional fees	211	14
Investment advice	-	5
Audit fees	11	14
PPF levy	7	6
Miscellaneous expenses	88	44
	711	463

11. INVESTMENT INCOME

	2021 £'000s	2020 £'000s
Interest on cash deposits	1	12

12. RECONCILIATION OF INVESTMENTS

	Value at 5.4.2020 £'000s	Purchases at cost £'000s	Sales proceeds £'000s	Change in market value £'000s	Value at 5.4.2021 £'000s
Pooled investment vehicles	130,509	42,054	(20,113)	33,690	186,140
Cash in transit	-				50
	130,509				186,190

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty. Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect transaction costs are not separately provided to the Scheme. Investments purchased by the Scheme are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid.

For members who invest in the Leonardo FuturePlanner managed fund, the investment manager holds the investment units on a pooled basis for the Trustee. The Scheme administrator allocates investment units to members. The Trustee may hold investment units representing the value of employer contributions that have been retained by the Scheme that relate to members leaving the Scheme prior to vesting.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

12. RECONCILIATION OF INVESTMENTS (continued)

Defined Contribution assets are allocated to members and the Trustee as follows:

	2021 £'000s	2020 £'000s
Members	186,140	130,509
Trustee	-	-
	186,140	130,509

The total value of AVC investments held within the pooled investments as at 5 April 2021 was £14,269,028 (2020: £9,295,012).

13. POOLED INVESTMENT VEHICLES

The Scheme's investments in pooled investment vehicles at the year end comprised:

	2021 £'000s	2020 £'000s
Equity	10,776	5,965
Bonds	2,552	2,414
Cash	1,427	1,325
Diversified Growth Funds	171,385	120,805
	186,140	130,509

14. FAIR VALUE DETERMINATION

The fair value 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 market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities fall within the above hierarchy as follows:

	At 5 April 2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	186,140	-	186,140
Cash	50	-	-	50
	50	186,140	-	186,190

	At 5 April 2020			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	130,509	-	130,509

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

15. INVESTMENT RISK DISCLOSURES

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 Trustee determines its 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 Trustee manages 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 Trustee by regular reviews of the investment portfolio.

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

(i) 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 thirteen "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. In addition to this, in April 2020, a Fund designed to favour investment in companies which exhibit Environmental, Social and Governance ('ESG') characteristics, that are expected to add value over the long term, was added to the range of member funds. The value of the members' 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 5 April 2021

15. INVESTMENT RISK DISCLOSURES (continued)

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);
- three lifestyle choices targeting alternative options at-retirement (Take Your Pot As Cash, Income For Life / Annuity Purchase, Invest Into Retirement / Income Drawdown);
- five funds broadly representing more traditional equities, bonds, cash and property; and
- an ESG-focussed equity fund.

To facilitate the investment strategy, an "investment platform" is necessary. The Trustees have appointed Mobius Life ("ML") as the provider and therefore the Scheme assets are held by ML. River and Mercantile Solutions ("R&M Solutions") 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.

(ii) 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.

All member funds would be exposed to different risks to some degree (for example, a large shift in interest rates could affect equity markets). The main risk exposures of each of the member funds within the investment strategy are set out in the table to the right.

(iii) Investment Risk

Credit Risk

All assets of the Scheme are subject to direct credit risk in relation to ML through the Scheme's holding in unit-linked insurance funds provided by ML. Direct credit risk relates to insolvency of ML, the underlying managers or the custodians used by the underlying managers to hold fund assets.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

15. INVESTMENT RISK DISCLOSURES (continued)

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 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 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. As at 31 March 2021 the total value of member funds subject to direct credit risk was £184.6m (2020: £131.8m).

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

15. INVESTMENT RISK DISCLOSURES (continued)

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.

Fund ↓ Risk→	Credit (Direct)	Credit (Indirect)	FX	Interest Rate	Other Price
FuturePlanner Long Term Growth Fund	✓	✓	✓	✓	✓
FuturePlanner Stable Growth Fund	✓	✓	✓	✓	✓
FuturePlanner Cautious Growth Fund	✓	✓	✓	✓	✓
FuturePlanner Retirement Focus Fund (Default)	✓	✓	✓	✓	✓
FuturePlanner Retirement Focus Fund (Invest Into Retirement / Income Drawdown)	✓	✓	✓	✓	✓
FuturePlanner Retirement Focus Fund (Income for Life / Annuity Purchase)	✓	✓		✓	✓
FuturePlanner Retirement Focus Fund (Take Your Pot As Cash)	✓			✓	✓
FuturePlanner Cash Fund	✓			✓	✓
FuturePlanner Global Equity Fund	✓		✓		✓
FuturePlanner Corporate Bond Fund	✓	✓		✓	✓
FuturePlanner Fixed Annuity Focus Fund	✓	✓		✓	✓
FuturePlanner Inflation-Linked Annuity Focus Fund	✓	✓		✓	✓
FuturePlanner ESG Fund	✓		✓		✓

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 5 April 2021

16. CONCENTRATION OF INVESTMENTS

The following investments represented over 5% of the net assets of the Scheme:

	2021		2020	
	£'000s	%	£'000s	%
FuturePlanner Stable Growth Fund	55,089	28.7	38,694	28.6
FuturePlanner Cautious Growth Fund	51,732	26.9	39,026	28.8
FuturePlanner Long Term Growth Fund	52,756	27.4	34,568	25.5
FuturePlanner Retirement Protection Fund	-	-	8,241	6.1
FuturePlanner Retirement Focus Fund	11,375	5.9	-	-
FuturePlanner Global Equity Fund	10,515	5.5	-	-

17. CURRENT ASSETS

	2021 £'000s	2020 £'000s
Bank balance	5,737	5,158
Prepaid expenses	603	40
Claims on term insurance policies due	-	263
Tax recoverable	91	56
	6,431	5,517

Included in the bank balance is £3,066,521 (2020: £3,054,950) which is not allocated to members.

