

# The BIC UK Pension Scheme

## ANNUAL REPORT AND FINANCIAL STATEMENTS

5 April 2021

**The BIC UK Pension Scheme**  
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**5 April 2021**

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## **The BIC UK Pension Scheme**

### **SCHEME TRUSTEES AND ADVISERS**

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Trustees	Mr B Griffiths Mr D Everitt Mr M J Burgess
Scheme administrators	Atkin Pensions Cornwall House Blythe Valley Park Solihull B90 8AF
Actuary	Mrs E Rogers Atkin & Co
Solicitors	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Auditors	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow, G2 6HG
Investment manager	Mobius Life Limited
Investment advisers	Barnett Waddingham LLP
AVC provider	The Prudential Assurance Company Limited
Bankers	NatWest 1660 High Street Knowle, Solihull West Midlands B93 0LJ
Principal Employer	BIC UK Limited Chaplin House Widewater Place Harefield Middlesex UB9 6NS

# **The BIC UK Pension Scheme**

## **TRUSTEES' REPORT**

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### **Introduction**

The Trustees of the BIC UK Pension Scheme ("the Scheme") are pleased to present their report together with the financial statements of the Scheme for the year ended 5 April 2021.

The Scheme is constituted as a Trust and administered by the Trustees according to a Trust Deed and rules dated 16 January 2006. The Scheme is a Defined Benefit Scheme. It was established on 27 September 1951 to provide retirement benefits to all eligible employees of BIC UK Limited and their dependants.

### **Management of the Scheme**

The power of appointing and removing Trustees is vested in the Principal Employer, subject to the provisions of the Pensions Act 2004 in respect of Member Nominated Trustees (MNTs). A deed of variation was executed by the Trustees on 24 August 2006 bringing the rules of the Scheme into line with the provisions of the Pensions Act 2004.

There was one change to the Trustee Board during the year. On 25 June 2020 Mr B Chambonnet resigned and was replaced with Mr B Griffiths.

The Trustees have been appointed in accordance with the Occupational Pension Schemes (Member nominated Trustees and Directors) Regulations 2006, which required that at least one third of the Trustees are nominated and elected by the members.

The current Trustees are split between member nominated (MNT) and company nominated (ENT) as summarised below:

Mr B Chambonnet (ENT) (resigned 25 June 2020)

Mr B Griffiths (ENT) (appointed 25 June 2020)

Mr D Everitt (MNT)

Mr M J Burgess (ENT)

The Scheme advisers are on page 1.

### **COVID-19**

In early 2020, a new coronavirus, COVID-19, impacted a significant number of countries globally. COVID-19 caused disruption to economic activity which was reflected in fluctuations in global stock markets and, in turn, in the valuation of scheme assets. The Trustees have designed and implemented the Scheme's investment strategy taking a long-term view and have built in resilience to withstand short term fluctuations. The Trustees are working with their advisers and the employer to ensure the continued smooth running of the Scheme and its investments. The Trustees are also monitoring the effect on the sponsoring employer to ensure continued support for the Scheme.

### **Trustee meetings**

In the year under review the Trustees met two times.

### **Changes to the Scheme**

The Scheme was closed to future accrual by a Deed of Amendment dated 25 May 2011 between the Trustees and the Principal Employer with effect from 1 December 2010 with all active members becoming deferred members at this date.

There have been no changes to the Scheme rules during the year.

The Trustees issued letters to members affected by the Pre-97 Increases issue, on 30 March 2020. The affected members were advised that their pensions would have to be reduced from 6 July 2020 and the Trustees indicated that the overpayments in the past would need to be recouped commencing from 6 October 2020.

# **The BIC UK Pension Scheme**

## **TRUSTEES' REPORT**

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### **Financial Development of the Scheme**

The Pensions Act 1995 requires the Annual Report and Financial Statements to be prepared and audited in accordance with the accounting practice prescribed by the Statement of Recommended Practice (SORP) for Financial Reports of Pension Schemes and in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995. These show how the Scheme's finances have developed over the year and the notes to the financial statements give further information on the various figures shown.

The Pensions Act 1995 also requires the Trustees to prepare and maintain a Statement of Investment Principles (SIP) which sets out their policy with regards to the Scheme's investments. During the preparation of the SIP, the Trustees have sought appropriate professional advice. A copy of the Statement of Investment Principles is available on request and online.

The financial statements on pages 19 to 29 show that the value of the Scheme's net assets at 5 April 2021 was £37,507,801. The decrease comprised net withdrawals from dealings with members of £328,338 together with a net increase in investments of £3,647,048.

### **GMP Equalisation**

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits earned between May 1990 and April 1997. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

On 20 November 2020, the High Court handed down a second judgment involving Lloyds Banking Group's defined benefit schemes. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes.

Under the first ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustees and Bic UK Limited agreed a methodology to allow for GMP equalisation. As such, an exercise was completed to assess whether adjustments were required to benefits currently in payment and whether any arrears payments should be made. Any members affected have been notified and adjustments to pensions in payment were made in July this year. Arrears payments including an allowance for interest were made at the same time.

The Trustees of the Scheme are aware that the second ruling described above will affect the Scheme. However at this stage the Trustees are not in a position to obtain a reliable estimate of the impact on the Scheme.

### **Actuarial Status of the Scheme**

An actuarial valuation took place as at 5 April 2018 with results set out in a report dated June 2019. The actuarial valuation of the Scheme at 5 April 2018 revealed a shortfall (technical provisions minus value of assets) of £5,163,000. The statutory funding objective is defined in Section 222 of the Pensions Act 2004 and required every scheme to have sufficient and appropriate assets to cover its technical provisions.

To eliminate the shortfall, the Company and Trustees have agreed to the following additional contributions to be paid to the Scheme by the Employer, from 1 April 2018 until 31 December 2021, fixed contributions of £1,200,000 per annum in equal monthly instalments.

The Employer will meet the cost of the PPF levy and the cost of any expenses (excluding bank charges) as and when they fall due.

The BIC UK Pension Scheme currently has a parent company guarantee in place. Therefore if BIC UK Limited is unable to meet its obligations to the Scheme, Société Bic would be obliged to cover any amounts due.

The actuarial position of the Scheme, which takes account of such obligations, is summarised on pages 30 to 38 of this report.

# The BIC UK Pension Scheme

## TRUSTEES' REPORT

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### Scheme Membership

The Membership of the Scheme is as set out below: -

	Deferred Members	Pensioners	Total
As at 6 April 2020	139	209	348
Adjustments – prior year	-	(1)	(1)
Adjustments – annuity pensioners	-	14	14
Retirements	(7)	7	-
Dependants	-	3	3
Deaths	-	(7)	(7)
Transfers	-	(1)	(1)
Closed	(1)	-	(1)
As at 5 April 2021	131	224	355

Due to the legal issues surrounding the pre 1997 pension increases, the Trustees agreed that from 6 July 2020 all payments that were previously paid to members from Prudential within the annuity policy would be made from the scheme. This has resulted in the adjustment above where 14 pensioners have been added into the scheme membership as the remaining members already received a pension from the scheme and are included in opening numbers.

As at 5 April 2021, there were no insured pension annuity members, that are being paid direct by Prudential (2020: 30). These members are now included in the total number of pensioners as they are being paid directly from the Scheme. There remain 12 insured deferred annuity members (2020: 12).

