

Lloyd's Register Superannuation Fund Association (LRSFA)

Trustee's Report and Financial Statements for the Year

1 April 2020 to 31 March 2021

LRSFA the Pensions Regulator registration number: 100145126

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1. Trustee

Lloyd's Register Superannuation Trustees Limited
71 Fenchurch Street
London
EC3M 4BS

2. Secretary of the Fund

Mrs E Thomas

3. Sponsoring Employer

Lloyd's Register Group Ltd
71 Fenchurch Street
London
EC3M 4BS

4. Advisers to the Fund

Actuary	Mr David Jones – Lane Clark & Peacock LLP
Auditor	Crowe U.K. LLP
Investment Managers	Aberdeen Standard Alcentra Apollo Investment Barings Legal and General Investment Management Ltd M&G Investments Partners Group PIMCO Schroders
Legal Adviser	Hogan Lovells International LLP
Investment Adviser	ISIO – For both the DB and DC sections
DB Administrator	XPS Administration Limited
DC Administrator & Investment Manager	Standard Life

5. Custodian

BNY Mellon

6. Bank

National Westminster Bank PLC
Barclays Bank PLC

7. The Trustee of the Fund

Lloyd's Register Superannuation Trustees Limited is a company whose sole function is to act as Trustee of the Fund. The Directors of the company act as Trustees of the Fund. All enquiries regarding the Fund should be addressed to the Secretary at the address of the Trustee shown on page 3.

8. The Directors of the Company (Trustees)

Mr N Godden]	Chairman
Mr J Kleinot]	
SO Nice (Resigned 31 December 2020)]	Nominated by Lloyd's Register Group Ltd
Mr N Williams]	
Mr D Wagstaff]	
C Colby-Blake (Resigned 11 December 2020)]	
Mr D Cronin]	Member Nominated Trustees
Mrs R Willson]	(elected by the Fund members)

Trustees are appointed in accordance with Article 71 of the Articles of Association of the Company and are removed or may resign in accordance with Article 74. Trustees nominated by Lloyd's Register Group Ltd may be removed or replaced by Lloyd's Register Group Ltd. Member Nominated Trustees are subject to election by the members at Annual General Meetings. They are elected to serve for a period of three years and retire annually in rotation.

The Trustees shall have the power to remove any Trustee from office (by whoever they were appointed, either the members or the employer). The same powers will apply to appoint a replacement Trustee who ceases to be a Trustee for any reason.

There were four Trustee Board meetings held throughout the year as scheduled. Each Trustee Director has one vote and a decision may be carried by a simple majority. In the event of a tie, the Chairman will have the casting vote. The Trustee Board has delegated some of its responsibility to sub committees. The Defined Benefit and Defined Contribution Investment subcommittees convened four times in the year. The Discretions subcommittee convened monthly.

9. Changes to the Directors of the Trustee Company

Mr S Nice stood down as an Employer Nominated Trustee, a replacement is yet to be appointed.

Mr C Colby-Blake stood down as a Member Nominated Trustee, there has been no Annual General Meeting (AGM) scheduled due to the ongoing COVID-19 pandemic meaning that an election in accordance with Rule D24 is yet to take place. Arrangements will be made as soon as practically possible to hold an AGM.

In accordance with Rule D24 an election was held at the Annual General Meeting (AGM) on 17 December 2019, as the longest standing Member Nominated Trustee Director Mr D Cronin stood down. Mr D Cronin re-stood for the election and as was re-elected unopposed held at the AGM.

10. Changes to the Advisers to the Fund

The were no changes to the Fund during the year.

11. Changes to the Investment Managers

There were no changes to the Investment Managers during the year.

12. Post year end events

The 2019 Triennial LRSFA Actuarial Valuation was not signed off by 30 June 2020. The delay was notified to the Pension Regulator and final sign off was obtained on the 26 November 2020.

Lloyd's Register has agreed to sell its Business Assurance and Inspection Services business to Goldman Sachs, however legal completion of the sale has not been completed as yet. The Company has agreed to enter into a Flexible Apportionment Arrangement and are looking to pay an estimate of the Section 75 debt.

13. Custodial arrangements

The Fund's assets are held by BNY Mellon. The custodian is responsible for the safe keeping of share certificates and other documents relating to the ownership of listed investments.

The Trustee is responsible for ensuring that the Fund's assets continue to be held securely. They review the custodian arrangements from time to time and the Fund's auditor is authorised to make whatever investigations deemed necessary as part of the annual audit procedures.

14. Taxation Status

The Fund is registered under Chapter 2 of Part 4 of Finance Act 2004. The Defined Benefit Section of the Fund was contracted out of the State Second Pension (S2P) until that Section of the Fund closed to future accrual on 30 September 2010. The Trustee knows of no reason why this status may be prejudiced or withdrawn.

15. The Pensions Advisory Service and the Pensions Ombudsman

If Fund members have any queries concerning their benefits they should contact the Secretary of the Fund at the Trustee address shown on page 3.

You have the right to refer your complaint to The Pensions Ombudsman free of charge.

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade

Canary Wharf

E14 4PU

0800 917 4487

enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

You can also submit a complaint online: www.pensions-ombudsman.org.uk/our-service/make-a-complaint

If you have general requests for information or guidance concerning your pension arrangements contact:

The Money & Pensions Service (MaPS) is available at any time to assist members and beneficiaries with pensions questions and issues they have been unable to resolve with the trustees of the Fund. MaPS has launched Moneyhelper, which brings together the Money Advice Service, The Pensions Advisory Service and Pension Wise to create a single place to get help with money and pension choices. Moneyhelper is impartial, backed by the government and free to use.

The Money and Pensions Service
Holborn Centre
120 Holborn
London, EC 1N 2TD
0800 011 3797
www.moneyhelper.org.uk

16. The Pensions Regulator

The Pensions Regulator (TPR) can intervene if it considers that a Fund's Trustees, advisers, or the employer are not carrying out their duties correctly. The address for TPR is:

Napier House
Trafalgar Place
Brighton
BN1 4DW

0345 600 0707
customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk/

The Fund's registration number with TPR is: 100145126

17. Pensions Scheme Act 1993

The Act sets out requirements for disclosure of information to members past, present and prospective, their spouses and beneficiaries and recognised trade unions, and provides for an Annual Report to be issued.

The Rules of the Fund are held in the Group Pensions Department, London and are available for inspection. A Guide to the Rules of the Fund has also been issued to every member on joining.

18. Market Value of the Fund

At 31 March 2021 the value of the Fund was £1,303.5m an increase of £78.6m since 31 March 2020. Details are shown in the audited Financial Statements included in this report.

19. Membership of the Fund

Changes in membership of the Fund over the year were as follows.

	Active*	Deferred**	Pensioner	Dependent	Total
As at 1 April 2020	1,645	3,524	1,700	461	7,330
<i>Prior Year Adjustments</i>	<i>(9)</i>	<i>(4)</i>	-	<i>4</i>	<i>(9)</i>
Revised as at 1 April 2020	1,636	3,520	1,700	465	7,321
New Joiners	80	-	-	-	80
Leavers	(252)	242	-	-	(10)
Transfers Out/Refunds	(32)	(78)	-	-	(110)
Deaths	-	(7)	(54)	(26)	(87)
New Pensioners	-	(45)	52	21	28
Recommencements/Adjustments	-	1	9	-	10
Net Movements	(204)	113	7	(5)	(89)
31 March 2021	1,432	3,633	1,707	460	7,232

In addition, allowances were paid to 4 children (2020: 4).

*Members in service includes 199 (2020: 229) members who have protected past service rights under the fund following the closure of the DB Section in 2010.

** Deferred members includes 2,157 (2020: 2,240) members who have protected past service rights under the fund following the closure of the DB Section in 2010.

Eligibility

Employees joining a sponsoring employer after 1 April 2003 are eligible to join the Defined Contribution Section of the Lloyd's Register Superannuation Fund Association.

Following the closure of the Defined Benefit Section to future accrual on 30 September 2010 the option to join the Defined Benefit Section after eight years of membership of the Fund ceased.

20. Pension Reviews

Pensions in payment that contained an element deriving from Post 6 April 1997 service was increased by 1.1% from 1 April 2021 (2020: 2.4%). Guaranteed Minimum Pension (GMP) earned after 1988 increased in line with inflation up to a maximum of 3%. GMP relates to service accrued from April 1978 to April 1997, when the contracting out arrangements were changed and GMP ceased to apply, contracting out ceased on 6 April 2016. There were no discretionary increases awarded in the year for Pre 6 April 1997 service elements in excess of GMP.

