

Scheme Registration Number: 10232231

# **The Ryanair UK Pension Plan**

Trustee Report and Financial Statements  
for the year ended 31 December 2019

# The Ryanair UK Pension Plan

## Annual Report for the year ended 31 December 2019

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# The Ryanair UK Pension Plan

## Trustee and Advisers

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### **Principal Employer**

Ryanair DAC  
Departure Lounge  
Stansted Airport  
Stansted  
Essex  
CM24 1RW

### **Trustee**

APT Workplace Pensions Limited

### **Plan Administrators**

Deloitte Total Reward and Benefits Limited  
Lincoln Building  
27-45 Great Victoria Street  
Belfast  
BT2 7SL

### **Scheme Actuary**

Gregor Law FFA  
Deloitte Total Reward and Benefits Limited  
Lincoln Building  
27-45 Great Victoria Street  
Belfast  
BT2 7SL

### **Independent Auditors**

Baker Tilly Mooney Moore  
Chartered Certified Accountants  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

### **Banker**

Danske Bank

# The Ryanair UK Pension Plan

## Trustee and Advisers (continued)

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### **Investment Manager**

#### **Final Salary Section and Money Purchase Section**

Standard Life Assurance Limited  
1 George Street  
Edinburgh  
EH2 2LL

#### *Custodian:*

Citigroup  
33 Canada Square  
Canary Wharf  
London  
E14 5LB

### **Additional Voluntary Contribution (AVC) Providers**

#### **Final Salary Section**

Utmost Life and Pensions (formerly The Equitable Life Assurance Society)  
Walton Street  
Aylesbury  
Bucks  
HP21 7QW

#### **Money Purchase Section**

Standard Life Assurance Limited  
1 George Street  
Edinburgh  
EH2 2LL

#### **Legal Advisers (Final Salary Section)**

BDB Pitmans LLP (formerly Pitmans LLP)  
One Bartholomew Close  
London  
EC1A 7BL

### **Investment Advisers**

Deloitte Total Rewards and Benefits Limited  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2DB



# The Ryanair UK Pension Plan Trustee and Advisers (continued)

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## **Further information**

Any enquiries regarding the Plan should be made to:

Mr Neil Burns  
Deloitte Total Reward and Benefits Limited  
Lincoln Building  
27-45 Great Victoria Street  
Belfast  
BT2 7SL  
[neburns@deloitte.co.uk](mailto:neburns@deloitte.co.uk)

# The Ryanair UK Pension Plan

## Chairman's Review

for the year ended 31 December 2019

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2019 was an overall positive year for equity markets with leading global indices delivering positive returns in both local currency and sterling terms. Equity market growth was particularly strong in the first and fourth quarters of the year, with a market bounce following the result of the UK general election on 12 December 2019. Global economic growth was relatively weak over the year, with concerns ranging from the effects of Brexit to the threat of a trade war between the United States and China. Although the world's two largest economies did sign an initial trade deal on 15 January 2020, increasing political tensions since then have reduced the prospects for further agreement.

Whilst there is now more certainty with regard to the ultimate conclusion of the Brexit process, the precise details are still to be determined over the course of 2020. The potential economic impact of Brexit remains uncertain. Sterling depreciated sharply following the referendum result and is proving particularly volatile in response to the ever evolving picture. Consumer confidence remains low, the outlook for the housing market has deteriorated, workers in certain industries are increasingly hard to come by and businesses are delaying spending plans.

2020 has brought further volatility to global investment markets. The emergence of the coronavirus ("COVID-19") pandemic led to the virtual shutting down of all the world's major economies, and governments and central banks providing trillions of pounds of stimulus measures. Global equity markets saw sharp falls from late February onwards. Although some global indices have begun to rebound, the threat of further shutdowns in the event of a "second wave" of the virus cannot be ruled out. The upcoming presidential election in the United States on 3 November is also likely to impact global markets, but its effect is highly unpredictable.

Against the background of uncertainty, we have continued to monitor the performance of the Ryanair UK Pension Plan ("the Plan") assets and the overall funding position of the DB section of the Plan, following completion of the valuation last year. Ryanair Limited ("the Company") continued to make deficit repair contributions of £452,000 per annum into the DB section of the Plan and pays all expenses and levies.

We continue to have discussions with Company on the investment strategy for both the DB and DC sections of the Plan, to ensure that they remain appropriate and comply with best practice. The current asset/liability profile of the DB section is appropriate given the current membership and asset mix, however this will be kept under review as the Plan matures and taking into account any recommendations by the Plan actuary. We have updated the Statement of Investment Principles of the DC Section and details are included in the Statement Regarding DC Governance below.

As Trustee of the Plan ("the Trustee"), I personally will continue to ensure that the Plan remains well governed and focusses on the security of the members' current and future pensions.

Excerpts of this Statement is available to view here: <https://investor.ryanair.com/corporate-governance/>



APT Workplace Pensions Limited

# The Ryanair UK Pension Plan

## Trustee Report for the year ended 31 December 2019

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### Introduction

The Trustee of the Ryanair UK Pension Plan ("the Plan") is pleased to present its Report and the audited Financial Statements of the Plan to the members for the year ended 31 December 2019. The main purpose of this Report is to provide general information about the Plan. It is not meant to provide details of the way the Plan works, nor specific personal data, as such information is contained in the Plan booklet and members' Individual Annual Statements respectively.

### The Plan

The Ryanair UK Pension Plan was established under an Interim Trust Deed dated 26 February 1998. The operation of the Plan was initially governed by a Definitive Trust Deed dated 3 April 2001. The Definitive Trust Deed and Rules, prepared for the Plan dated 29 January 2004, established the Money Purchase section under the Plan. The Plan is currently governed by this Trust Deed and Rules, and amendments thereto.

The Final Salary Section of the Plan closed to future accrual with effect from 31 December 2015. Members of the Final Salary section of the Plan transferred to the Money Purchase section on this date, leaving their pension accrual up to this date in the old Final Salary section as deferred members.

Any queries regarding the Plan should be made to the administrators at the address on page 1.

### Trustee of the Plan

The Trustee is responsible for the management of the Plan.

During the year under review the Trustee of the Plan has been APT Workplace Pensions Limited. The Trustee Directors who served during the year are as follows:

Vincent Boyle  
Kirstyn Switzer  
Eamonn McGrath

APT Workplace Pensions Limited has no connection to the Principal Employer (Ryanair DAC) or to the wider group.

As the Trustee is an Independent Professional Trustee, the Plan is not required to comply with the requirements of the Member Nominated Trustee requirements imposed by the Pensions Act 2004. The provisions relating to the appointment and removal of the Trustee Directors are in the articles of association.

In accordance with the Plan's Trust Deed and Rules, the Principal Employer, Ryanair DAC retains the power to appoint and remove the Trustee of the Plan, subject to certain conditions.

Further information about the Plan is given in the explanatory booklets which are available to all the relevant members.

There was one Trustee meeting during the year.



# The Ryanair UK Pension Plan

## Trustee Report for the year ended 31 December 2019

### (continued)

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#### **Financial Review**

The Fund Account on page 32 shows that the net addition arising from dealings with members for the year was £7,554,325. The net return on investments during the year was a gain of £7,722,370. The Plan's assets for the same year therefore increased by £15,276,695 to £63,075,809.

The Plan's Financial Statements have been prepared and audited in accordance with regulations made under sections 41(1) and 41(6) of the Pensions Act 1995.

#### **Changes to the Plan**

There were no changes to the Plan during the year.

#### **Investments**

The Trustee has a responsibility to seek to ensure that the Plan's assets are properly invested, and also that a satisfactory return is achieved through an acceptable level of risk. The Trustee regularly reviews the performance being achieved by the investment manager, although the Trustee is not involved in the day to day investment decisions.

The Trustee has produced a Statement of Investment Principles as required by section 35 of the Pensions Act 1995. This Statement forms the basis of investment decisions made on behalf of the Plan and is used to monitor the performance of the investment manager. All investments held by the Plan during the year were in accordance with the Statement. A copy of the Statement is available from the administrators at the address on page 1.

During the year the Plan's investment assets were managed by Standard Life Assurance Limited for the Final Salary and Money Purchase sections. The pooled investment vehicle units are registered in the name of the Trustee, whilst the underlying investments represented by these holdings are held on the manager's behalf by third party custodians. The AVC investments at Utmost Life and Pensions are held in the name of the Trustee.

Investment management fees are borne by the Plan and are charged in accordance with the investment manager's scale of charges. A report from the investment manager can be found on pages 10 to 14.

#### **Investments post year end**

Since the year end, due to the global impact of the COVID-19 pandemic, the value of asset investments and liabilities have been negatively impacted. It is impractical at this time to quantify the effect due to the ongoing volatility of the markets. The Trustee is monitoring the situation closely in conjunction with the Scheme's advisors.

#### **Pension Increases**

All pensions were increased in accordance with Plan Rules during the year. No discretionary increases were awarded during the year.

# The Ryanair UK Pension Plan

## Trustee Report for the year ended 31 December 2019 (continued)

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### **Contributions**

#### *Final Salary Section*

Following the Actuarial Valuation as at 1 January 2017 the Principal Employer will pay deficit reduction contributions of £452,000 per annum from 1 January 2017 for ten years.

During the year there were three instances where Final Salary Section contributions were paid later than the due dates set out in the Schedule of Contributions as referred to in the Summary of Contributions.

#### *Money Purchase Section*

All contributions have been paid in accordance with the rules of the Plan.

### **Actuarial Status of the Plan**

The latest funding valuation of the Final Salary Section of the Plan ("the Valuation") was completed as at 1 January 2017 ("the Valuation Date") and published on 12 September 2017. As part of the Valuation, the Trustee and the Principal Employer agreed a new Recovery Plan and Schedule of Contributions. The results of the Valuation are outlined below.

Following a consultation process, a decision was taken to close the Final Salary Section of the Plan to future accrual from 31 December 2015. On this date all active members of the Plan became deferred members.

The next funding valuation will be completed as at 1 January 2020, and must be finalised within 15 months of this date.