### Investment management

The Scheme's investments are managed by investment managers appointed by the Trustees. The investment strategy is agreed by the Trustees after taking appropriate advice. Subject to the investment strategy laid down by the Trustees, the day to day management of the Scheme's portfolio is the responsibility of the investment managers.

The investment managers during the year were Mobius Life Limited. A detailed investment report that relates to the Scheme's investments with Mobius Life is included at page 6.

### Environmental, Social, and Governance ("ESG") Considerations

The Trustees recognise that social, environmental and ethical considerations are among the factors which investment managers will take into account, where relevant, when selecting investments. Where relevant the managers have produced statements setting out their policy in this regard. The Trustees have delegated responsibility to act accordingly to the managers and do not currently impose any specific restrictions on which investments may be considered to be socially responsible.

### Contact for further information

For any information about the Scheme generally, further information about resolving disputes, or an individual's entitlement to benefit, please contact the Scheme's administrators: Atkin Pensions, Cornwall House, Blythe Valley Park, Solihull, B90 8AF.

## **The BIC UK Pension Scheme**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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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 Trustees. Pension Scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the 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 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 Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for 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 Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

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

The Trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions 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 Trustees are 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 Schedule of Contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Signed on behalf of the Trustees by:

.....  
For and on behalf of the Trustees

Date:.....

# The BIC UK Pension Scheme

## INVESTMENT REPORT

### The BIC UK Pension Scheme

#### Fund Performance to 5 April 2021

% Fund Growth	1 Year to 31 Mar 21	3 Years to 31 Mar 21	1 Year to 31 Mar 20	1 Year to 31 Mar 19	1 Year to 31 Mar 18	1 Year to 31 Mar 17
BNYM Real Return Fund	20.1 %	8.4 %	-1.6 %	7.7 %	-1.5 %	2.9 %
L&G Life TD Core Plus Weekly	13.1 %	5.4 %	-0.4 %	3.9 %	1.2 %	8.4 %
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	2.6 %	3.6 %	2.4 %	5.7 %	0.6 %	22.0 %
Invesco Global Targeted Returns Fund	-1.0 %	-0.1 %	2.0 %	-1.3 %	0.6 %	na
L&G Life MAAA Diversified Fund	21.3 %	6.8 %	-5.9 %	6.6 %	2.5 %	19.4 %

Market Returns	1 Year to 31 Mar 21	3 Years to 31 Mar 21	1 Year to 31 Mar 20	1 Year to 31 Mar 19	1 Year to 31 Mar 18	1 Year to 31 Mar 17
FTSE ALL Share Index	26.7 %	3.2 %	-18.5 %	6.4 %	1.2 %	22.0 %
FTSE 100	21.9 %	2.3 %	-18.4 %	7.7 %	0.2 %	23.3 %
FTSE 250	45.1 %	6.0 %	-18.6 %	1.0 %	5.3 %	15.3 %
FTSE Small Cap	63.0 %	9.9 %	-19.4 %	1.0 %	6.0 %	23.0 %
FTSE AW World Index	39.9 %	13.4 %	-6.1 %	11.1 %	2.4 %	32.8 %
FTSE North America	42.8 %	17.7 %	-2.8 %	17.5 %	1.3 %	35.0 %
FTSE Developed Europe ex UK	34.5 %	8.2 %	-8.2 %	2.6 %	3.9 %	28.0 %
FTSE Developed Asia Pacific ex Japan	50.6 %	9.2 %	-17.6 %	4.8 %	1.9 %	37.4 %
FTSE Japan	26.3 %	7.0 %	-2.1 %	-0.9 %	7.5 %	32.8 %
FTSE Over 15 year fixed interest	-10.4 %	3.3 %	17.6 %	4.7 %	2.2 %	12.3 %
FTA All Stock Fixed Interest Gilt Index	-5.5 %	2.5 %	9.9 %	3.7 %	0.5 %	6.6 %
FTA Over 5 Year Index-Linked Gilt Index	2.6 %	3.5 %	2.4 %	5.7 %	0.7 %	22.0 %
3 Month LIBOR GBP	0.1 %	0.6 %	0.8 %	0.8 %	0.4 %	0.5 %
7 Day LIBID	0.1 %	0.5 %	0.6 %	0.6 %	0.2 %	0.2 %

#### Notes:

- Returns shown are gross of charges based on Mobius Life dealing prices
- Returns for periods in excess of a year are annualised.
- Past performance should not be seen as a guide to future performance and may not be repeated. The value of investments may go down as well as up and investors may not get back the amount originally invested, are not certain to make a profit and may lose money.
- Exchange rate changes may cause the value of overseas investments to rise or fall.
- Investors should be aware that investment in emerging markets involves a high degree of risk and should be seen as long term in nature.
- Investment in property may not be readily realisable. The value of property is generally a matter of valuers opinion rather than fact.
- Where a fund is invested with another life company by means of a reinsurance arrangement, we monitor the way the reinsurer manages the business, but we do not guarantee the solvency of the reinsurer, so the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund.
- Mobius Life Limited provides information on our products and services to enable you to make your own investment decisions, and this document should not be regarded as a personalised recommendation.



# **The BIC UK Pension Scheme**

## **INVESTMENT REPORT**

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### **Fund Profiles**

#### **BNYM Real Return Fund**

The objective of the BNY Mellon Real Return Fund is to achieve significant real rates of return in sterling terms predominantly from a portfolio of UK and international securities. The fund may also invest in deposits, money market instruments, derivative instruments, forward transactions and collective investment schemes.

#### **Invesco Global Targeted Returns Fund**

The Fund aims to achieve a positive total return in all market conditions over a rolling three-year period. The fund targets a gross return of 5% per annum above UK 3-month LIBOR and aims to achieve this with less than half the volatility of global equities, over the same rolling three-year period. There is no guarantee that the fund will achieve a positive return or its target and an investor may not get back the full amount invested.

#### **L&G Life AP Over 5 Year Index-Linked Gilts Index Fund**

This Fund aims to match returns of its benchmark on a consistent three-year rolling basis. The Fund will invest, as far as possible, in each index constituent to match its weight in the benchmark. The Fund aims to be invested wholly in instruments issued in the UK.

#### **L&G Life MAAA Diversified Fund**

The investment objective of the Fund is to provide long-term investment growth through exposure to a diversified range of asset classes. The fund will hold between 20% and 50% in bonds, the remaining 50% to 80% will be held in a range of assets which may include equities, property, commodities and the shares of infrastructure companies. Exposure to each asset class will primarily be through investing in passively managed funds, although active management may be used for some asset classes where LGIM believes there is an advantage in doing so. The asset allocation will be reviewed periodically (typically annually) and the Fund will not take short term, tactical asset allocation positions.

#### **L&G Life TD Core Plus Weekly**

The Fund aims to exceed the return of the benchmark by 1.15% p.a. over a rolling three-year period. The Fund invests in sterling, euro and US dollar denominated fixed and floating rate securities and related derivatives. Derivatives are used for efficient portfolio management in accordance with FSA rules. Currency and interest rate exposures which are derived from non-GBP securities are predominantly hedged back to sterling.