The tax recoverable by the Employer is VAT on administrative expenses which the Employer reclaims and reimburses to the Scheme.

18. CURRENT LIABILITIES

	2021 £'000s	2020 £'000s
Unpaid benefits	296	402
Accrued expenses	105	305
Tax payable	11	66
	412	773

19. RELATED PARTIES

Eight of the ten current Trustee Directors, who held post during the year, were contributing members of the Scheme during the Scheme year. Their contributions were calculated and paid to the Scheme in accordance with the Scheme rules.

Management and governance services are provided by an in-house pensions team based at Leonardo UK Ltd which is the Principal Employer. Costs of the governance service are agreed with Leonardo UK Ltd and are met by the Scheme. For 2021 these costs amounted to £160,000 (2020: £160,000).

Trustee Directors who are pensioner members of a Leonardo group pension scheme receive remuneration from Leonardo UK Ltd for governance services. Trustee remuneration for 2021 totalled £15,218 (2020: £9,125).

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

20. 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.

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF LEONARDO FUTUREPLANNER

Statement about contributions payable under the Payment Schedule

We have examined the summary of contributions payable to Leonardo FuturePlanner on page 29 in respect of the Scheme year ended 5 April 2021, to which this statement is attached.

In our opinion the contributions for the Scheme year ended 5 April 2010 as reported in the attached summary of contributions on page 29 and payable under the Payment Schedule have in all material respects been paid at least in accordance with the Payment Schedule dated 1 July 2013.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 29 in the attached summary of contributions have in all material respects been paid at least in accordance with the Payment Schedule. This includes an 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.

Responsibilities of Trustee and Auditor

As explained more fully on page 13 in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Payment Schedule showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustee is 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.

Use of our statement

This statement is made solely to the Scheme's Trustee as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to it in an auditor's 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 and the Scheme's Trustee as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP

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

Date: 29 September 2021

SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

During the year, the contributions paid to the Scheme by the employer under the Payment Schedule were as follows:

	£'000s
Employer normal contributions	15,214
Employer Smart contributions	7,468
Employer expense contributions	2,523
Employee normal contributions	136
Total contributions paid	25,341

Reconciliation to the financial statements:	
Contributions paid under the Payment Schedule	25,341
Employer Additional Voluntary Contributions	3,460
Members' Additional Voluntary Contributions	84
Contributions receivable per the financial statements	28,885

This summary was approved by the Trustee on 29 September 2021.

Signed on behalf of the Trustee

Martin Flavell

Trustee Director, Leonardo FuturePlanner (Trustee) Ltd

Brian Airlie

Trustee Director, Leonardo FuturePlanner (Trustee) Ltd

GOVERNANCE STATEMENT FOR LEONARDO FUTUREPLANNER

Governance requirements apply to defined contribution ("DC") pension arrangements like Leonardo FuturePlanner, to help members achieve a good outcome from their pension savings. The Trustee is required to produce a yearly statement to describe how the governance requirements have been met in relation to:

- the default investment arrangement;
- requirements for processing core financial transactions;
- charges and transaction costs borne by members;
- a value for members assessment and
- Trustee knowledge and understanding.

This statement covers the period from 6 April 2020 to 5 April 2021.

Investment strategy

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

- the Trustee's 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.

Generally, the Trustee reviews the default strategy on an ongoing basis, particularly in response to any significant changes in investment market conditions, member demographics or the regulatory framework. The most recent change to the default strategy was made from 1 July 2018 when the benchmark allocation within the Retirement Focus fund was adjusted. This fund is used as the final phase of the default switching process in the three years leading up to the Target Retirement Age and was changed to reflect the way members on average are drawing their retirement benefits. The performance of the funds underlying the default investment strategy is formally reviewed quarterly as part of the quarterly investment reporting to the Trustee provided by the Scheme's Investment Manager. The last review was carried out on 09 June 2021 for the period ending 31 March 2021, The DC strategy was reviewed and no changes were considered necessary. The next performance review as at 30 June 2021 is due to be considered at the September 2021 DC investment committee meeting.

You can find the SIP at www.futureplanner.co.uk (within library/trustee documents).

Financial transactions

Core financial transactions are processed by the various service providers to the Trustee. These providers are appointed under agreements with specific service standards. The providers issue quarterly reports against these standards which are reviewed at the Trustee meetings. Service standards have been met or exceeded during the year. Where areas for improvement have been identified, these have been addressed expediently and discussed at length with the relevant service provider.

The service standard provides for contributions to be invested in member Retirement Accounts no later than required by regulatory guidance. Over the year, XPS Administration Limited (the Scheme administrator) achieved this comfortably with contributions invested between 4 and 7 working days after final amounts have been received. XPS have robust monitoring and reporting mechanisms in place and monitor compliance with each service standard. Detailed reporting on each service standard is provided on a quarterly basis to the Trustee.

For members claiming benefits, service standards have been agreed typically of between 5 and 10 working days, depending on the type of transaction. During the year, XPS Administration Limited completed 94.34% of the reported tasks within the standards.