21. Additional Voluntary Contributions (AVCs)

Contributions into Standard Life and Aviva AVCs policies were closed to new members on 1st September 2018. Members who were contributing on 31 August 2018 were able to continue to contribute into their Standard Life policy. Members wishing to pay above the regular contribution rates are now able to pay additional contributions into their Standard Life Defined Contribution Policy in line with their main investment options. The historic policies with Standard Life and Utmost Life with-profits fund are closed to new members but remain part of the member's benefits. Members are kept informed of developments regarding Utmost Life & Standard Life.

22. Transfers to and from the Fund

The Rules permit the acceptance of transfer payments from, and the payment of transfer values to, other registered pension arrangements. However, the Trustee is not obliged to accept transfers into the Fund.

The calculation of transfer values and the additional benefits that a transfer payment will provide are based on factors supplied by the Actuary. Cash equivalent and guaranteed cash equivalent transfer values (within the meaning of Chapter IV of Part IV of the Pension Schemes Act 1993) paid during the year were calculated and verified in the manner prescribed by regulations made under Section 97 or Section 101 of that Act.

Since 23 September 2004 transfers received from other registered pension arrangements have been invested in the Defined Contribution Section. Service Credits are no longer provided.

Until 30 September 2010 the accrued AVC funds of retiring members who wished to purchase additional pension in the Fund could be transferred to the Lloyd's Register Superannuation Fund Association (LRSFA) by Utmost Life (formerly Equitable Life) and Standard Life on the member's retirement. The amount of additional pension so purchased was determined using factors supplied by the Actuary. After 30 September 2010 AVC and DC funds can be used as part of any lump sum taken or alternatively to purchase a product on the open market. Any excess funds remaining within the Fund must be used to purchase an annuity.

Transfer values applicable to DB benefits fully reflect the value of the member's accrued benefit rights. They no longer take into account discretionary pension increases which might be payable in the future.

The current transfer value basis makes an allowance for a lump sum payment up to £5,000 on a member's death.

In certain circumstances the Fund will accept payments from Lloyd's Register Group Ltd to augment the pension benefits of members. The additional benefits are determined using factors supplied by the Actuary.

23. Report on Actuarial Liabilities

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 a prudent estimate of the amount of assets needed to provide the benefits that members are entitled to, based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Fund members on request.

The most recent full actuarial valuation of the Fund was carried out as at 31 March 2019. This showed that, in the Defined Benefit Section of the Fund, on that date:

- The value of the Technical Provisions was: £1,060 million
- The value of the assets at that date was: £1,043 million
- The value of the deficit was: £17 million

As a result both Lloyd's Register Group Ltd and the Trustee, in conjunction with advice from the Fund Actuary, agreed the following measures, effective from April 2019:-

- (a) Past service deficit recovery plan:
 - On or before 31 March 2020: £8.13 million
 - On or before 31 March 2021: £5.2 million
- (b) Future service contribution rates and expenses:
 - The Defined Benefit Section of the LRSFA was closed to future accrual on 30 September 2010.
 - Contributions payable each year, equal to the LRSFA's operating expenses, the premiums for the life insurance policy and PPF levies.
 - In addition the Employer pays a contribution of 0.9% of members' pensionable salaries to cover the 'soft landing' benefits applicable to certain members of the Fund.
- (c) Deed of Gift:

Lloyd's Register Group Ltd established a Deed of Gift with Lloyd's Register Foundation in 2013 in which a promise was given to the LRSFA, that should Lloyd's Register Group Ltd become insolvent within a certain time period, Lloyd's Register Foundation will gift LRSFA £100m. As part of the 31 March 2019 actuarial valuation, this agreement was extended at least until the full actuarial valuation as at 31 March 2022 has been signed and the amount has been increased to £125m.

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

Method

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

Significant actuarial assumptions

Discount interest rate: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 1.0% per annum before 31 March 2029 and 0.5% per annum after 31 March 2029.

Future Retail Price inflation: term dependent rates derived from the gilt market with an average rate of 3.4% per annum.

Future Consumer Price inflation: assumed to be equal to future retail price inflation less an adjustment of 0.7% per annum.

Pension increases in payment: pension accrued after 5 April 1997 is subject to a minimum rate of increase equal to the annual rise in the Retail Prices Index (RPI) capped at 5% per annum; these increases are assumed to be at the rate of 3.5% per annum. No allowance is made for future discretionary increases.

Mortality: standard tables S3NA with a scaling factor of 100% projected from 2013 in line with the CMI 2018 projections with a long-term annual rate of improvement of 1.5%, a smoothing factor (S) of 7 and an initial additional mortality improvement parameter (A) of 0.5% pa.

On 26 October 2018, the High Court ruled that schemes must equalise for the effect of Guaranteed Minimum Pensions (GMPs) providing different benefits for men and women (see Note 28 for more details). The Trustee are in the process of assessing the impact on the Fund which will be reflected in future years' accounts.

A High Court judgment in another Lloyds Bank case in November 2020 determined that the requirement to implement GMP equalisation should include past transfers paid out of the Fund. Based on an initial assessment of the likely backdated amounts and related interest the Trustee do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

24. Financial Statements & Contributions

Financial Statements

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

Contributions

During the year ended 31 March 2021 contributions were paid to the Fund in accordance with the rates set down in the Schedule of Contributions certified by the Actuary on 30 June 2017, which came in to effect from 1 July 2017 and the Schedule of Contributions certified by the Actuary on 26 November 2020, which came in to effect from the date of certification.

25. Investment Review

General overview

It will be appreciated that although investments are shown in this report at their year-end market value, their value will change from time to time as market conditions alter. The financial well-being of the Fund depends not so much on the current market value of the assets but on the income derived from those assets and whether those assets are likely to be sufficient to meet the Fund's liabilities.

Investment managers

As at 31 March 2021 the investments of the Defined Benefit Section were managed as follows:-

Manager	Investments Managed	31/03/2021 (Actual% of Total Portfolio Managed)	31/03/2021 (Expected% range of asset portfolio)	31/03/2020 (Expected% of Total Portfolio Managed)	31/03/2020 (Expected % range of asset portfolio)
Alcentra	Direct Lending	5.8	n/a	7.3	16-24
Partners Group	Direct Lending	11.7		9.9	
Barings	Collateralised Loan Obligations	9.4	8-12	8.3	10-14
L&G	Passive World Equity	0.0	0	5.0	2-6

L&G	Buy & Maintain Credit	31.6	26-34	18.4	17-21
M&G	Diversified Credit	0.0	0	4.4	11-15
PIMCO	Diversified Credit	7.5	5-9	7.0	
Apollo	Semi-Liquid Credit	7.7	8-12	7.2	8-12
Schroders	Liability Driven Investments	26.3	29-37	32.4	18-26

Actual percentage of portfolio reflects only the assets held by the above managers and Bluecrest but excludes any money in the Trustee bank account and AVCs. May not sum due to rounding. As the Direct Lending investments pay out, the allocation to Liability Driven Investment with Schroders and Semi-Liquid Credit with Apollo will move closer in line with the target rate.

Other investment decisions

The Trustee implemented a de-risking strategy over the year. This involved a full disinvestment from the Fund's L&G Passive World Equity mandate and M&G Diversified Credit mandate. Proceeds from these funds were used to increase the investment in L&G Buy & Maintain Credit mandate, c.£134m was invested into L&G Buy & Maintain Credit. Alongside this, the Trustee agreed to increase the interest and inflation hedging from 94% on Technical Provisions to 100% on Gilts + 0.5% p.a. basis, due to funding level improvements. This is currently being implemented by Schroders. In March 2021 the Fund received payment from LR's Escrow account of £5.2m (2020: £8.13m) which was placed into the Fund's National Westminster bank account.

All investment business is conducted in accordance with the Statement of Investment Principles prepared in accordance with Section 35 of the Pensions Act 1995 which includes the Trustee's investment policy on social, environmental and ethical investment considerations. The Trustee agreed that funds must be invested to obtain the best possible return for members, subject to an appropriate level of risk. Trustee policy regarding social, environmental and ethical investment issues is therefore that the extent to which these issues are taken into account in investment decisions is left to the discretion of the active investment managers. The Trustee does not consider it appropriate for the passive investment manager to take account of such issues in the selection, retention and realisation of investments.

The Trustee encourages the Fund's investment managers to discharge their responsibilities in respect of investee companies in accordance to the Stewardship Code published by the Financial Reporting Council. The Trustee will review the corporate governance policies of the Fund's investment managers periodically.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers. The Trustee has reviewed and has accepted the investment manager's policies in respect of the exercising of rights attaching to investments and periodically reviews the actions taken by the investment managers in this regard to ensure that it continues to be comfortable with them.