### **Economic Commentary for the year ended 5 April 2021**

Global equities continued to show gains as Covid-19 vaccines were administered globally with varying levels of efficiency. Government bond yields rose, with corporate bonds outperforming albeit also with negative performance. The UK 10 year gilt yield jumped from 0.20% to 0.85%.

Chancellor Rishi Sunak extended the government's furlough scheme to September and announced an increase in corporation tax to 25% in 2023. Cyclical UK equities continued to recover off the back of significant vaccination progress, with over 30 million people reported to have received their first jab at the end of the quarter.

US president Joe Biden announced two key spending pledges, following up a \$1.9 trillion stimulus package with the promise of a further \$2 trillion infrastructure spending that would see taxation in the US rise to offset the cost. The energy sector performed particularly strongly with increased demand for oil.

# **The BIC UK Pension Scheme**

## **IMPLEMENTATION STATEMENT**

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### **Purpose of Implementation Statement**

This Implementation Statement has been prepared by the Trustees of the Bic UK Pension Scheme (the “Scheme”) and sets out:

- How the Trustees’ policies on exercising rights (including voting rights) and engagement policies have been followed over the period from 31 March 2020 to 31 March 2021.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the period from 31 March 2020 to 31 March 2021.

### **How voting and engagement policies have been followed**

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers. The Trustees have taken into consideration the Financial Reporting Council’s UK Stewardship Code. However, the Trustees cannot usually directly influence the managers’ policies on the exercise of investment rights where the Trustees hold assets in pooled funds. This is due to the nature of these investments. The Trustees receive reporting on the voting and engagement policies of the fund managers and consider these as part of manager appointment and review processes.

The Trustees believe that Environmental, Social and Governance (“ESG”) factors are financially material – that is, they have the potential to impact the value of the investments from time to time.

The Trustees consider it to be part of their investment managers’ roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

The Trustees have reviewed the stewardship and engagement activities of their investment managers during the year, alongside preparation of the Implementation Statement.

The Trustees were satisfied that the managers’ policies were reasonable and no further remedial action was required during the period. Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme’s stewardship policies.

### **Data limitations**

Where information is not included in this statement, it has been requested but has not been provided in a useable format or at all by the investment manager. The Trustees’ investment consultants are in discussion with the managers around how this data will be provided for future statements.

### **Voting Data**

Voting only applies to funds that hold equities in their portfolio. The Scheme’s equity investments are all held through pooled funds and as such the investment managers for these funds vote on behalf of the Trustees.

The Scheme’s equity investments are managed by Legal & General Investment Management (“LGIM”), Newton Investment Management (“Newton”) and Invesco Asset Management (“Invesco”). The Scheme invests in the LGIM Over 5 Year Index-Linked Gilts Fund and the LGIM Core Plus Fund which do not hold any voting rights.

## The BIC UK Pension Scheme

### IMPLEMENTATION STATEMENT

The table below provides a summary of the voting activity undertaken by each manager over the year to 31 March 2021.

Manager	LGIM	Newton	Invesco
Fund name	Diversified Fund	BNY Mellon Real Return Fund	Global Targeted Returns Fund
Structure	Pooled		
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour		
Number of company meetings the manager was eligible to vote at over the year	11,362	98	365
Number of resolutions the manager was eligible to vote on over the year	115,604	1,307	5,332
% of resolutions the manager voted on	99.0%	99.2%	98.4%
% of resolutions the manager abstained from	0.6%	0.0%	0.5%
% of resolutions voted <i>with</i> management	81.7%	85.4%	94.0%
% of resolutions voted <i>against</i> management	17.7%	14.6%	5.5%
% of resolutions voted contrary to the recommendation of the proxy advisor	0.2%	9.9%	3.5%

Totals may not sum to 100% due to rounding

# The BIC UK Pension Scheme

## IMPLEMENTATION STATEMENT

### Significant votes

For the first year of implementation statements we have delegated to the investment managers to define what a "significant vote" is. A summary of the date they have provided is set out below.

### LGIM, Diversified Fund

	Vote 1	Vote 2	Vote 3
<b>Company name</b>	Qantas Airways Limited	Whitehaven Coal	International Consolidated Airlines Group
<b>Date of vote</b>	23-Oct-20	22-Nov-20	07-Sep-20
<b>Approximate size of fund's holding as at the date of the vote</b>	Data not provided by manager		
<b>Summary of the resolution</b>	-Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan -Resolution 4: Approve Remuneration Report	Resolution 6: Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital the shareholders.	Resolution 8: Approve Remuneration Report was proposed at the company's annual shareholder meeting held on 7 September 2020.
<b>How the manager voted</b>	LGIM voted against resolution 3 and supported resolution 4.	LGIM voted for the resolution.	LGIM voted against the resolution
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	Given their engagement, LGIM's Investment Stewardship team communicated the voting decision directly to the company before the AGM and provided feedback to the remuneration committee.	LGIM publicly communicates its votes instructions on its website with the rationale for all votes against management.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management.
<b>Rationale for the voting decision</b>	LGIM wanted to ensure the impact of COVID on the company's stakeholders was reflected in the executive pay package. LGIM supported the remuneration report given executive salary cuts, shortterm incentive cancellations and the CEO's decision to defer the vesting of the long-term incentive plan (LTIP). However, their concerns as to the quantum of the 2021 LTIP grant remained, and they voted against this to signal their concerns.	LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on projects that risk becoming stranded assets. As the most polluting fossil fuel, the phaseout of coal in LGIM's view will be key to reaching these global targets.	LGIM noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. However, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience (employees and shareholders).
<b>Outcome of the vote</b>	Resolution 3: passed (90% for) Resolution 4: passed (91% for)	Did not pass (4% for)	Passed (28.4% against)
<b>Implications of the outcome</b>	LGIM will continue their engagement with the company	LGIM will continue to monitor this company	LGIM will continue to engage closely with the renewed board.

## The BIC UK Pension Scheme

### IMPLEMENTATION STATEMENT

	Vote 1	Vote 2	Vote 3
<b>Criteria on which the vote is considered “significant”</b>	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	The vote received media scrutiny and is emblematic of a growing wave of ‘green’ shareholder activism	The vote illustrates the importance for investors of monitoring their investee companies’ responses to the COVID crisis
<b>BNY Mellon, Real Return Fund</b>			
	Vote 1	Vote 2	Vote 3
<b>Company name</b>	LEG Immobilien AG	Microsoft Corporation	Linde plc
<b>Date of vote</b>	19-Aug-20	02-Dec-20	27-Jul-20
<b>Approximate size of fund’s holding as at the date of the vote</b>	1.3%	1.3%	1.1%
<b>Summary of the resolution</b>	Remuneration policy	Elect Director, Advisory Vote to Ratify Named Executive Officers' Compensation and Ratify Deloitte & Touche LLP as Auditors	Executive compensation arrangements and election of directors.
<b>How the manager voted</b>	Against	Against	Against
<b>If the vote was against management, did the manager communicate their intent to the company ahead of the vote?</b>	No	Yes	No
<b>Rationale for the voting decision</b>	Newton voted against the proposed pay arrangements on account of their lack of alignment with performance. The executive Long-term compensation scheme was entirely cash-based, but no disclosures were provided on performance targets. Furthermore, the introduction of special remuneration awards through transaction-based bonuses were not considered to be ideal for talent retention, due to their one-off nature.	Newton are concerned that approximately half of long-term pay awards vest irrespective of performance. They voted against the executive compensation arrangements and against the three members of the compensation committee. They also voted against the reappointment of the company’s external auditor given that its independence was jeopardised by having served in this role for 37 consecutive years.	A majority of long-term pay awards vest based on time served, which means executive pay is not subject to rigorous performance conditions and therefore not aligned with shareholders’ interests. In addition, some of CEO perks seem excessive, including use of company aircraft for personal purposes, financial planning expenditures, and additional years of service credits beyond time served at the company in his pension benefit.
<b>Outcome of the vote</b>	Passed (22.2% against)	All passed	All passed
<b>Implications of the outcome</b>	More than 20% of votes were against. It is likely that the company will seek to address concerns in an effort to avoid similar or higher future dissent	Shareholders are not overly concerned with the company's executive pay arrangements. However, Newton’s engagement with the company over multiple years shows that pay arrangements have been improving and are expected to continue to improve.	Newton did not consider the vote outcome on the pay resolution to be material and of a level where the company is expected to address concerns. However, the election of one director that received 40% of votes against warrants further consideration.