### **Actuarial Liabilities (Final Salary Section of the Plan)**

As required by Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

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, which represent the present value of benefits to which members are entitled based on pensionable service to the Valuation Date. This is assessed at least every 3 years using assumptions agreed between the Trustee and the Principal Employer and set out in the Statement of Funding Principles, a copy of which is available to members on request.

The Valuation of the Plan, performed by Gregor Law, was completed as at 1 January 2017 and the Scheme Actuary's Report was published on 12 September 2017. The Valuation was carried out under the Pensions Act 2004 and used the Defined Accrued Method.

Following discussions with the Principal Employer, the Trustee determined and agreed the assumptions used to calculate the 'technical provisions'. This is the amount needed to be held by the Plan to provide the benefits that will be paid from the Plan in the future, assuming it continued in its present form. The calculation is based on assumptions about various factors that will influence the Plan in the future, such as the levels of investment returns and pension increases, when members will retire and how long members will live.



# The Ryanair UK Pension Plan

## Trustee Report for the year ended 31 December 2019 (continued)

### Actuarial Liabilities (Final Salary Section of the Plan) (continued)

The main assumptions underlying the Valuation were:

Pre-retirement discount interest rate	4.50% p.a.
Post-retirement discount interest rate	2.80% p.a.
Retail Price Inflation ('RPI')	3.40% p.a.
Consumer Price Inflation ('CPI')	2.40% p.a.
Deferred pension revaluation (based on CPI)	2.40% p.a.
Increases to pensions in payment:	
Pension accrued prior to 1 December 2007	3.30% p.a.

Mortality:

Base table	100% of SAPS "S2" YoB
Longevity improvements	CMI 2016 projections with a long term trend of 1.5% p.a.

A summary of the funding position at the Valuation Date is as follows:

Assets and Technical Provisions	£'000
Total technical provisions	13,853
Market value of assets	9,379
Surplus/(Deficit)	(4,474)
Funding level	68%

In September 2017, the Trustee and Principal Employer agreed a Recovery Plan and Schedule of Contributions. As part of this, the Principal Employer agreed to make deficit reduction contributions of £452,000 per annum, payable monthly, over the period 1 January 2017 to 1 January 2027 inclusive. The Principal Employer also agreed to cover administrative expenses, insurance premiums and levies payable in respect of the Plan.

A Recovery Plan and Schedule of Contributions reflecting the agreed contributions were adopted by the Trustee and the Principal Employer on 12 September 2017. The Scheme Actuary's certification of this Schedule is shown on page 28.

If the Principal Employer goes out of business or decides to stop contributing to the Plan, the Plan may be "wound-up" and the Principal Employer could be required to pay additional money to buy all members' benefits from an insurance company. The comparison of the Plan's assets to the cost of buying the benefits from an insurance company is known as the "buy-out position." A pension scheme's buy-out position will often show a weaker position than the standard actuarial valuation as insurers are obliged to take a very cautious view of the future, and they also need to make a profit.

# The Ryanair UK Pension Plan

## Trustee Report for the year ended 31 December 2019

(continued)

### Actuarial Liabilities (Final Salary Section of the Plan) (continued)

The Valuation at 1 January 2017 showed that the Plan's assets would not have been enough to buy all members' benefits from an insurance company, as the "buy-out position" at that date was:

	£'000
Estimated cost of buying benefits with an insurance company	25,156
Market value of assets	9,379
Surplus/(Deficit)	(15,777)
Funding level	37%

This does not mean that the Company is thinking of winding up the Plan. The fact that there was a shortfall at the Valuation Date has not affected the pensions paid from the Plan and all members who have retired have received the full amount of their pension.

It is worth remembering that a funding valuation is just a "snap shot" of the Plan's funding position and it can change considerably if there are sudden changes in share prices or gilt yields, or members live longer than we expect.

### Membership

Details of the membership of the Plan are given below:

	Active Members		Deferred members		Pensioners	
	Final Salary	Money Purchase	Final Salary	Money Purchase	Final Salary	Money Purchase
<b>Total as at 1 January 2019</b>	-	464	71	168	23	-
Adjustments	-	-	-	(1)	-	-
New Entrants	-	154	-	-	-	-
Rejoiners	-	5	-	(5)	-	-
Deferred pensions (switches out)	-	(62)	-	62	-	-
Retirements	-	-	-	(1)	-	-
Transfers out	-	(8)	-	(10)	-	-
Deaths	-	(1)	-	(1)	-	-
<b>Total as at 31 December 2019</b>	-	<b>552</b>	<b>71</b>	<b>212</b>	<b>23</b>	-

At 31 December 2019 20 (2018: 20) members had membership in both the Final Salary Section and the Money Purchase Section of the Ryanair UK Pension Plan.



# The Ryanair UK Pension Plan Investment Report

## Final Salary Investment Report

**Standard Life Investments**

**Annual Disclosure Report**  
For the year ended 31 December 2019

### THE RYANAIR UK PENSION PLAN (Policy No: G76550)

#### Investment Managers

Your investment holds units in the following Standard Life Funds in accordance with the provisions of a Standard Life Trustee Investment Plan policy. Standard Life Assurance Limited has delegated its investment management function to Standard Life Investments Limited.

#### Statement of Assets

Fund Name	No. of Units	Value (£)	Holding (%)
Standard Life Managed	183,608	11,133,786	100.0
<b>Total</b>		<b>11,133,786</b>	

#### Performance

Fund Name	12 Months to 31/12/2019 %	3 Years to 31/12/2019 % p.a.	5 Years to 31/12/2019 % p.a.
Fund Benchmark			
Standard Life Managed	15.1	6.2	7.4
ABI (Pension) Mixed Investment 40-85% Shares Sector*****	15.4	0.0	N/A

Figures are calculated, net of fees, on an offer to offer basis over the stated periods, with net income reinvested.

Please note that any holdings in the Institutional Pooled Property Fund are calculated, net of fees, on a net Asset Value (NAV) per unit basis, over the stated periods, with net income reinvested. Fund and Benchmark figures are updated quarterly (31 March, 30 June, 30 September and 31 December).

Under the Global Real Estate Institutional Fund the benchmark figures are updated quarterly (31 March, 30 June, 30 September and 31 December).

Under the Managed and Stock Exchange Funds the benchmark changed to the ABI (Pension) Mixed Investment 40-85% Shares Sector with effect from 1 July 2016. Due to inability of chain-linking peer group returns, we are unable to provide longer term benchmark returns.

N/A is shown when a fund has not accumulated a performance history over the stated periods.

#### Global Overview

Global equity markets powered ahead, with US and European stocks performing particularly well. Shares in Japanese and UK companies were relative laggards, but still made double-digit gains. Political and economic issues were to the fore, ranging from Brexit to the trade dispute between the US and China.

Shares got off to a good start in 2019, supported by a more favourable interest rate outlook and strong corporate profits. There was a hiatus in the month of May, with many markets tumbling on renewed fears about trade relations. In the UK, Prime Minister Theresa May announced her resignation. She was replaced by Boris Johnson.

The Federal Reserve (Fed) moved to lower US interest rates. It cut the main rate three times – in July, September and October. The European Central Bank (ECB) also trimmed rates and announced bold new measures aimed at reviving the beleaguered Eurozone economy. Latterly, political

developments dominated headlines. The US Democratic Party moved to impeach President Trump. Meanwhile, in the UK, the parliamentary furor over Brexit intensified and a general election was called for 12 December. Stocks ended the year on a high, with investors encouraged by a positive turn of events in the US-China trade saga. Some encouraging economic data from around the globe also helped to propel share prices higher in the final days of 2019.

#### UK

UK share prices moved higher. However, despite double-digit gains on the two main indices, they were outpaced by several other developed markets. The stock market had to weather political upheaval and Brexit-related uncertainty. At several points, sterling weakness benefited companies that make the bulk of their earnings overseas. At the sector level, shares in technology and industrials companies



# The Ryanair UK Pension Plan Investment Report (continued)

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performed particularly well. By contrast, oil & gas and telecoms shares disappointed.

Although UK equities performed well in the early months of 2019, they fell once again in May. Prime Minister Theresa May announced her resignation as MPs once more moved to reject her European Union Withdrawal Agreement. Her successor, Boris Johnson, ejected most of the previous cabinet and appointed fellow pro-leave supporters in their stead. The political twists and turns period culminated in a three-month extension to Brexit, the approval in principle of Mr Johnson's Withdrawal Act and the UK parliament voting in favour of a snap election. The Conservative Party won a conclusive victory in the vote, which took place in December. The election result sparked a relief rally in the UK stock market. In particular, the share prices of domestically-focused companies rose sharply.

In other news, Andrew Bailey was announced as the new Bank of England (BoE) governor. The residential property market was boosted by mortgage approvals in November hitting a near three-year high. Data released in December pointed to a rise in real wages to levels not seen since before the financial crisis over a decade ago. On top of this, UK economic growth for the third quarter was revised higher.

## US

US share prices had an outstanding 12 months, recording the best annual return since 2013. Before that, one would have to go back to the mid- to late-1990s to see a similar return.

During 2018, share price performance was weak. This partly was in reaction to the Fed's determination to tighten monetary policy. The US-China trade dispute also detracted, particularly in the final quarter. In response, in early 2019 the US central bank softened its tone on interest rate hikes. This was the catalyst for a market recovery. Hopes that Washington and Beijing might resolve their trade dispute also boosted share prices. Events took a turn for the worse in May, however, as on-off negotiations on the subject collapsed. In July, the Fed made its first rate cut since 2008, dropping the main US rate by 0.25%. Initially, investor reaction was mixed, as the Fed presented the cut as an adjustment rather than a change of policy. It made further reductions in September and October, however.

Worries about global recession and trade frictions began to dominate investors' thoughts yet again. However, the prospect of renewed trade talks emerged in September, prompting a rally in equities after a dismal August. Towards the end of November, the S&P 500 Index hit a record high, boosted by the Fed's third rate cut of the year and a resilient third-quarter earnings season. Merger & acquisition activity also helped propel shares higher, with the takeover of Tiffany by LVMH grabbing the headlines. There was also news of consolidation in the motor industry. Fiat Chrysler is to merge with France's Peugeot to create the

world's fourth-biggest carmaker. This was underpinned by encouraging economic data, such as continued employment growth.