The Trustee is satisfied that core financial transactions were processed promptly and accurately.

Charges and transaction costs

Member charges differ between the investment funds that are available. The charges applicable to the funds underlying the default lifestyle strategy and the 'pick & mix' options available on a self-select basis as at 31 March 2021 are set out in the table below:

Default Lifestyle Funds	Long Term Growth	0.48%
	Stable Growth Fund	0.50%
	Cautious Growth Fund	0.46%
	Retirement Focus Fund (Default)	0.38%
Self-Select Funds	Retirement Focus Fund (Invest into Retirement)	0.38%
	Retirement Focus Fund (Income for Life)	0.28%
	Retirement Focus Fund (Take Your Pot as Cash)	0.33%
	Global Equity Fund	0.18%
	Corporate Bond Fund	0.14%
	Fixed Annuity Focus Fund	0.15%
	Inflation-Linked Annuity Focus Fund	0.15%
	Cash Fund	0.15%
	ESG Fund[4]	0.30%

Source: Mobius Life, R&M Calculations as at July 2021

(*) TER: Total Expense Ratio

Transaction costs incurred by members are complex and are associated with different member, Trustee or manager actions. They can be split into three areas:

1. Transaction costs incurred by members as part of changes in the fund range

There have been no changes to the fund range at a member level (e.g. replacing Long Term Growth with another blend at a strategic level) for the period under review. Therefore, those members self-selecting their investment options would not have incurred any transaction costs as a result of changes in the fund range over the year.

Within the Lifestyle option there are four blended funds, each with varying allocations to underlying managers and securities. The fiduciary manager alters these underlying allocations with a view to generating fund returns and managing risk, ensuring each fund performs in line with its objective. These changes can be subject to transaction costs, primarily through dealing costs associated with the buying and selling of funds and securities.

These costs are reflected as part of the transaction cost details set out under "3. Frictional Costs" below.

2. Transaction costs incurred by members buying and selling funds as part of a lifestyle

A member in the default lifestyle is required to buy and sell assets when automatically switching between funds within the lifestyle. We estimate that over a member's life, the cost of entering the lifestyle, switching between funds and subsequently redeeming assets upon retirement for each £1 of income invested in the Long Term Growth Fund is c. 0.15% (or 0.15p) in a worst case scenario. This equates to an average of 0.004% per annum, as at 31 March 2021.

A breakdown of the cost estimate on a worst case basis is provided in the table below. The calculations do not take account of netting trades within the funds (e.g. cancelling out selling common underlying funds between the blends). It also assumes that a member pays a cost of "bid price – mid price" for any sale of assets and "mid price – offer price" for any purchase of assets (hence the "worst case scenario").

Members will experience varying levels of cost depending on their position within the lifestyle. Actively contributing members would have experienced at least one source of transition cost on the contributions they made over the year. Deferred members may or may not have experienced transition

costs of this nature, depending on if they phased between funds or not. These costs will continue in the future at a level expected to be similar to what is shown in the table below.

Lifestyling is carried out automatically for members who are invested in the default lifestyle. Market conditions are considered in the context of deciding on the composition of the funds in the lifestyle, but not when automatically phasing members between funds. The funds are established and governed in a way which is cognisant of market conditions, therefore it is not necessary (or practical) to consider market conditions for each member each month when lifestyling.

The funds are priced on a "single swinging basis", meaning they may be priced at bid or offer on any day, depending on the net cashflow (from all investors in/out of the fund) that day. Therefore, in practice, the cost incurred is unlikely to be the full amount below and may even provide an uplift, should fund prices swing favourably. Members will also experience varying levels of costs depending on their position within the lifestyle. Therefore, it is not practical to split out the actual costs incurred by each member.

Movement between funds	**Worst case cost**
Buy Long Term Growth	0.03%
Long Term Growth to Stable Growth	0.04%
Stable Growth to Cautious Growth	0.04%
Cautious Growth to Retirement Focus	0.03%
Sell Retirement Focus	0.01%
Total	**0.15%**
Total p.a.	**Less than 0.01%**

Source: Underlying fund managers. R&M Solutions' calculations as at July 2021.

Assumptions:

(1) members join the Scheme 40 years from retirement
(2) price swings are all unfavourable to members
(3) no netting of trades occurs

3. 'Frictional costs' incurred by members due to internally buying and selling underlying assets (e.g. stocks or bonds)

As part of day-to-day trading activities, the funds may incur "frictional costs". Frictional costs are categorised as explicit costs and implicit costs. Explicit costs are directly observable and in most cases managers are in a position to report them. Examples of explicit costs include broker fees, transaction taxes and custody fees. Implicit costs cannot be observed in the same way but do have an impact on fund performance. Examples of implicit costs include bid-offer spreads and market impact.

These costs would be incurred every time a fund manager makes a trade within that fund and are intended to improve investment returns, reduce risk, or contribute to the smooth running of a fund. Some costs will be cognisant of market conditions (e.g. some active investment decisions), and some costs are in respect of decisions not linked to market conditions.

The table below sets out the total transaction costs for each fund within the default and self-select range covering the period 06/04/2018 to 05/04/2021.