## The BIC UK Pension Scheme

### IMPLEMENTATION STATEMENT

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered “significant”	Large proportion voted against. The majority of pay proposals rarely see such high levels of dissent.	The company is a leader among its US peers in terms of corporate governance. Its executive pay structure is also better than most but there exist fundamental improvements to be made.	Newton expect more shareholders will increase their scrutiny of pay versus performance and reflect this in their voting decisions. In addition, director elections rarely achieve such high levels of dissent as seen by one nominee receiving a 40% vote against.
<b>Invesco, Global Targeted Returns Fund</b>			
	Vote 1	Vote 2	Vote 3
Company name	Citigroup Inc	China Oilfield Services Limited	Booking Holdings Inc
Date of vote	Apr-20	May-20	Jun-20
Approximate size of fund’s holding as at the date of the vote	>1%	>1%	>1%
Summary of the resolution	Report on Lobbying Payments and Policy	Approve Provision of Guarantees for Other Parties	Provide Right to Act by Written Consent
How the manager voted	In line with Management recommendations	In line with Management recommendations	In line with Management recommendations
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Data not provided by manager		
Rationale for the voting decision	The manager assessed the company’s engagement in the political process and its management of related risks, and judged that a vote against was warranted.	There are no significant known issues concerning the nominees and the company.	Providing shareholders with the right to act by written consent would make it possible for the holders of a majority of shares to take significant corporate actions without giving prior notice to the company or other shareholders.
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	Data not provided by manager		
Criteria on which the vote is considered “significant”	>1% holding and includes key ESG proposal	>1% holding and includes key ESG proposal	>1% holding and includes key ESG proposal

# The BIC UK Pension Scheme

## IMPLEMENTATION STATEMENT

### Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activity undertaken by managers during the year at a firm level.

Manager	LGIM	Newton	Invesco
<b>Fund name</b>	All three LGIM funds	BNY Mellon Real Return Fund	Global Targeted Returns Fund
<b>Does the manager perform engagement on behalf of the holdings of the fund</b>	Yes	Yes	Yes
<b>Has the manager engaged with companies to influence them in relation to ESG factors in the year?</b>	Yes	Yes	Yes
<b>Number of engagements undertaken on behalf of the holdings in this fund in the year</b>	This information was not provided	This information was not provided	This information was not provided
<b>Number of engagements undertaken at a firm level in the year</b>	974	153 companies	2,250
<b>Examples of engagements undertaken with holdings in the fund</b>	Engaged with a range of companies on issues including: ESG disclosures, Remuneration and Climate Change	Engaged with a range of companies on issues including: Diversity and Inclusion, Supply Chains, Climate Change, Human Capital Management, Compensation, Environmental Solutions, Board Effectiveness, Succession Planning, Product Safety	Intesa Sanpaolo: Labour Force Management Woodside Petroleum: Climate Change Covestro: Governance and ESG

## The BIC UK Pension Scheme

### SUMMARY OF CONTRIBUTIONS PAYABLE IN THE YEAR TO 5 APRIL 2021

#### Trustees' Summary of Contributions payable under the schedule in respect of the Scheme year ended 5 April 2021

This summary of contributions has been prepared on behalf of and is the responsibility of the Trustees. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the actuary on 17 June 2019 in respect of the Scheme year ended 5 April 2021. The Scheme auditor reports on the contributions payable under the schedule in the Auditor's Statement about Contributions.

Contributions payable under the Schedule of Contributions	£	£
Employer		
- Normal	-	
- Deficit funding	1,200,000	
<b>Total employer contributions payable to the Scheme</b>		<b>1,200,000</b>
Member		
- Normal	-	
<b>Total member contributions payable to the Scheme</b>		<b>-</b>
<b>Total contributions payable to the Scheme</b>		<b><u>1,200,000</u></b>

Signed on behalf of the Trustees:

.....  
For and on behalf of the Trustees

Date.....



**Independent Auditor's Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of The BIC UK Pension Scheme**

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**Statement about contributions payable under Schedule of Contributions**

We have examined the summary of contributions payable to The BIC UK Pension Scheme on page 14 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 2021 as reported in the attached summary of contributions on page 14 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 17 June 2019.

**Scope of work on statement about contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 14 in the attached Summary of Contributions have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the schedule of contributions.

**Respective responsibilities of Trustees and auditors**

As explained more fully on page 5 the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

**Use of our statement**

This statement is made solely to the Scheme's Trustees 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 Trustees those matters we are required to state to them 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 Trustees as a body, for our audit work, for this statement, or for the opinions we have formed.

**RSM UK AUDIT LLP**

Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date: .....

## **INDEPENDENT AUDITOR'S REPORT to the Trustees of The BIC UK Pension Scheme**

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### **Opinion**

We have audited the financial statements of the BIC UK Pension Scheme 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's trustees' 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 Scheme's 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 Scheme's trustees 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 Scheme's trustees are 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **INDEPENDENT AUDITOR'S REPORT to the Trustees of The BIC UK Pension Scheme**

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In preparing the financial statements, the trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 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.

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.

## **INDEPENDENT AUDITOR'S REPORT to the Trustees of The BIC UK Pension Scheme**

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### **Use of our report**

This report is made solely to the Scheme's trustees 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 Scheme's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date

**The BIC UK Pension Scheme**  
**FUND ACCOUNT**  
**For the year ended 5 April 2021**

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	<i>Note</i>	<b>2021</b> £	<b>2020</b> £
<b>Contributions and Benefits</b>			
Employer contributions	3	1,200,000	1,200,000
Other income		-	2,589
		<hr/> 1,200,000	<hr/> 1,202,589
Benefits paid or payable	4	1,527,163	1,539,068
Payments to and on account of leavers	5	-	26,764
Administrative expenses	6	1,175	1,345
		<hr/> 1,528,338	<hr/> 1,567,177
<b>Net withdrawals from dealings with members</b>		(328,338)	(364,588)
<b>Returns on investments</b>			
Investment income	7	26,363	27,225
Investment Managers Expenses	8	-	(1,918)
Change in market value of investments	9	3,620,685	(310,733)
<b>Net returns on investments</b>		<hr/> 3,647,048	<hr/> (285,426)
<b>Net increase / (decrease) in the fund during the year</b>		3,318,710	(650,014)
<b>Net assets of the Scheme at 6 April</b>		34,189,091	34,839,105
<b>Net assets of the Scheme at 5 April</b>		<hr/> 37,507,801	<hr/> 34,189,091

The notes on pages 21 to 29 form an integral part of these financial statements.