The year ended on an optimistic note, with positive signals from the Fed and a US-China trade agreement in the pipeline.

## Europe

European shares ended 2019 on a high, outperforming most other regions and producing strong gains during 2019.

Concerns over rising inflation and higher interest rates were an initial worry for investors. The on-off US-China trade dispute also dominated investor sentiment, given that Europe's economies are export-dependent. In particular, the auto industry suffered. Economic growth in the Eurozone halved in the second quarter of 2019, rising just 0.2%.

There were worries that Germany could be teetering on the brink of recession. A contraction in the German economy, the biggest in Europe and the world's fourth-largest, had wider implications for global growth. After shrinking in the second quarter, Germany managed better-than-expected growth of 0.1% in the third quarter. Strength in the consumer-driven part of the domestic economy is helping to offset the beleaguered manufacturing sector. Confirmation that activity was picking up was demonstrated by improved business confidence surveys towards the end of the year. Nevertheless, its manufacturing industry continued to struggle.

Data from France and Spain was also worse than expected, reinforcing calls for the ECB to take urgent action. However, as with Germany, signs of stabilisation started to appear in late 2019. The mid-year weakness of the Eurozone economy eventually led to the ECB cutting interest rates and restarting its bond-buying programme in September. This then boosted shares in the Eurozone. The ECB lowered its deposit rate from -0.4% to -0.5%. Since June 2014, the institution has been charging banks to hold funds on deposit, rather than paying them interest. The thinking behind this policy is that European banks will be encouraged to lend more money, shoring up the region's economy by increasing spending. Outgoing ECB President Mario Draghi also told governments that they need to act quickly to stimulate economic growth. His replacement, Christine Lagarde, reassured investors with her confirmation that the bank's softer tone would continue.

Gains accelerated towards the year end on encouraging signs of improving industrial output in China, clarity on Brexit after a decisive UK election result, and a US-China trade agreement in the offing. This was underpinned by a continued corporate spending spree on acquisitions.

## Asia Pacific

Asian equities were up in local currency terms. The US-China trade war, concerns about Chinese growth and global



# The Ryanair UK Pension Plan Investment Report (continued)

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monetary policy exerted influence on sentiment, both positively and negatively.

Having rumbled on for a while, tensions between the US and China intensified at the start of 2019, as each side announced further tit-for-tat tariffs. This had a knock-on impact for the wider region, with technology stocks bearing the brunt of the selling. However, markets climbed after the Fed said it was putting interest rate rises on hold. Hopes of a trade deal also emerged. Thereafter, the narrative became a familiar one. In May, President Trump slapped new tariffs on China, which responded in kind. Markets tumbled. In June, both sides agreed a truce at the G20 summit in Japan, and markets rallied.

As the period progressed, the world's central bankers lifted market sentiment. Most said they would act to support their respective economies by way of rate cuts and quantitative easing. This included China, which is facing its slowest growth in nearly 30 years. In politics, the re-election of incumbents in India and Indonesia were seen as positive for investors. Many believe the results will lead to further market-oriented reforms. Meanwhile, the Fed cut rates in July, September and October. As the period came to a close, the US and China agreed to sign a 'phase-one' trade agreement. This helped ensure that Asian equities finished on a high.

## Japan

Equities in Japan delivered a positive return in yen terms. However, the period was characterised by many ups and downs, particularly around trade and the yen. Central banks, including the Bank of Japan, played their part, acting to support economic growth. A rush of foreign investors into Japanese stocks in October and November was also a positive driver.

Trade tensions were high at the beginning of 2019, and the yen was strong thanks to its 'safe-haven' status. This hampered a number of companies that sell goods overseas. However, the US Fed surprised investors in January when it said it would halt interest rate rises. Hopes of a breakthrough between the US and China were also positive. Japanese equities surrendered all the gains they made in 2018 in the first four months of 2019. However, markets rebounded in June after the US and China agreed a truce, before tumbling in July and August when relations soured once more. Meanwhile, the Fed cut interest rates in July, September and October. Deterioration in Japan's trade relations with South Korea was offset by better-than-forecast second-quarter GDP growth of 1.8%. Analysts had pencilled in an annualised rate of 0.4%. At the close of 2019, hopes of further stimulus measures boosted Japanese share prices. A senior minister confirmed the government is looking to launch a 13 trillion yen (US\$119 billion) spending package to bolster the economy.

## Corporate Bonds

From early 2019, there were growing indications that the Fed was adopting a more dovish stance on monetary policy to forestall the effects of a global slowdown. While the ECB halted its quantitative easing (QE) programme in December 2018, a dovish tone from President Mario Draghi prompted markets to price in the prospect of further QE. Meanwhile, the prospect of further BoE interest rate hikes reduced amid mounting Brexit-related worries.

This led to a rally in risk assets, buoyed also by optimism around a US-China trade settlement. For the first three months of the year, corporate bond markets delivered strong returns. Returns were then flat in April, largely affected by Brexit uncertainties. In May, escalating global trade tensions came once more to the fore. Corporate bonds suffered as investors' appetite for risk fell, but recovered in June and July as market-friendly central bank policies led to a more constructive environment.

In the second half of the review period, returns from corporate bond markets were fuelled by falling government bond yields across developed markets and stable credit spreads in most higher-quality fixed income markets. Gilt yields rose in November and December, driven by improving global macroeconomic data. So, while spreads tightened, corporate bonds delivered a marginally negative total return. With the UK general election out of the way and the US and China seemingly close to a trade deal, uncertainty into the end of 2019 was reduced, helping market performance.

## Government Bonds

While a shift in central bank policy from QE to quantitative tightening (QT) has been a feature of much of the past 12 months, the pendulum has now swung back towards monetary easing. At the beginning of 2019, government bonds had been bolstered by worries about higher-than-expected inflation, and the impact of protectionism on growth revived investors' appetite for risk-free assets. The Fed raised its target interest rate four times during 2018, but its primary message since the start of 2019 has been dovish. The Fed cut US interest rates at the end of July for the first time in more than 10 years, and again both in September and October. During December, however, it signalled that interest rates would be on hold for the foreseeable future. The ECB kept rates on hold until September, when it cut its deposit rate to -0.5% and announced the resumption of QE.

In the UK, Brexit negotiations continued to rumble on. Boris Johnson succeeded Theresa May as prime minister in July. While Johnson successfully agreed a deal with the European Union (EU), he was unsuccessful in securing UK parliamentary agreement. This led to a general election in mid-December, which resulted in an overwhelming victory for the governing Conservative Party. That was viewed by markets as positive; it removed the threat of



# The Ryanair UK Pension Plan Investment Report (continued)

renationalisation from some industries, and may allow the government to resolve the Brexit impasse. The feel good factor extended to 'safe' assets, and 10-year US Treasury yields moved higher. Germany continued its recent trend of weakening industrial and manufacturing data. In spite of this, 10-year German yields rose throughout December, ending the year as close to zero as they had been since July.

## UK Commercial Real Estate

As expected, 2019 was a weaker year for real estate performance. According to the MSCI Monthly Index, full-year total returns are likely to be around 2%. This is significantly less than the 7.5% full-year number achieved in 2018. The monthly total return for November (the latest data available) was 0.1%, the weakest single month since July 2016. Future return expectations look more tepid and investors are reducing their risks. They are also de-risking their real estate allocations in anticipation of lower economic growth forecasts. There was a strong appetite and competitive bidding for prime assets with long lease agreements in place. This underscores the level of demand currently chasing secure income streams. Investors are tending to avoid risk, with secondary assets and large vacancies proving to be out of favour. Properties with looming capital expenditure requirements, development risk and tenancy turnover are also being shunned by the discerning investor. Overall, transaction volumes have been weaker. The exception has been the alternatives sector, where a small number of portfolio deals have propped up liquidity. Investors still like the stable, secure income this sector can offer. That said, the retail sector is at the other extreme of the spectrum, with activity now at a 10-year low. Market liquidity is thin and deal timeframes are being extended as opportunism creeps in. Some investors are trying to translate capital declines into bargain buying opportunities by renegotiating previously agreed sale prices downwards. This has put further pressure on valuations. There is still a pronounced undersupply of logistics/industrial assets in the South East. This is driving strong rental growth and continued investor appetite for

prime assets in well-connected locations. However, investor appetite seems to be weaker in the rest of the UK, where a supply shortage is less pronounced.

## Global Absolute Return Strategies (GARS)

GARS delivered a positive return (after fees) over the period. Uncertainty, stemming from trade wars, slowing global growth, political drama and Brexit, dominated markets. However, supportive central bank action helped soothe investors' unease. Latterly, fresh hopes of a US-China trade breakthrough, tentative signs of improvement in the global economy and a decisive UK election outcome reinforced investors' upbeat mood.

US equities had a particularly strong year, and this benefited our exposure to the US equity market. Our emerging market (EM) income strategy made a noteworthy positive contribution, as improving sentiment towards EM assets boosted a number of the currencies embedded within this position. Likewise, favourable movements in the Mexican peso rewarded our Mexican government bonds position. This was despite a sell-off in global government bonds in late 2019. However, our position preferring EM equities over Brazilian equities delivered a negative return, as the Brazilian equity market outperformed broader EM equities.

European interest rates moved in favour of our European rates strategies. US interest rate movements supported our US real yields position but hurt our US yield curve steepener position. Elsewhere, our allocations to high-yield and European investment-grade corporate bonds were boosted by investors' ongoing quest for higher-returns, as global interest rates continued to drift lower. Of our currency exposures, our preference for the US dollar over the Korean won gained ground. The protracted US-China trade dispute caused the won to weaken – a measure of Korea's heavy trade linkages with China. Our preference for the Japanese yen over the Canadian dollar dragged on performance, as defensive assets like the yen fell from favour. This reflected investors' growing confidence about global growth prospects.

## Money Purchase Section

The table below sets out the performance over 1, 3 and 5 years to 31 December 2019 of the five funds, with the highest value at that date, against the benchmarks (where available).