	Fund	FuturePlanner
Default Lifestyle Funds	Long Term Growth	0.041%
	Stable Growth Fund	0.106%
	Cautious Growth Fund	0.057%
	Retirement Focus Fund (Default)	0.025%
Self-Select Funds	Retirement Focus Fund (Invest into Retirement)	0.045%
	Retirement Focus Fund (Income for Life)	N/A[1]
	Retirement Focus Fund (Take Your Pot as Cash)	0.009%
	Global Equity Fund	-0.049%
	Corporate Bond Fund	-0.057%
	Fixed Annuity Focus Fund	0.011%
	Inflation-Linked Annuity Focus Fund	0.027%
	Cash Fund	-0.0157%
	ESG Fund[2]	-0.002%[3]

Source: Old Mutual Wealth from 6 April 2018 to 30 January 2019. Mobius Life from 31 January 2019 to 5 April 2021. Underlying fund managers. R&M calculations as at July 2021.

The Appendix to this report provides illustrative examples of the cumulative effect over time of the application of charges and costs on the value of a member's pension pot.

Value for members review

The Trustee considers that members get value for money, as the costs and charges deducted from members' pots provide good value in relation to the benefits and services provided.

The Trustee regards value for members as a high priority and reviews it on an on-going basis, including as an item on the Scheme's risk register. The Trustee undertakes an annual value for members' review which consists of two phases; a self-assessment facilitated by our investment advisors and then an independent assessment through a third party adviser at least every three years.

1. Value for members – self-assessment

The most recent self-assessment was conducted in July 2021 and looked at whether the total cost of Scheme membership represented value for money, whether the investment risk profile is tailored to the needs of members, the level of contributions in the light of the membership profile, the degree of flexibility available and the transaction costs incurred by members.

The Trustee 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 Trustee also notes that the costs of administering Scheme 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 an average annual fee of 0.48% for the default funds, FuturePlanner represents value for its members as it offers above average service levels while passing on an average level of charge to members. In particular, value for members is demonstrated through:

- 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 through delegation of day-to-day investment decisions and asset allocation to a fiduciary manager and investment managers.

[1] *No transaction costs as at 31/03/2021 as there has been no member investment*
[2] *The ESG Fund was introduced in Q2 2020*
[3] *Data covers the period 06/04/2020 to 05/04/2021*

- 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%.

2. Value for members – independent assessment

An independent assessment of value for members was conducted by Lane Clark and Peacock in August 2020. The report assessed all areas of the Scheme as "good" or "very good", with governance and communications receiving particularly high ratings. The only suggestion for improvement was to consider the cost of advice and governance within the investment charges. The Trustee is reviewing this suggestion-and will implement any resulting actions.

The Trustee will conduct a further independent review no later than 2023 to assess the impact of any changes and other best practice developments.

Knowledge and understanding

The Trustee Directors have sufficient knowledge and understanding of the law relating to pensions and trusts, and sufficient understanding of the relevant principles relating to the funding and investment of occupational pension schemes. The Trustee has a training policy with the objective of ensuring that Trustee Directors understand their duties and that their knowledge is at a level to enable them to take decisions with the level of skill and competence that members can expect from someone familiar with the issues concerned. The Trustee Directors' combined knowledge and understanding, together with available advice, enables them to properly exercise their functions.

New Trustees are briefed by the Chair and Secretary to the Trustee and familiarise themselves with Plan documentation, including the Trust Deed and Rules, SIP and all other documents setting out the Trustee's current policies as appropriate to ensure that they have a good working knowledge of these documents.

Within six months of appointment, Trustee Directors are able to attend an introductory training course through an external provider, and are expected to complete the Pensions Regulator's Trustee Toolkit.

On an ongoing basis all Trustee Directors aim to complete at least two days (fourteen hours) training per year during the course of their appointment. One day of training is provided on a collective basis to address joint needs, and this always includes a session on Trustee effectiveness. Other training opportunities are selected on the basis of the individual needs of each Trustee Director. During the year, three Trustee directors achieved the 14 hours objective, completing an average level of 17.48 hours per Trustee Director. During 2021, online training opportunities have been more widely available and all Trustee Directors have been encouraged to participate in a range of training webinars.

Trustee Directors review their own knowledge and understanding against the Pensions Regulator's guidance at least annually and are supported by the Secretary in selecting suitable training opportunities. Individual training requirements are addressed through a combination of internal and external training and individual training logs are kept to assess compliance with the policy.

In addition, training on DC matters is included within the agenda for the joint DC investment committee and within the formal Trustee training day which is held each year jointly with the sister UK pension schemes in the Leonardo group.

Martin Flavell

MARTIN FLAVELL

Chair of the Trustee

Date: 29 September 2021

Appendix: Projected pension pots, in today's terms

The tables below provide illustrative examples of the cumulative effect over time of the application of charges and costs on the value of a member's pension pot. This has been prepared taking account of all relevant statutory guidance.

The examples outline the effects of charges and transaction costs (as described in the Governance Statement) across the fund range and over different time periods (in years).

The tables show the projected 'Gross' fund and then fund 'Net' of all charges, lifestyling costs and buy/sell costs as appropriate. The projections are based on assumptions which can be found after the projection tables.