**The BIC UK Pension Scheme**  
**STATEMENT OF NET ASSETS (available for benefits)**  
**As at 5 April 2021**

	<i>Note</i>	2021 £	2020 £
<b>Investment assets:</b>	9		
Pooled investment vehicles		36,829,382	33,399,102
Insurance policies		313,003	303,085
AVC investments		160	532
Total net investments		37,142,545	33,702,719
<b>Current assets</b>	12	383,136	503,401
<b>Current liabilities</b>	13	(17,880)	(17,029)
<b>Net assets of the Scheme at 5 April</b>		37,507,801	34,189,091

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities included in the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 21 to 29 form an integral part of these financial statements.

These financial statements were approved by the Trustees and authorised for issue on .....

Signed on behalf of the Trustees:

.....  
For and on behalf of the Trustees

# **The BIC UK Pension Scheme**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 5 April 2021**

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#### **1 BASIS OF PREPARATION**

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

The financial statements have been prepared on a going concern basis. The Trustees do not consider the uncertainties relating to the impact of the Coronavirus pandemic to have a significant effect on the Scheme's ability to continue as a going concern for at least a year from the date of approval of the financial statements.

#### **2 ACCOUNTING POLICIES**

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

##### **2.1 Accruals Concept**

These financial statements have been prepared on an accrual basis under the historical cost convention except where indicated below.

The Scheme's functional and presentation currency is pounds sterling, rounded to the nearest £.

##### **2.2 Contribution Income**

Deficit contributions are recognised in line with the Schedule of Contributions in place.

##### **2.3 Other Income**

Other income is accounted for when monies received.

##### **2.4 Benefits**

Benefits payable represent all valid benefit claims in respect of the Scheme year. Benefits to members are accounted for in the period in which they fall due for payment.

##### **2.5 Transfers**

Transfers out of the Scheme are accounted for when the related member liability transfers between Schemes.

##### **2.6 Investment income**

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value, otherwise it is accounted for when declared by the fund manager.

Receipts from annuity policies are accounted for as investment income.

##### **2.7 Investment management expenses**

Investment management expenses are accounted for on an accruals basis.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

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**2 ACCOUNTING POLICIES (cont.)**

**2.8 Valuation of Investments**

Investments are stated at market value:

- a) AVC funds are included at the market value advised by the fund managers as at the year end date.
- b) The market value of units in Pooled Investment Vehicles is based on bid price as quoted by the fund's manager at the year end.
- c) Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions.

**3 CONTRIBUTIONS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Employers		
Deficit funding	1,200,000	1,200,000

---

Following the agreement of the current Schedule of Contributions with the Trustees and the Employer, the Employer has agreed to pay £1,200,000 per annum into the Scheme from 1 April 2018 to 31 December 2021.

**4 BENEFITS PAID OR PAYABLE**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Pensions	1,235,062	1,384,703
Commutation of pensions and lump sum retirement benefits	292,101	154,365
	<u>1,527,163</u>	<u>1,539,068</u>

**5 PAYMENTS TO AND ON ACCOUNT OF LEAVERS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Individual transfers out to other Schemes	-	26,764

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**6 ADMINISTRATIVE EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank charges	1,175	1,345

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All other costs of administration are borne by the principal employer.



**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

**7 INVESTMENT INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Annuity income	26,363	27,225

**8 INVESTMENT MANAGERS EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment Managers Expenses	-	(1,918)

**9 INVESTMENTS**

	<b>Value at 06/04/2020</b>	<b>Purchases at cost</b>	<b>Sales proceeds</b>	<b>Change in market value</b>	<b>Value at 05/04/2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Pooled investment vehicles	33,399,102	-	(180,000)	3,610,280	36,829,382
Insurance policies – annuities	303,085	-	-	9,918	313,003
AVC investments	532	-	(859)	487	160
	<u>33,702,719</u>	<u>-</u>	<u>(180,859)</u>	<u>3,620,685</u>	<u>37,142,545</u>

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

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

The company managing the managed fund investments is registered in the United Kingdom.

**Pooled investment vehicles**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Diversified growth	21,794,686	19,294,825
Corporate bonds	7,638,032	6,775,939
Over 5 year index linked gilts	7,396,664	7,328,338
	<u>36,829,382</u>	<u>33,339,102</u>

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

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**9 INVESTMENTS (Continued)**

**Insurance Policies**

The Scheme held insurance policies at the year-end as follows:

	2021 £	2020 £
The Prudential Assurance Company Limited	313,003	303,085

**AVC Investments**

The Trustees hold assets invested separately from the main fund in the form of insurance policies securing additional benefits on a money purchase basis for those members who elected to pay additional voluntary contributions. Designated money purchase assets do not form a common pool of assets available for members generally. Members participating in this arrangement each receive an annual statement confirming the amounts held to their account and the movements in the year.

The total amount of AVC Investments at the year end is shown below.

	2021 £	2020 £
The Prudential Assurance Company Limited	160	532

**Concentration of Investments**

The following investments had a market value in excess of 5% of the total net assets of the Scheme:

	2021 Market Value	%	2020 Market Value	%
P1915 BNYM Real Return	7,455,708	20	6,211,806	19
P1918 L&G AP-Over 5y Index-Linked Gilts	7,396,644	20	7,382,338	22
P1917 L&G TD (W) – Core Plus	7,638,032	21	6,775,939	20
P04127 Invesco Perpetual Global	6,831,341	18	6,995,118	21
P07966 L&G Life MAAA Diversified Fund	7,507,637	20	6,087,901	18

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

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**10 FAIR VALUE DETERMINATION**

The fair value of financial instruments has been analysed 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 (ie developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

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

	<b>At 5 April 2021</b>			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	21,794,686	15,034,696	36,829,382
Insurance policies	-	-	313,003	313,003
AVC investments	-	-	160	160
	-	21,794,686	15,347,859	37,142,545

	<b>At 5 April 2020</b>			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	19,294,825	14,104,277	33,399,102
Insurance policies	-	-	303,085	303,085
AVC investments	-	-	532	532
	-	19,294,825	14,407,894	33,702,719

# The BIC UK Pension Scheme

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 5 April 2021

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#### 11 INVESTMENT RISK DISCLOSURES

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

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

Further information on the Trustee's approach to risk management and the Scheme's exposures to credit and market risks are set out below.

Credit and market risk is set out below. This does not include the legacy insurance policies.