	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.
Standard Life Stock Exchange Pension Fund	19.1	22.3	46.8
<i>Benchmark: ABI (Pension) Flexible Investment Sector</i>	16.4	20.5	43.5
Standard Life Managed Pension Fund	15.2	18.1	36.9
<i>Benchmark: ABI (Pension) Mixed Investment 40-85% Shares Sector</i>	14.3	17.5	36.9
Standard Life UK Equity Pension Fund	16.1	13.3	29.9
<i>Benchmark: ABI (Pension) UK All Companies Sector</i>	20.6	19.5	37.7
Standard Life At Retirement (Multi Asset Universal) Pension Fund	11.9	8.8	19.7
Standard Life Multi Asset Managed (20-60% Shares) Pension Fund	11.5	13.9	29.2
<i>Benchmark: ABI (Pension) Mixed Investment 20-60% Shares Sector</i>	10.9	11.5	24.7

# The Ryanair UK Pension Plan Investment Report (continued)

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## **Post Year End**

Since the year end, due to the global impact of the COVID-19 pandemic, the value of asset investments and liabilities have been negatively impacted. It is impractical at this time to quantify the effect due to the ongoing volatility of the markets. The Trustee is monitoring the situation closely in conjunction with the Scheme's advisors.



# The Ryanair UK Pension Plan

## Statement of Trustee Responsibilities for the year ended 31 December 2019

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The Financial Statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 as amended by the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) (Amendment) Regulations 2016, including a statement whether the Financial Statements have been prepared in accordance with the Statement of Recommended Practice (2018), 'Financial Reports of Pension Schemes'.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will continue as a going concern.

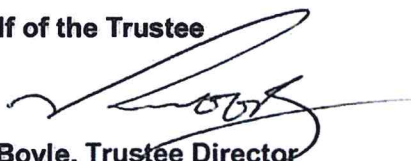
The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

In respect of the Final Salary Section, the Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions (other than voluntary contributions) payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Contributions in respect of the Money Purchase Section are payable in accordance with the rules of the Plan.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the employer in accordance with the Schedule of Contributions and the rules of the Plan. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

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

On behalf of the Trustee



**Vincent Boyle, Trustee Director**  
**APT Workplace Pensions Limited**  
**Date:**



**Kirstyn Switzer, Trustee Director**  
**APT Workplace Pensions Limited**  
**Date:**

# The Ryanair UK Pension Plan

## Statement regarding DC governance

### For the year ended 31 December 2019

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The Occupational Pension Plans (Plan Administration) Regulations 1996 ("the Administration Regulations") require the Trustee to include an annual statement regarding governance in the annual report.

#### **Statement of Investment Principles (SIP)**

The trustee completed a review of the Defined Contribution Section Statement of Investment Principles (SIP) in 2020. The SIP sets out the trustee's primary objectives which are:

- to offer an appropriate range of alternative self-select investment options for members that wish to make their own investment choices, recognising that members may have different needs and objectives.
- to achieve good member outcomes net of fees and subject to an acceptable level of risk.
- that the expected volatility of the returns achieved is managed through appropriate diversification of asset types in order to control the level of volatility and risk in the value of members' pension pots.

Members are responsible for their own choice of investment options. The accumulated value of a member's pension at retirement can:

- be used to purchase an annuity from an insurance company; or
- remain invested offering members scope to withdraw funds as and when they choose (this is known as a flexible income or income drawdown); or
- be withdrawn in total or part upon retirement (although there will be a tax charge on anything above the 25% tax-free limit); or
- be utilised across a combination of some or all of the above.

The Platform Provider has made available a range of funds to suit the individual needs of the Plan's members. For example, equity funds are available for those members willing to accept a greater level of volatility in pursuit of higher expected retirement savings. Bond and cash funds are offered for those members who are less comfortable with the likely greater volatility of the equity funds.

#### **What is the option for members who do not wish to self select funds**

While there is no default investment arrangement for members who do not actively make their investment choices, they can select a lifestyle strategy which automatically moves their investments in the years leading up to their chosen retirement age to reduce volatility. Members can opt out or into the strategy at any time.

The Trustee currently offers one customised lifestyle strategy. This lifestyle strategy automatically invests members in a growth fund (UK equities) for the period up to 7 years from expected retirement at which stage it introduces a multi-assets retirement fund, and at 3 years out from expected retirement it introduces a cash fund. The lifestyle strategy is designed for investors who have yet to decide how they are going to take their retirement income or who want to take flexible income.

The Plan's Retirement Age is 65 (or 60 for Pilots), although members may specify a different Target Retirement Age. So for members who select the lifestyle strategy, the phasing outlined above will tie in with the chosen retirement age.

The lifestyle strategy invests in a series of funds from Standard Life, which meet the requirements for social, environmental and ethical considerations set out as an appendix to the Trustee's Statement of Investment Principles ("SIP").



# The Ryanair UK Pension Plan

## Statement regarding DC governance (continued)

### For the year ended 31 December 2019

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The Trustee expects to deliver growth over the member's lifetime within the Plan without excessive risk taking, with an increased focus in the final seven years of reducing volatility to enable members approaching retirement to make financial plans for the period after retirement. The Trustee considers this approach to be in the best interests of relevant members and relevant beneficiaries.

As noted above, we continually consult with the Company to ensure that that the Plan provides value for members and incorporates a robust governance framework.

We continue to monitor the performance and ongoing strategy of all the lifestyle strategies and the full fund range.

We have drafted a technical appendix to this statement which provides more details of the funds available to DC section members along with illustrations of the impact of fund charges on member outcomes.

#### **Processing Plan transactions**

The Trustee has a specific duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members) relating to the DC section are processed promptly and accurately. These transactions are undertaken on the Trustee's behalf by the Company and its DC administrator and investment manager Standard Life Aberdeen.

The Trustee has reviewed the processes and controls implemented by those organisations and consider them to be suitably designed to achieve these objectives. The Trustee considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

The Trustee receives periodic Stewardship reports from Standard Life Aberdeen. The most recent of these covered the Plan to from 1 January 2019 to 31 December 2019. This confirmed that Standard Life Aberdeen are performing ahead of target at 96.1% of transaction being completed within 10 days, versus a target of 90%.

#### **Transaction costs**

The Administration Regulations require the Trustee to make an assessment of charges and transactions costs borne by DC section members and the extent to which those charges and costs represent good value for members.

The customised lifestyle strategy (most popular by member choice) attracts a total management charge of 1.01% p.a. of assets under management for all members, however, this is offset by a negotiated rebate of 0.33% p.a., leading to a total net annual charge of 0.68% p.a. This is lower than the maximum allowed of 0.75% p.a. for default funds used for auto-enrolment purposes and the Trustee is therefore happy that this offers reasonable value for members, however our ongoing review may lead to improved value for members.

The Trustee also makes available a range of alternative funds and lifestyle strategies which may be chosen by members as an alternative to the default arrangement. These funds attract annual charges of between 0.68% and 1.53%, and the level of charges for each fund is set out in the member booklet which is available on request. These funds allow members to take a more tailored approach to managing their own pension investments.

# The Ryanair UK Pension Plan

## Statement regarding DC governance (continued)

### For the year ended 31 December 2019

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As noted above, all the rates agreed incorporate a discount of 0.33% compared with the equivalent charges made by the same investment manager to retail investors.

We have included a technical appendix to this statement in which we provide some illustrations of the cumulative effect over time of the relevant costs and charges on the value of member's benefits. Our technical appendix has been drafted taking account of statutory guidance as outlined in v4.2 of AS TM1: Statutory Money Purchase Illustrations, dated October 2016.

Excerpts of this Statement is available to view here <https://investor.ryanair.com/corporate-governance/>

#### **Trustee's knowledge and understanding**

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension Plans, investment of Plan assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7. The comments in this section relate to the Trustee as a body in dealing with the whole Plan and are not restricted to the DC section.

As a sole corporate entity, the Trustee have in place arrangements for ensuring that he takes responsibility for keeping himself up-to-date with relevant developments and carry out a self-assessment of training needs.

In addition, the Trustee receives advice from professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors.

Specifically, in relation to the Plan, the Trustee ensures that time is set aside periodically to review plan documentation and that there is a Trustee training element at every Trustee meeting, delivered by our professional advisors.

Taking account of actions as a trustee body, and the professional advice available to it, the Trustee considers that it is enabled properly to exercise its functions as Trustee.

#### **DC Plan governance**

As Trustee of the Plan I have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in The Pensions Regulator's:

- Code of Practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits; and
- Regulatory guidance as applicable to defined contribution plans.

These are underpinned by the DC quality features.



# The Ryanair UK Pension Plan

## Statement regarding DC governance (continued)

For the year ended 31 December 2019

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Under The Pensions Regulator Code of Practice 13 ("the DC code"), trustee boards are accountable for the overall quality of a plan's administration and the meeting of all related legal requirements, including where any part of the administration function has been outsourced to an external provider. The Trustee should consider the following areas to ensure compliance with the DC code:

- Administration reporting, training and experience;
- Quality assurance and continuity;
- Disaster recovery and business continuity planning;
- Core financial transactions;
- The accuracy of data control and record-keeping, including the General Data Protection Regulations ("GDPR"); and
- The accuracy of calculations and communications.


Based on our assessment and subject to the explanations set out below we believe that we have adopted the standards of practice set out in the DC code and DC regulatory guidance. These help demonstrate the presence of DC quality features, which we believe will help deliver better outcomes for members at retirement.

Where we are seeking to achieve 'best practice' level, we explain this below.

1. The Trustee will review and update the DC SIPP to ensure that it remains relevant and up to date;
2. The Trustee will seek to establish a more robust administration monitoring process and actively track KPIs; and
3. The Trustee will review feedback from the Plan auditor and seek to improve core processes where required.

The Trustee maintains an Investment Implementation Policy Document (IIPD) which contains details of the Plan's investment arrangements. Details of the arrangements can be found in the IIPD.

The Statement regarding DC governance was approved by the Trustee and signed on his behalf by Vincent Boyle and Kirstyn Switzer.