Projected pension pot for the Default investment strategy:

	Default strategy	
Years	**Gross**	**Net**
1	£2,500	£2,500
3	£7,300	£7,200
5	£12,400	£12,200
10	£27,000	£26,300
15	£43,800	£42,100
20	£62,900	£59,400
25	£84,900	£78,900
30	£108,900	£99,800
35	£134,700	£121,900
40	£160,200	£143,300

Projected pension pot for the Blend funds:

	Long Term Growth Fund		Stable Growth Fund		Cautious Growth Fund		Retirement Focus Fund (Default)	
Years	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
1	£2,500	£2,500	£2,500	£2,400	£2,400	£2,400	£2,400	£2,400
3	£7,300	£7,200	£7,200	£7,100	£7,100	£7,100	£7,000	£6,900
5	£12,400	£12,200	£12,300	£12,100	£12,100	£11,900	£11,700	£11,500
10	£27,000	£26,300	£26,300	£25,600	£25,700	£25,000	£23,900	£23,400
15	£44,300	£42,600	£42,700	£40,800	£41,100	£39,600	£36,800	£35,800
20	£64,800	£61,500	£61,600	£58,000	£58,600	£55,700	£50,600	£48,700
25	£88,900	£83,200	£83,500	£77,400	£78,400	£73,500	£65,300	£62,300
30	£117,300	£108,200	£108,600	£99,100	£100,700	£93,200	£80,900	£76,400
35	£150,500	£136,900	£137,500	£123,500	£125,700	£114,900	£97,400	£91,200
40	£189,400	£169,700	£170,500	£150,700	£153,900	£138,800	£114,900	£106,700

Projected pension pot for self-select funds:

	Global Equity Fund		Corporate Bond Fund		Cash Fund	
Years	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
1	£2,500	£2,500	£2,400	£2,400	£2,400	£2,400
3	£7,300	£7,300	£6,900	£6,900	£6,800	£6,800
5	£12,600	£12,600	£11,300	£11,300	£11,200	£11,200
10	£27,800	£27,700	£22,600	£22,500	£22,200	£22,100
15	£46,400	£46,000	£34,000	£33,700	£33,100	£32,900
20	£68,900	£68,200	£45,600	£45,000	£44,000	£43,600
25	£96,100	£94,900	£57,400	£56,400	£54,900	£54,300
30	£128,900	£127,000	£69,400	£68,000	£65,800	£65,000
35	£168,300	£165,300	£81,700	£79,800	£76,800	£75,700
40	£215,500	£211,000	£94,200	£91,800	£87,900	£86,600

	Fixed Annuity Focus Fund		Inflation-Linked Annuity Focus Fund	
Years	**Gross**	**Net**	**Gross**	**Net**
1	£2,400	£2,400	£2,400	£2,400
3	£6,900	£6,800	£6,800	£6,800
5	£11,300	£11,300	£11,300	£11,200
10	£22,500	£22,300	£22,400	£22,200
15	£33,800	£33,400	£33,600	£33,100
20	£45,200	£44,500	£44,800	£44,100
25	£56,800	£55,700	£56,100	£55,000
30	£68,500	£67,000	£67,600	£66,000
35	£80,400	£78,500	£79,200	£77,100
40	£92,600	£90,100	£91,000	£88,300

Projected pension pot for funds focused on retirement (alternative lifestyle options):

	Retirement Focus Fund (Invest into Retirement)		Retirement Focus Fund (Income for Life)		Retirement Focus Fund (Take Your Pot as Cash)	
Years	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
1	£2,400	£2,400	£2,400	£2,400	£2,400	£2,400
3	£7,100	£7,000	£6,800	£6,800	£6,900	£6,900
5	£11,900	£11,800	£11,200	£11,100	£11,300	£11,300
10	£24,800	£24,300	£22,200	£21,900	£22,600	£22,600
15	£39,100	£37,700	£33,100	£32,400	£34,000	£34,000
20	£54,700	£52,300	£44,000	£42,800	£45,600	£45,600
25	£71,900	£67,900	£54,900	£53,200	£57,400	£57,400
30	£90,700	£84,800	£65,800	£63,400	£69,400	£69,400
35	£111,400	£102,900	£76,800	£73,600	£81,700	£81,700
40	£133,900	£122,300	£87,900	£83,900	£94,200	£94,200

Assumptions for the projected pension pots:

- Values shown are estimates and are not guaranteed;
- Frictional transaction costs used are an average of those over the 24 months to 31 March 2021, which is the longest timeframe over which consistent data is available;
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Assumes inflation of 2.5% per annum;
- Assumes charges in future years are equal to charges today (transaction costs are shown in the table above);
- Assumes a member is aged 25 years old now and stops contributing at age 65;
- Assumes an overall contribution rate of 9% of annual salary, the £ amount of which increases in line with assumed salary inflation;
- Assumes a member salary of £25,000 in Year 0, increasing at 1% per annum above inflation;
- The accumulation rates used, are set out below:

	Fund	**Real accumulation rate per annum (gross of charges)**
Default Lifestyle Funds	Long Term Growth	2.8%
	Stable Growth Fund	2.3%
	Cautious Growth Fund	1.8%
	Retirement Focus Fund (Default)	0.3%
Self-Select Funds	Retirement Focus Fund (Invest into Retirement)	-1.2%
	Retirement Focus Fund (Income for Life)	-1.2%
	Retirement Focus Fund (Take Your Pot as Cash)	-1.2%
	Global Equity Fund	3.4%
	Corporate Bond Fund	-0.8%
	Fixed Annuity Focus Fund	-0.9%
	Inflation-Linked Annuity Focus Fund	-0.9%
	Cash Fund	-1.2%
	ESG Fund	2.1%

Source: Mobius Life, R&M calculations as at May 2021

IMPLEMENTATION STATEMENT FOR LEONARDO FUTUREPLANNER

1. Introduction

The Trustees are required to make publicly available online a statement ("the Implementation Statement") covering Leonardo FuturePlanner ("the Scheme") in relation to the Scheme's Statement of Investment Principles (the "SIP").