#### **Credit risk**

All Mobius Life funds are Unit linked insurance contracts and are categorised as unrated pooled investment vehicles. A summary of the Schemes holdings is as follows:

	2021	2020
	£	£
Unit linked insurance contracts	36,829,382	33,399,102
Total	36,829,382	33,399,102

#### **Market risk**

FRS 102 defines market risk as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

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**11 INVESTMENT RISK DISCLOSURES (Continued)**

**i) Currency risk**

The Scheme is exposed to currency risk as some of the Schemes assets are held in overseas markets through pooled investment vehicles. All Mobius Life funds are priced in GBP however the underlying portfolio is exposed to foreign exchange risk:

	2021	2020
	£	£
P1915 BNYM Real Return	7,455,708	6,211,806
P04127 Invesco Perpetual Global Targeted Returns Funds	6,831,341	6,995,118
P07966 L&G Life MAAA Diversified Fund	7,507,637	6,087,901
Total	21,764,686	19,294,825

**ii) Interest rate risk**

The Scheme is exposed to interest rate risk as some assets, held through pooled investment vehicles, are subject to interest rate risk, for the purposes of this report we have included Index Linked Bonds in this categorisation. The following holdings are subject to changes in interest rates:

	2021	2020
	£	£
P1917 L&G TD (W) – Core Plus	7,638,032	6,775,939
P1918 L&G AP-Over 5y Index-Linked Gilts	7,396,664	7,328,338
P1915 BNYM Real Return	7,455,708	6,211,806
P04127 Invesco Perpetual Global Targeted Returns Funds	6,831,341	6,995,118
P07966 L&G Life MAAA Diversified Fund	7,507,637	6,087,901
Total	36,829,382	33,399,102

**iii) Other price risk**

The Scheme is exposed to other price risk in relation to its holdings in assets, through pooled investment vehicles, typically including equities, private equity, hedge funds and property:

	2021	2020
	£	£
P1915 BNYM Real Return	7,455,708	6,211,806
P04127 Invesco Perpetual Global Targeted Returns Funds	6,831,341	6,995,118
P07966 L&G Life MAAA Diversified Fund	7,507,637	6,087,901
Total	21,794,686	19,294,825

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

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**12 CURRENT ASSETS**

	2021 £	2020 £
Other debtors	34	35
Contributions due in respect of employer	100,000	100,000
Benefits paid in advance	1,940	1,626
Cash balances	281,162	401,740
	<u>383,136</u>	<u>503,401</u>

The contributions due from the employer were paid in full on 20 April 2021, in line with the terms set out in the Schedule of Contributions.

**13 CURRENT LIABILITIES**

	2021 £	2020 £
Benefits payable	1,954	-
Tax due on pensions	15,925	17,029
	<u>17,880</u>	<u>17,029</u>

**14 RELATED PARTY TRANSACTIONS**

All transactions between the Scheme and the participating employer are disclosed in the financial statements. The employer pays all administration fees, including trustees' fees. The Trustees are considered key management personnel. Trustees' fees paid in the year were £75,632 (2020: £49,654).

The Member Nominated Trustee D Everitt is a member of the Pension Scheme.

**15 EMPLOYER RELATED INVESTMENT**

There were no employer related investments at any time during the year within the meaning of section 40(2) of the Pensions Act 1995.

**16 GUARANTEED MINIMUM PENSIONS**

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits earned between May 1990 and April 1997. The issues determined by the judgment arise in relation to many other defined benefit pension schemes.

On 20 November 2020, the High Court handed down a second judgment involving Lloyds Banking Group's defined benefit schemes. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes.

**The BIC UK Pension Scheme**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 5 April 2021**

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**16      GUARANTEED MINIMUM PENSIONS (cont.)**

Under the first ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustees and Bic UK Limited agreed a methodology to allow for GMP equalisation. As such, an exercise was completed to assess whether adjustments were required to benefits currently in payment and whether any arrears payments should be made. Any members affected have been notified and adjustments to pensions in payment were made in July this year. Arrears payments including an allowance for interest were made at the same time.

The Trustees of the Scheme are aware that the second ruling described above will affect the Scheme. However at this stage the Trustees are not in a position to obtain a reliable estimate of the impact on the Scheme.

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## SUMMARY OF RESULTS

This report sets out the results of the actuarial valuation of the BIC UK Pension Scheme ("the Scheme") at 5 April 2018.

The liabilities on the Statement of Funding Principles (SFP) basis were agreed by the Trustees and the sponsoring employer using a basis consistent with the previous valuation, but updated for market conditions and for changes in future life expectancy of Scheme members. The Trustees have determined that the Employer covenant has remained strong after taking into account the guarantee from Societe Bic S.A. and the advice of RSM.

The main results of the valuation are shown in the table below:

<b>5 April 2018 £'000</b>	<b>Last actuarial valuation (Technical Provisions)</b>	<b>Statement of Funding Principles (SFP)</b>	<b>Solvency</b>	<b>PPF</b>
<b>Assets</b>	34,230	34,445	34,504	34,504
<b>Liabilities</b>	40,060	39,608	52,252	41,718
<b>Deficit</b>	<b>(5,830)</b>	<b>(5,163)</b>	<b>(17,748)</b>	<b>(7,214)</b>
<b>Funding level</b>	<b>85%</b>	<b>87%</b>	<b>66%</b>	<b>83%</b>

Over the course of the valuation process, there has been considerable uncertainty surrounding the validity or otherwise of the historic increases awarded in relation to the pre 1997 tranche of benefits (in excess of GMP). The Trustees and the sponsoring employer have agreed to adopt an approach for this valuation whereby increases applied up to 2013 are assumed to be valid (the date that the increases in respect of this tranche were suspended) but no further increases would be provided. Further detail on the rationale for this approach is set out on page 8 of this report.

The deficit has improved since the date of the last valuation. This is primarily due to contributions paid by the Employer to the Scheme, offset by poor investment returns and changes to assumptions that reflect market conditions at the valuation date.

At the valuation date, the Scheme had a deficit on the Technical Provisions basis. Following discussion between the Trustees and the Employer, it was agreed that the Employer would pay contributions of £100,000 per month over a period of 3 years and 9 months from the valuation date. These contributions would be payable monthly.

In addition, the Employer would cover the cost of expenses (excluding implicit investment expenses and bank charges) and PPF levies separately.

The main risks to the Scheme's funding position are highlighted later in this report. In particular, the Trustees may wish to review their investment strategy in light of the maturity of the Scheme, and the potential mismatching risk. The Trustees should also note that the valuation results are particularly sensitive to the benefits and life expectancy for four specific individuals.



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Once signed off, the results of this valuation will be submitted to the Pensions Regulator and the Trustees will need to provide a copy of this report to the Employer within 10 working days of receipt. The Trustees are required to provide a summary funding statement to all Scheme members which sets out the results of this valuation and other information required by legislation.

The next valuation date will be 5 April 2021. I am required to provide approximate funding updates in each interim year between formal valuations with the first update due as at 5 April 2019.

Emma Rogers,  
Scheme Actuary  
June 2019

## RESULTS OF THE LAST VALUATION

DATE OF VALUATION	5 April 2015
SCHEME ACTUARY	Chris Atkin
VALUATION RESULTS	Surplus/(deficit)
Scheme specific	(£5.8 million)
Solvency	(£21.7 million)
CONTRIBUTIONS	
Deficit	£1,200,000 per annum until 31 August 2020
EXPENSES AND LEVIES	Paid directly by the Employer on behalf of the Trustees

### PRE 97 PENSION INCREASES

Over the course of the valuation process, there has been considerable uncertainty surrounding the validity or otherwise of the historic increases awarded in relation to the pre 1997 tranche of benefits (in excess of GMP) and the extent to which any allowance should be made within the valuation figures.