**Vincent Boyle**  
APT Workplace Pensions Limited



**Kirstyn Switzer**  
APT Workplace Pensions Limited

The Ryanair UK Pension Plan  
Statement regarding DC governance  
For the year ended 31 December 2019 (continued)

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**Technical Appendix 1**  
**Cost and charge illustration as at 31 December 2019**

**Illustration assumptions**

1. The tables illustrate the potential impact fund costs may have on the projected value of monies invested in an average member's pension plan over various time periods.
2. These are not projections of your own pension plan. Please refer to your annual account statement for an estimate of your pension.
3. All the figures illustrated here are only examples and are not guaranteed – they are not minimum or maximum amounts.
4. All figures are calculated as at the end of 2019.
5. You could get back more or less than this and you may also get back less than the amount that you have invested.
6. Investment return in real terms: is the effective annual growth rate of the fund after adjusting for the inflation rate.
7. The starting pot size is assumed to be £50,000
8. Contributions are £0.
9. Inflation is assumed to be 2.5% each year.

The Ryanair UK Pension Plan  
Statement regarding DC governance  
For the year ended 31 December 2019 (continued)

Fund	Assumed Investment returns	Assumed Inflation	Return before charges	FMC	Additional Expenses	Scheme Rebate	Effective total annual charge	Net (real) return
SL BNY Mellon Balanced Pension Fund	5.06%	2.50%	2.50%	1.30%	0.06%	0.33%	1.03%	1.49%
SL Vanguard FTSE Developed World ex UK Pension Fund	6.50%	2.50%	3.90%	1.00%	0.02%	0.33%	0.69%	3.23%
SL Annuity Targeting Pension Fund	1.13%	2.50%	-1.33%	1.00%	0.01%	0.33%	0.68%	-2.00%
SL At Retirement (Multi Asset Universal) Pension Fund	3.98%	2.50%	1.44%	1.00%	0.03%	0.33%	0.70%	0.76%
SL Deposit and Treasury Pension Fund	0.50%	2.50%	-1.95%	1.00%	0.01%	0.33%	0.68%	-2.61%
SL Ethical Pension Fund	4.95%	2.50%	2.39%	1.00%	0.01%	0.33%	0.68%	1.73%
SL Managed Pension Fund	5.74%	2.50%	3.16%	1.00%	0.02%	0.33%	0.69%	2.49%
SL Money Market Pension Fund	0.50%	2.50%	-1.95%	1.00%	0.01%	0.33%	0.68%	-2.61%
SL Multi Asset Managed (20-60% Shares) Pension Fund	3.82%	2.50%	1.29%	1.00%	0.02%	0.33%	0.69%	0.61%
SL North American Equity Pension Fund	6.50%	2.50%	3.90%	1.00%	0.01%	0.33%	0.68%	3.24%
SL Pension 2 With Profits 2 2006 Fund	0.75%	2.50%	-1.71%	0.00%	0.00%	0.00%	0.00%	-1.71%
SL Pension 2 With Profits 2 Fund	0.75%	2.50%	-1.71%	0.00%	0.00%	0.00%	0.00%	-1.71%
SL Stock Exchange Pension Fund	6.34%	2.50%	3.75%	1.00%	0.02%	0.33%	0.69%	3.08%
SL UK Equity Pension Fund	6.50%	2.50%	3.90%	1.00%	0.01%	0.33%	0.68%	3.24%



**The Ryanair UK Pension Plan**  
**Statement regarding DC governance**  
**For the year ended 31 December 2019 (continued)**

Starting Fund: £50,000; Future Contribution: £0														
Fund value at end of year £ (in real terms/ after inflation)	SL BNY Mellon Global Balanced Pension Fund		SL Vanguard FTSE Developed World ex UK Pension Fund		SL Annuity Targeting Pension Fund		SL At Retirement (Multi Asset Universal) Pension Fund		SL Deposit and Treasury Pension Fund		SL Ethical Pension Fund		SL Managed Pension Fund	
	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges
1	51,248	50,745	51,951	51,615	49,334	49,002	50,722	50,381	49,024	48,693	51,195	50,863	51,581	51,245
3	53,838	52,270	56,085	55,002	48,029	47,066	52,198	51,151	47,130	46,180	53,671	52,634	54,896	53,828
5	56,559	53,840	60,548	58,612	46,758	45,207	53,716	51,932	45,309	43,796	56,266	54,467	58,423	56,542
10	63,978	57,975	73,321	68,707	43,726	40,873	57,709	53,939	41,057	38,363	63,318	59,333	68,266	63,940
15	72,370	62,427	88,788	80,540	40,891	36,955	61,998	56,024	37,205	33,603	71,253	64,633	79,767	72,306
20	81,863	67,222	107,519	94,412	38,239	33,413	66,605	58,189	33,714	29,434	80,183	70,408	93,205	81,766
25	92,602	72,385	130,201	110,673	35,760	30,210	71,556	60,437	30,551	25,782	90,232	76,698	108,907	92,465
30	104,748	77,944	157,668	129,734	33,441	27,314	76,874	62,773	27,684	22,583	101,540	83,550	127,254	104,563
35	118,489	83,930	190,929	152,079	31,273	24,696	82,588	65,199	25,087	19,781	114,266	91,014	148,693	118,244

**The Ryanair UK Pension Plan**  
**Statement regarding DC governance**  
**For the year ended 31 December 2019 (continued)**

**Starting Fund: £50,000; Future Contribution: £0**

Fund value at end of year £ (in real terms/ after inflation)	SL Money Market Pension Fund		SL Multi Asset Managed (20-60% Shares) Fund		SL North American Equity Pension Fund		SL Stock Exchange Pension Fund		SL UK Equity Pension Fund	
	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges	Before charges	After all charges
1	49,024	48,693	50,644	50,307	51,951	51,620	51,875	51,539	51,951	51,620
3	47,130	46,180	51,957	50,928	56,085	55,018	55,840	54,760	56,085	55,018
5	45,309	43,796	53,304	51,556	60,548	58,639	60,107	58,182	60,548	58,639
10	41,057	38,363	56,825	53,160	73,321	68,772	72,257	67,703	73,321	68,772
15	37,205	33,603	60,580	54,813	88,788	80,654	86,863	78,783	88,788	80,654
20	33,714	29,434	64,582	56,519	107,519	94,591	104,422	91,675	107,519	94,591
25	30,551	25,782	68,849	58,277	130,201	110,935	125,530	106,677	130,201	110,935
30	27,684	22,583	73,398	60,090	157,668	130,103	150,905	124,134	157,668	130,103
35	25,087	19,781	78,248	61,960	190,929	152,583	181,409	144,448	190,929	152,583



# The Ryanair UK Pension Plan

## Compliance Statement

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### **The Pensions Regulator**

The statutory body that regulates occupational pension schemes is The Pensions Regulator and can be contacted at:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton  
BN14DW

Telephone: 0345 600 1011  
Email: [customersupport@thepensionsregulator.co.uk](mailto:customersupport@thepensionsregulator.co.uk)  
Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### **The Pensions Tracing Service**

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

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

Telephone: 0800 731 0193  
Tracing can be done online at: <https://www.gov.uk/find-pension-contact-details>

# The Ryanair UK Pension Plan

## Compliance Statement (continued)

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### **The Money and Pensions Service and Pensions Ombudsman**

Any concern connected with the Plan should be referred to the Plan Administrator who will try to resolve the problem as quickly as possible (in line with the Plan's Internal Dispute Resolution Procedure in place).

In the event that a complaint cannot be resolved members can make a formal complaint to the Pensions Ombudsman. 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) happened or, within three years of when the event(s) was first known about it (or ought to have been known about). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:  
10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487 Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

Complaints can also be submitted online: [www.pensions-ombudsman.org.uk/our-service/make-a-complaint/](http://www.pensions-ombudsman.org.uk/our-service/make-a-complaint/)

The Money and Pensions Service is a free money guidance and debt advice service launched in January 2019, combining the Money Advice Service, The Pensions Advisory Service and Pension Wise to form a single guidance body.

The Money and Pension Service can be contacted at:

Money and Pension Service, Holborn Centre, 120 Holborn, London EC1N 2TD  
Website: [www.moneyandpensionservice.org.uk](http://www.moneyandpensionservice.org.uk)  
Email: [contact@maps.org.uk](mailto:contact@maps.org.uk)  
Tel: 01159 659570

### **Contacting the Trustee**

Members and Trade Unions, recognised for the purposes of collective bargaining in relation to Members, are entitled to inspect copies of documents giving information about the Plan. In some circumstances, copies of the documents can be provided but a charge may be made for copies of the trust documents (Deed and Rules).

Any complaints or enquiries about the Plan, including requests from individuals for information about their benefits, should be addressed to the Trustee of The Ryanair UK Pension Plan, care of:

Deloitte Total Reward and Benefits Limited  
Lincoln Building  
27 – 45 Great Victoria Street  
Belfast  
BT2 7SL

# The Ryanair UK Pension Plan

## Schedule of Contributions

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### Ryanair UK Pension Plan

Schedule of Contributions for the purposes of Part 3 of the Pensions Act 2004 and Section 9 of the Occupational Pensions Schemes (Scheme Funding) Regulations 2005.

### Status

This Schedule of Contributions for the Ryanair UK Pension Plan ('the Plan') has been prepared by the Trustee of the Plan, after obtaining the advice of Gregor Law FFA, the Scheme Actuary. This Schedule of Contributions, put in place for the Plan, supersedes the previous schedule dated 9 July 2015.

The contribution rates and payment dates have been agreed between the Trustee and the Employer, Ryanair Limited.

### Contributions to be paid to the Plan (from 1 January 2017 to 1 January 2027)

**Contributions in respect of the funding shortfall in accordance with the recovery plan dated 12 September 2017.**

**Employer contributions:** A lump sum payment of £339,000 will be paid by 30 September 2017 to cover the period from 1 January 2017 to 30 September 2017.

Subsequent deficit reduction contributions of £452,000 per annum will be payable monthly from 1 October 2017 to 1 January 2027.

The above contributions are to be paid to the Plan on a monthly basis. All contributions shall fall due on the last day of each calendar month in respect of that month, and shall be paid by the 19th of the subsequent month.

### Contributions in respect of benefit augmentations

Ryanair Limited will pay any contributions required to meet any benefit augmentations granted or benefit improvements as agreed with the Scheme Actuary.