This first Implementation Statement covers the Scheme year from 6 April 2020 to 5 April 2021. It sets out:

- Details of any review of and/or changes made to the SIP;
- How, including the extent to which, the Scheme's SIP has been followed over the year;
- How, including the extent to which, the Trustees' policies on exercising voting rights and engagement have been followed over the year; and
- The voting by or on behalf of the Trustees, including the most significant votes cast and any use of a proxy.

A copy of this Implementation Statement is available on the following website:
www.futureplanner.co.uk/library

The Trustees believe that they have acted in accordance with and followed the policies set out in the SIP over the Scheme year.

2. Summary of changes to the SIP during the Scheme year

The Trustees reviewed the SIP during the year to 5 April 2021, with an updated version coming into effect during September 2020 following a consultation with the Sponsoring Employer. The SIP had last been updated in August 2019, so reviewing the SIP in 2020 fulfilled the commitment to review them at least every 3 years.

The key updates reflected as part of these reviews were to develop further the Trustees' policy on corporate governance and stewardship. To help form these policies, the Trustees received training from its advisers covering responsible investment, the financial materiality of Environmental, Social and Governance ("ESG") factors and stewardship. The policies set out in the SIP were formed following subsequent discussion.

The Trustees have added policies to the Scheme's SIP to cover the following stewardship points:

- how the trustees incentivise managers to align their investment strategy with the Trustees' own;
- how they incentivise the manager to assess investee companies' medium to long-term financial and non-financial performance, and engage accordingly;
- how the method and time horizon for evaluating the manager's performance, and the basis of its remuneration, are aligned with the Trustees' other investment policies;
- how the Trustees monitor portfolio turnover costs incurred.
- the duration of their management arrangement

In the SIP a section on whether the Trustees take non-financial matters into account was also added.

A copy of the current SIP signed and dated 23 September 2020 can be found here:
www.futureplanner.co.uk/library

3. Implementation of the Trustees' policies during the Scheme year

The following wording sets out the actions taken by the Trustees over the year to 5 April 2021 in order to follow various policies within the SIP.

Investment governance

The Trustees have governed the Scheme in line with the SIP.

The Trustees have met four times over the year to discuss investment matters. This allowed the Trustees to make the important decisions on investment policy, while delegating the day-to-day aspects to the appointed Fiduciary Manager as appropriate. There have been no changes to the Scheme's investment governance policy over the Scheme year.

Over the Scheme year the Trustees received quarterly information on the performance of the investment strategy from the Fiduciary Manager. This information was formally reviewed by the Trustees and discussed with the Fiduciary Manager. During these discussions the Trustees ensured it was clear what the key portfolio activity was over the reporting period and the rationale for any portfolio changes, as well as the key contributors and detractors to investment performance over the period.

The quarterly investment governance reports the Trustees receive from the Fiduciary Manager includes information on the default strategy's exposure to ESG, ethical and carbon risk factors. Based on this ongoing assessment the Trustees are comfortable with the default strategy's level of exposure to these risk factors.

The default arrangement's risk characteristics (volatility of returns) were within tolerances agreed with the Fiduciary Manager. The self-select funds, which comprise passively managed funds, effectively tracked their respective benchmarks gross of fees.

The Trustees are required to review the SIP at least every three years. This was undertaken in September 2020 with changes as described elsewhere in this Implementation Statement.

The Trustees are comfortable the investment strategy performed as expected during the Scheme year, given wider market conditions. In particular, the Scheme's default strategy protected from the worst of the equity market falls seen during the first quarter of 2020 in light of the coronavirus pandemic. During the volatile market conditions experienced in Q1 and Q2 2020 resulting from the Covid pandemic, the Trustees received regular updates from the Fiduciary Manager, covering market updates, changes made to the Scheme's asset allocation and portfolio performance.

Corporate Governance and Stewardship

The SIP sets out how the Trustees delegate responsibility around corporate governance and stewardship to the Fiduciary Manager. The Trustees believe that the specific policies set out in the SIP have been complied with this year based on the below.

The Fiduciary Manager manages assets directly on behalf of the Trustees as well as having delegated authority to appoint, monitor and change the Underlying investment managers. The Scheme's investments are generally made via pooled investment funds. As such, direct control of the process of engaging with the companies that issue these securities (whether equities, bonds, etc.) is delegated to the Underlying Investment Managers.

The Fiduciary Manager undertakes regular reviews of all Underlying Investment Managers.

Financially material factors including ESG and climate change

The Trustees attribute appropriate weight to ESG factors (and stewardship) when considering changes to the investment strategy and in appointing and reviewing investment managers. The Trustees' expectations for any current or future investment manager depends on the asset class involved, the degree of discretion given to the investment manager, and the time horizon over which the Trustees expect to hold the investment.

The SIP was updated in 2019 and 2020 to reflect new regulatory requirements relating to financially material factors (including ESG and climate change). This section considers the actions taken and decisions made in connection with those changes.

The Fiduciary Manager, who takes investment decisions on behalf of the Trustees, is expected to follow the Trustees' SIP in respect of financially material factors specifically ESG and climate change. The Trustees receive and review quarterly monitoring reports which include a matrix of ESG scores of the Scheme's portfolio and details of carbon emissions.

The Fiduciary Manager considers the impact of the ESG characteristics and climate change at a total portfolio level and implications for risk and return on investments.