Earlier in the year, the matter was brought to Court and ruled in the Trustees' favour (concluding that the increases were validly applied). However, the Employer appealed this decision. The Appeal Judgment was handed down on 10 May 2019 and this rejected the method by which the increases were introduced and so the conclusion is now that the increases were invalid.

At the time of writing this report, we are not in a position to adjust the valuation results for this development at the current time. There remains some discussion as to whether the increases that have been historically applied should be removed. If this is the case, benefits will need to be reviewed and adjusted which will be a lengthy exercise.

Given the forthcoming statutory deadline, the Trustees and the Employer have agreed to adopt an approach for this valuation whereby increases applied up to 2012 were assumed to be valid (any further increases were suspended in 2013) but no further increases would be provided. This is consistent with calculations done for the 2015 valuation. This provides for a greater level of contribution support from the Employer than would be required following the adjustment of benefits (if needed) but both parties are comfortable with this approach until such time as the status of the Scheme is clearer.

# The BIC UK Pension Scheme

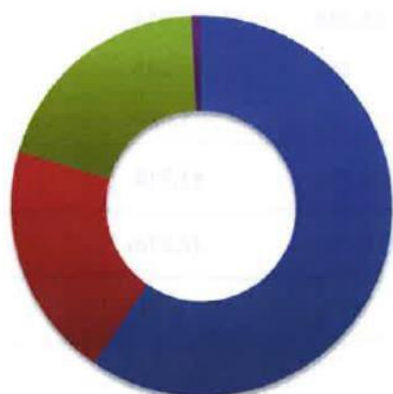
## ACTUARIAL STATEMENTS

### 5 April 2021

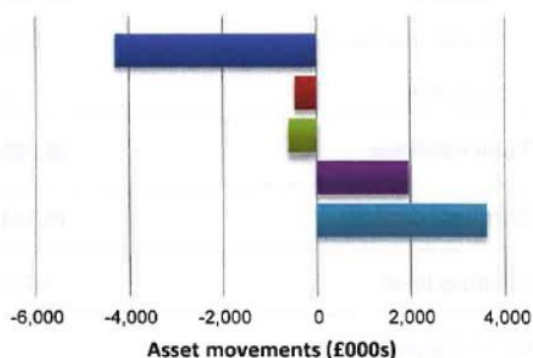
## CHANGE IN ASSET VALUATION

I have been provided with an audited copy of the Scheme accounts for the year ending 5 April 2018. A breakdown of the assets is provided below, along with a summary of how the assets have changed since the last valuation.

Split of assets between sectors



Change in assets since previous valuation



	£'000	%
Absolute Return Funds	20,328	59%
Core Plus Bond Fund	6,842	20%
Index-Linked Gilts	6,700	20%
Cash	250	1%
<b>Total</b>	<b>34,120</b>	<b>100%</b>

	£'000
Pension payments	-4,299
Lump sums	-454
Transfer values	-573
Investment return	1,942
Contributions	3,600

The invested assets have returned around 2.1% per annum over the period since the last full funding valuation.

## INSURED BENEFITS

In addition to the above, the Scheme has secured benefits for a number of individuals with Prudential. For the purpose of this valuation, the value of these benefits has been included as an asset using the same assumptions as used in valuing the Scheme liabilities.

**The BIC UK Pension Scheme**  
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## RESULTS

£'000	SFP	Solvency	PPF
<b>Total assets</b>	<b>34,445</b>	<b>34,504</b>	<b>34,504</b>
Deferred members	16,094	25,812	18,952
Pensioners	23,189	24,258	20,911
Insured members	325	384	335
Expenses	0	1,798	1,520
<b>Total liabilities</b>	<b>39,608</b>	<b>52,252</b>	<b>41,718</b>
<b>Surplus / (deficit)</b>	<b>(5,163)</b>	<b>(17,748)</b>	<b>(7,214)</b>
<b>Funding level</b>	<b>87%</b>	<b>66%</b>	<b>83%</b>

### KEY ASSUMPTIONS

Discount rate:	Pre-retirement	4.05% p.a.	1.04% p.a.	1.04% p.a.
	Post-retirement (non-pensioners)	2.05% p.a.	1.37% p.a.	1.37% p.a.
	Post-retirement (pensioners)	2.05% p.a.	1.74% p.a.	1.74% p.a.
Deferred revaluation (in excess of GMP)		2.20% p.a.	2.70% p.a.	Pre 2009 2.72% p.a. Post 2009 1.87% p.a.
Pension increases:	RPI max 5%	3.20% p.a.	3.20% p.a.	N/A
	RPI max 3%	3.00% p.a.	3.00% p.a.	N/A
	CPI max 2.5%	N/A	N/A	2.22% p.a. (non-pensioners) 1.90% p.a. (pensioners)
Allowance for cash commutation		None	None	None
Mortality		95% S2PA CMI 2017 [1.5%/1.25%] long term trend	S2PA CMI 2014 [1.5%/1.25%] long term trend	S2PA CMI 2014 [1.5%/1.25%] long term trend

The Scheme has insufficient assets to cover PPF benefits on the prescribed assumptions. The funding level on this basis will be used to calculate the PPF levy for the Scheme in future years.

It is estimated that, on a solvency basis, the Scheme would not have had sufficient assets to meet 100% of the cost of buying out PPF benefits. It is likely, therefore, that, had the Scheme been wound up at the valuation date, the PPF would have taken over responsibility for providing benefits to members at PPF levels unless the Employer was able to provide additional finance to the Scheme.

## **APPENDIX IV – CERTIFICATION OF THE CALCULATION OF TECHNICAL PROVISIONS**

BIC UK PENSION SCHEME

I certify that, in my opinion, the calculation of the Scheme's technical provisions as at 5 April 2018 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustees of the Scheme and set out in the Statement of Funding Principles dated ...17/06/19.....

Signature: *ERogers*

Date: 17/06/19 .

Name Emma Rogers

Qualification: Fellow of the Institute  
& Faculty of Actuaries

Address: Nelson House  
Central Boulevard  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8BG

Name of Company: Atkin & Co



## **APPENDIX VI – SCHEDULE OF CONTRIBUTIONS**

### **BIC UK PENSION SCHEME**

#### **STATUS**

This Schedule of Contributions has been prepared by the Trustees, after obtaining the advice of Emma Rogers, the Actuary to the Scheme.

#### **CONTRIBUTIONS TO BE PAID TO THE SCHEME BY THE EMPLOYER FROM 1 APRIL 2018 TO 31 DECEMBER 2021**

The Employer will pay contributions at a rate of £1,200,000 per annum with effect from 1 April 2018. These contributions will be payable monthly in line with the Recovery Plan dated as below.


Contributions must be received by the 19<sup>th</sup> day of each month. Should the 19<sup>th</sup> fall on a non-working day or public holiday, contributions must be received by the next working day.

In addition, the Employer will pay the PPF levy and all other expenses (excluding implicit investment expenses and bank charges). The Employer may also make additional contributions from time to time as agreed with the Trustees.

This Schedule of Contributions replaces any previous version, and will be reviewed following future actuarial valuations.