### Contributions in respect of administration expenses and other costs

Administrative expenses, premiums and levies payable in respect of the Plan are payable directly by the Employer.



# The Ryanair UK Pension Plan

## Schedule of Contributions (continued)

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**This Schedule of Contributions has been agreed by Ryanair UK Limited and the Trustee of the Plan:**

Signed on behalf of the Trustee of the Ryanair UK Pension Plan

Signature:.....

Name:.....

Position: .....

Date: 12 September 2017

Signed on behalf of Ryanair Limited

Signature:.....

Name:.....

Position:.....

Date: 12 September 2017

# The Ryanair UK Pension Plan

## Actuary's Certification of the Schedule of Contributions

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### Actuary's certification of Schedule of Contributions

Name of Plan: Ryanair UK Pension Plan

#### Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the Recovery Plan certified at the date of signing.

#### Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 September 2017.

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

**Signature**



**Date**

12 September 2017

**Name**

Gregor Law

**Qualification**

Fellow of the Faculty  
of Actuaries

**Address**

Deloitte Total Reward  
and Benefits Limited  
Lincoln Building  
27-45 Great Victoria Street  
Belfast  
BT2 7SL

# The Ryanair UK Pension Plan

## DC Payment Schedule

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### Payment Schedule effective from 1 January 2018

In accordance with Section 87 of the Pensions Act 1995, the Trustees of the Ryanair UK Pension Plan ("the Plan") certify the Payment Schedule effective from 1 January 2018.

Contributions are payable towards the Plan by or on behalf of Ryanair DAC at the following rates:

#### Non-Pilots

Other than voluntary contributions, member contributions are payable towards the Plan on behalf of active members as a percentage of pensionable salary agreed between the Employee and the Employer, subject to the following rates:

Employee Contribution	Core Company Contribution	Matched Contribution	Total Contribution
Nil	2%	Nil	2%
1%	2%	Nil	3%
2%	2%	Nil	4%
3%	2%	1%	6%
4%	2%	2%	8%
5%	2%	3%	10%

Contributions are payable on or before the 19<sup>th</sup> of the month after the month in which they are deducted from salary.

#### Pilots

Member contributions can be paid into the Plan up to the maximum shown in the following table:

	Maximum Contribution
Captain	£8,000
First Officer	£3,000

Contributions are payable on or before the 19<sup>th</sup> of the month after the month in which they are deducted from salary.

The Employer will match contributions made by the Member up to the level shown in the following table:


	Maximum Contribution
Captain	£8,000
First Officer	£3,000

Employer contributions are to be remitted on or before the 19<sup>th</sup> of the month after the month in which the relevant matched contribution is deducted from salary.

Signed on behalf of the Principal Employer  
Signature: 

Date: 29-07-19

JOHN TUITE  
DIRECTOR OF FINANCE - OPERATIONS

Signed on behalf of the Trustees  
Signature: 

Date:

29/07/2019



# The Ryanair UK Pension Plan

## Independent Auditor's Report for the year ended 31 December 2019

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### **Opinion**

We have audited the financial statements of the Ryanair UK Pension Plan (the 'Plan') for the year ended 31 December 2019 comprising the fund account, the net assets statement and the related notes. 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).

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

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 December 2019, 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 as amended by the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) (Amendment) Regulations 2016, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements by the Trustee is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Plan's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# The Ryanair UK Pension Plan

## Independent Auditor's Report for the year ended 31 December 2019 (continued)

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### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Trustee

As explained more fully in the Statement of Trustee responsibilities set out on page 15, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines 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 Plan'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 intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

### Our 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

*Baker Tilly Mooney Moore*

Baker Tilly Mooney Moore  
Statutory Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast BT1 3BG

Date: *31st July 2020*



# The Ryanair UK Pension Plan Fund Account for the year ended 31 December 2019

	Notes	2019			2018		
		Final Salary Section £	Money Purchase Section £	Total £	Final Salary Section £	Money Purchase Section £	Total £
<b>Contributions and Benefits</b>							
Contributions	3						
- Employer		452,004	3,545,143	3,997,147	452,004	3,132,358	3,584,362
- Employee		-	5,540,306	5,540,306	-	4,826,171	4,826,171
Transfers in	4	452,004	9,085,449	9,537,453	452,004	7,958,529	8,410,533
Other income	5	-	142,279	142,279	-	106,076	106,076
		-	302,151	302,151	-	327,359	327,359
		452,004	9,529,879	9,981,883	452,004	8,391,964	8,843,968
Benefits paid or payable	6	(118,147)	(482,400)	(600,547)	(110,833)	(547,181)	(658,014)
Payments to and on account of leavers	7	-	(1,826,514)	(1,826,514)	(386,260)	(526,828)	(913,088)
Administrative expenses	8	(237)	(260)	(497)	(359)	(218)	(577)
		(118,384)	(2,309,174)	(2,427,558)	(497,452)	(1,074,227)	(1,571,679)
<b>Net additions from dealings with members</b>		333,620	7,220,705	7,554,325	(45,448)	7,317,737	7,272,289
<b>Returns on investments</b>							
Change in market value of investments	9	1,529,035	6,193,335	7,722,370	(679,683)	(3,280,091)	(3,959,774)
		1,529,035	6,193,335	7,722,370	(679,683)	(3,280,091)	(3,959,774)
<b>Net returns on investments</b>							
<b>Net increase/(decrease) in the fund during the year</b>		1,862,655	13,414,040	15,276,695	(725,131)	4,037,646	3,312,515
<b>Net Assets at 1 January</b>		10,078,859	37,720,255	47,799,114	10,803,990	33,682,609	44,486,599
<b>Net Assets at 31 December</b>		11,941,514	51,134,295	63,075,809	10,078,859	37,720,255	47,799,114

The notes on pages 34 to 45 form an integral part of these financial statements.

# The Ryanair UK Pension Plan

## Statement of net assets (available for benefits)

### as at 31 December 2019

		2019			2018		
		Final Salary Section £	Money Purchase Section £	Total £	Final Salary Section £	Money Purchase Section £	Total £
Investment Assets							
9	- Pooled investment vehicles	11,133,786	43,805,458	54,939,244	9,613,434	32,416,751	42,030,185
	- AVCs	85,846	7,272,194	7,358,040	77,163	4,563,752	4,640,915
	- Cash	-	-	-	-	42,677	42,677
		11,219,632	51,077,652	62,297,284	9,690,597	37,023,180	46,713,777
12	Current Assets	767,882	437,838	1,205,720	434,262	1,071,221	1,505,483
13	Current Liabilities	(46,000)	(381,195)	(427,195)	(46,000)	(374,146)	(420,146)
	Net Assets (available for benefits)	11,941,514	51,134,295	63,075,809	10,078,859	37,720,255	47,799,114

The accompanying notes on pages 34 to 45 form an integral part of these financial statements.

The Financial Statements summarise transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of the future liability to pay pensions and other benefits. Actuarial valuations of the Plan which do take account of such liabilities are carried out triennially. The latest published valuation was carried out as at 1 January 2017 and statements arising from that valuation can be found on pages 26 to 28. These Financial Statements should be read in conjunction with those statements.

The Financial Statements on pages 32 to 45 were approved by the Trustee and authorised for issue on: 30 June 2020



**Vincent Boyle, Trustee Director**  
APT Workplace Pensions Limited  
Date:



**Kirstyn Switzer, Trustee Director**  
APT Workplace Pensions Limited  
Date:



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019

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### 1. Basis of preparation

The Financial Statements have been prepared and audited in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, as amended by the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) (Amendment) Regulations 2016, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice, “Financial Reports of Pension Schemes” (SORP 2018), published by the Pensions Research Accountants Group.

This is the first year the revised SORP has applied to the Scheme’s financial statements. There was no effect on these financial statements.

The Section is established as a trust under English law. The address for enquiries to the section is included in the Trustee’s Report on page 3.

### 2. Accounting policies

The Financial Statements have been prepared on an accruals basis.

The Plan’s functional currency and presentational currency is pounds sterling (GBP).

#### a) Inclusion of income and expenditure

##### i. Contributions

Members’ normal and AVCs are accounted for as and when they are deducted from the related salary.

Employers’ normal contributions in respect of the Final Salary Section are accounted for in accordance with the Schedule of Contributions. Contributions in respect of the Money Purchase Section are accounted for in accordance with the rules of the Plan.

Employers’ deficit funding contributions are accounted for on the due dates set out in the schedule of contributions.

##### ii. Investment income

Income from pooled investment vehicles is reinvested by the investment manager for the benefit of the unit holders and is reflected in the unit prices.

##### iii. Benefits

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

##### iv. Transfer values

Individual transfer values are accounted for when the payment of the transfer value is made.

##### v. Administrative expenses

Administrative expenses are accounted for on an accruals basis.



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

### 2. Accounting policies (continued)

#### b) Valuation of investments

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

### 3. Contributions receivable

	2019			2018		
	Final Salary Section £	Money Purchase Section £	Total £	Final Salary Section £	Money Purchase Section £	Total £
Employer:						
Normal	-	3,545,143	3,545,143	-	3,132,358	3,132,358
Deficit funding	452,004	-	452,004	452,004	-	452,004
	<u>452,004</u>	<u>3,545,143</u>	<u>3,997,147</u>	<u>452,004</u>	<u>3,132,358</u>	<u>3,584,362</u>
Employee:						
Normal	-	3,545,143	3,545,143	-	3,132,358	3,132,358
AVCs	-	1,995,163	1,995,163	-	1,693,813	1,693,813
	<u>-</u>	<u>5,540,306</u>	<u>5,540,306</u>	<u>-</u>	<u>4,826,171</u>	<u>4,826,171</u>
	<u>452,004</u>	<u>9,085,449</u>	<u>9,537,453</u>	<u>452,004</u>	<u>7,958,529</u>	<u>8,410,533</u>

Deficit funding contributions £452,000 per annum are being paid by the Principal Employer into the Plan until 1 January 2027 in accordance with the Schedule of Contributions certified on 12 September 2017. During the year there were three instances where Final Salary Section contributions were paid later than the due dates set out in the Schedule of Contributions as referred to in the Summary of Contributions.