When the Fiduciary Manager invests the Scheme's assets in equities, it typically uses a mandate where it can directly invest to take account of relevant factors such as ESG. For example, in its primary equity mandate with BNY Mellon, an Underlying Investment Manager, the Fiduciary Manager seeks to avoid investing in companies with poor or worsening ESG credentials, where ESG represents a risk to the value of the investment, and seeks to invest in those companies with good or improving ESG credentials, where ESG represents an opportunity for investment growth. As examples, the Fiduciary Manager excluded a United States Healthcare provider due to poor safety issues and excluded a European pharmaceutical firm over poor corporate governance. The Trustees are satisfied that the policies in its SIP are being adhered to.

Where the Fiduciary Manager selects Underlying Investment Managers where it cannot directly influence ESG factors, how an Underlying Investment Manager evaluates ESG factors and mitigates ESG risks forms an important part of its evaluation at both investment and operational due-diligence stages. This may lead to the exclusion of potential Underlying Investment Managers.

The Trustees undertook training sessions on ESG and climate change in 2020, which resulted in the implementation of a new ESG fund being added to the self-select fund range.

Monitoring

Over the year the Trustees monitored the performance of the underlying managers, and the strategy as a whole, on a quarterly basis. Particular attention was given to strategy performance during the volatile market conditions across Q1 and Q2 2020. The Trustees are satisfied the strategy performed as expected during this period in the context of the market conditions, through mitigating the worst of the wider market falls, especially for those members closest to retirement.

Risk management

This section of the SIP sets out how risks are monitored and managed within the Scheme. Many of these aspects are also covered in various other parts of the SIP and hence in this section there may be some repetition from other parts of the Implementation Statement. The Trustees are satisfied that risks are monitored in line with the SIP on the basis set out below.

The Trustees set investment guidelines for the Fiduciary Manager which cover a range of risks to manage which are mitigated by minimum or maximum amounts of diversification, liquidity and counterparties. The Fiduciary Manager has operated within these restrictions throughout the Scheme Year. The Trustees have monitored the Fiduciary Manager against the investment guidelines on a quarterly basis through quarterly monitoring reports and is satisfied that the guidelines have been adhered to on the basis of those reports.

The default arrangement's risk characteristics (volatility of returns) were within tolerances agreed with the Fiduciary Manager. The self-select funds, which comprise passively managed funds, effectively tracked their respective benchmarks gross of fees.

The Trustees maintain a risk register that gives consideration to the risks detailed in the SIP. Risks are assessed using a "treat, tolerate, transfer, terminate" control framework.

In identifying and evaluating all risks, the Trustees assess both impact and likelihood (among other items). Mitigation of all risks identified is considered and applied where appropriate as part of the process.

In addition, risk identification is a standing agenda item in all quarterly Trustee meetings.

Non-financially material factors

In line with the SIP, The Trustees do not at present take into account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold.

Default Investment Strategy and Self-select range

The Trustees' objectives for the Scheme are:

- To provide members with a robust default solution which makes available vehicles designed to focus on members' needs by:
  - Optimising the value of members' assets at retirement;
  - Maintaining the purchasing power of members' savings; and
  - Protecting the value of accumulated assets as members approach retirement.
- To provide members with a range of investment options to enable them to tailor their investment strategy to their own needs, should they not wish to partake in the default solution.
- To avoid over-complexity in investment in order to keep administration costs and member understanding to a reasonable level.

There were no changes made to the default investment strategy during the 2020/2021 Scheme year. A review of the default strategy is scheduled to take place in the second half of 2021; any changes implemented will be detailed in next year's implementation statement. The previous review was conducted in the 2017/18 Scheme year, which fulfils the requirement to review the default strategy triennially.

At least once in each Scheme year, the Trustees review the suitability of the Scheme's self-select options. Following a Trustee training session and subsequent advice provided by their Fiduciary manager, the Trustees decided to implement the following changes during the 2020/21 Scheme year:

- add an ESG Equity fund to the self-select range, following heightened member interest, identified in a Member survey carried out by the Trustees

- reduce the UK exposure within the Global Equity fund (by changing the underlying fund composition), in line with global market weightings, to reflect a more globally diversified equity allocation through an increase in exposure to Developed and Emerging markets

Since the end of the Scheme year, the Trustees have also introduced a Shariah-compliant fund to the self-select range.

The Trustees are comfortable the investment strategy reflects the needs of the Scheme's membership. In particular:

- a default strategy which gradually de-risks member's investments as they approach retirement, and reflects inflation-related investment return targets which are aligned to member's expected retirement income requirements; and
- a self-select fund range offering outside the default strategy that offers members a wide choice of asset classes and risk-based options, without the range being so large as to be overwhelming and hinder member decision-making. In addition, members can choose to invest in the alternative lifestyle funds, introduced in 2018.

Strategy implementation

The Trustees have chosen to incorporate active management within the default arrangement, through the Fiduciary Manager. This is aligned with the Trustees' investment belief that active management can add value by managing risk during adverse market conditions, and taking advantage of investment opportunities to generate return, subject to the agreed risk tolerances of the default arrangement's funds.

The Trustees have chosen to incorporate passive management within the self-select fund range (aside from the self-select lifestyle profiles, which mirror the default arrangement during the growth phase). The Trustees believe passive management offers low cost, effective access to the core range of asset classes offered within the range, for those members actively choosing to access those asset classes.

The policies set out above were unchanged during the Scheme year.

The Fiduciary Manager carried out a full due diligence review of the platform manager, Mobius Life, concluding during the 2020/21 Scheme year. This review covered areas including corporate structure, organisational strength, security of assets, platform technology and reporting functionality. Based on this review, the Trustees remain comfortable with the appointment of Mobius Life as platform manager.