A copy of the Statement of Investment Principles is attached to this document at appendix 1.

The Investment Sub Committee (IC) is made up of members of the Board of the Trustee. There is a minimum of three Board members on the Investment Sub Committee, with at least two being employer nominated. They are appointed by the Trustee. Investment performance is measured through participation in the service operated by BNY Mellon.

There were no employer related investments within the meaning of Section 40(2) of the Pensions Act 1995.

There is a new requirement for most trust-based defined benefit (DB) and defined contribution (DC) pension schemes to produce an annual Implementation Statement which covers the Fund year. The Implementation Statement sets out how, and the extent to which, the Trustee has followed its Statement of Investment Principles (SIP) during the year and the policies set out in the SIP, as well as details of any review of the SIP and an explanation of any changes made to the SIP during the year. The Funds first Implementation Statement, covering the period 1 April 2020 to 31 March 2021, which forms part of the Trustee's Report is enclosed within this Annual Report in Appendix 3.

Performance – Defined Benefit Section

The investment managers have specific performance benchmarks. The Fund's performance against these benchmarks for the year ended 31 March 2021 was:-

Manager	Benchmark Return %	LRSFA Return %	Difference %
Equity Managers			
LGIM Ltd - World Markets	31.4	31.4	0.0
Fixed Income Managers			
M&G Alpha	0.1	16.0	15.9
PIMCO - Diversified Credit	12.9	12.9	0.0
L&G – Buy & Maintain Credit	9.4	9.8	0.4
Alternative Managers			
Alcentra – Direct Lending	0.1	4.5	4.4
Apollo – Semi-Liquid Credit	0.1	14.6	14.5
Barings (Babson) – Collateralised Loan Obligations	0.1	19.2	19.1
Partners Group – Direct Lending 2015	0.1	3.9	3.8
Partners Group – Direct Lending 2018	0.1	14.1	14.0
Schroders – Liability Driven Investments	-7.6	-7.6	0.0

Benchmarks are manager specific except for Alcentra and Partners Group which are compared against 3month LIBOR. Excludes Bluecrest, Schroders cash fund and the Trustee bank account.

The assets of LRSFA's Defined Benefit section performed positively during the year and longer time periods, outperforming the benchmark and remaining ahead of inflation. Majority of the growth managers outperformed their benchmarks over the year despite a volatile market environment.

Aggregate Performance over	1 year %	3 years %	5 years %
Fund	5.6	6.3	8.2
Benchmark	(1.1)	3.8	4.9

This table details the aggregate performance of the Fund against benchmark over 1, 3 and 5 years. These are annualised rates of return.

Performance – Defined Contribution Section

The Defined Contribution Section is administered by Standard Life. Members currently have a choice of investment funds from the Standard Life portfolio or may choose a Lifestyle Option.

The value of DC assets for members in this section held within these funds at 31 March 2021 is as follows:-

Fund Name	Current Value	Allocation (%)	Performance % (Benchmark performance %)
Default and self-select range			
LR Adventurous Fund	£146,411,545	67.1	28.1 (25.9)
LR Diversified Growth Fund	£30,609,836	14.0	13.3 (3.6)
LR Fixed Income Fund	£3,393,796	1.6	3.6 (5.8)
LR SL BlackRock Cash Pension Fund	£3,076,829	1.4	0.3 (-0.1)
LR SL iShares Index Linked Gilt Index Pension Fund	£5,788,574	2.7	-2.1 (2.6)
LR Global Equity Fund	£5,094,052	2.3	35.9 (39.7)
LR Emerging Markets Equity Fund	£1,237,878	0.6	36.1 (40.9)
LR Sustainable Investments	£1,639,770	0.8	39.3 (40.1)
LR SL iShares UK Equity Index Pension Fund	£955,465	0.4	27.9 (26.7)
LR Property Fund	£344,953	0.2	2.2 (-2.1)
LR Moderate Fund	£360,976	0.1	17.7 (9.7)
LR SL iShares Over 15 Year Gilt Index Pension Fund	£161,289	0.1	-10.9 (-10.4)
LR SL Long Corporate Bond Pension Fund	£301,292	0.1	9.4 (8.9)
Total default and self-select range	£199,376,255	91.4	
Pre-2015 lifestyle strategies	£18,663,727	8.6	
Trustee Unallocated Funds			
LR Global Equity Active FUnd	51,298	0.0	
LR SL BlackRock Cash Pension Fund	49,501	0.0	
Total assets	£218,140,781	100.0	

The Lifestyle Option involves an investment process, under which contributions are invested initially in funds with the objective of providing long term growth (such as equity index funds), moving to funds with lower potential volatility and pension conversion risk (such as bond index funds and money market funds) as members approach retirement.

The default investment strategy has been set up to seek better protection for member savings against a wider range of risks as they approach retirement, no matter how and when members plan to take their savings. The switching period now starts from 20 years out from selected retirement age. The default is called Flexible Retirement Strategy. More information can be found on the Pensions website www.lrpensionport.co.uk. As at 31 March 2021, 91.0% (2020: 95.6%) of Defined Contribution Section members were invested using the Lifestyle Option.

The Investment Committee monitors the performance of the funds provided by Standard Life with the assistance of ISIO.

The administrative expenses associated with the operation of the Defined Contribution Section are incurred in the Annual Management Charge levied on the funds above.

26. Administrative expenses

The Fund made a payment of £240k (2020: £240k) to Lloyd's Register Group Ltd towards reimbursement of the expenses of administering the Fund.

27. Covid-19

At the time of approval of the Financial Statements, issues arising from the Covid-19 pandemic continue to develop. The Trustee has considered the impact of these and any other issues on the assessment of the Employer's ability to support the Fund as a going concern. In particular, the Trustee considered the potential impact of Covid-19 on the Fund's investment strategy, the Employer's business and its ability to pay contributions to the Fund, taking into account the Fund's strong funding level, well diversified investment strategy and financial resources available to the Employer.

Having assessed the circumstances, the Trustee has determined there is not a material uncertainty as to the ability of the Fund to continue as a going concern for the foreseeable future and therefore believes it remains appropriate to prepare the Financial Statements on a going concern basis.

Approved on on behalf of the Trustee by:

.....
Director
Lloyd's Register Superannuation Trustees Limited

.....
Director
Lloyd's Register Superannuation Trustees Limited

Schedule of Contributions

Lloyd's Register Superannuation Fund Association

This Schedule of Contributions has been prepared in accordance with Part 3 of the Pensions Act 2004 and the Occupational Pension Schemes (Scheme Funding) Regulations (SI 2005/3377). It has been agreed between Lloyd's Register Superannuation Trustees Limited, the Trustee of Lloyd's Register Superannuation Fund Association ("the LRSFA"), and Lloyd's Register Group Limited ("LR") on behalf of itself and the other participating employers, as indicated below by authorised signatories.

This Schedule sets out the contributions payable to the LRSFA over the period of 5 years from the date that the Actuary certifies the Schedule. It also shows the contributions that are payable to the LRSFA between the effective date of the valuation and the date that the Actuary certifies the Schedule.

Contributions payable to individual Member Accounts in the Money Purchase Section

1. Ordinary Contributions and Ordinary Employer Contributions, as defined in the Rules, payable monthly:

Contribution rate selected by the member	Contributions by Members (% of Basic Salaries)		Contributions by Employers (% of Basic Salaries)	
	Salary sacrifice members	Non-salary sacrifice members	Salary sacrifice members	Non-salary sacrifice members
3%	nil	3%	13%	10%
4%	nil	4%	15%	11%
5%	nil	5%	17%	12%
6%	nil	6%	19%	13%
7%	nil	7%	21%	14%
8%	nil	8%	23%	15%

Note 1: Certain Members who encounter Lifetime Allowance or Annual Allowance issues can apply to the employer to receive a pension cash allowance in respect of some or all of their Ordinary Contributions and/or Ordinary Employer Contributions in line with the Pension Cash Allowance Policy dated 8 January 2016 as subsequently amended.

Note 2: The Trustee and LR have agreed alternative contribution rates for certain former members of Senergy Resources Limited, whereby the member does not contribute, and the employer contributes 10% of Basic Salary. Benefits for such members are provided as an augmentation under Rule R10.1(c) of the Trust Deed and Rules.

2. Additional voluntary contributions payable by, or on behalf of, the Members.
3. On a Member's death-in-service or on leaving service because of incapacity, the Basic Salary Top-up or if less the Maximum Allowance Top-up to be credited to the individual Member Account in accordance with the Rules payable by LR, to the extent that the allowance is not met from the General Account.

Regular contributions payable by the participating employers to the LRSFA

Contributions from the employers	
Life insurance	Contributions equal to the premiums for the life insurance policy providing cover of 4 times Basic Salary paid on the death of an Active Member in accordance with the Rules. These contributions are payable as and when the premiums fall due.
"Soft Landing" benefits	Contributions equal to 0.9% pa of Basic Salaries of Active Members party to a Relevant Agreement (as defined in the Rules) to meet the funding cost of benefits payable in accordance with C3.1.4(b) or C3.1.5(b) of the Rules. These contributions for each Plan year will be due no later than 20 business days after the date on which the relevant Plan accounts are signed.
Operational Expenses	Contributions equal to the LRSFA's operating expenses for each Plan year as recorded in the Trustee's audited annual report and accounts. These contributions will be due within 20 business days of the date that the relevant Plan accounts are signed.
"Divergence 1" rectification costs associated with corrections made to benefits in 2016	£2.1m on or before 31 March 2020 (already paid) which is payable from the Escrow Agreement established by deed between LR and the Trustee dated 29 June 2011.
Principal Employer's Guarantee (D11.9)	The Principal Employer shall make good any amounts due under clause D11.9 in such manner as is agreed between the Principal Employer and the Trustee. Once all of the deficit contributions and Divergence 1 rectification costs in this Schedule of Contributions have been paid to the Plan, no further amounts will be due under clause D11.9.
PPF levies	Contributions equal to Pension Protection Fund ("PPF") levies invoiced to the LRSFA. The contributions are payable as and when the PPF levies are due unless LR settles the levies directly.
Other contributions	Additional contributions as may be required under the Trust Deed, or as agreed between LR and the Trustee in specific circumstances, for example to cover any augmentations or any rectification costs associated with correcting divergence between the Plan's administration practices and the benefits payable under the Rules.

Deficit contributions

The following deficit contributions are payable to the LRSFA from LR or from the Escrow Agreement established by deed between LR and the Trustee dated 29 June 2011:

Amount	Payment due dates
£6.03m	By 31 March 2020 (paid)
£5.2m	By 31 March 2021

Timing of contributions

Member contributions will be remitted to the Trustee and credited to each Member's Account no later than the 19th of each month after that in which contributions are deducted from earnings. Contributions from the Employer will, unless specified to the contrary, be due monthly and payable no later than the 19th of each month after the month to which they relate.

LR will pay any additional contributions as decided by the Trustee, on the advice of the Actuary and in accordance with the Rules, to meet any benefit augmentations including discretionary increases agreed with LR. Such contributions will be paid within 19 days of the due date notified by the Trustee.

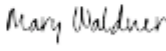
This Schedule of Contributions is dated 26 November 2020. It replaces the Schedule of Contributions dated 30 June 2017 with effect from the date of certification.

This Schedule of Contributions is agreed:

on behalf of the Trustees of the LRSFA:

on behalf of Lloyd's Register Group Limited and
the other participating employers:

Signature: 

Signature: 

Name: Nicholas Godden

Name: Mary Waldner

Position: Chair of the Trustee

Position: CFO, Lloyd's Register Group Limited

Recovery Plan

Lloyd's Register Superannuation Fund Association

The actuarial valuation of the Lloyd's Register Superannuation Fund Association ("the LRSFA") as at 31 March 2019 revealed a deficit of £17m.

In accordance with Section 226 of the Pensions Act 2004, the Trustee of the LRSFA has prepared this recovery plan, after obtaining the advice of David Jones, the Scheme Actuary.

Steps to be taken to ensure that the statutory funding objective is met

The Trustee has agreed the provisions of this recovery plan with Lloyd's Register Group Limited ("LR") on behalf of itself and the other participating employers. It has been agreed to eliminate the funding deficit by the payment of the following contributions:

Amount £m	Payment due dates
6.03	By 31 March 2020 (paid)
5.2	By 31 March 2021
Additional contributions due in respect of the "Divergence 1" rectification exercise:	
2.1	By 31 March 2020 (paid)

These contributions are payable by LR or from the Escrow Agreement established by deed between LR and the Trustee dated 29 June 2011.

Period in which the statutory funding objective should be met

The deficit is expected to be eliminated by 31 March 2021. This is based on the method and assumptions set out in the LRSFA's Statement of Funding Principles prepared on 26 November 2020.


The return on existing assets and new contributions during the period are as adopted for the calculation of the technical provisions plus an additional return of 0.2% pa.

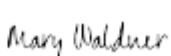
Agreement by the Trustee and the Employer

This recovery plan was prepared on 26 November 2020 and replaces the previous recovery plan dated 30 June 2017.

Signed on behalf of the Trustee of the LRSFA:

Signed on behalf of the Lloyd's Register Group Limited and the other participating employers:

Signature: 

Signature: 

Name: Nicholas Godden

Name: Mary Waldner

Position: Chair of the Trustee

Position: CFO, Lloyd's Register Group Limited

29. Statement of the Trustee's responsibilities in respect of the Financial Statements

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 fund 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 Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund 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 Fund will not be wound up.

The Trustee is also responsible for making available certain other information about the Fund in the form of an Annual Report.

The Trustee 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 Fund 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 preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund 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 Fund and for adopting risk-based processes to monitor whether contributions are made to the Fund by the employer in accordance with the Schedule of Contributions. 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.

30. Independent auditor's report to the Trustee of the Lloyd's Register Superannuation Fund Association

Opinion

We have audited the financial statements of the Lloyd's Register Superannuation Fund Association for the year ended 31 March 2021 which comprise the Fund Account, the Statement of Net Assets and the related 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in 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 Fund 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 statements, we have concluded that the 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 Fund'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements, for being satisfied that they give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Fund'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 Trustee either intend to wind up the Fund 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We set out below the key areas which, in our opinion the financial statements are susceptible to material misstatement by way of irregularities including fraud and the extent to which our procedures are capable of detecting these.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for bias.

- Misappropriation of investment assets owned by the Fund. This is addressed by obtaining direct confirmation from the investment custodian and fund managers of investments held at the Statement of Net Assets date.
- Diversion of assets through large investment transactions. A sample of transactions are agreed to supporting documentation testing the authorisation of the amount and approval of the payment of the transactions.
- Non-receipt of contributions due to the Fund from the Employer. This is addressed by testing contributions due are paid to the Fund in accordance with the Schedules of Contributions agreed between the Employer and the Trustee.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

Crowe U.K. LLP
Statutory Auditor
London

Date.....

31. Fund Financial Statements for the year ended 31 March 2021

Fund Account

	Notes	DB Section 31.03.21 £'000	DC Section 31.03.21 £'000	Total 31.03.21 £'000	DB Section 31.03.20 £'000	DC Section 31.03.20 £'000	Total 31.03.20 £'000
Contributions and benefits							
Employer contributions	4	8,489	16,608	25,097	9,724	17,089	26,813
Employee contributions	4	7	733	740	13	816	829
Total contributions		8,496	17,341	25,837	9,737	17,905	27,642
Transfers in	5	0	726	726	0	1,843	1,843
Other Income	6	2	0	2	3	122	125
		8,498	18,067	26,565	9,740	19,870	29,610
Benefits paid or payable	7	(33,695)	(2,267)	(35,962)	(34,442)	(4,298)	(38,740)
Payments to and on account of leavers	8	(5,273)	(5,991)	(11,264)	(7,446)	(6,168)	(13,614)
Other payments	9	(429)	0	(429)	(435)	0	(435)
Administrative expenses	10	(1,222)	(176)	(1,398)	(1,536)	(185)	(1,721)
		(40,619)	(8,434)	(49,053)	(43,859)	(10,651)	(54,510)
Net (withdrawals)/additions from dealings with members		(32,121)	9,633	(22,488)	(34,119)	9,219	(24,900)
Returns on investments							
Investment income	11	31,368	0	31,368	18,949	0	18,949
Change in market value of investments	14	30,114	40,419	70,533	25,247	(13,522)	11,725
Investments manager expenses	12	(788)	0	(788)	(175)	0	(175)
Net return on investments		60,694	40,419	101,113	44,021	(13,522)	30,499
Net increase/(decrease) in the Fund during the year							
Transfer between sections	*	125	(125)	0	(275)	275	0
Net assets of the Fund at 1 April		1,056,596	168,313	1,224,909	1,046,969	172,341	1,219,310
Net assets of the Fund at 31 March		1,085,294	218,240	1,303,534	1,056,596	168,313	1,224,909

*Included within the transfer between sections are benefits due to be paid to members, where a combined benefit for both sections will be paid from the DB section, and administrative expenses charged through the DB section being presented within the DC section.

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

DEFINED BENEFIT SECTION (DB)	Notes	2021 £'000	2020 £'000
<i>Return Seeking Strategy</i>			
Investment assets			
Equities	14	1	1
Pooled investment vehicles	16	442,265	504,350
Other investment balances	14	6,157	3,943
Total Net Return Seeking Strategy Investments		448,423	508,294
<i>Liability Matching Strategy</i>			
Investment assets			
Bonds	14	1,153,931	983,389
Derivatives	17	33,955	79,216
Cash	14	61,782	148,593
		1,249,668	1,211,198
Investment liabilities			
Derivatives	17	(621,134)	(667,820)
Total Net Liability Matching Strategy Investments		628,534	543,378
AVC investments	18	3,711	3,706
Total Net Investments		1,080,668	1,055,378
Current assets	23	6,335	2,590
Current liabilities	24	(1,709)	(1,372)
Total Net Assets of DB Section		1,085,294	1,056,596
DEFINED CONTRIBUTION SECTION (DC)			
Pooled investment vehicles	16	218,141	168,020
Total Net Investments		218,141	168,020
Current assets	23	226	432
Current liabilities	24	(127)	(139)
Total Net Assets of DC Section		218,240	168,313
Total Net Assets as at 31 March		1,303,534	1,224,909

The notes on pages 25 to 39 form part of these Financial Statements.

The Financial Statements summarise the transactions of the Fund 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 Fund year. The actuarial position of the Fund, which does take into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on pages 9 and 10 of the Annual Report and these Financial Statements should be read in conjunction with this report.

Approved on on behalf of the Trustee by:

Director
Lloyd's Register Superannuation Trustees Limited

Director
Lloyd's Register Superannuation Trustees Limited

Notes to the Financial Statements

1. Basis of Preparation

The Financial Statements have been prepared on a going concern basis and in accordance with the Occupational Pensions Schemes (Requirement to obtain Audited Financial Statements and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (SORP) (Revised 2018).

As stated in the Statement of Trustee's Responsibilities on page 21, the Trustee is responsible for preparing the Financial Statements on a going concern basis unless it is inappropriate to presume that the Fund will continue on this basis. The Trustee Board has determined that there is no material uncertainty as to the ability of the Fund 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 Fund is established as a trust under English law. The address for enquiries to the fund is included in the Trustee's Report.

3. Accounting Policies

Contributions

Contributions of the employers and members are accounted for on an accruals basis.

Individual Transfers

Individual transfers to and from the Fund during the year are included in the Financial Statements when payment is made or received which is when the liability transfers.

Investment Income

Income from bonds and derivatives is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.

Income from pooled investment vehicles is accounted for when declared by the fund manager.

Benefits payable

Pensions payable are accounted for by reference to the period for which they relate. Refunds and cash lump sums are accounted for either on a cash basis if members can exercise a choice in relation to these benefits or, where members have no choice in relation to these benefits, by reference to the date of retirement or leaving the Fund.

Expenses

Administrative expenses and investment management expenses are accounted for on an accruals basis.

Investments

(i) Investments other than derivatives

Listed securities are valued at bid market values for the year ended 31 March 2021 for the official closing price on the year end date.

Unquoted investments are valued at fair value based on the Fund Manager's advice using an appropriate basis of valuation and relevant market data at the year end date.

Pooled investment vehicles are valued at bid prices at the year end or, if single priced, at the closing single price as provided by the relevant Fund Managers on the last dealing day prior to the balance sheet date.

Investments held in foreign currencies are valued as above and translated into sterling at the relevant spot rates ruling at the Net asset statement date.

(ii) Repurchase Agreements

For repurchase agreements, the Fund continues to recognise and value the securities that are delivered out as collateral, and includes them in the Financial Statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.

(iii) Derivatives

Exchange traded futures valued as the sum of the daily mark-to-market, which is a calculated difference between the settlement prices at the reporting date and the inception date.

Swaps are valued based on the current value of future cash flows arising from the swap, determined using discounted cash flow models and market data at the reporting date.

Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

Functional Currency

All contracts and transactions are made in Sterling (GBP). Monetary items denominated in foreign currency are translated using the closing exchange rates at the Fund year end. Foreign currency transactions are recorded at the spot exchange rate at the date of transaction.

Insurance Policies

AVCs invested in insurance policies are valued on the basis of their open market transfer values quoted by the relevant insurance companies as adjusted for additions and withdrawals between the valuation dates.

4. Contributions

		2021		
		DB	DC	Total
		£'000	£'000	£'000
	Note			
Employer contributions				
Normal	i	0	15,978	15,978
Deficit funding	ii	5,200	0	5,200
Additional - operating expenses	iii	2,561	0	2,561
Additional - survivors' pension	iv	279	0	279
Bonus Waiver	v	0	630	630
PPF Levy	vi	20	0	20
Insurance	vii	429	0	429
		8,489	16,608	25,097
Member contributions				
Normal	i	0	733	733
Additional voluntary contributions	ii	7	0	7
		7	733	740
		8,496	17,341	25,837
		2020		
		DB	DC	Total
		£'000	£'000	£'000
	Note			
Employer contributions				
Normal	i	0	16,680	16,680
Deficit funding	ii	8,130	0	8,130
Additional - operating expenses	iii	800	0	800
Additional - survivors' pension	iv	172	0	172
Bonus Waiver	v	0	409	409
PPF Levy	vi	187	0	187
Insurance	vii	435	0	435
		9,724	17,089	26,813
Member contributions				
Normal	i	0	816	816
Additional voluntary contributions	ii	13	0	13
		13	816	829
		9,737	17,905	27,642

(a) Employer contributions

- (i) Amounts received from the employer are in accordance with the Schedules of Contributions agreed following the actuarial valuation as at 31 March 2016 and 31 March 2019. The value shown above includes Salary Sacrifice contributions.
- (ii) Contributions have been paid to the Fund to offset the past funding shortfall in accordance with the recommendations of the Actuary. Details of this can be found in the Recovery Plan on page 18.
- (iii) With effect from 26 November 2020 contributions equal to the LRSFA's operating expenses for each plan year as recorded in the Trustee's audited annual report and accounts will be payable. These contributions will be due within 20 business days of the date that the relevant Plan accounts are signed. Prior to this, an employer contribution rate of £800,000 per annum towards operating expenses was in place.
- (iv) An employer contribution rate of 0.9% (0.6% prior to November 2020) of basic salaries of active members was set to meet the cost of the underpin on the survivors' pension payable on the death of an employed member.
- (v) Contributions have been paid in respect of the Executive Bonus Waiver Fund.
- (vi) The employer is required to pay additional contributions in respect of PPF levies payable by the Fund under the latest Schedule of Contributions.
- (vii) Payment made by the employer in respect of life insurance cover for all employed members.

(b) Member contributions

- (i) Members' normal contributions (excluding AVCs) are paid at various rates as set out in the Schedule of Contributions.
- (ii) Until August 2018 AVCs were paid by members to purchase investments, the value of which determines the benefit to members, and which have been invested separately from the main fund. AVCs received since September 2018 have been classified as member normal contributions and are not invested separately from the main fund.

The rates, as percentages of pensionable salaries, during the year ended 31 March 2021 were:

	DC Contribution Rates			
	Salary Deduction		Salary Exchange	
	Employee	Employer	Employee	Employer
Regular Contributions	From 3% to 8%	From 10% to 15%	N/A	From 13% to 23%
Additional Contributions	From 1% to 80%	N/A	N/A	From 1% to 80%

Members can select a contribution rate of between 3% and 8%. For every extra 1% above the 3% they select the Employer will increase its starting contribution of 10% by 1% up to a maximum of 15%. Additional Contributions are paid on top of regular contributions.

5. Transfers in

	2021		
	DB £'000	DC £'000	Total £'000
Individual transfers in from other schemes	0	726	726
	0	726	726

	2020		
	DB £'000	DC £'000	Total £'000
Individual transfers in from other schemes	0	1,843	1,843
	0	1,843	1,843

6. Other income

	2021		
	DB £'000	DC £'000	Total £'000
Sundry income	2	0	2
Claims on term insurance policies	0	0	0
	2	0	2

	2020		
	DB £'000	DC £'000	Total £'000
Sundry income	3	0	3
Claims on term insurance policies	0	122	122
	3	122	125

7. Benefits paid or payable

	2021		
	DB £'000	DC £'000	Total £'000
Pensions	32,009	0	32,009
Commutations of pensions and lump sum retirement benefits *	1,391	1,466	2,857
Purchase of annuities	0	672	672
Lump sum death benefits	288	129	417
Taxation where lifetime or annual allowance exceeded**	7	0	7
	33,695	2,267	35,962

	2020		
	DB £'000	DC £'000	Total £'000
Pensions	31,987	0	31,987
Commutations of pensions and lump sum retirement benefits *	1,947	3,786	5,733
Purchase of annuities	56	223	279
Lump sum death benefits	377	260	637
Taxation where lifetime or annual allowance exceeded**	75	29	104
	34,442	4,298	38,740

* Of the £1.466m (2020: £3.786m) of commutations for lump sums for DC benefits, £0.858m (2020: £1.850m) related to lump sums paid to members as a part of their DB retirement, using their DC pot to enhance their lump sum.

**Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Fund in exchange for the Fund settling the tax liability.

8. Payments to and on account of leavers

	2021		
	DB £'000	DC £'000	Total £'000
Individual transfers out to other schemes	5,273	5,991	11,264
	5,273	5,991	11,264

	2020		
	DB £'000	DC £'000	Total £'000
State Scheme premiums	29	0	29
Individual transfers out to other schemes	7,417	6,168	13,585
	7,446	6,168	13,614

9. Other payments

	2021		
	DB	DC	Total
	£'000	£'000	£'000
Premiums on term insurance policies	429	0	429

	2020		
	DB	DC	Total
	£'000	£'000	£'000
Premiums on term insurance policies	435	0	435

10. Administrative expenses

	2021		
	DB	DC	Total
	£'000	£'000	£'000
Administration and processing	511	57	568
Professional fees	691	119	810
PPF Levy	20	0	20
	1,222	176	1,398

	2020		
	DB	DC	Total
	£'000	£'000	£'000
Administration and processing	517	65	582
Professional fees	832	120	952
PPF Levy	187	0	187
	1,536	185	1,721

11. Investment Income

	2021	2020
	£'000	£'000
Defined benefit section		
Income from bonds	21,716	11,624
Income from pooled investments	11,994	12,253
Income from derivatives	345	8
Interest on repurchase agreements	(1,926)	(5,232)
Gains/(losses) on foreign exchange	(753)	0
Interest on cash deposits	(8)	296
	31,368	18,949

12. Investment Manager Expenses

	2021		
	DB £'000	DC £'000	Total £'000
	Administration, management and custody - charged	1,142	0
Administration, management - rebated	(354)	0	(354)
	788	0	788

	2020		
	DB £'000	DC £'000	Total £'000
	Administration, management and custody - charged	693	0
Administration, management - rebated	(518)	0	(518)
	175	0	175

From 1 September 2018, investment manager expenses are met by members for their investments held with Standard Life through their unit holdings and charges are not recognised separately.

13. Fair value determination and hierarchy analysis

The investments have been analysed according to the basis on which the fair value has been determined. The basis of the fair value hierarchy is described in more detail below:

Level 1

The fair value is determined using unadjusted quoted prices in active markets for identical investments. The inputs to the valuation are transparent, easy to price and the market is liquid. Examples include exchange traded equities, exchange traded bonds, exchange traded derivatives and exchange traded funds.

Level 2

The fair value uses observable inputs that reflect the assumptions market participants would use in pricing the investment and based on market data obtained from sources independent of the reporting entity. These investments are moderately difficult to price and use some observable inputs. Examples include swaps, bonds valued on an average of broker prices and open ended pooled funds investing in investments that are observable in the market.

Level 3

The fair value inputs are unobservable and reflect the reporting entities own assumptions about the assumptions market participants would use in pricing the investment and based on the best information available. These investments are difficult to price, they lack a liquid market and it is difficult to verify inputs in the valuation. Examples include private equity, property, bespoke over the counter derivatives and closed pooled funds investing in these investments.

The Fund's investments have been analysed using the above hierarchy categories as follows:

	At 31 March 2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Defined Benefit Section				
Bonds	0	1,153,931	0	1,153,931
Equities	1	0	0	1
Pooled investment vehicles	0	442,265	0	442,265
Derivatives	3,210	(590,389)	0	(587,179)
Other investment balance	6,157	0	0	6,157
Cash	61,782	0	0	61,782
	71,150	1,005,807	0	1,076,957
AVC investments	0	3,711	0	3,711
Defined Contribution Section				
Pooled investment vehicles	0	218,141	0	218,141
	0	218,141	0	218,141
	71,150	1,227,659	0	1,298,809

	At 31 March 2020			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Defined Benefit Section				
Bonds	0	983,389	0	983,389
Equities	1	0	0	1
Pooled investment vehicles	0	504,350	0	504,350
Derivatives	(3,963)	(584,641)	0	(588,604)
Other investment balance	3,943	0	0	3,943
Cash	148,593	0	0	148,593
	148,574	903,098	0	1,051,672
AVC investments	0	3,219	487	3,706
Defined Contribution Section				
Pooled investment vehicles	0	167,650	370	168,020
	0	167,650	370	168,020
	148,574	1,073,967	857	1,223,398

Given the extreme market volatility in and the current exceptional circumstances in the UK property market in 2020, Standard Life took the difficult decision to suspend all dealings in the Standard Life Property Pension fund on 18 March 2020. The suspension was lifted on 16 November 2020.

14. Reconciliation of investments

	Value at 31.03.20 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in market value £'000	Value at 31.03.21 £'000
Defined benefit section					
Bonds	983,389	216,636	(4,230)	(41,864)	1,153,931
Equities	1	0	0	0	1
Pooled investment vehicles	504,350	192,943	(318,622)	63,594	442,265
Derivative contracts	(588,604)	1,714,365	(1,720,974)	8,034	(587,179)
AVC investments	3,706	7	(638)	636	3,711
	902,842	2,123,951	(2,044,464)	30,400	1,012,729
Cash	148,593			(286)	61,782
Other investment balances	3,943				6,157
	1,055,378			30,114	1,080,668
Defined contribution section					
Pooled investment vehicles*	168,020	1,464,384	(1,454,682)	40,419	218,141
	168,020	1,464,384	(1,454,682)	40,419	218,141
Total investments	1,223,398				1,298,809

*Included in purchases and sales is £1,446,317,555 lifestyle switches within Standard Life.

15. Transaction Costs

Transaction costs are included in the cost of purchases and deducted from sales proceeds. Direct transaction costs include fees, commissions and stamp duty. During the year direct transaction costs of £322 (2020: £240) were incurred through the Legal & General Buy and Maintain portfolio.

In addition to direct transaction costs, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges are made within those vehicles. It has not been possible for the Trustee to quantify such indirect transaction costs.

16. Pooled Investment Vehicles

As at 31 March 2021 the Fund's investments in pooled investment vehicles comprised:

Defined Benefit section	2021	2020
<i>Return Seeking Strategy</i>	£'000	£'000
Equity	0	51,184
Structured Credit	98,967	85,111
Hedge Funds ¹	263	263
Diversified credit	79,155	117,523
Direct lending	182,770	175,976
Total return fund ¹	81,110	74,293
Total	442,265	504,350
Defined Contribution section		
<i>Default Funds</i>		
Bonds	21,495	19,731
Equity	7,339	4,672
Cash	4,706	3,969
Diversified growth ¹	182,616	138,243
Total	216,156	166,615
<i>Other Funds ²</i>	1,985	1,405
	218,141	168,020

¹ The funds hold a variety of investments including equities, bonds, derivatives and commodities.

² Other funds include a wide range of investments including sustainable investments and property.

17.1 Derivatives

At 31 March 2021 the Fund had the following derivatives:

	2021		2020	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Repurchase agreements	30,181	(619,001)	75,385	(663,857)
Futures	3,321	(111)	0	(3,963)
Forward foreign exchange	165	(1,142)	0	0
Swaps	288	(880)	3,831	0
	33,955	(621,134)	79,216	(667,820)

17.2 Repurchases

Repurchase agreements

During the year the Fund has entered into repurchase agreement using its UK gilts as the underlying security. The Fund retains the entitlement to receive income accruing on these securities and has a contractual agreement to repurchase the securities at a specified future date. The securities are included in the Financial Statements as assets of the Fund at their market value. At 31 March 2021 the market value of the securities sold under repurchase agreements was £576.3m (2020: £601.0m).

Cash received from counterparties in respect of the securities that have been sold has been used by the investment manager to increase its fixed income portfolio. Amounts payable to counterparties under repurchase agreements are disclosed as liabilities in the Financial Statements under investment liabilities. At 31 March 2021 this amounted to £588.8m (2020: £588.4m) plus accrued interest of £0.2m (2020: £0.6m).

Collateral on Repurchase agreements

At 31 March 2021 there was collateral pledged of £16.0m (2020: £3.8m) and collateral held of £0.0m (2020: £22.2m) against the difference in valuation between the underlying securities and the repurchases.

17.3 Futures

The Trustee did not want cash held to be “out of the market” and therefore bought exchange traded index based futures contracts which had an underlying economic value broadly equivalent to cash held.

Nature	Expiration	Exposure £'000	2021	
			Assets £'000	Liabilities £'000
Long Gilt Future	Less than 1 year	34,067	0	(111)
Long Bond Future	Less than 1 year	(15,799)	478	0
Ultra Bond Future	Less than 1 year	(36,646)	2,062	0
Ultra Bond Future	Less than 1 year	(657)	3	0
5 Year Treasury Future	Less than 1 year	(358)	2	0
10 Year Treasury Future	Less than 1 year	(18,126)	410	0
10 Year Ultra Future	Less than 1 year	(15,726)	366	0
	2021	(53,245)	3,321	(111)
	2020	(54,203)	0	(3,963)

17.4 Forward foreign exchange

In order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

Contract	Settlement date	Currency bought £'000	Currency sold \$'000	2021	
				Assets £'000	Liabilities £'000
Forward OTC	Less than 1 month	19,779	27,063	165	0
Forward OTC	Less than 1 month	14,263	20,000	0	(232)
Forward OTC	Less than 1 month	34,796	48,841	0	(598)
Forward OTC	Less than 1 month	36,023	50,142	0	(312)
	2021	104,861	146,046	165	(1,142)
	2020	0	0	0	0

17.5 Swaps

The Trustee’s aim is to match as far as possible the fixed income portfolio and the Fund’s long term liabilities, in particular in relation to their sensitivities to interest rate movements. Due to the lack of available long dated bonds the Trustee has entered into OTC interest rate swaps during the year that extend the duration of the fixed income portfolio to better match the long term liabilities of the Fund.

Nature	Expiration	2021	
		Assets £'000	Liabilities £'000
Interest rate swaps	2024-2049	288	(880)
	2021	288	(880)
	2020	3,831	0

Included in bonds is collateral of £11.20m (2020:£2.97m) which has been pledged to the counterparty. At the year end the Fund held £14.13m (2020: £5.90m) of collateral belonging to the counterparty. This collateral is not reported within the Fund’s net assets.

18. Defined Benefit section AVC Investments

The Trustee hold assets invested separately from the main DB Section investments to secure additional benefits on a money purchase basis for those DB Section members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to 31 March 2021 confirming the amounts held in their account and the movements in the year. The aggregate amounts of AVC investments are as follows:

	2021 £'000	2020 £'000
Utmost Life and Pensions (Unit Linked)	627	487
Standard Life Assurance Limited (Unit Linked)	3,084	3,219
	3,711	3,706

19. Defined Contribution Assets

For the DC section investments purchased by the Fund are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the trustee. The Fund administrator allocates investment units to members. The Trustee may hold investment units representing the value of employer contributions that have been retained by the Fund that relate to members leaving the Fund prior to vesting.

DC section AVCs are invested together with the other member funds. Investments allocated to members and the Trustee is as follows:

	2021 £'000	2020 £'000
Members	218,040	167,813
Trustee	101	207
	218,141	168,020

20. Concentration of investments

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

Fund	2021		2020	
	£'000	%	£'000	%
Pimco Diversified Income Fund	79,155	6.1	71,967	5.9
Partner Group Private Market Strategies Fund	103,050	7.9	70,172	5.7
Alcentra Clareant European Direct Lending Fund	59,905	4.6	74,502	6.1
Apollo Total Return Fund	81,110	6.2	74,294	6.1
Barings Investment Grade CLO Fund	98,967	7.6	85,111	7.0

21. Investment Risks

All investment business is conducted in accordance with the Statement of Investment Principles (SIP) prepared in accordance with Section 35 of the Pensions Act 1995 which includes the Trustee's investment policy on social, environmental and ethical investment considerations. The Trustee agreed that funds must be invested to obtain the best possible return for members, subject to an appropriate level of risk. Trustee policy regarding social, environmental and ethical investment issues is therefore that the extent to which these issues are taken into account in investment decisions is left to the discretion of the active investment managers. The Trustee does not consider it appropriate for the passive investment manager to take account of such issues in the selection, retention and realisation of investments.

The Trustee recognises that there are risks involved in the investment of the assets of the Fund, which it monitors on a regular basis and seeks to mitigate.

Credit risk 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 comprises currency risk, interest rate risk and other price risk as follows:

- Currency risk 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 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 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's determine their investment strategy after taking advice from the investment adviser. The Fund has exposure to these risks because of the investments it makes in following the investment strategy. The Trustee's manage investment risks, including credit risk and market risk, within the agreed risk limits which are set taking into account the Fund's strategic investment objectives. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Fund.

21.1 DB Investment strategy

The investment objective of the Defined Benefit Section (DB Section) is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the DB Section payable under the Trust Deed and Rules as they fall due. This is combined with an objective of achieving returns in excess index linked gilts of 1.5%.

The Trustee sets the investment strategy for the DB Section taking into account considerations such as the strength of the employer covenant, the long term liabilities of the DB Section and the funding agreed with the Employer. The investment strategy is set out in its SIP.

The current strategy for the DB Section is to hold:

- 29-45% in return seeking investments comprising UK and overseas bonds, credit opportunities, direct lending, diversified credit, bond funds, swaps and cash. This is expected to generate higher returns and cash flows than would be obtained solely from government bonds.
- 55%-71% in investments that move in line with the long term liabilities of the Fund. This is a Liability Driven Investment (LDI) strategy, which comprises of UK government bonds as well as derivative instruments. The LDI and Buy & Maintain Credit aim to hedge 94% of interest rate and inflation risk of the technical provision liabilities of the Fund. This will be increased to 100% of interest rate and inflation hedging of the long term liability basis (G +0.5% p.a.).

As at 31 March 2021 the DB Section held 40% of its portfolio in return seeking investments (2020 - 50%) and 60% in liability matching assets (2020 - 50%). See notes 14 and 16 for further details of the investments held at the start and end of the year.

These investment objectives and risk limits are implemented through the investment management agreements in place with the Fund's investment managers and monitored by the Trustee by regular quarterly reviews of the investment portfolio. If, during the quarterly review, an asset class or investment manager exceeds their asset allocation weighting, the Trustee will decide whether to rebalance the portfolio of assets at that time.

21.1.1 Other Price Risk

Other price risk arises principally in relation to the Fund's return seeking portfolio. As at 31 March 2021, as detailed in the Statement of Net Assets 40% (2020 - 50%) of the portfolio was held in the return seeking portfolio, based on the fair value of the investments. Other price risk varies depending on the particular market and arises on equity funds, hedge funds and private equity within the portfolio, as shown in note 16.

The fund has set a target asset allocation of 29-45% of assets in return seeking investments. The Fund manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

21.1.2. Interest Rate Risk

The Fund is subject to interest rate risk because some of the Fund's investments are held in directly held bonds, credit opportunities funds, diversified credit funds, cash and use is made of repurchase agreements. Under this strategy, if

interest rates fall, the value of liability driven investments will rise to help match the increase in actual liabilities arising from a fall in the discount rate. Similarly, if the interest rates rise, the liability driven investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

The Fund has set a target asset allocation of 29-37% of assets in the LDI matching strategy and 26%-34% in Buy & Maintain Credit strategy. The Fund manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

As at 31 March 2021 the liability matching portfolio represented 60% (2020 - 50%) of the total investment portfolio based on the fair value of the investments.

	2021 £'000	2020 £'000
Fixed interest gilts	267,341	309,913
Index linked gilts	585,747	503,460
Repurchase and agreements	(588,820)	(588,472)
Corporate bonds	291,577	168,715
UK gilts	9,266	4,887
Interest Rate Swaps	(592)	3,831
Cash and other balances	40,235	118,880
	604,754	521,214

The fund is subject to interest rate risk in the return seeking strategy classes as is shown in note 16 with the exception of equities.

21.1.3. Inflation Risk

The Fund currently holds indexed linked gilts to manage inflation risk associated with pension liability. The Fund has set a target asset allocation of 55% -71% of investments in its liability matching strategy. Of which 29-37% of assets are in the LDI matching strategy which provides inflation hedging. The inflation risk strategy is fully implemented, hedging the impact of interest rate and inflation movements on 94% of the Technical Provision liabilities of the Fund (2020 – 94%).

As at 31 March 2021 the liability matching portfolio represented 60% (2020 - 50%) of the total investment portfolio based on the fair value of the investments. The detailed breakdown and constituents of the LDI mandate and Buy & Maintain Credit mandate are provided under the Interest Rate Risk disclosure section.

21.1.4. Currency Risk

The Fund is subject to indirect currency risk because some of the Fund's sterling priced pooled investments vehicles hold assets denominated in foreign currencies. The Fund also holds investments in overseas bonds through its segregated Buy & Maintain Credit mandate however all currency exposure is hedged back to sterling. The Fund disinvested from its exposure in world equities over the year. Breakdown of the investments is shown in note 14 and 16. Currency risk is accepted where this facilitates overseas investments, taking into account the risks and the expected reward.

21.1.5 Credit Risk

The Fund uses LDI and Buy & Maintain Credit mandates and is subject to direct credit risk arising from bonds directly held and derivatives. Government bonds are held to help control the overall credit risk and collateral is posted to cover gains and losses on the derivatives (hence minimising the exposure to the counterparty's credit).

The Fund invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustee manages and monitors the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment.

The Fund's holdings in pooled investment vehicles are unrated. Indirect credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager with the assistance of the investment consultant.

Pooled investment arrangements used by the Fund comprise units in open ended credit investment funds of £178.1m (2020: £157.1m), shares in limited partnerships of £265.7m (2020: £250.3m), Irish qualifying investor alternative funds of £0.0m (2020: £45.6m), unit linked insurance funds of £0m (2020: £51.2m).

Credit risk arising on other investments, such as cash balances held by investment managers, is mitigated by investment mandates requiring all counterparties to be investment grade and diversifying counterparties and this is the position at 31 March 2020 and at the comparative year end due to the nature of the investments.

The Trustee receives regular reports from their fund managers and investment managers confirming whether the agreed guidelines have been adhered to.

21.2 DC Section

The key investment objective is to facilitate the accumulation of each Member's individual Personal Account in a portfolio of secure assets of appropriate liquidity via unitised funds selected by the Member.

The Trustee wishes to give each Member a reasonable degree of freedom over the choice of investment funds for the accumulation of their Personal Account and, having taken appropriate advice, has made a range of unitised investment funds available. The choice of funds is designed to ensure that Members have sufficient flexibility to invest in funds of their choice in a manner that is consistent with their personal circumstances.

The Fund provides investment options sourced through an insurance policy with Standard Life, the platform the Fund uses and through which a number of different white labelled funds and direct investment manager funds can be accessed as follows:

- equity
- property
- bonds
- sustainable investment
- cash
- diversified growth.

The Trustee monitors the underlying risks by quarterly investment reviews with its DC Section investment adviser.

The range of investment options is reviewed by the Trustee periodically to ensure their continued suitability.

21.2.1 Direct credit risk

The DC Section is subject to direct credit risk in relation to Standard Life through its holding in unit linked insurance funds provided by Standard Life. Standard Life is regulated by the Financial Conduct Authority and maintains separate funds for its policy holders. The Trustee monitors the creditworthiness of Standard Life by reviewing published credit ratings. Standard Life invests all the Fund's funds in its own unit linked investment funds. In the event of default by Standard Life the Fund is protected by the Financial Services Compensation Scheme.

21.2.2 Indirect credit and market risk

The DC Section is subject to indirect credit and market risk arising from the underlying investments held in the unit linked investment funds managed by Standard Life. Member level risk exposures will be dependent on the funds invested in by members.

At the Fund year end the bond, cash and diversified growth funds were exposed to underlying credit risk. The Trustee only invests in funds where the financial instruments and all counterparties are at least investment grade.

The majority of the Fund's members invest in the default funds, and the risk disclosures have therefore focussed on these funds. The Fund's DC default funds are subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the following funds:

- The equity funds are exposed to foreign exchange and other price risks.
- The bond funds are exposed foreign exchange and interest rate risk.
- The cash funds are exposed to foreign exchange and interest rate risk.
- The diversified growth funds are exposed to foreign exchange risk, interest rate risk and other price risk.

23. Current Assets

	2021		
	DB Section £'000	DC Section £'000	Total £'000
Balance at bank	4,023	134	4,157
Contributions	2,176	0	2,176
Sundry debtors	136	92	228
	6,335	226	6,561

	2020		
	DB Section £'000	DC Section £'000	Total £'000
Balance at bank	2,373	340	2,713
Contributions	81	0	81
Sundry debtors	136	92	228
	2,590	432	3,022

Included in the DC Section bank balance is £nil (2020: £176,063) which is not allocated to members.

All contributions receivable are due to be paid to the Fund within 20 business days of the signing of this report in accordance with the Schedule of Contributions currently in force.

24. Current Liabilities

	2021		
	DB Section £'000	DC Section £'000	Total £'000
Lloyds Register Group	322	0	322
Benefits Payable	223	127	350
Due to HMRC	443	0	443
Accrued expenses	721	0	721
	1,709	127	1,836

	2020		
	DB Section £'000	DC Section £'000	Total £'000
Lloyds Register Group	71	0	71
Benefits Payable	329	139	468
Due to HMRC	436	0	436
Accrued expenses	536	0	536
	1,372	139	1,511

25. Employer related investments

There were no employer related investments within the meaning of Section 40(2) of the Pensions Act 1995.

26. Related party transactions

Lloyd's Register Group Ltd, who are the Fund's sponsoring employer, provides the Fund with Administrative services and the Fund makes a contribution to Lloyd's Register Group Ltd towards the costs of these services. This amounted to £240,000 for the year ended 31 March 2021 (2020: £240,000). The sponsoring employer also pays certain costs on behalf of the Fund, including the monthly pensioner payroll, which is subsequently reimbursed by the Fund. The balance due from the Fund to the sponsoring employer at the year end is shown in note 23.

5 members of the Board of the Trustee are contributing members of the Fund and contributions are paid in accordance with the Schedule of Contributions whilst 1 member of the Board is in receipt of a pension from the Fund. Mr Nicholas Godden was appointed in October 2014 at a fee of £50,000 per annum. This fee increased in October 2017 to a rate of £51,000 per annum. The total sum paid during the year ended 31 March 2021 was £51,916.63 (2020: £50,500). The total amount due to Mr Nicholas Godden was £53,499.97 (2020: £50,500). This amount takes account of outstanding arrears that due to be paid to Mr Nicholas Godden following the 2017 increase.

27. Taxation

The Fund 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.

28. 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. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee of the Fund is aware that the issue will affect the Fund and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the trustees do not expect these to be material to the Financial Statements and therefore have not included a liability in respect of these matters in these Financial Statements. They will be accounted for in the year they are determined.

A High Court judgment in another Lloyds Bank case in November 2020 determined that the requirement to implement GMP equalisation should include past transfers paid out of the Fund. Based on an initial assessment of the likely backdated amounts and related interest the Trustee do not expect these to change their assessment that the impact of GMP equalisation will be immaterial to the financial statements and therefore will continue to not included a liability in respect of these matters in these financial statements.

32. Independent auditor's statement about contributions to the Trustee of the Lloyd's Register Superannuation Fund Association

Statement about contributions payable under the Schedules of Contributions

We have examined the summary of contributions payable to the Lloyd's Register Superannuation Fund Association, for the Fund year ended 31 March 2021 which is set out in the Trustee's Report on page 41.

In our opinion contributions for the Fund year ended 31 March 2021 as reported in the summary of contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Fund actuary on 30 June 2017 and 26 November 2020.

Basis of opinion

Our objective is to obtain sufficient evidence to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedules of Contributions.

Responsibilities of trustees

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

Auditor's responsibilities for the statement about contributions

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

Use of our statement

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

Crowe U.K. LLP
Statutory Auditor
London

Date.....

33. Summary of Contributions

During the year ended 31 March 2021 the contributions payable to the Fund under the Schedules of Contributions were as follows:

	DB Section £'000	DC Section £'000	Total £'000
Employer Normal Contributions	0	15,978	15,978
Employer Deficit Funding Contributions	5,200	0	5,200
Operating Expenses	2,561	0	2,561
Survivors' Pension	279	0	279
Bonus Waiver	0	630	630
Employee Normal Contributions	0	733	733
Employee Additional Voluntary Contributions	7	0	7
Employer Contributions in respect of PPF Levies	20	0	20
Insurance	429	0	429
Total Contributions under Schedule of Contributions	8,496	17,341	25,837
Total Contributions per page 26 of the Financial Statements	8,496	17,341	25,837

Approved on 22 October 2021 on behalf of the Trustee by:

Director
Lloyd's Register Superannuation Trustees Limited

Director
Lloyd's Register Superannuation Trustees Limited