### 4. Transfers in

	2019			2018		
	Final Salary Section £	Money Purchase Section £	Total £	Final Salary Section £	Money Purchase Section £	Total £
Individual transfers in from other schemes	-	142,279	142,279	-	106,076	106,076
	<u>-</u>	<u>142,279</u>	<u>142,279</u>	<u>-</u>	<u>106,076</u>	<u>106,076</u>

# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

### 5. Other income

	Final Salary Section £	2019 Money Purchase Section £	Total £	Final Salary Section £	2018 Money Purchase Section £	Total £
Death in service claim	-	300,351	300,351	-	327,359	327,359
Other income	-	1,800	1,800	-	-	-
	-	302,151	302,151	-	327,359	327,359

### 6. Benefits paid or payable

	Final Salary Section £	2019 Money Purchase Section £	Total £	Final Salary Section £	2018 Money Purchase Section £	Total £
Pensions	118,147	-	118,147	110,833	-	110,833
Commutations and lump sums retirement benefits	-	106,350	106,350	-	177,145	177,145
Lump sum on death in deferrment	-	37,106	37,106	-	-	-
Lump sum on death in service	-	338,944	338,944	-	370,036	370,036
	118,147	482,400	600,547	110,833	547,181	658,014

### 7. Payments in respect of leavers

	Final Salary Section £	2019 Money Purchase Section £	Total £	Final Salary Section £	2018 Money Purchase Section £	Total £
Individual transfers to other schemes	-	1,826,514	1,826,514	386,260	526,828	913,088
	-	1,826,514	1,826,514	386,260	526,828	913,088



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

### 8. Administrative expenses

	Final Salary Section	2019 Money Purchase Section	Total	Final Salary Section	2018 Money Purchase Section	Total
	£	£	£	£	£	£
Bank charges	237	260	497	359	218	577
	<u>237</u>	<u>260</u>	<u>497</u>	<u>359</u>	<u>218</u>	<u>577</u>

### 9. Investments

	Value at 31 December 2018	Purchases at cost	Sales proceeds	Change in Market Value	Value at 31 December 2019
	£	£	£	£	£
<b>Final Salary section</b>					
Pooled investment vehicles	9,613,434	-	-	1,520,352	11,133,786
AVC investments	77,163	-	-	8,683	85,846
	<u>9,690,597</u>	<u>-</u>	<u>-</u>	<u>1,529,035</u>	<u>11,219,632</u>
<b>Money Purchase section</b>					
Pooled investment vehicles	32,416,751	7,784,258	(1,725,352)	5,329,801	43,805,458
AVC investments	4,563,752	2,153,659	(308,751)	863,534	7,272,194
	<u>36,980,503</u>	<u>9,937,917</u>	<u>(2,034,103)</u>	<u>6,193,335</u>	<u>51,077,652</u>
Cash in transit	42,677				-
	<u>37,023,180</u>				<u>51,077,652</u>

At the year end, the following holdings constituted more than 5% of the net assets of the Plan:

Standard Life Assurance Limited	2019 Market Value	%	2018 Market Value	%
Final Salary – Corporate Managed Fund	11,133,786	17.7	9,613,434	20.1
Money Purchase – At Retirement ( Multi asset univ) Fund	3,386,044	5.4	2,397,162	5.0
Money Purchase – Managed Pension Fund	13,596,941	21.6	10,436,070	21.8
Money Purchase – Stock Exchange Pension Fund	7,237,449	11.5	4,975,303	10.4
Money Purchase – UK Equity Pension Fund	19,706,502	31.2	14,175,515	29.7

All investments are held with UK based investment managers.

Costs are borne by the Plan in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

### 9. Investments (continued)

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

#### AVC Investments

The Trustee holds assets invested separately from the main Plan in Utmost Life and Pensions for the Final Salary section and within the main Plan for the Money Purchase section in Standard Life Assurance Limited securing additional benefits for those members electing to pay AVCs. Members participating in this arrangement will receive an annual statement up to 31 December confirming the amounts held to their account and the movements in the year.

	2019 £	2018 £
<b>Final Salary AVC Investments</b>		
Utmost Life and Pensions	85,846	77,163
<b>Money Purchase AVC Investments</b>		
Standard Life	7,272,194	4,563,752
<b>Total AVCs</b>	<b>7,358,040</b>	<b>4,640,915</b>

### 10. Fair value of investments

The fair value of financial investments has been estimated using the following fair value hierarchy:

- Level 1 The quoted price for an identical asset in an active market at the reporting date.
- Level 2 Where a quoted price is not available and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is determined by using a valuation technique that uses observable market data.
- Level 3 Where a quoted price is not available and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is determined by using a valuation technique that uses non-observable data.

The Plan's investment assets and liabilities have been included at fair value using the above hierarchy categories as follows:

#### Final Salary Section

	At 31 December 2019			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	11,133,786	-	11,133,786
AVC investments	-	-	85,846	85,846
	-	11,133,786	85,846	11,219,632



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

### 10. Fair value of investments (continued)

Analysis for the prior year end is as follows:

	At 31 December 2018			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	9,613,434	-	9,613,434
AVC investments	-	-	77,163	77,163
	-	9,613,434	77,163	9,690,597

### Money Purchase Section

	At 31 December 2019			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	43,805,458	-	43,805,458
AVC investments	-	7,272,194	-	7,272,194
	-	51,077,652	-	51,077,652

Analysis for the prior year end is as follows:

	At 31 December 2018			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled investment vehicles	-	32,416,751	-	32,416,751
AVC investments	-	4,563,752	-	4,563,752
Cash	-	42,677	-	42,677
	-	37,023,180	-	37,023,180

### 11. Investment Risks

FRS 102 requires disclosure of information that allows users of financial statements to understand the nature and extent of credit risk and market risk emanating from the assets in which the Plan invests. Under FRS 102, credit risk and market risk are defined as follows:

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

- Interest rate risk – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

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### 11. Investment Risks (continued)

- Currency risk – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- Other price risk – the risk that the fair value or future cash flows of a financial instrument 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 financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.'

The Trustee has set its investment strategy with reference to its investment objectives as set out below, having taken advice from the Plan's professional investment advisor. Risk is inherent to all investment strategies and the Trustee considers a number of risks when setting the Plan's investment strategy, including credit risk and market risk as defined under FRS 102, as well as other risks including those emanating from the Plan's liabilities and the strength of the Plan's sponsor covenant. The Trustee, in the design and implementation of the investment strategy, has sought to manage these key risks and monitor the investment strategy and associated risks on a regular basis.

An overview of the Plans investment strategy and approach to risk management is set out below. To clarify, all statements relating to risk management exclude the Final Salary section's AVC investments.

### Final Salary Section

#### Broad investment strategy

The Plan's defined benefit assets are invested in the Standard Life Managed Pension Fund, managed by Aberdeen Standard Investments ("ASI"). The Standard Life Managed Pension Fund invests in a variety of different asset classes. It is predominantly invested in UK and overseas equities (c. 71% as at 31 December 2019) with the remainder of the Fund invested in bonds (c. 20%), property (c. 1%) and cash-like instruments (c. 8%).

#### Market risk summary

Below is a summary of the Plan's market risk exposures and how the Trustee seeks to manage these risks.

##### *Interest rate risk*

The Plan's defined benefit assets are exposed to interest rate risk through its investment in the Standard Life Managed Pension Fund which invests in UK and overseas fixed interest securities (c. 20% as at 31 December 2019). While the market value of these assets is sensitive to changes in interest rates, this sensitivity will offset to some extent the Plan's liability exposure to interest rates.

Furthermore, the income earned from any cash allocations (c. 8% of defined benefit assets) within the Scheme's pooled fund holdings will also be sensitive to interest rate changes.



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

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### 11. Investment Risks (continued)

#### *Currency risk*

The Plan's defined benefit assets are subject to currency risk because the Standard Life Managed Pension Fund holds an allocation to overseas equities and fixed interest securities (c. 58% as at 31 December 2019). ASI manages this risk by investing the Fund in a diversified range of assets across various regional markets. The Trustee is comfortable with this risk and has delegated currency risk management within the Fund to ASI.

#### *Other price risk*

The Plan's defined benefit assets are exposed to changes in equity and property prices through the investment in the Standard Life Managed Pension Fund. Other price risk arises mainly from the Fund's allocation to equities which amounts to c. 71% of the Fund as at 31 December 2019. ASI manages this exposure by investing the Fund in a diverse portfolio of stocks across various regional markets.

Exposure to property markets is limited by the size of the Fund's allocation to the asset class (c. 1% as at 31 December 2019).

The Plan is also exposed to inflation rate risk (c. 0.1% as at 31 December 2019) through its small allocation to index-linked gilts through the Standard Life Managed Pension Fund. Given the very small allocation this will provide only a very small hedge of the impact of changing inflation expectations on the value of the Plan's liabilities.

#### **Credit risk summary**

The Plan invests in pooled investment vehicles and is therefore exposed to direct credit risk. This direct credit risk is mitigated by the regulatory environments in which the investment managers operate and the fact that underlying assets within these pooled funds are ring-fenced from the investment manager.

A summary of the pooled investment vehicles by type of arrangement that the Plan holds is as follows:

	31 Dec 2019	31 Dec 2018
<i>Unit linked life insurance contracts</i>	11,134	9,613
<b>Total Investments</b>	<b>11,134</b>	<b>9,613</b>

The Plan holds a unit-linked insurance policy issued by Standard Life Assurance Limited, the value of which is based on units held in an underlying pooled fund. The Plan is exposed to the direct credit risk associated with this insurance policy and indirect credit risk through the underlying bond and cash assets held by the Standard Life Managed Pension Fund.

# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

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### 11. Investment Risks (continued)

#### *Insurance policy*

Direct credit risk to Standard Life Assurance Limited is mitigated by Standard Life's Solvency Capital Requirements and the regulatory oversight of the Prudential Regulation Authority. In addition, the Trustee undertook due diligence prior to investing in the Standard Life Managed Pension Fund, taking advice from their investment advisor and legal advisor where relevant.