The Trustees receive quarterly reports from the Scheme's administrators that enable it to monitor the administration service and, in particular, that agreed service levels are being met in relation to the accuracy and timeliness of core financial transactions, including correct investment of ongoing contributions.

Further detail regarding the processing of core financial transactions over the year is set out in the DC governance statement ("chair's statement").

The Trustees delegate the day to day management of the assets to various investment managers, these managers are accessed through the Mobius Life platform.

Aspects of implementation related to administration, investment of contributions and transitions are reviewed annually by the Trustees in their Value for Members assessment. Details of this is set out in the DC governance statement ("chair's statement").

4. Voting and Engagement Summary

The Trustees' investment advice is provided by River and Mercantile Investments Limited ("RAMIL"), a division of the River and Mercantile Group. The River and Mercantile Group is a PRI signatory and were rated A+ by PRI for their Strategy and Governance.

The Scheme's investments are made via pooled investment funds via the Platform Manager, Mobius Life, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, monitoring and voting, whether for corporate governance purposes or other financially material considerations, is delegated to the underlying investment managers.

The Trustees have delegated responsibility for monitoring and voting on decisions relating to their underlying Manager holdings to Mobius Life, which implements its fund voting policy. At the fund manager level Mobius Life hold voting rights and at the underlying company/stock level, the underlying fund manager holds the voting and engagement rights. The default blended funds include allocations to Exchange Traded Funds (ETFs), for which RAMIL holds voting rights. Over the year to 5 April 2021, RAMIL voted on two ordinary and one special resolution in relation to the Vanguard FTSE All-World UCITS fund. From the first quarter of 2020, RAMIL has enlisted a proxy voting service (to vote based on RAMIL's instruction), to increase the robustness of its voting process on these funds.

Summary

The key areas the Trustees note from voting and engagement activity across their underlying managers over the Scheme year is set out below. Voting activity is set out in the Appendix and engagement activity over the year has been collated separately with a summary provided here:

- Most managers were able to provide evidence of high levels of engagement activity.
- The common themes over the Scheme year were environmental issues, (climate strategy in particular), executive pay and board diversity.
- Water stress and engagement on improving social targets were also key themes.
- Each relevant manager demonstrated very high levels of voting rights being acted on.
- Challenge to management was demonstrated through votes against management.
- Significant votes provided were typically in relation to board remuneration.
- BlackRock has a strong engagement philosophy and has made more commitments to this very recently.

Appendix – Voting statistics

There are c. 30 managers in the default strategy. Set out below is the voting statistics for the most material equity holdings during the period that held voting rights, namely BNY Mellon Global Equity. Within other asset classes there are no voting rights. However, engagement activity is very important and so examples of engagement activity for the managers that represent 2.5% or more of the portfolio have also been reviewed by the Trustees.

Summary of voting activity – BNY Mellon Global Equity Fund

Total meetings eligible to vote	1,124
Total resolutions eligible to vote	14,052
% of resolutions did you vote on for which you were eligible?	98%
% did vote with management?	89%
% vote against management?	9%
% abstained	1%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	2%

- BNY Mellon uses Institutional Shareholder Services, "ISS", for proxy voting services.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.

Most significant vote(s) and examples of engagement

WALMART, INC.

BNY Mellon voted for a shareholder proposal requesting that Walmart publish a report on the impact of single-use plastic bags. In terms of phasing out plastic bags, in BNY Mellon's view Walmart does not lag its peers in the retail industry, but it lags it's peers in the grocery sector. BNY Mellon hold companies to a high environmental standard and believe this proposal will result in Walmart acknowledging the positive impact it can have through the elimination or reduction of single-use plastic bags.

THE PROCTER & GAMBLE COMPANY

BNY Mellon believe that Procter & Gamble lags its peers in terms of deforestation commitments and policies that monitor supplier actions. The company has been accused of contributing to the destruction of forests that have high wildlife and climate change value. The lack of information presents potential competitive and reputational risks to the company. As a result, BNY Mellon voted for a shareholder proposal requesting the company report on efforts to eliminate deforestation. BNY Mellon will continue to engage with the company to ensure that the lack of reporting is adequately addressed.

RIO TINTO LIMITED

In May 2020, BNY Mellon voted for a proposal approving emission targets for Rio Tinto. BNY Mellon believe this resolution will provide shareholders with increased transparency, allowing them to understand how the company is addressing climate change and mitigating these risks.

KELLOGG COMPANY

In an effort to promote accountability, BNY Mellon voted for a shareholder proposal in April 2020 to declassify Kellogg's board of directors. BNY Mellon believe it is beneficial for directors to be elected each year. BNY Mellon maintain that a board that is refreshed annually is often best equipped with fresh viewpoints and counsel.

VISA, INC.

In January 2020, BNY Mellon voted against the election of a director to Visa's board as the individual was serving on five boards. Generally, if an individual serves on more than five boards, BNY Mellon vote against electing them to an additional board. BNY Mellon expect the board members they elect to focus on their current board memberships, which BNY Mellon believe is difficult to accomplish beyond our threshold of five boards.

ORACLE CORPORATION

BNYN withheld their vote for a director because the nominee owns a large stake in the company and pledged what BNY Mellon believe is a disproportionate number of shares against that stake. Stock pledging can have a negative impact on the company. Should market conditions deteriorate, sudden forced selling could create an inordinate amount of technical pressure on a company's share price.