#### **Signed on behalf of BIC UK Limited**

Name: Mark Stead  
Position: [Director/Company Secretary]  
Date: 14 June 2019



#### **Signed on behalf of the Trustees of the BIC UK Pension Scheme**

Name: Benoit LAMBOURD  
Position: Trustee  
Date: 14 JUNE 2019



This schedule of contributions has been agreed by the Trustees of the BIC UK Pension Scheme after obtaining actuarial advice from me.

Signed: EL Rogers

Name: Emma Rogers  
Position: Actuary to the BIC UK Pension Scheme  
Date: 17/06/19

**The BIC UK Pension Scheme**  
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**5 April 2021**

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ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

BIC UK PENSION SCHEME

ADEQUACY OF RATES OF CONTRIBUTIONS

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions, which are based on a valuation as at 5 April 2018, are such that the statutory funding objective could have been expected on 5 April 2018 to be met by the end of the period specified in the Recovery Plan dated as below.

ADHERENCE TO STATEMENT OF FUNDING PRINCIPLES

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 17/06/19.

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

Signed:

*EL Rogers*

Name: Emma Rogers  
Position: Actuary to the BIC UK Pension Scheme  
Qualification: Fellow of the Institute & Faculty of Actuaries  
Company: Atkin & Co  
Date: 17/06/19

# The BIC UK Pension Scheme

## ACTUARIAL STATEMENTS

### 5 April 2021

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

The most recent full actuarial valuation of the Scheme was carried out as at 5 April 2018.

	5 April 2020	5 April 2019	5 April 2018
	£	£	£
The value of the Technical Provisions was:	43,647,000	40,407,000	39,608,000
The value of the assets at that date was:	34,189,000	34,827,000	34,445,000
Shortfall	(9,458,000)	(5,580,000)	(5,163,000)
Funding Level	78%	86%	87%

### Method

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

### Significant actuarial assumptions

	5 April 2020	5 April 2019	5 April 2018	Derivation
Pre Retirement Discount Rate	3.00% p.a.	3.85% p.a.	4.05% p.a.	The Bank of England's published implied gilt yield curve plus a subjective margin for out-performance of the return-seeking assets
Post Retirement Discount rate	1.00% p.a.	1.85% p.a.	2.05% p.a.	The Bank of England's published implied gilt yield curve plus a subjective margin for out-performance expected from the Scheme's bond holding.
RPI Inflation	2.90% p.a.	3.40% p.a.	3.20% p.a.	The Bank of England's published spot curve at the relevant term, with an adjustment for perceived distortions in the market-implied rate.
Pension increases Pre 6 April 1997 (in excess of GMP)	Nil (for the majority of members)	Nil (for the majority of members)	Nil (for the majority of members)	Increases to pensions in payment for benefits accrued before 6 April 1997 are assumed to no longer be payable.
Pension increases RPI max 5%/3%	2.90% p.a./ 2.90% p.a.	3.40% p.a./ 3.00% p.a.	3.20% p.a./ 3.00% p.a.	Increases to pensions in payment in line with RPI subject to a maximum of 5%/3% per annum are assumed to increase in line with the assumption for RPI increases (or the cap where this cap bites)
Mortality	95% S2PA CMI_2019 (1.5% males, 1.25% females)	95% S2PA CMI_2018 (1.5% males, 1.25% females)	95% S2PA CMI_2017 (1.5% males, 1.25% females)	Based on appropriate mortality tables adjusted to reflect the Scheme membership. Allowance for future improvements to be based on recent studies as advised by the Scheme Actuary.

### Results

As a result of the valuation, the Trustees and the Principal Employer have agreed a recovery plan to correct the shortfall. The Principal Employer will pay deficit funding contributions of £1,200,000 per annum from 1 April 2018 until 31 December 2021, in equal monthly instalments.

The above results assume that no future increases will be applied to the pre 97 tranche of benefits (in excess of GMP) but any increase applied before 2013 (when the increases were suspended) would be retained. In reality, an exercise has now been completed whereby the increases applying to this tranche have been removed and any past overpayments are being recouped. However, the current contribution strategy is based on the above results and methodology (agreed prior to any resolution of the pre 97 issue) and so the above funding position has been disclosed. The amendments to benefits will be fully reflected in the next full actuarial valuation of the Scheme to be carried out as at 5 April 2021.



# **The BIC UK Pension Scheme**

## **COMPLIANCE STATEMENT**

### **For the year ended 5 April 2021**

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#### **Tax status of The Scheme**

The Scheme is a Registered Pension Scheme under Chapter 2 of Part IV of the Finance Act 2004.

The employments of members were contracted-out of the State Second Pension (S2P) formerly the State Earnings Related Pension Scheme (SERPS) whilst there were active members of the Scheme.

#### **Increases in pensions in payment**

Increases to pension in excess of GMP earned up to 6 April 1997 no longer apply.

GMPs in respect of service between 6 April 1988 and 5 April 1997 continue to increase each year in line with RPI to a maximum of 3%, and pensions earned after 5 April 1997 continue to increase each year in line with RPI to a maximum of 5%. Pension increase dates were aligned for all members in April 2014 so that increases are now paid in April each year instead of on the anniversary of a member's retirement.

In April 2021, pensions earned after 6 April 1997 were increased by 1.1% and GMPs in respect of service between 6 April 1988 and 5 April 1997 were also increased by 1.1%.

#### **Cash equivalents**

Cash Equivalent Transfer Values paid during the year in respect of transfers to other pension schemes have been calculated and verified by the Scheme Actuary in accordance with legislation.

#### **Advisers**

There were no changes to the advisers in the year.

#### **Other information**

- i. The Pension Tracing Service provides a tracing service for members (and their dependants) of previous employers' Schemes, who have lost touch with earlier employers and Trustees. To trace a benefit entitlement under a former employer's Scheme, enquiries should be addressed to:

Pension Tracing Service  
The Pension Service 9  
Main Handling Site A  
Wolverhampton  
WV98 1LU  
Telephone: 0800 731 0193  
Website: [www.gov.uk/pension-contact-details](http://www.gov.uk/pension-contact-details)

- ii. The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an Occupational Pension Scheme. Any such complaints should be addressed to:

The Pensions Ombudsman  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU  
Telephone: 0800 917 4487  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)  
E-mail: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

## **The BIC UK Pension Scheme**

### **COMPLIANCE STATEMENT**

#### **For the year ended 5 April 2021**

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- iii The Pensions Advisory Service (TPAS) exists to assist members and beneficiaries of Schemes in connection with difficulties they have in relation to an Occupational Pension Scheme. The Pensions Advisory Service may be contacted at:

The Pensions Advisory Service  
Money and Pensions Service  
120 Holborn  
London  
EC1N 2TD  
Telephone: 0800 011 3797  
Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)  
E-mail: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)

- iv The Pensions Regulator (TPR) was established with effect from 6 April 2005 to regulate occupational pension Schemes. TPR replaced OPRA with effect from that date.

TPR's role is to act to protect the interests of pension Scheme members and to enforce the law as it applies to occupational pensions.

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

TPR can be contacted at:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton  
East Sussex  
BN1 4DW  
Telephone: 0345 600 0707  
Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)  
E-mail: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)

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

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

- vi The Trust Deed and rules, the Scheme details, and a copy of the Schedule of Contributions and Statement of Investment Principles are available for inspection free of charge by contacting Atkin & Co. at the address shown for enquiries in this report.

Atkin Pensions  
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