#### *Bond holdings*

The Plan is exposed to credit risk arising from the bonds underlying the Standard Life Managed Pension Fund. The Managed Fund consists of corporate bonds and government bonds. All of which will provide an element of credit risk. Credit risk arising from any gilts and index-linked gilts will be minimal given the UK Government is the counterparty. Credit risk elsewhere is controlled through diversification of different issuers.

#### *Cash Holdings*

The Plan is also exposed to indirect credit risk through the underlying cash holdings of the Standard Life Managed Pension Fund (c. 8% as at 31 December 2019). ASI manages this risk by ensuring money is placed on deposit with counterparties that meet the Fund's minimum credit rating.

### **Money Purchase Section**

#### **Fund Range**

The investment funds offered to defined contribution ("DC") members are provided by Standard Life. As at 31 December 2019, members were invested across 60 funds managed by ASI, Pension 2, Merian, BlackRock, Fidelity, Schroders, Newton, Janus Henderson, Invesco, Investec, Jupiter, Liontrust, Vanguard, 7im, UBS, M&G, BNY Mellon, Ishares, Merian, Sli and BMO. The DC fund range covers all of the primary asset classes including UK and overseas equities, bonds, property, cash and balanced funds. The Trustees' have ensured that members have a wide variety of funds to choose from, which caters for different levels of risk appetite.

The majority (c. 78% as at 31 December 2019) of DC money is invested in three funds; the Standard Life Managed Pension Fund (c. £11.7m), the Standard Life UK Equity Pension Fund (c. £16.9m) and the Standard Life Stock Exchange Pension Fund (c. £5.8m). The investment risks as summarised below are described at the total Plan level in respect of these three funds. Member level risk exposures will depend on the funds invested in by individual members and the weightings of those funds.

#### **Market risk summary**

##### *Interest rate risk*

The Plan is subject interest rate risk through its investment in the Standard Life Managed Pension Fund (c. £11.7m as at 31 December 2019) and Standard Life Stock Exchange Pension Fund (c. £5.8m as at 31 December 2019) which both invest in UK and overseas fixed interest securities.



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

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### 11. Investment Risks (continued)

#### *Currency risk*

The Plan is subject to currency risk because both the Standard Life Stock Exchange Pension Fund and the Standard Life Managed Pension Fund hold a majority allocation to overseas equities and fixed interest (c. 59% and c. 58% as at 31 December 2019 respectively). ASI manages this risk by investing the Fund in a diversified range of assets across various overseas regional markets. The Trustee is comfortable with this risk and has delegated currency risk management within the Fund to ASI.

#### *Other price risk*

The Plan's DC section is subject to equity price risk through the Standard Life Managed Pension Fund, Standard Life UK Equity Pension Fund and Standard Life Stock Exchange Pension Fund. Standard Life Investments manages this exposure by investing the Funds in a diverse portfolio of UK listed and globally listed stocks respectively.

#### **Credit risk summary**

The Plan's DC Section is subject to direct credit risk in relation to the unit-linked insurance policy issued by Standard Life Assurance Limited. This risk is mitigated in the same way as for the defined benefit section as described above.

#### *Bond holdings*

The Plan is exposed to indirect credit risk across its fund range, including through the Standard Life Managed Pension Fund and the Standard Life Managed Pension Fund, to the extent that there are underlying gilt, index-linked gilt and corporate bond holdings.

Credit risk arising from the gilt and index-linked gilt investments is minimal given the counterparty is the UK Government.

Credit risk arising from the underlying corporate bonds across the pooled funds is mitigated by investing in corporate bonds which are well diversified and typically of investment grade rating.

#### *Cash holdings*

The Plan is also exposed to indirect credit risk across its fund range to the extent that there are underlying cash holdings.

#### *Pooled fund holdings*

This direct credit risk is mitigated by the fact that underlying assets within these pooled funds are ring-fenced from the investment manager and the regulatory environment in which the investment manager operates. In addition, the Trustee carries out due diligence prior to selecting a pooled fund for inclusion within the fund range, taking advice from their investment advisory and legal advisor where relevant.

# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

### 12. Current Assets

	Final Salary Section £	2019 Money Purchase Section £	Total £	Final Salary Section £	2018 Money Purchase Section £	Total £
Employer contributions receivable	37,667	900	38,567	-	276,413	276,413
Employee contributions receivable	-	900	900	-	436,577	436,577
Death in service income receivable	-	302,251	302,251	-	327,359	327,359
Pensions paid in advance	8,729	-	8,729	8,614	-	8,614
Cash balances	721,486	133,787	855,273	425,648	30,872	456,520
	<u>767,882</u>	<u>437,838</u>	<u>1,205,720</u>	<u>434,262</u>	<u>1,071,221</u>	<u>1,505,483</u>

The contributions receivable in respect of the Money Purchase Section of the Plan at the year end have subsequently been received by the Plan within the due dates set out in the Payment Schedule. The contributions receivable in respect of the Final Salary Section of the Plan at the year end have subsequently been received by the Plan later than the due dates set out in the Schedule of Contribution as referred to in the Summary of Contributions.

### 13. Current Liabilities

	Final Salary Section £	2019 Money Purchase Section £	Total £	Final Salary Section £	2018 Money Purchase Section £	Total £
Refunds due to leavers	-	5,110	5,110	-	4,110	4,110
Benefits payable	-	376,085	376,085	-	370,036	370,036
Cashflow repayable	46,000	-	46,000	46,000	-	46,000
	<u>46,000</u>	<u>381,195</u>	<u>427,195</u>	<u>46,000</u>	<u>374,146</u>	<u>420,146</u>



# The Ryanair UK Pension Plan

## Notes to the Financial Statements for the year ended 31 December 2019 (continued)

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### **14. Contingent Liabilities**

These Financial Statements do not take account of liabilities to pay pensions and other benefits in the future. On the basis, in the opinion of the Trustee, the Plan had no contingent liabilities at the year end.

### **15. Related Party Investments**

The Principal Employer arranges secretarial and certain administration services to the Trustee and bears these costs. The costs borne by the Principal Employer in relation to the Plan are not reflected in these Financial Statements. All of the above transactions were made in accordance with the Plan Rules.

### **16. Subsequent Events**

Since the year end, consequent of the global impact of the COVID-19 pandemic, the value of asset investments and liabilities (including all categories) have been impacted. In addition certain property funds have been gated.

This is a non-adjusting subsequent event, as it does not impact the value of assets and liabilities as at the year end. It is impractical at this time to quantify the market value effect due to the ongoing volatility of the markets.

Other than this, there were no other material subsequent events requiring disclosure in financial statements.

### **17. Taxation status**

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

# The Ryanair UK Pension Plan

## Independent Auditors' Statement about Contributions to the Trustee of The Ryanair UK Pension Plan

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We have examined the summary of contributions to the Ryanair UK Pension Plan on page 48, in respect of the plan year ended 31 December 2019.

This statement is made solely to the Plan's Trustee, as a body, in accordance with the Pensions Act 1995 and the Regulations made there under. Our work has been undertaken so that we might state to the Plan'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 Plan's Trustee, as a body, for our work, for this statement, or for the opinions we have formed.

In our opinion contributions for the plan year ended 31 December 2019 as reported in the summary of contributions and payable in relation to the defined benefit section under the schedule of contributions and in relation to the defined contribution section under the payment schedule have in all material respects been paid at least in accordance with:

- for the defined benefit section, the contribution schedule as certified on 12 September 2017, with the exception of -
  1. 3 instances where deficit contributions due of £37,667 in respect of months January 2019, February 2019, and December 2019, were paid to the scheme between 9 and 52 days late
- for the defined contribution section, the payment schedule signed on 29 July 2019

### **Scope of work on Statement about Contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the schedule of contributions, in relation to the defined benefit section, and the payment schedule, in relation to the defined contribution section.

This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the plan and the timing of those payments under the schedule of contributions, in relation to the defined benefit section, and the payment schedule, in relation to the defined contribution section.



# The Ryanair UK Pension Plan

## Independent Auditors' Statement about Contributions to the Trustee of The Ryanair UK Pension Plan (continued)

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### Respective responsibilities of Trustee and Auditors

As explained more fully in the Statement of Trustee Responsibilities, the plan's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions for the defined benefit section, and for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the plan by the employer in accordance with the schedule of contributions, in relation to the defined benefit section, and the payment schedule and plan rules, in relation to the defined contribution section.

It is our responsibility to provide a Statement about Contributions paid under the schedule of contributions in place, in relation to the defined benefit section, and the payment schedule in place, regarding the defined contribution section, and to report our opinion to you.

*Baker Tilly Mooney Moore*

**Baker Tilly Mooney Moore**  
Chartered Certified Accountants  
Registered Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast BT1 3BG

Date: *31st July 2020*

# The Ryanair UK Pension Plan

## Summary of Contributions

The contributions paid to the Plan during the year were as follows:

	Final Salary Section £	Money Purchase Section £	Total £
<b>Contributions payable under the Schedule of Contribution (Final Salary Section) and payable under the Rules of the Plan (Money Purchase Section)</b>			
<i>Contributions from Employer:</i>			
Normal	-	3,545,143	3,545,143
Deficit	452,004	-	452,004
	452,004	3,545,143	3,997,147
<i>Members</i>			
Normal	-	3,545,143	3,545,143
	452,004	7,090,286	7,542,290
<b>Contributions paid not included on the Schedule of Contributions (Final Salary Section) or payable under the Rules of the Plan (Money Purchase Section)</b>			
<i>Members</i>			
Additional Voluntary	-	1,995,163	1,995,163
<b>Contributions receivable per Fund Account</b>	<b>452,004</b>	<b>9,085,449</b>	<b>9,537,453</b>

During the year there were three instances where Final Salary Section contributions were paid later than the due dates set out in the Schedule of Contributions. The contributions due for the months of January 2019, February 2019 and December 2019 were received between 9 and 52 days late.

Having identified the issue, the employer has now reviewed and strengthened its controls in relation to Final Salary deductions to ensure that such late payments are not repeated going forward.

On behalf of the Trustee:

  
**Vincent Boyle, Trustee Director**  
**APT Workplace Pensions Limited**  
 Date:

  
**Kirstyn Switzer, Trustee Director**  
**APT Workplace Pensions Limited**  
 Date: