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Capita

William Hill Pension Scheme

Scheme Registration Number: 10142428

Trustee's Annual Report and Financial Statements
For the Year Ended 30 September 2021

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Trusteeship and Advisers

Trusteeship

The Trustee of the Scheme is William Hill Trustee Limited (Trustee). The Directors of the Trustee Company who served during the year and up to the date of this report are:

H D Nolan (Chairman, Dalriada Trustees Limited)

P Searle*

C W South (resigned 31 December 2021)

A Kerr (resigned 31 January 2022)

R A King*

M Ford (resigned 26 July 2021)

Secretary to The Trustee:

S J Callander

*Member-Nominated Directors (MNDs)

Advisers

The Trustee has retained or appointed the following professional advisers and organisations during the year:

Investment Consultants	Mercer Limited
	Isio Group Ltd
Administrators	Capita Pension Solutions Limited
Scheme Actuary	Andrew R Cook FIA of Mercer Limited (resigned 31 December 2021)
	Gary Peterson FIA of Mercer Limited (appointed 7 January 2022)
Investment Managers	Legal & General Investment Management Limited
	M & G Investments Limited (until 30 June 2021)
	CQS (UK) LLP (until 30 June 2021)
	Aberdeen Standard Investment Management Limited
AVC Provider	Legal & General Investment Management Limited
Annuity Policy Provider	Just Retirement Limited
	Rothesay Life PLC (appointed 1 July 2021)

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Trusteeship and Advisers (continued)

Advisers (continued)

Auditor	Grant Thornton UK LLP
Solicitors	Eversheds LLP
Bankers	National Westminster Bank PLC
Insurers (lump sum death benefits)	Legal & General Assurance Society Limited

The Retirement Plan (defined benefit) also uses the following AVC providers:

Aberdeen Standard Investment Management Limited

Utmost Life and Pensions Limited

Address for Enquiries

If you are a current employee, please contact your Local HR Manager, who will refer you to the Group Pensions Department if appropriate. The Group Pensions Manager can be contacted at:

William Hill Organization Limited,
Greenside House,
50 Station Road,
Wood Green,
London,
N22 7TP

pensions@williamhill.co.uk

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Chairman's Report

I am pleased to present the William Hill Pension Scheme (the Scheme) Report and Accounts for the year ended 30 September 2021. After a very challenging 2020 where the Covid-19 pandemic resulted in extremely volatile investment markets, we saw a rebound across most asset classes over the year to 30 September 2021. This has been good news for members in the Defined Contribution Sections of the Scheme who will have seen their fund values recover. In the Defined Benefit Section of the Scheme there have also been some significant changes and I will discuss these in more detail below.

Many of the Scheme advisers have continued to work from home over the year, although we have started to see a return to offices. Despite this they have continued to deliver their services and pensions have continued to be paid promptly and member queries resolved. During this challenging time, the administration team has continued to prioritise payments and this means that some questions may have taken longer to resolve, and I am grateful for your continued patience.

At the beginning of 2021, I wrote to all members informing you of the offer from Caesars Entertainment Inc ("Caesars") to buy William Hill plc and in last year's Report and Accounts I confirmed that this transaction completed on 22 April 2021. Following this, Caesars put the non-US elements of the business up for sale and an agreement in principle has been reached with 888 Holdings and this follow on transaction is expected to complete in the second half of 2022. The Trustee has continued to work with all parties and are grateful for the support we have received.

The Retirement Plan ("the Plan") – the Defined Benefit Section of the Scheme

The most material change over the year was the securing of the remaining Defined Benefit liabilities with an insurance policy with Rothesay Life PLC ("Rothesay"), a specialist insurer. This was achieved with the support of both William Hill and Caesars Entertainment Inc and more recently 888 Holdings. As you may recall from last year's accounts, the Plan was in surplus at the last formal actuarial valuation, so the Employer was not required to make any contributions. However, the Employer agreed to make a special contribution of £8.6m in order that we could secure the remaining benefits with an insurance policy. This was a substantial project and has enabled the Trustee to protect your benefits during a period of time where there has been uncertainty around the ownership of the Employer and the structure of the business and has been achieved with the collaboration of all parties and advisers.

This means that all benefits under the Plan are covered by one of two insurance policies, as previously pension benefits had been insured with JUST Retirement Limited ("JUST"), another specialist insurer. By securing benefits with insurance policies, this provides additional security to members' benefits and reduces the Plan's exposure to inflation, interest rate, longevity or investment risks. It also reduces the exposure the Plan has on the employer covenant which we felt was important with the ongoing changes in ownership.

However, in order that we could take this step, the Employer was required to make some minor changes to the benefits, particularly for members whose benefits were still linked to their salary and for those who have benefits in the Defined Contribution Sections of the Scheme or had previously paid AVCs. For most of our members, these changes will have little impact and for some of our members may result in an overall improvement.

Our plan is to eventually completely transfer the Plan benefits to Rothesay and JUST so that your benefits are fully secured and managed by one of these insurers. This means your benefits would no longer be linked to the Employer or the Scheme and its Trustee.

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Chairman's Report (continued)

Employer Covenant

As noted above, now that the benefits under the Plan have been secured with insurance policies, the Plan has little reliance on the employer's covenant. However, we are still relying on the Employer to continue paying for the expenses of running the Plan and for any final costs associated with securing the benefits with the insurers. The Employer continues to pay for the running costs of the Scheme.

Defined Contribution Section (Pensions Savings Plan 2001 and the Employee Savings Plan)

In addition to the Defined Benefit section of the Scheme, which has been closed to new members since 2002, the Scheme also has two Defined Contribution (DC) sections – the Pension Savings Plan 2001 (PSP) and the Employee Pension Plan (EPP). These are money purchase arrangements where contributions paid in by members and the Employer are invested to build up a pot of money to be used to fund the member's retirement.

Under the DC arrangements the Scheme offers a choice of investment funds provided by Legal and General into which members can invest their and the Employer's pension contributions. The investment performance of these funds can be found in the Investment Section of this Report.

We have reviewed the choice of investment funds you can invest in and in particular have reviewed the default fund offered under the PSP and EPP.

The Trustee continues to monitor the range of funds to ensure that it is offering value for money and members are getting good outcomes for their investments.

In July 2016, the Pensions Regulator published its updated defined contribution ("DC") code of practice, replacing the existing version of that code which was published in 2013. The code is called governance and administration of occupational trust-based schemes providing money purchase benefits. The Trustee has undertaken an assessment of the code and considers the Scheme meets the quality standards set out by the Regulator.

During the year, and subsequent to the year end, a number of the trustee directors have stepped down. I would like to thank Bill South, Mandy Kerr and Michael Ford for the hard work and commitment. Due to the continued effectiveness demonstrated by the remaining Trustee Directors, the Employer has indicated that it currently has no intention to replace the retiring Employer-Nominated Trustee Directors. However, the Employer has the discretion, should it wish, to appoint up to two more Trustee Directors at any time in the future. As ever, I would also like to thank my fellow remaining Trustee Directors and the Group Pensions Department for their ongoing support and help in the management and running of the Scheme.

Hugh Nolan
for Dalriada Trustees Limited
Chair of William Hill Trustee Limited
Trustee of the William Hill Pension Scheme

Date: 29/4/2022

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Trustee's Report

The Trustee confirms that the financial statements for the year ended 30 September 2021 have been prepared and audited in accordance with regulations made under sections 41 (1) and (6) of the Pensions Act 1995.

Scheme Management

The Principal Employer under the Scheme has the power to appoint and remove the Trustee of the Scheme. The Principal Employer is William Hill Organization Limited. William Hill PLC, WHG (International) Limited, WHG Services Limited, Willstan Racing Limited and BS Retail (NI) Limited are additional participating employers. Directors of the Trustee Company can be appointed and/or removed by the existing Directors or the Principal Employer in accordance with the arrangements approved by the Scheme membership pursuant to section 19 of the Pensions Act 2004.

The Trustee is responsible for the management of the Scheme and has duties and obligations, which are set out in the Definitive Trust Deed and Rules, including maintaining an up to date Schedule of Contributions. In order to discharge their various duties and liabilities, the Directors of the Trustee Company met on five occasions during the year to 30 September 2021 and, in addition, have appointed professional advisers and administrators to assist them and to undertake many of the day to day duties involved in the running of the Scheme.

Copies of the Pensions Regulator's booklet on the duties and responsibilities of trustees have been given to all Directors of the Trustee Company.

Cash Equivalents

The cash equivalents paid during the year were calculated and verified in the manner prescribed by regulations under section 97 of the Pension Schemes Act 1993 and none were less than the amount for which section 94 (1) of that Act provides. Transfer values do not take into account any future discretionary increases to pensions in payment. Following advice from the Scheme Actuary, the Trustee, after careful consideration, agreed that cash equivalent transfer values should continue to be paid in full. This will be kept under review.

Tax Status

The Scheme is registered for tax purposes with HMRC in accordance with the Finance Act 2004. Accordingly, no provision for taxation has been included.

Investment Principles

The Trustee has produced a Statement of Investment Principles as required by the relevant section of the Pensions Act 1995 as amended by the Pensions Act 2004, and this is revised and updated as necessary. A copy of this statement may be obtained on request from the Group Pensions Manager, William Hill Organization Limited, Greenside House, 50 Station Road, Wood Green, London, N22 7TP or can be found at https://www.williamhillpensions.co.uk/library

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Trustee's Report

Scheme Management (continued)

Further Information

The following documents are also available on request from the Group Pensions Department at Greenside House.

1. The Schedules of Contributions
2. The Statement of Funding Principles
3. Recovery Plan
4. The Formal Actuarial Valuation Report as at 30 September 2019

The following documents are also available from the website: **https://www.williamhillpensions.co.uk/library**

5. The member guides for the Pension Savings Plan and the Employee Pension Plan.
6. Implementation Statement
7. DC Chair's statement
8. The Trustee Report and Accounts

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Trustee's Report (continued)

Scheme Management (continued)

Membership

A summary of the Membership of the Scheme is shown below:

Retirement Plan (defined benefit)	
Employed members as at 30 September 2021	**141**
Deferred Pensioners as at 30 September 2021	**701**
Pensioners as at 30 September 2021	**1,514**
Dependants as at 30 September 2021	**224**
Total membership as at 30 September 2021	**2,580**

Pension Savings Plan 2001 (defined contribution)	
Employed members as at 30 September 2021	**1,188**
Deferred members as at 30 September 2021	**1,803**
Leavers (Refund/Transfer Option)	**33**
Total membership as at 30 September 2021	**3,024**

Employee Pension Plan (defined contribution)	
Employed members as at 30 September 2021	**4,512**
Deferred members as at 30 September 2021	**10,803**
Leavers (Refund/Transfer Option)	**742**
Total membership as at 30 September 2021	**16,057**

Details of the membership movements for the Scheme during the year to 30 September 2021 can be found in Appendix II on pages 107 to 112.

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Trustee's Report (continued)

Scheme Management (continued)

Scheme Background

Retirement Plan (Defined Benefit)

Until 5 April 1997, the Plan was "contracted out" of the State Earnings Related Pension Scheme (SERPS) on a Guaranteed Minimum Pension basis. This meant that members had the benefit of having a lower rate of National Insurance contribution deducted from their pay, and the Employer also paid a lower rate of National Insurance. In return for this concession, the Plan had to promise to provide benefits at least as good as those a member would have received from SERPS – a "Guaranteed Minimum Pension" (GMP).

From 6 April 1997, the Plan contracted out of SERPS on a "Protected Rights" basis. Both the Employer and the members continued to pay reduced rate National Insurance contributions. These savings plus an age-related addition paid into the Plan by the Department of Work and Pensions, form a notional Fund and must be used to secure benefits subject to special conditions. The Protected Rights Fund forms part of the members' Plan benefits. From 6 April 2002, the State Second Pension (S2P) replaced SERPS.

Following a review of pension provision, the Employer decided that the Retirement Plan section would be closed to new entrants after the 1 January 2002 entries (existing employees who qualified by promotion were allowed in up to 1 April 2002). This did not affect any existing members of the Retirement Plan.

Following consultation with affected employees, the Employer made the decision to close the Retirement Plan section of the Scheme and restrict future benefits accrual with effect from 31 March 2011. As a result of negotiations with the Trustee, the Employer granted a number of concessions including maintaining the link for benefits accrued up to 31 March 2011 with future salary increases (up to a maximum of 5% per annum). It was also agreed that the Employer would make additional payments to affected employees of £10,000 (reduced pro rata for part time employees) over a five year period from April 2011 to March 2016.

All members in active employment as at 1 April 2011 were automatically enrolled in the Pension Savings Plan 2001.

Pension Savings Plan 2001 (Defined Contribution)

The Pension Savings Plan was set up in April 1997. Members are not contracted-out of the State scheme. It was redesigned to comply with Stakeholder legislation with effect from 1 July 2001 and re-named the Pension Savings Plan 2001. It was further amended with effect from 1 January 2007 to comply with age discrimination legislation.

From 1 January 2013, the Pension Savings Plan was closed to new entrants other than for discretionary entrants permitted by the Employer. Contributions are a flat rate of 5% of employee pensionable earnings and 5% by the employer, with higher employer contributions for senior members.

Employee Pension Plan (Defined Contribution)

The Employee Pension Plan was set up from 1 March 2013 specifically in response to the Government's automatic enrolment pension legislation. Contributions are a flat rate of 4% of pensionable earnings by the employee and 4% by the employer.

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Trustee's Report (continued)

Scheme Management (continued)

Pensioners

Retirement Plan (Defined Benefit)

The Rules of the Plan include a provision for pensions in payment to be increased on 1 April each year. The increase is 5% (or, if lower, the increase in the Retail Price Index (RPI) over the year to the preceding December) on that part of the pension which exceeds the (Guaranteed Minimum Pension) GMP in payment. This provision meets the requirements for pension increases under the terms of the Pension Schemes Act 1995.

The percentage increase awarded on 1 April 2021 was 1.2% (2020: 2.2%) which was in line with the change in the RPI to December of the previous year.

In addition, the GMP payable after GMP Age (or immediately for some widows/widowers) is to be increased in line with the change in the CPI to September of the previous year which was 3%. How this is done depends on when the member built up GMP entitlements:

- for GMPs earned up to 5 April 1988, no increase is made by the Plan;
- for GMPs earned after 5 April 1988, an increase is made in line with the annual increase in the RPI, subject to an annual limit of 3%.

No discretionary increases were awarded during the year.

Employee Pension Plan and Pensions Savings Plan 2001 (Defined Contribution)

At retirement the member may choose what benefits to buy with their Pension Account (and AVC Account). Normally an annuity is chosen that provides an income for life either at a flat rate or one that will increase in line with price inflation, to a maximum of 5% in any year. Following changes to pension legislation members now have greater freedom to choose what to do with their pension savings at retirement from taking it all as cash, buying an annuity or leaving it invested and drawing an income from their investment during retirement.

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Trustee's Report (continued)

Scheme Management (continued)

Deferred Pensioners

Retirement Plan (Defined Benefit)

Deferred pensions are increased on 1 April each year.

In deferment, the amount by which a deferred pension exceeds the GMP, and the whole deferred pension built up from 6 April 1997, is increased in line with Statutory Revaluation which is 5%, or the increase in the Retail Price Index over the year to the preceding September, if lower. The increase on the GMP portion is at the prescribed percentage for each complete tax year between ceasing to be in pensionable service and reaching State Pension Age.

The prescribed percentage is specified in statutory regulations:

- for leavers after 5 April 1988 but before 6 April 1993, it is 7.5% per annum;
- for leavers after 5 April 1993 but before 6 April 1997, it is 7.0% per annum;
- for leavers after 5 April 1997 but before 6 April 2002, it is 6.25% per annum;
- for leavers after 5 April 2002 but before 6 April 2007 it is 4.5% per annum;
- For leavers after 5 April 2007 it is 4.0% per annum.

Once in payment, the pension is increased in the same way as for any other pensioner. No discretionary increases were awarded during the year.

Employee Pension Plan and Pension Savings Plan 2001 (Defined Contribution)

The amount standing to the account of a deferred pensioner will continue to reflect investment returns (net of any charges).

Transfers out of the Scheme

Members who have retained a deferred pension within the Scheme may apply to the Trustee for a transfer of their pension rights to be paid to another approved pension arrangement.

Retirement Plan (Defined Benefit)

The transfer value is calculated and paid in accordance with recommendations of the Actuary using methods consistent with the Pensions Schemes Act 1993.

Employee Pension Plan and the Pension Savings Plan 2001 (Defined Contribution)

The transfer value is the value standing to their Pension Account (and AVC Account) at the time such a transfer is made.

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Trustee's Report (continued)

Scheme Management (continued)

GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension scheme. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension (GMP) benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee is aware that the issue will have an effect on the Scheme and will be considering this at future meetings and decisions will be made as to next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis the Trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member. Based on an initial assessment of the likely backdated amounts and related interest, the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Employer-related investments

Employer-related investments in respect of invested assets are disclosed in the Investment Matters report on page 13.

General Data Protection Regulation

The General Data Protection Regulation ("GDPR") is a regulation by the European Parliament intended to strengthen and unify data protection for all individuals within the EU. It also addresses the export of personal data outside of the EU. GDPR came into force from 25 May 2018 and the Trustee worked with its advisers to formulate its GDPR policy so that it was compliant.

From 1 January 2021, the UK GDPR came into effect which will run alongside the DPA 2018, and the EU GDPR to which all EU nations remain subject and this includes where the Scheme operates in the EU. This ensures that we have adequate provision for the safe processing of data in the UK and in the EU/EEA.

Our obligations under the UK GDPR are fundamentally the same as our obligations under the EU GDPR and we continue to remain subject to UK Data Protection laws.

Change in Scheme Actuary

After the year end, Andrew Cook resigned as Actuary to the Scheme, and Gary Peterson was appointed from 7 January 2022 as the new Scheme Actuary. Andrew Cook's resignation statement confirmed there are no circumstances connected to his resignation that significantly affect the interest of current and prospective members and beneficiaries of the Scheme.

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Trustee's Report (continued)

Investment Matters

Introduction and Governance

Summary of Scheme Investment structure for DB, DC, AVC and Transfers In section

The Scheme is divided into four sections: the Retirement Plan (Defined Benefit) Section ("DB Section"), Defined Contribution Section, Additional Voluntary Contribution Section and Transfers In.

The overall investment policy of the Scheme is determined by the Trustee having taken advice from their advisers, Mercer Limited. The Trustee is responsible for determining the investment strategy and manager appointments after taking appropriate advice. The Trustee has delegated the day-to-day management of investment to professional investment managers. These managers undertake, within restrictions in the contractual documentation, the day-to-day management of the un-insured asset portfolio, including the full discretion for stock selection.

The Trustee has produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995, the Occupational Pension Scheme's (Investment) Regulations 2005 and subsequent legislation. The SIP is available online for public viewing and can be found here - www.williamhillpensions.co.uk/library.

Employer-Related Investments

The proportion of the Scheme's assets in employer-related investments as at 30 September 2021 was 0.0% (30 September 2020: 0.06%).

Defined Benefit Section ("DB Section")

Investment Policies and Objectives

The Trustee's investment policy is guided by the following objective: The purpose of the Scheme is to enable benefits to be paid as and when they fall due, and to do this the Trustee takes steps where appropriate to ensure that:

- dependency on the covenant of the Employer will be significantly reduced;
- other material risks (e.g. longevity) will be reduced.

To this end, all of the DB section assets have been used to fund the purchase of bulk annuity contracts ("buy-ins") with JUST Group Limited ("JUST") and Rothesay Life PLC ("Rothesay"). The Trustee entered into the buy-in with JUST in May 2018 to secure 75% of the Scheme's pensioner liabilities as at November 2017. The Trustee entered into the buy-in with Rothesay in June 2021 to secure the remaining uninsured liabilities. Under the buy-in contracts, the insurers are obligated to make payments to the Trustee in order to meet the Scheme's liabilities to those beneficiaries insured under the policies.

The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended). The Trustee selected JUST and Rothesay as the Scheme's annuity providers having obtained and considered the written advice of KPMG and Mercer respectively whom the Trustee considered to be suitably qualified to provide such advice at the time of entering into the contracts.

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Trustee's Report (continued)

Investment Matters (continued)

Defined Benefit Section ("DB Section") (continued)

Investment Policies and Objectives (continued)

When designing the investment arrangements, the Trustee considers the requirements of legislation, the funding objectives for the Scheme and their views on the covenant of the Sponsor.

The objective set out above and the risks and other factors referenced in the SIP are those that the Trustee determines to be financially material considerations in relation to the DB section of the Scheme.

Investment Strategy and Implementation

The Trustee has adopted the following investment strategy for the DB section assets and has been effective since 28 June 2021:

Portfolio	Benchmark Weight	Description
Bulk Annuities	100.0%	Buy-in contracts under which the insurers are obligated to make payments to the Trustee to meet the Scheme's liabilities.

The Trustee holds buy-in contracts with JUST and Rothesay which were purchased in May 2018 and June 2021 respectively. Together the contracts cover all liabilities in the DB section. The longevity and investment risk associated with the liabilities has therefore been transferred to the insurers.

In addition to the above, there is a residual cash balance held in the Trustee Bank Account in order to meet expenses and other liquidity needs.

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Trustee's Report (continued)

Investment Matters (continued)

Defined Benefit Section ("DB Section") (continued)

Asset Allocation

The assets of the DB Section are held in buy-in contracts written by JUST and Rothesay.

The following table provides more detail on the distribution of assets for the Scheme's **DB Section** (Excluding buy-in contracts and Trustee Bank Account).

Manager/ Fund	Actual Asset Allocation			
	Start of Year (£m)	End of Year (£m)	Start of Year (%)	End of Year (%)
CQS Multi-Asset Credit Fund	63.5	0.0	21.1	-
M&G Multi-Asset Credit Fund	78.0	0.0	25.9	-
LGIM LDI Fund	98.7	0.0	32.8	-
LGIM Cash Fund	35.2	0.0	11.7	-
LGIM Corporate Bond Fund	26.0	0.0	8.6	-
Total	**301.5**	**0.0**	**100.0**	**-**

Source: Investment Managers and Mercer.

1) Figures may not sum to total due to rounding. Total excludes the buy-in portfolio

2) Valuations are based on Bid prices where available otherwise mid/single price values are used.

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Trustee's Report (continued)

Investment Matters (continued)

Defined Benefit Section ("DB Section") (continued)

Investment Performance

The following table shows the DB Section's performance to 30 June 2021 (up to termination date of all mandates):

Net of Fees.

Manager/ Fund	Last 1 year		Last 3 years	
	Fund (% p.a.)	B'mark (% p.a.)	Fund (% p.a.)	B'mark (% p.a.)
CQS Multi-Asset Credit Fund	12.0	0.1	-	-
M&G Multi-Asset Credit Fund	8.0	0.1	-	-
LGIM LDI Fund	-16.8	-16.8	12.4	12.4
LGIM Cash Fund	-0.1	-0.1	0.3	0.3
LGIM Corporate Bond Fund	1.1	0.3	4.7	4.2
Total	**-1.1**	**-4.8**	**6.7**	**4.6**

3) *Figures shown are based on performance provided by the Investment Managers, Mercer estimates and Thomson Reuters Datastream.*

For periods over one year the figures in the table above have been annualised.

Total performance includes performance of terminated funds.

4) *Benchmark performance from 30 April 2018 to 30 June 2018 has been calculated using the interim investment strategy agreed by the Trustee.*

Both the CQS and M&G Multi-Asset Credit funds outperformed over the period until the mandates were terminated, and significantly outperformed over the 1 year period to 30 June 2021.

Capita are administrators of trustee bank account of the DB Section and are responsible for the safekeeping of these holdings.

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Trustee's Report (continued)

Investment Matters (continued)

Defined Contribution Section ("DC Section")

Investment Policies and Objectives

The main priority of the Trustee when considering the investment policy for the DC Section is to make available investment funds, which serve to meet the varying investment needs and risk tolerances of the members.

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards their duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs.

The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such the Trustee makes available two Default Investment Strategies. The Default Investment Strategies place the emphasis on aiming to deliver a good level of real return over members' working lifetimes (whilst mitigating risk through diversification) and also encompass de-risking in the years approaching a member's selected target retirement age into asset classes designed to be appropriate for how a member expects to withdraw their benefits in retirement.

These are set out in more detail in section 2.5 of the SIP.

Financially and Non-Financially Material Matters in the Selection, Retention and Realisation of Investments, the Exercising of Rights Attached to Investments and Engagement Activities

In establishing the investment arrangements i.e. the selection, retention and realisation of investments, the Trustee considers what they believe to be financially material matters.

Non financially material considerations (for example, member views on ethical considerations), are not currently taken into account in the selection, retention and realisation of investments.

The Pension Regulator's Code of Practice No 13

In 2013, the Pensions Regulator introduced the Code of Practice No 13: Governance and Administration of Occupational Defined Contribution Trust based Pension Schemes ('the DC Code') to give practical guidance to trustees of DC pension schemes on how they can meet best practice standards that the Pensions Regulator considers essential to good member outcomes.

In 2016, the Pensions Regulator revised the DC Code, which became effective from July 2016. The Pensions Regulator has also published six guides to support trustees in meeting the standards set out in the revised DC Code; while the revised DC Code sets out standards of conduct and practice that the Pensions Regulator expects trustees to meet in complying with legislative duties, the guides provide practical information (though non-prescriptive) on how to meet those standards.

The Pensions Regulator monitors the extent to which trustees adhere to the DC Code and has introduced a 'comply or explain' framework for trustees in order to help it supervise activity. The Trustee continues to assess itself against the DC code to ensure they meet the regulator's expectations.

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Trustee's Report (continued)

Investment Matters (continued)

Defined Contribution Section ("DC Section") (continued)

Investment Manager Appointment, Engagement and Monitoring

Aligning manager appointments with investment strategy

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class or classes they are selected to manage.

The Trustee looks to its investment consultant for their forward looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the consultant's assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee and are used in decisions around selection, retention and realisation of manager appointments.

If the investment objective for a particular manager's fund changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

When selecting and appointing investment managers, the Trustee will take into account how ESG factors, including climate change and stewardship, are integrated within the managers' investment processes. This will be balanced against other manager selection criteria such as (but not limited to) idea generation, portfolio construction, implementation, business management and fees and charges.

As the Scheme invests in pooled investment vehicles, the Trustee accepts that it has no direct ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The Trustee believes the annual fee paid to the investment managers incentivises them to follow the fund's objective, which is aligned to the Trustee's policies.

Monitoring manager appointments

The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over a variety of periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and/or against the managers' stated target performance (over the relevant time period).

The Trustee will also consider the investment consultant's assessment of how each manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's views. This includes investment managers' policy on voting and engagement. The Trustee meets with each investment manager on a regular basis and challenges their decisions in these areas.

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Trustee's Report (continued)

Investment Matters

Defined Contribution Section ("DC Section") (continued)

Investment Policies and Objectives (continued)

The Trustee's focus is on long term performance but, as noted above, may review a manager's appointment if:

- There are sustained periods of underperformance;
- There is a change in the portfolio manager or portfolio management team;
- There is a change in the underlying objectives of the investment manager; and
- There is a significant change to the investment consultant's rating of the manager.

The Trustee believes that ESG and stewardship policies can improve fund performance over the longer term. The investment managers are remunerated by way of a fee calculated as a percentage of assets under management. The Trustee believes that the remuneration policy of the investment managers is aligned to the Trustee's policy. The fund manager's remuneration is considered as part of the manager selection process and is also monitored regularly by the Trustee with the help of its investment consultant to ensure it is in line with the Trustee's policies.

The Trustee considers that the method of remunerating the investment managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity securities held within their fund. By encouraging a long-term view, they will in turn encourage the investment managers to engage with the issuers of debt or equity in order to improve their performance in the medium to long term.

If managers are not meeting performance objectives, or investment objectives for mandates have changed, the Trustee may ask managers to review the Annual Management Charge.

The Trustee undertakes an annual review of the DC investment options, including LGIM as investment manager, and the default strategy to assess their performance and ensure they continue to meet the Trustee's objectives. As part of the annual Value for Members ("VfM") assessment, the Trustee also reviews the investment manager fees.

Portfolio turnover costs

The Trustee does not analyse portfolio turnover costs in detail. However, in future the Trustee may ask managers to report on portfolio turnover costs. The Trustee may assess this by comparing portfolio turnover across the same asset class, on a year-on-year basis for the same manager fund, or relative to the manager's specific portfolio turnover range in the investment guidelines or prospectus.

The Trustee considers portfolio turnover costs indirectly through consideration of transaction cost data as part of the annual VfM assessment. Though the Trustee does not currently define target portfolio turnover ranges for funds, they will engage with managers if the portfolio turnover is higher than expected as a result of the monitoring undertaken.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

Introduction

In accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee of the Scheme is required to produce an annual statement to set out:

- how and the extent to which, in the opinion of the Trustee of the Scheme, the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the Scheme Year;
- details of any review of the SIP during the Scheme Year;
- subsequent changes made with the reasons for the change; and
- the date of the last review of the SIP.

The Implementation Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is set out in the table below.

This Implementation Statement covers the Scheme's defined benefit ("DB") section. A separate statement covers the Scheme's defined contribution section. The statement flows directly from, and should be read in conjunction with, the SIP dated 16 September 2021 which is available here:

www.williamhillpensions.co.uk/library.

Investment Objectives of the Scheme

The purpose of the DB Section is to enable benefits to be paid as and when they fall due, and to do this the Trustee takes steps where appropriate to ensure that:

- dependency on the covenant of the Employer will be significantly reduced;
- other material risks (e.g. longevity) will be reduced.

Review of the SIP

The Scheme's SIP was reviewed and updated to reflect the change in investment strategy following the buy-in transaction with Rothesay Life, which secured the remaining uninsured liabilities. The updated SIP was signed on 16 September 2021.

Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in the table below summarises the work undertaken by the Trustee during the Scheme Year (or over a longer term where relevant) and sets out how this work has followed the Trustee's policies in the SIP (insofar as the SIP relates to the DB section of the Scheme). The Trustee considers that it has generally adhered to all of its policies as set out in the SIP over the course of the Scheme Year. conjunction with, the SIP dated 16 September 2021 which is available here

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
1	Securing compliance with the legal requirement to obtain and consider proper advice on the question of whether an investment is satisfactory.	*The Trustee has consulted a suitably qualified person in obtaining appropriate written advice from its investment adviser, Mercer.* *Mercer has provided advice to the Trustee in relation to the appropriateness of the asset allocation, manager structure and investment products.* *SIP Introduction*	Mercer provided the Trustee with formal Section 36 advice before the Trustee entered into the buy-in contract with Rothesay Life in June 2021.
2	The kinds of investments to be held.	*The Trustee has adopted investment arrangements to enable benefits to be paid as and when they fall due. The Trustee takes steps to ensure where appropriate that dependency on the Employer covenant will be reduced, and other material risks (e.g. longevity) will be reduced.* *SIP section 1.1*	The Trustee selected the investments held at the beginning of the Scheme year on the basis that changes in the Scheme's liabilities were closely related to changes in the value of the UK government bond markets. The Trustee expected there would be a small return premium above government bonds from corporate bonds and a higher return premium from Multi-Asset Credit ("MAC"). Following the buy-in transaction with Rothesay Life in June the Scheme's investments consist of two buy-in contracts, which together insure all liabilities in the DB section. The longevity and investment risk associated with the liabilities has therefore been transferred to the insurers.
3	The balance between different kinds of investments.	*The Trustee holds buy-in contracts with JUST and Rothesay Life which were purchased in May 2018 and June 2021 respectively.* *SIP section 1.2*	As part of the quarterly performance reporting the Trustee received up to and including the 30 June 2021, the actual allocation was compared to the strategic benchmark allocation. An under or overweight position acted as a trigger for discussion. The strategic allocation in place at the beginning of the Scheme year (excluding the buy-in contract with JUST) was as follows: • 40% LDI and cash • 10% Corporate bonds • 50% Multi-asset credit In June 2021, the Scheme entered into a buy-in contract with Rothesay Life. Together with the JUST buy-in, the contracts cover all DB liabilities in the DB section. The Scheme holds residual cash in the Trustee Bank Account.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
4	Risks, including the ways in which risks are to be measured and managed.	*The Trustee is aware of, and pays close attention to, a range of risks inherent in investing the assets of the Scheme.* *SIP section 1.3*	Until June 2021, interest rate and inflation risks were managed by investing a significant proportion of DB Section assets in Liability Driven Investments ("LDI"). In April 2021, the hedge was increased to offset c.100% of changes in the value of the Technical Provisions liabilities caused by changes in interest rates and inflation. Upon purchase of the buy-in contract with Rothesay Life, the interest rate and inflation risks associated with the remaining uninsured liabilities were transferred to Rothesay Life. The Trustee does not expect to be able to obtain cash from the buy-in contracts, other than to meet promised benefits as agreed with the insurer. Therefore, the Plan is exposed to illiquidity risk and has set aside cash, held in the Trustee Bank Account, in order to meet expenses and other potential liquidity needs. The Scheme is exposed to the risk of the insurers defaulting on their obligations under the buy-in contracts. To mitigate this risk, before entering into the buy-in contracts the Trustee took appropriate advice and paid close attention to the financial strength, security and operational soundness of the chosen insurers at the point of purchase. The insurers are regulated by the PRA and therefore this risk is further mitigated by protection from the Financial Services Compensation Scheme ("FSCS").
5	Expected return on investments.	*n/a*	The investment performance report was reviewed by the Trustee on a quarterly basis up to and including the second quarter of 2021. As part of the review, the Trustee considered how each investment manager was delivering against their specific mandates. Over the 3 years to 30 June 2021, the DB Section returned 6.7% p.a., on a gross of fees basis, relative to the benchmark return of 4.6% p.a. Over the year to 30 June 2021, the DB Scheme delivered -1.1% p.a. on a gross of fees basis, relative to a benchmark return of -4.8%.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
6	Realisation of investments.	*The Trustee does not expect to be able to obtain cash from the buy-in policy other than to meet promised benefits as agreed with the provider. The Trustee has considered this and has set aside cash, held in the Trustee Bank Account, in order to meet expenses and other potential liquidity needs.* *SIP section 1.3*	Before purchase of the buy-in contract with Rothesay Life, funds with weekly or more frequent dealing cycles represented c. 75% of uninsured DB assets and the Scheme administrator sourced all required disinvestments over the period from the sterling liquidity fund managed by LGIM. The Trustee does not expect to be able to realise the buy-in polices. The Trustee set aside cash, held in the Trustee Bank Account, in order to meet expenses and other potential liquidity needs.
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments.	*The SIP sets out the risks the Trustee believe may be financially material over the future lifetime of the DB section (i.e. before completing buy-out and wind-up).* *SIP section 1.3*	In its investment considerations prior to the purchase of the buy-in contract with Rothesay Life, the Trustee followed the basic principle that ESG factors (including climate risk) should only be taken into account to the extent they impact financial performance (either positively or negatively). The Trustee believes that, in some cases, ESG factors may have a financially material impact on investment risk and return outcomes and that good stewardship can create and preserve value for companies and markets as a whole. The quarterly performance reports produced by Mercer up to and including the second quarter of 2021 include ratings (both general and specific ESG ratings). All investments were realised over the course of the Scheme year in order to purchase the buy-in contract with Rothesay Life. In selecting the buy-in providers the Trustee paid close attention to the financial strength, security and operational soundness of the chosen insurers at the point of purchase in order to mitigate the risk of the insurer defaulting on their obligations under the buy-in contracts.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments.	*The Trustee does not take account of non-financially material considerations.*	Not applicable.
9	The exercise of the rights (including voting rights) attaching to the investments.	*The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.* *SIP section 6*	Before purchase of the buy-in contract with Rothesay Life, the Trustee delegated its voting rights to the investment managers. In the Trustee's opinion, the investment managers had appropriate knowledge and experience for exercising voting rights. The Trustee did not use the direct services of a proxy voter. Given the nature of the Scheme's investments at the beginning of the Scheme year, the extent to which the investment managers are required to exercise voting rights on behalf of the Trustee is limited, the Trustee did not consider any significant votes were cast by it, or on its behalf, over the Scheme Year. • **CQS (MAC)** manage a portfolio predominantly comprising of fixed income assets and hence the securities held do not typically have voting rights attached to them and little voting takes place. CQS does not use proxy voting advisers and will vote where it is proportionate and in the best interests of the fund. CQS is aware of the importance of voting securities in a timely manner and of giving due consideration to all proposed resolutions. By exercising the right to vote, CQS seeks both to add value to on behalf of clients and to protect the Fund's interests as shareholders. Prior to exercising voting rights, CQS will consider the issues, meet management if necessary, and vote accordingly. • **M&G (MAC)** manage a predominantly a fixed income fund which does not contain any equity. The securities therefore typically do not have voting rights attached to them and little voting takes place. The voting that does take place may occasionally be done via a proxy provider (ISS and Broadridge). • **LGIM (Investment Grade Corporate Bonds)** also does not generally have voting rights attached to assets held given the nature of its holdings. LGIM engaged with companies over the year on a wide range of different issues including ESG factors. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy (i.e. those linked to the Paris agreement).

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).	*The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement.* *SIP section 6*	As the Scheme invested solely in pooled funds until the purchase of the Rothesay Life buy-in contract, the Trustee relied on their investment managers to engage with the investee companies on their behalf. Investment managers were expected to provide reporting on a regular basis, at least annually, including stewardship monitoring results.
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement]	*Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class or classes they are selected to manage.* *SIP section 7.1*	Over the period the Trustee believes that the appointments with its investment managers were consistent with its long-term objectives. In order to purchase the buy-in contract with Rothesay Life, the investment manager appointments were terminated and it was deemed that they had fulfilled their role to enable the Scheme to insure the full liabilities.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium t long-term.	*The Trustee's focus is on long term performance but, as noted above, may review a manager's appointment if:* • *There are sustained periods of underperformance;* • *There is a change in the portfolio manager or portfolio management team;* • *There is a change in the underlying objectives of the investment manager;* • *There is a significant change to the investment consultant's rating of the manager.* *SIP section 7.2*	Historically, the Trustee reviewed the performance of each manager with a long-term perspective and was content that the investment managers maintained a long-term perspective when managing the underlying investments. The Trustee reviewed, and terminated, the investment manager appointments over the year in order to purchase the buy-in contract with Rothesay Life.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Benefit Section

	Matter	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies required under sub-paragraph (b) of Regulation 2(3) of the Occupational Pension Schemes (Investment) Regulations 2005 [concerning the matters described in rows 2-8 of this Statement].	*The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis.* *SIP section 7.4* *The Trustee receives investment manager performance reports on a quarterly basis, which present performance over a variety of periods.* *SIP section 7.2*	The Trustee considered a 3-year performance metric as part of its review of the quarterly performance reports for each of the pooled funds in which the Scheme invests. In cases where the pooled funds had not been held for 3 years, performance since inception was provided. The investment managers were remunerated by way of a fee calculated as a percentage of assets under management and did not have short term performance targets.
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	*The Trustee does not analyse portfolio turnover costs in detail.* *SIP section 7.3*	The Trustee did not monitor portfolio turnover costs in any detail, although it assessed quarterly performance results for CQS and M&G on a 'net of fees' basis, i.e. accounting for turnover costs as part of its overall assessment of performance.
15	The duration of the arrangement with the asset manager.	*The Scheme is invested in open-ended funds, for which there is no set duration for the manager appointments.* *SIP section 7.4*	Over the Scheme year, all investment manager appointments were terminated as part of the strategic change to the overall strategy to fully insure the liabilities. The purchase of the buy-in contract with Rothesay Life was the sole new investment over the Scheme year.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

Introduction

In accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee of the Scheme is required to produce an annual statement to set out:

- how, and the extent to which, in the opinion of the Trustee, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed during the Scheme Year;
- details of any review of the SIP during the Scheme Year;
- subsequent changes made with the reasons for the change; and
- the date of the last review of the SIP.

The Implementation Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is set out in the table below.

This Implementation Statement covers the Scheme's defined contribution ("DC") section. A separate statement covers the Scheme's defined benefit section. The statement flows directly from and should be read in conjunction with the SIP for the DC section of the Scheme (in place at the Scheme Year end and dated September 2021) which is available here - www.williamhillpensions.co.uk/library. The table later in the statement sets out how, and the extent to which, the policies in the DC Section of the SIP have been followed.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the DC Section included in the SIP are as follows:

> *The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards its duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs. The Trustee also recognises that members may not believe themselves qualified to take investment decisions, as such, the Trustee makes available two Default Investment Strategies.*

Review of the SIP

The Scheme's latest SIP was reviewed with the Trustee's investment adviser and signed on 16 September 2021 by the Trustee.

The purpose of the review was to reflect the changes in the DB section regarding to changes in investment strategy following the buy-in transaction with Rothesay Life, which secured the remaining uninsured liabilities; there were no changes in the DC section. There were no other changes to the SIP over the Scheme Year ended 30 September 2021.

Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this section highlights the work undertaken by the Trustee during the Scheme Year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP, relating to the Scheme as a whole and the default investment arrangement. The SIP is attached as an Appendix and sets out the policies referenced below.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
1	Securing compliance with the legal requirements about choosing investments	In considering appropriate investments for the Scheme, the Trustee has obtained and considered the written advice of a suitably qualified investment advisor. The advice received and the arrangements implemented are, in the Trustee's opinion consistent with the requirements of Section 36 of the Pensions act 1995 (as amended). *SIP Introduction*	The Trustee reviewed the SIP on 16 September 2021. There were no changes to the DC Section of the SIP from this review.
2	Kinds of investments to be held	The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards their duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs. The Trustee has made available a range of pooled investment funds (asset classes to include equities, bond and alternatives) and lifestyle strategies which serve to meet the varying investment needs and risk tolerances of Scheme members *SIP section 2.2*	The Trustee reviewed the Scheme's default investment strategy on 13 September 2021 as part of the triennial review with the Trustee's adviser. The discussion took into account performance in line with the aims and objectives of the Trustee, as outlined in the SIP, recent industry retirement trends and member demographics including age and asset size. As a result of the review, the Trustee decided that, from 1 July 2022, the Scheme's default investment strategy for members more than 8 years from their target retirement age in the Pensions Savings Plan 2001 ("PSP") will change from the Annuity Lifestyle Strategy to the Drawdown Lifestyle Strategy. This change is now being implemented. PSP members less than 8 years from their target retirement age on 1 July 2022 and all Employee Pension Plan ("EPP") members will not be impacted by the change. The Trustee also reviewed the self-select fund range offered to members on 13 September 2021 and decided not to make any changes. As part of the implementation, the Trustee will update the details of the types of investments (including details about the default investment strategy) in the SIP. Once the SIP is finalised, the Trustee will upload and replace the current SIP on the Scheme website.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
3	The balance between different kinds of investments	In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members. Members determine the balance between the different kinds of investments they hold. This balance will determine the expected return on member's assets and should be related to the member's own risk appetite and tolerances. Within the default option, the strategic asset allocation is set to achieve the expected return required to meet the objective of the default option. *SIP section 2.2*	The strategic asset allocation of the default investment arrangements and the self-select fund range is reviewed regularly (at least triennially). The date of the last review was 13 September 2021. Implementation of the changes as a result of the review is currently underway. The Trustee receives quarterly investment performance reporting from the investment consultant and uses the reports to monitor whether these assumptions are being borne out.
4	Risks, including the ways in which risks are to be measured and managed	The Trustee has considered risk from a number of perspectives in the DC section. The Trustee believes that the appropriate time horizon within which to assess these considerations should be viewed at the member level. This will be dependent on the member's age and when they expect to retire. *SIP section 2.3*	As detailed in the risk table in the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies, strategic asset allocation, the choice of fund managers / funds / asset classes. The risk table details the different risks that members are exposed to, and how this risk is monitored and managed. The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarise existing mitigations and additional actions. Additionally, ESG risk is also considered relevant by the Trustee, and it follows the same monitoring as other investment risks. The risk table is reviewed at least every three years, or as regulatory requirements arise (whichever is sooner), as part of the SIP review. The Trustee also review a quarterly performance report that considers some of the investment risks faced by members.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
5	Expected return on investments	Members determine the balance between the different kinds of investments they hold. This balance will determine the expected return on member's assets and should be related to the member's own risk appetite and tolerances. In designing the Default Investment Strategies, the Trustee has explicitly considered the trade-off between risk and expected returns. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The balance between different kinds of investments is decided accordingly. Any investment in derivative instruments contributes to risk reduction, or efficient portfolio management. *SIP section 2.2 and 2.5*	The investment performance report is reviewed by the Trustee on a quarterly basis – this includes the risk and return characteristics of the default and return information for additional investment fund choices. The investment performance report includes how each investment manager is delivering against their specific mandates. The Trustee conducts an annual Value for Members assessment. For the year to 30 September 2021, the assessment concluded that the Scheme provides good value for members: • Over the 3 years to 30 September 2021, the majority of the Scheme's funds had met their long-term objectives, • Three funds were identified as having performance issues: LGIM Property Fund, LGIM World Emerging Market Index Fund and Standard Life Managed Fund had underperformed over the 3-year period to 30 September 2021. • No actions were taken by the Trustee over the prior year in respect of manager appointments. The LGIM Property Fund and Standard Life Managed Fund have been put on close monitor due to underperformance. As part of the regular reporting, the default investment arrangements are monitored against its aims and objectives. The investment performance report includes how each investment manager is delivering against their specific mandates.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
6	Realisation of investments	The Trustee's administrators will realise assets following member requests on retirement or earlier where required. The funds are pooled investment funds which are daily-dealt, with assets mainly invested in regulated markets and therefore should be realisable at short notice, based on either Trustee or member demand. *SIP section 2.2*	The Trustee receive an administration report from Capita Pension Solutions Limited ("Capita") on a quarterly basis to confirm to ensure that core financial transactions are processed within SLAs and regulatory timelines. As confirmed in the Chair's Statement that has been prepared for the year ending 30 September 2021, the Trustee was satisfied that service level performance by Capita averaged over the year was within tolerance for all core financial transactions and that in general they were completed promptly and accurately. The overall performance attained during the reporting period was 96.8% of events being processed within the agreed target dates. All funds, including those in the default investment arrangements, are daily-dealt pooled investment vehicles, accessed by an insurance contract. Where pooled investment arrangements do not invest assets in regulated markets these are not expected to account for a material proportion of assets. Therefore, assets should be realisable at short notice, based on member and Trustee demand.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	The SIP sets out the risks the Trustee believe may be financially material to the Scheme. The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustee considers to be financially material considerations in relation to the DC section. *SIP section 2.3* The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee will periodically review the investment managers' policies and engagement activities (where applicable). *SIP section 6*	The investment performance report is reviewed by the Trustee on a quarterly basis – this includes ratings (both general and specific ESG) from the investment advisers. All of the managers remained generally highly rated during the year. The Trustee continues to monitor managers that may not be highly rated from an ESG perspective. When implementing a new manager, the Trustee consider the ESG rating of the manager. The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. In order to establish these beliefs and produce this policy, the Trustee undertook investment training provided by their investment consultant on responsible investment which covered ESG factors, stewardship, climate change and ethical investing. The Trustee's ESG beliefs were last discussed at the 14 June 2019 Trustee meeting. The Trustee keeps its policy under review. The trustee acknowledges that the Scheme's fixed income managers do not have a high ESG rating assigned by the investment consultant due to the nature of the asset class where it is harder to engage with the issuers of debt. The investment performance report includes how each investment manager is delivering against their specific mandates.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The Trustee has taken into account the expected time horizon of the Scheme when considering how to integrate these issues into the investment decision making process.	The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement. Monitoring is undertaken on a regular basis and is documented at least annually. When selecting and appointing investment managers, the Trustee will take into account how ESG factors, including climate change and stewardship, are integrated within the managers' investment processes. This will be balanced against other manager selection criteria such as (but not limited to) idea generation, portfolio construction, implementation, business management and fees and charges. The Trustee will also consider the investment consultant's assessment of how each manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's views. This includes investment managers' policy on voting and engagement. The Trustee meetings with each investment manager on an annual basis and challenges their decisions in these areas.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
9	The exercise of the rights (including voting rights) attaching to the investments	The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee will periodically review the investment managers' policies and engagement activities (where applicable). The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement. Monitoring is undertaken on a regular basis and is documented at least annually. *SIP section 6*	The Trustee has given its appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. As an active and engaged investor, LGIM takes very seriously their responsibility to exercise the voting rights of their clients' assets. They direct the vote of a significant proportion of a company's shares by exercising the shareholder rights of almost their clients. This improves the effectiveness of voting in supporting their engagement activities and bringing about change in the market as a whole. They are wholly committed to using this power to encourage companies to improve their management of ESG issues, and they continue to dedicate significant resources to their stewardship obligations. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The reports are reviewed by the Trustee to ensure that they align with the Trustee's policy. Currently, when the investment managers present to the Trustee at a quarterly board meeting, the Trustee asks the investment managers to highlight key voting activity and the impact on the portfolio. The Trustee has a particular focus on votes related to climate change. Over the last 12 months, the Trustee has not actively challenged the manager on its voting activity, as the Trustee had no concerns over LGIM's voting activities. The Trustee has equity exposure through the following funds: • Legal & General – Diversified • Legal & General – Global Equity Market Weights (30:70) – 75% GBP hedged • Legal & General – Overseas Equity Consensus Index • Legal & General – UK Equity (5% Capped) Passive • Legal & General – World Emerging Markets Equity Index • Aberdeen Standard Life – Managed Voting activity information for funds where the Scheme has equity exposure (where provided) is summarised in the appendix.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)	The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. This includes the investment managers' policy on voting and engagement *SIP section 6*	Investment managers are expected to provide reporting on a regular basis, at least annually including stewardship monitoring results. report which Trustee will review on a regular basis. As the Scheme invests solely in pooled funds, the Trustee requires their investment managers to engage with the investee companies on their behalf. At present, when the investment managers present to the Trustee, the Trustee asks the investment managers to highlight key engagement activity and the impact the actions have had on the portfolio. The investment adviser will be in attendance at such presentations and the Trustee will look to their adviser to ensure the appropriate questions are asked.
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]	Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class or classes they are selected to manage. As the Scheme invests in pooled investment vehicles, the Trustee accepts that it has no direct ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy. *SIP section 7.1*	The manager arrangements were formally assessed as part of the investment strategy review in 2021. These are also assessed on an ongoing basis when concerns are identified. The Trustee believes passive investment is an effective philosophy to implement the DC investment strategies as this allows the Scheme's assets to largely align with the returns available from the broad market. The Trustee believes in the history, scale and expertise of LGIM and Aberdeen Standard Life to effectively implement the Trustee's investment strategy. In the year to 30 September 2021, the Trustee has discussed the continued appointment of its appointed managers and agreed that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long -term financial and non -financial performance. This is reviewed as part of the annual Value for Member assessment which the Trustee reviewed and discussed the pricing arrangement and the mid-long term performance of the investment funds and the managers. Over the period, the Trustee believed that the appointments with its investment managers were consistent with its long-term objectives and no changes were made.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	The Trustee's focus is on long term performance but, as noted above, may review a manager's appointment if: • There are sustained periods of underperformance; • There is a change in the portfolio manager or portfolio management team; • There is a change in the underlying objectives of the investment manager; • There is a significant change to the investment consultant's rating of the manager. *SIP section 7.2*	The manager arrangements are assessed on an ongoing basis; concerns are identified via the quarterly investment performance reports provided by the investment adviser. Additionally, this is reviewed as part of the annual Value for Member assessment, as part of which the Trustee reviewed and discussed the pricing arrangements and the mid-long term performance of the Scheme's investment funds and managers. Most funds have met their long-term objectives, and any manager performance issues are given due attention by the Trustee. The Trustee's focus is on longer-term performance but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustee reviews both absolute and relative performance of the Investment Managers products (or funds) on a quarterly basis, including assessments of both shorter and longer time horizons. The Trustee is a long-term investor, all funds are open-ended and therefore there is no set duration for manager appointments. The Trustee appoints investment managers based on their capabilities and perceived likelihood of achieving the expected return and risk characteristics required for the asset class for which they were selected. Value for Member is also a key consideration and, as part of the annual Value for Member ("VFM") assessment, the Trustee reviews investment manager fees and turnover costs.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	**Summary of Trustee's policy / key extracts from policy**	**Summary description and evaluation of work undertaken during the Scheme Year**
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]	The Trustee is a long term investor and is not looking to change the investment arrangements on a frequent basis. The Scheme is invested in open-ended funds, for which there is no set duration for the manager appointments. *SIP section 7.4* The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over a variety of periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and/or against the managers' stated target performance (over the relevant time period). *SIP section 7.2*	The Trustee considers a 3-year performance metric as part of its review of the quarterly performance reports for each of the pooled funds in which the Scheme invests. In cases where the pooled funds have not been held for 3 years, performance since inception is provided. The investment managers are remunerated by way of a fee calculated as a percentage of assets under management, and do not have short term performance targets. The Trustee has reviewed both short term and longer term investment performance on a quarterly basis at each Trustee meetings during the Scheme Year via the quarterly performance reports provided by the investment adviser and the annual Value for Member assessment. The extent to which the aims and objectives of the default arrangement were being met was also assessed as part of the ongoing investment review. The Trustee is satisfied with the performances of the majority of the funds offered to the members.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	The Trustee does not analyse portfolio turnover costs in detail. However, in future the Trustee may ask managers to report on portfolio turnover costs. *SIP section 7.3*	The Trustee does not analyse portfolio turnover costs in detail, as the current data provided by the providers does not allow the Trustee to provide a conclusive view of the markets. At present, the Trustee does not monitor portfolio turnover costs in any detail, although it may request that investment managers provide portfolio turnover costs on an annual basis to coincide with the Scheme Year end date in the future. The Trustee considers portfolio turnover costs indirectly through consideration of transaction cost data as part of the annual Value for Members Assessment. Though the Trustee does not currently define target portfolio turnover ranges for funds, they will engage with managers if the portfolio turnover is higher than expected as a result of the monitoring undertaken. The Trustee is required to assess these costs for value on an annual basis. However, at present, the Trustee notes a number of challenges in assessing these costs: • No industry-wide benchmarks for transaction costs exist • The methodology leads to some curious results, most notably "negative" transaction costs • Explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs. As noted in the most recent Chair's Statement, dated 30 September 2021, there is little flexibility for the Trustee to impact transaction costs as they invest in pooled funds. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Scheme invests in, there is not as yet any "industry standard" or universe to compare these to. As such, any comments around transaction costs at this stage can only be viewed as speculative. However, the Trustee will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

	Requirement	Summary of Trustee's policy / key extracts from policy	Summary description and evaluation of work undertaken during the Scheme Year
15	The duration of the arrangement with the asset manager	The Scheme is invested in open-ended funds, for which there is no set duration for the manager appointments. The Trustee will therefore retain an investment manager unless: • There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager; • The manager appointed has been reviewed and the Trustee has decided to terminate the mandate. *SIP section 7.4*	As the Trustee is a long-term investor, it aims to minimise change in investment arrangements unless: there is a strategic change in the overall strategy; if after review the arrangement is no longer considered optimal. By reviewing the quarterly investment performance reports and the annual Value for Member assessment with the Scheme's investment adviser, the Trustee believes the current arrangements with the investment managers continue to be appropriate for the Scheme. Therefore no changes had been made to the list of the Scheme's appointed asset managers

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

Appendix

Voting Activity

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 30 September 2021 is summarised in the table below. Where fund managers have not been included this is due to being able to supply voting information at the time of finalising this report.

Fund	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
Legal & General Diversified	77,945	98.57%	79.91%	19.45%	0.64%
Legal & General Global Equity Market Weight (30:70) Index – 75% GBP Hedged	62,598	99.86%	83.41%	15.64%	0.95%
Legal & General Overseas Equity Consensus Index	54,336	99.84%	82.03%	16.88%	1.09%
Legal & General UK Equity (5% Capped) Passive*	N/A	N/A	N/A	N/A	N/A
Legal & General World Emerging Markets Equity Index	29,967	99.78%	84.11%	14.09%	1.80%
Aberdeen Standard Life Managed*	N/A	N/A	N/A	N/A	N/A

*Voting statistics have not been provided as the Fund represents a relatively small proportion (0.01%) of total Scheme assets.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

Appendix

Examples of Significant Votes

Fund	Company	How you voted	Vote Outcome	Rationale for the voting decision
Global Equity MW(30:70)-75% GBP Hgd	Amazon.com, Inc.	Voted against electing Jeffrey P. Bezos as Director	Passed	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.
Diversified Fund	NextEra Energy, Inc.	Voted against electing James L. Robo as Director	Passed	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 LGIM have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 LGIM are voting against all combined board chair/CEO roles. Furthermore, LGIM have published a guide for boards on the separation of the roles of chair and CEO (available on LGIM's website), and LGIM have reinforced their position on leadership structures across their stewardship activities – e.g. via individual corporate engagements and director conferences.
World Emerging Markets Equity Index Fund	Industrial & Commercial Bank of China Limited	Voted against approving Work Report of the Board of Directors	Passed	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure. Note that this company was also divested by LGIM across its Future World range of funds.

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Trustee's Report (continued)

Annual Implementation Statement – covering 1 October 2020 to 30 September 2021 (the "Scheme Year")

William Hill Pension Scheme (the "Scheme"): Defined Contribution Section

Appendix

Examples of Significant Votes

Fund	Company	How you voted	Vote Outcome	Rationale for the voting decision
Overseas Equity Consensus Index	The Procter & Gamble Company (P&G)	Voted in favour of Reporting on effort to eliminate deforestation.	Passed	P&G uses both forest pulp and palm oil as raw materials within its household goods products. The company has only obtained certification from the Roundtable on Sustainable Palm Oil for one third of its palm oil supply, despite setting a goal for 100% certification by 2020. Two of their Tier 1 suppliers of palm oil were linked to illegal deforestation. Finally, the company uses mainly Programme for the Endorsement of Forest Certification (PEFC) wood pulp rather than Forestry Stewardship Council (FSC) certified wood pulp. Palm oil and Forest Pulp are both considered leading drivers of deforestation and forest degradation, which is responsible for approximately 12.5% of greenhouse gas emissions that contribute to climate change. The fact that Tier 1 suppliers have been found to have links with deforestation calls into question due diligence and supplier audits. Only FSC certification offers guidance on land tenure, workers', communities and indigenous people's rights and the maintenance of high conservation value forests. LGIM engaged with P&G to hear its response to the concerns raised and the requests raised in the resolution. LGIM spoke to representatives from the proponent of the resolution, Green Century. In addition, LGIM engaged with the Natural Resource Defence Counsel to fully understand the issues and concerns. Following a round of extensive engagement on the issue, LGIM decided to support the resolution. Although P&G has introduced a number of objectives and targets to ensure their business does not impact deforestation, LGIM felt it was not doing as much as it could. The company has not responded to CDP Forest disclosure; this was a red flag to LGIM in terms of its level of commitment. Deforestation is one of the key drivers of climate change. Therefore, a key priority issue for LGIM is to ensure that companies LGIM invest their clients' assets in are not contributing to deforestation. LGIM has asked P&G to respond to the CDP Forests Disclosure and continue to engage on the topic and push other companies to ensure more of their pulp and wood is from FSC certified sources.

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Trustee's Report (continued)

Report on Actuarial Liabilities

As required by Financial Reporting Standard 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 224 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 30 September 2019.

What is the Scheme's financial position?

The value of the Technical Provisions was:	£453 million
The value of the assets at that date was:	£477 million

This means that there was a surplus of £23.6 million (31 March 2016: £2m surplus).

Method

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

How has the Scheme's financial position changed since the last actuarial valuation?

The latest interim review of the financial position of the Scheme as at 30 September 2020 showed that there was a surplus of £25m (£23.6m as at 30 September 2019).

How will the surplus be maintained going forward?

The Employer agreed to pay the following amounts to the Scheme:

- Annual Contributions of £1.9m during the period 1 October 2020 to 30 September 2025, in equal monthly instalments of £158,333 towards the cost of life assurance cover and the expenses of operating the Scheme, including levies to the Pension Protection Fund.

To calculate whether there is a surplus or a deficit, assumptions have to be made about what will happen in the future, for example, the rate at which the Scheme's assets will grow. If the assumptions do not all turn out to be exactly right, it may be necessary to change the level of contributions to the Scheme for a deficit to be paid off.

Please be assured that, should there be a deficit, all members who have retired will still receive the full amount of their pension.

In June 2021 the Company paid an additional contribution of £8.6m in order that the Trustee could secure the remaining defined benefit liabilities with an insurance company, Rothesay.

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Trustee's Report (continued)

Report on Actuarial Liabilities (continued)

The main financial assumptions underlying the valuation calculations were:

Discount rate:	
-Pre Retirement (less than 15 years):	0.60% p.a.
-Pre Retirement (greater than 15 years):	0.60% p.a.
-Post Retirement (Pensioners):	0.90% p.a.
-Post Retirement (non-Pensioners):	0.85% p.a.
Price inflation (RPI):	3.20% p.a.
Price inflation (CPI):	2.20% p.a.
Rate of pension increases:	
RPI up to 5% p.a.	3.10% p.a.
CPI up to 3% p.a.	2.10% p.a.
Deferred revaluations:	2.50% p.a.
Allowance for GMP Equalisation	0.3%of liabilities

The next full actuarial valuation of the Scheme is due to be carried out as at 30 September 2022.

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Trustee's Report (continued)

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with 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), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year;
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

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

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

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

The Trustee is responsible for the maintenance and integrity of the financial information of the Scheme included on the Scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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Trustee's Report (continued)

Summary of Contributions

The contributions payable to the Scheme in respect of the year under the Schedule of Contributions dated 30 September 2020 were as follows:

	£'000
Employers' normal contributions	**7,746**
Employers' other contributions	**1,900**
Employees' normal contributions	**5,529**
Total contributions payable under the Schedule	**15,175**
Other contributions:	
Employees' additional voluntary contributions	**699**
Employers' other contributions	**22**
Employers' special contributions	**8,600**
Total contributions in respect of the year	**9,321**
Total	**24,496**

Date: 29/4/2022	For and on behalf of William Hill Trustee Limited
Date: 29/4/2022	

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Trustee's Report (continued)

Compliance Matters

A copy of the Definitive Trust Deed and Rules and copies of the Trustee's Annual Report and Financial Statements for each Scheme year are available for inspection at Greenside House.

Active members receive a Benefit Statement each year effective as at 6 April (although they are not issued until later in the year). These give Retirement Plan members an indication of their prospective benefits (based on current earnings) at Normal Retirement Age. Employee Pension Plan and Pension Savings Plan 2001 members receive a statement detailing the current value of their Pension Account (and AVC Account).

Deferred pensioners with protected rights in the Retirement Plan receive a statement each year showing the current value of their protected rights fund.

Members should check their Benefit Statement carefully and let the HR Department or the Group Pensions Department know if they do not understand it, or if any of the data looks incorrect.

We would always hope to be able to resolve questions and complaints informally, but (in accordance with the Pensions Act 1995) the Scheme does have a formal Internal Dispute Resolution Procedure (IDRP). A written copy of this procedure is available from the Group Pensions Department upon request.

Information about the Scheme, including current and previous employers associated with the Scheme and the address at which the Trustee may be contacted, has been registered with the Registrar of Occupational and Personal Pension Schemes, who may be contacted at PO Box 1NN, Newcastle Upon Tyne, NE99 1NN.

The Pensions Regulator is an independent statutory body created under the Pensions Act 2004 to regulate work based pension schemes. Its objectives are to protect the benefits of Scheme members, to promote good administration and to reduce the risk of schemes defaulting.

The Pension Protection Fund is an independent statutory body, set up to provide compensation to members of eligible defined benefit schemes which have wound-up following employer insolvency with insufficient assets to meet minimum levels of benefit. It is funded by a levy on defined benefit pension schemes.

The Money and Pensions Service ("MaPS")

MaPS is available to assist members and beneficiaries of the Scheme on pension matters. The Money and Pensions Service (MaPS) was created in 2019 as a single body to bring together the services previously delivered by The Pensions Advisory Service (TPAS), the Money Advice Service and Pension Wise, providing information to the public on matters relating to workplace and personal pensions. With effect from 30 June 2021 MaPS has been re-branded as MoneyHelper but still offers all the same services.

MaPS may be contacted at Money and Pensions Service, 120 Holborn, London, EC1N 2TD

Telephone: 0800 011 3797

Website: https://www.moneyhelper.org.uk

Email: pensions.enquiries@moneyhelper.org.uk

The Pensions Ombudsman, appointed by the Government, may investigate and determine any complaint or dispute of fact or law in relation to the Scheme made or referred to him in accordance with the statutory requirements. The Ombudsman normally requires complainants to have sought assistance from TPAS before he will consider a case.

The Pensions Ombudsman may be contacted at this address:

1st Floor, 10 South Colonnade, Canary Wharf, London, E14 4PU.

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Trustee's Report (continued)

Contact for Further Information

If any active member has any questions with regard to the Scheme, they should in the first instance contact their local HR Department. HR will refer the member to the Group Pensions Department if the member is not happy with the response to their queries (see page 3 for address). Pensioners should address questions to the Group Pensions Department and Deferred Members should contact the administrators:

Capita Pension Solutions Limited
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

Email: wmhillpensions@capita.co.uk

Date: 29/4/2022	For and on behalf of William Hill Trustee Limited
Date: 29/4/2022	

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DC Governance Statement

William Hill Pension Scheme ('The Scheme')
The Chair's Annual Governance Statement

Introduction

I am pleased to present the Trustee's annual statement of governance for the Defined Contribution ('DC') Section of the Scheme, covering the period 1 October 2020 to 30 September 2021.

Regulations effective from 6th April 2015 ('the Administration Regulations') require the Trustee of the William Hill Pension Scheme (the 'Trustee' of the 'Scheme') to prepare a statement showing how it has met certain minimum governance standards in relation to Defined Contribution benefits. The Scheme is a hybrid arrangement and as such there are members of the Defined Benefit ('DB') Section who have Additional Voluntary Contributions ('AVCs') with Standard Life and Equitable Life (now Utmost Life and Pensions ('Utmost')) as well as there being members in the Defined Contribution ('DC') Section of the Scheme.

The Scheme's mission is to help members attain a good financial outcome for life after work. This statement describes the work that the Trustee has done to achieve that, and how it seeks to ensure that the Scheme is well-managed and delivers excellent services to members.

This statement covers five key areas:

1. The investment strategy relating to the Scheme's default investment arrangements;
2. The processing of core financial transactions;
3. Charges and transaction costs within the Scheme;
4. Value for Members considerations; and
5. The Trustee's compliance with the statutory knowledge and understanding ('TKU') requirements.

Hugh Nolan

Hugh Nolan
for Dalriada Trustees Limited
Chair of William Hill Trustee Limited
Trustee of the William Hill Pension Scheme

Date: 29/4/2022

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DC Governance Statement (continued)

1. The Scheme's default investment arrangements

The assets of the DC Section are invested with Legal & General Investment Management ('LGIM'). Some members also have DB AVC assets in funds managed by Standard Life and Utmost. The DC Section of the Scheme consists of four pools: The Pension Savings Plan 2001 ('PSP'), the Employee Pension Plan ('EPP'), the Transfers In and the AVCs.

The Trustee recognises that members have differing investment needs and that these may change during the course of a members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards their duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs.

The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such the Trustee makes available two Default Investment Strategies – one for PSP members and one for EPP members. The default investment arrangements place the emphasis on aiming to deliver a good level of real return over members' working lifetimes (whilst mitigating risk through diversification) and also encompasses de-risking in the years approaching a member's selected target retirement age into asset classes designed to be appropriate for how a member expects to withdraw their benefits in retirement.

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP'), including the default investment arrangement SIP, dated 16 September 2021. The SIP has been prepared for the Scheme in compliance with Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

The SIP covers the aims and objectives of the default investment arrangements as well as its policies in relation to matters such as risk and diversification. It also states why the Trustee believes the default investment arrangements to be designed in members' best interests.

These objectives translate to the following principles:

a. Offering members a 'Lifestyle' approach to the default investment arrangements and ensuring that the other investment strategy options including additional lifestyle strategies allow members to plan for retirement;

b. Making available a range of pooled investment funds (asset classes to include equities, bonds and alternatives) and lifestyle strategies which serve to meet the varying investment needs and risk tolerances of Scheme members;

c. Actively managed funds will only be included to the extent that the Trustee has a high level of confidence in the respective investment managers achieving their performance objectives, net of active investment management fees;

d. The range of pooled investment funds will have strategies including additional lifestyle strategies that are highly rated by the Trustee's investment adviser unless the Trustee decides there is good reason not to;

e. Providing general guidance as to the purpose of each investment option;

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DC Governance Statement (continued)

1. The Scheme's default investment arrangements (continued)

f. Encouraging members to seek financial advice from an appropriate party in determining the most suitable option for their individual circumstances;

g. In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members;

h. The Trustee regularly reviews the suitability of the options including additional lifestyle strategies provided and from time to time will change or introduce additional fund choices as appropriate.

The Trustee reviewed the SIP on 16 September 2021 such that it reflects the latest position of the DB section of the Scheme. There is no change to the DC section of the SIP as a result of this review. The latest SIP dated 16 September 2021 can be found in the appendix of this Statement.

The SIP is also available at https://www.williamhillpensions.co.uk/library. Furthermore, this Chair's Statement will be published on the William Hill Pension Scheme website. Both documents will be discoverable by search engines and signposted in the annual benefit statements.

The Trustee currently offers three lifestyle strategies:

- **Annuity Lifestyle Strategy** – for those planning to buy a level annuity (a fixed pension income for life) at their target retirement date. This is the default investment option for PSP members that did not make their own investment decision and are less than 8 years from their target retirement age as at 1 January 2022.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	37.50	12.50	0.00
6	50.00	25.00	25.00	0.00
5	50.00	12.50	37.50	0.00
4	50.00	0.00	50.00	0.00
3	37.50	0.00	56.25	6.25
2	25.00	0.00	62.50	12.50
1	12.50	0.00	68.75	18.75
0	0.00	0.00	75.00	25.00

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DC Governance Statement (continued)

1. The Scheme's default investment arrangements (continued)

- **Cash Lifestyle Strategy** - for those planning to take their DC savings as a cash lump sum. This is the **default** investment option for **EPP** members that do not make their own investment decision.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.0	50.0	0.0	0.0
9	50.0	50.0	0.0	0.0
8	50.0	50.0	0.0	0.0
7	50.0	37.5	12.5	0.0
6	50.0	25.0	25.0	0.0
5	50.0	12.5	37.5	0.0
4	50.0	0.0	50.0	0.0
3	37.5	0.0	37.5	25.0
2	25.0	0.0	25.0	50.0
1	12.5	0.0	12.5	75.0
0	0.0	0.0	0.0	100.0

- **Drawdown Lifestyle Strategy** - for members planning to leave their DC savings invested and withdraw income flexibly over time. Members who wish to drawdown their savings in retirement would have to transfer their DC savings out of the Scheme at retirement to a drawdown provider. This is the **default** investment option for **PSP** members that are more than 8 years from their target retirement age as at 1 January 2022.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	43.75	6.25	0.00
6	50.00	37.50	12.50	0.00
5	50.00	31.25	18.75	0.00
4	50.00	25.00	25.00	0.00
3	50.00	18.75	25.00	6.25
2	50.00	12.50	25.00	12.50
1	50.00	6.25	25.00	18.75
0	50.00	0.00	25.00	25.00

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DC Governance Statement (continued)

1. The Scheme's default investment arrangements (continued)

The Trustee monitors how the funds within the Scheme's default investment arrangements (and the wider self-select fund options) have performed against their targets at each quarterly meeting, taking input from its professional investment advisors. The Trustee also maintains a programme of ongoing reviews of the suitability of the default arrangements, considering member demographics including contribution rates, how members withdraw benefits at retirement, the ages at which they do so and the size of their funds.

The Trustee discussed the Scheme's investment strategy on 13 September 2021. The discussion also took into account performance in line with the aims and objectives of the Trustee outlined in the default SIP, recent industry retirement trends and member demographics including age and pot size. As a result of this review, the Trustee decided to make the following changes for members invested in the Annuity Lifestyle Strategy:

- Members more than 8 years from their target retirement age on 1 July 2022 will not experience any immediate change to their investments but the investments will differ as they approach retirement as their investments will gradually de-risk in line with the Drawdown Lifestyle Strategy.
- Members less than 8 years from their target retirement age on 1 July 2022 will not experience any change to their investments and will continue to target annuity purchase at retirement.

The relevant communications are due to be issued to the members in the second quarter of 2022. Members may refer to the letter for more details of this change.

Some DB members have chosen to contribute into AVCs which are also managed under the DC Section of the Scheme. Members made their own investment decisions on these AVCs assets. Whilst the Trustee monitors the suitability and the performance of these assets regularly, the discretions are largely governed by the members.

Environmental, Social and Governance Factors in Investments

The Trustee acknowledges the DWP's requirements that came into force on 1 October 2020 that stated the SIP should further set out the Trustee's policy on undertaking stewardship and engagement activities regarding monitoring relevant persons. The Trustee has received training on this topic and has updated the SIP to reflect their ESG beliefs.

In terms of monitoring ESG issues within the current fund range, the Trustee's investment advisor provides ESG fund ratings on a quarterly basis. These ratings represent the extent to which managers integrate ESG factors and active ownership into their core processes.

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DC Governance Statement (continued)

2. The processing of Scheme financial transactions

As required by the Administration Regulations, the Trustee must ensure that "core financial transactions" are processed promptly and accurately. Core financial transactions are (broadly):

- Investment of contributions made to the Scheme by members and their employer(s);
- Transfers into and out of the Scheme of assets relating to members;
- Switches of members' investments between different funds within the Scheme; and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

The Trustee recognises that delay and error in processing transactions can cause significant losses for members. Delays in processing can also cause members to lose faith in schemes which may in turn reduce their propensity to save and impair future outcomes. The Trustee therefore operates measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

The Scheme's administration is outsourced to Capita Pension Solutions Limited ('Capita'). As part of that model, the Trustee has agreed timescales with Capita for the processing of all member-related services, including core financial functions such as benefit quotations, investment switches and benefit payments. These timescales are well within any applicable statutory timescale and are summarised in table 1 below. This records the main measures and controls that the Trustee operates to satisfy themselves that the Scheme's financial transactions are both prompt and accurate, including regular evaluation of Scheme data and reporting of all member complaints to the Trustee. Over the year to 30 September 2021, the average Service Level Agreement (SLA) achievement rate was 96.8%.

Table 1 Timescales for benefit processing

Task	Service Level Agreement	Comment
Transfer out	18 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Transfer in	24 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Retirement	20 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Death claim	5 working days	
Investment switch – post or email	8 working days	Subject to receipt of monies and the Fund Manager's own dealing dates

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DC Governance Statement (continued)

2. The processing of Scheme financial transactions (continued)

Table 2 Internal Controls

Core financial transaction	Key internal control
Investment switches requested by members	**Promptness** • Administrator's SLA for member initiated switching investments is 1 working day from date of request. • Lifestyle switching is subject to an agreed matrix and is carried out on the 1st day of each quarter (1st January, 1st April, 1st July, 1st October).
	Accuracy • All switches are reconciled by administrator with manager transaction statements. • All members are notified when a member-initiated investment switch is completed. Members are notified when their switch has been completed and provided with a revised unit holding.
Payment of benefits to members, including retirements, transfers and death benefits	**Promptness** • Cash flow preparation includes identification of forthcoming benefit payments. • SLAs for core benefit transactions (retirements, deaths and transfers) help ensure that member wishes are known well in advance of benefit payment date. • Annual appraisal of common data helps ensure that member data is accurate, reducing the likelihood of delay from data gaps. • All member complaints must be reported to the Trustee, even where no breach of agreed timescales has occurred. All member complaints are reported to the Trustee via the quarterly administration report regardless of their origin or outcome. •
	Accuracy • Administrator operates peer review system for all benefit calculations. • Data accuracy is subject to regular evaluation and updating.

Other controls that address the promptness and accuracy of core financial controls include:

- The administrators record all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task. They must report quarterly to the Trustee their performance against these agreed timescales. These disclosures are considered by the Trustee at its quarterly meetings.
- The Trustee requires additional disclosures in respect of any transactions and benefit processing activity that have not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales were breached and the proposed remedial measures. None of the breaches of agreed timescale during the period covered by this statement are regarded as a matter for significant concern.

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DC Governance Statement (continued)

2. The processing of Scheme financial transactions (continued)

Table 2 Internal Controls (continued)

Furthermore, in producing the Scheme's Annual Report and Accounts, the Trustee and the Auditor (Grant Thornton UK LLP) also review a sample of core financial transactions. The Auditor also carries out holistic reviews for reasonableness and consistency and undertakes checks to ensure that the Schedule of Contributions has been adhered to. No issues have been raised by the Auditor.

As part of a wider review of the Scheme's general administration, the Trustee receives the Scheme administrator's assurance report on internal controls, reviewed by Capita's auditor (Grant Thornton UK LLP). For the Scheme year, the report received was for the period 1 January to 31 December 2020 and included the Independent Service Auditor's qualified opinion that, in all material aspects, its controls were suitably designed and those tested operated effectively, subject to some exclusions and highlighted matters that the Trustee has reviewed separately.

Following their monitoring activities, the Trustee was satisfied that there were no significant issues with the core administration functions delivered by Capita for the DC Section over the reporting period of this Statement and that core financial transactions were processed promptly and accurately in the Scheme year.

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DC Governance Statement (continued)

3. Charges and transaction costs within the Scheme

As required by the Administration Regulations, the Trustee is required to report on the charges and transaction costs for the investments used in the default investment option as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members.

The table below shows the Total Expense Ratio ('TER') and the transaction costs for each of the funds underlying the Scheme's default investment arrangements as well as the wider self-select fund range and AVC arrangements.

The TER comprises the investment manager's annual charge for managing and operating a fund, but also includes the costs of other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, it excludes other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions taxes and other fees.

DC Section

LGIM Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Funds used in the lifestyle strategies (and default investment options)		
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.12	0.035
Diversified	0.20	-0.023
Pre-Retirement	0.15	0.012
Sterling Liquidity	0.13	-0.025
Self-select funds (PSP, EPP, AVCs and Transfers In)		
UK Equity (5% capped) Passive	0.17	0.045
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.12	0.035
Overseas Equity Consensus Index	0.15	-0.006
World Emerging Markets Equity Index	0.47	0.014
AAA-AA-A Corporate Bond All Stocks Index	0.15	-0.035
Diversified	0.20	-0.023
Pre-Retirement	0.15	0.012
Pre-Retirement Inflation Linked	0.13	0.005
Property	0.88	-0.264
Sterling Liquidity	0.13	-0.025

Source: Legal & General, as at 30 September 2021
Due to the way in which transaction costs are calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

The Trustee benchmarks LGIM's charges against comparable alternatives and has negotiated with LGIM accordingly. It regards this process as fundamental to its mission of helping members achieve good outcomes, given the potential for investment-related charges to erode members' fund sizes. At the same time, the Trustee does not regard value as solely about achieving the lowest costs - rather, it is a measure of the extent to which economic outlays (or 'price') are converted to provide the performance targets (or 'performance') for members that the Trustee seeks to achieve.

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DC Governance Statement (continued)

3. Charges and transaction costs within the Scheme (continued)

Standard Life AVC funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Managed	0.67*	0.138

**Includes a 0.35% p.a. discount*

Members also received further discounts from Standard Life based on the following fund value structure for the managed fund:

Fund Value Threshold (£)	Rate (% p.a.)
0	0.00
10,000	0.10
20,000	0.20

Members also have investments in With Profits funds with Standard Life via the AVC section. The actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of 'smoothing'. Payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified.

With-Profits Funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Millennium (With Profits) Fund	N/A	0.182
With Profits Fund	N/A	0.101

Source: Standard Life, as at 30 September 2021

Utmost AVC Fund

Utmost Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Money Market Fund	0.50	0.000

Source: Utmost Life & Pensions, as at 30 September 2021

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DC Governance Statement (continued)

3. Charges and transaction costs within the Scheme (continued)

Reporting of Costs and Charges

Using the charges and transaction cost data provided by LGIM and Standard Life Investments, and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustee has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.

The below illustration has taken into account the following elements:

- Savings pot size;
- Contributions;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

Due to the diverse Scheme demographics, the Trustee has presented two sets of illustrations to represent the members in the PSP and EPP. For the first set, the Trustee has based this on the youngest member at age 19, using a starting pot size of £17,500 and £1,000. These figures are based on the median pension size of the youngest 10% of memberships in PSP and EPP respectively. It is also assumed that members contribute £4,500 and £1,000 annually for PSP and EPP respectively. These values are based on the median pension contribution of the youngest 10% of the memberships in the respective sections. These contribution amounts translate to an equivalent salary of £30,000 per year for PSP member at 15% pension contribution rate, and £13,306 per year for EPP member at 8% pension contribution rate.

The second set is based on a “typical member” in both the PSP and EPP arrangements, starting from age 40 based on the average age of the PSP and EPP members collectively, with a starting pot size of £56,000 and £8,000 respectively. These figures are based on the average pension size of the respective membership group. It is also assumed that members contribute £8,000 and £1,500 annually for PSP and EPP respectively. These values are based on the average pension contribution of the youngest 10% of the memberships in the respective sections. These contribution amounts translate to an equivalent salary of c.£52,900 per year for PSP member at 15% pension contribution rate, and c.£16,800 per year for EPP member at 8% pension contribution rate.

Other than the illustration of the most popular fund/arrangement (in this case the default arrangements), the illustration also should show a representative range of assumed investment returns and charges (in respect of both DC and AVC investments), including:

i) lowest charge, ii) highest charge, iii) lowest assumed level of growth, and iv) highest assumed level of growth.

With exception of the default strategies, we have used the member assumptions of the EPP section for the “youngest” and “typical” member to prepare the illustrations, as the EPP population represents the majority of the DC Scheme membership.

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DC Governance Statement (continued)

3. Charges and transaction costs within the Scheme (continued)

Youngest Member:

Year End	Age	PSP 2001 Default Arrangement		EPP Default Arrangement		Most Expensive - LGIM Property Fund		Cheapest & Lowest Return - LGIM Sterling Liquidity Fund		Highest Return - LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged)	
		No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
0	19	17,500	17,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
1	20	22,542	22,501	2,554	2,550	2,534	2,512	2,466	2,462	2,560	2,555
6	25	49,928	49,515	8,280	8,219	7,983	7,703	7,047	7,011	8,361	8,305
11	30	81,326	80,206	14,845	14,660	13,926	13,119	11,240	11,147	15,101	14,931
16	35	117,323	115,075	22,372	21,978	20,408	18,771	15,080	14,910	22,932	22,567
21	40	158,595	154,692	31,001	30,293	27,477	24,669	18,595	18,333	32,029	31,365
26	45	205,913	199,702	40,895	39,739	35,186	30,823	21,813	21,446	42,597	41,504
36	55	322,362	308,941	65,243	62,665	52,764	43,945	27,456	26,853	69,140	66,650
46	65	398,836	377,945	80,634	76,631	73,671	58,233	32,187	31,326	104,964	100,042

Typical Member:

Year End	Age	PSP 2001 Default Arrangement		EPP Default Arrangement		Most Expensive - LGIM Property Fund		Cheapest & Lowest Return - LGIM Sterling Liquidity Fund		Highest Return - LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged)	
		No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
0	40	56,000	56,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
1	41	65,654	65,534	9,741	9,723	9,652	9,567	9,348	9,336	9,764	9,748
5	45	107,019	106,202	17,200	17,073	16,554	15,970	14,508	14,433	17,375	17,260
10	50	165,512	163,239	27,747	27,380	25,883	24,287	20,466	20,284	28,268	27,930
15	55	232,575	228,040	39,840	39,091	36,058	32,965	25,920	25,606	40,921	40,226
20	60	300,493	292,946	52,152	50,886	47,155	42,021	30,914	30,446	55,622	54,395
25	65	335,626	325,662	58,103	56,459	59,257	51,470	35,486	34,849	72,701	70,723

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DC Governance Statement (continued)

3. Charges and transaction costs within the Scheme (continued)

Notes:

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The transaction costs are an average of the years for which data is available (up to three years).
3. Values are estimates and are not guaranteed.
4. The projected growth rates use the same underlying SMPI assumptions plus any transaction costs.
5. The projected growth rate (SMPI only) for each fund are as follows:
   i. PSP and EPP Default Fund: 2.77% p.a. before de-risking to -1.26% p.a. and -1.75% p.a. respectively at the end of de-risking phase, gross expected real return above inflation
   ii. Most Expensive – LGIM Property Fund: 1.75% p.a. gross expected real return above inflation
   iii. Highest Return – LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged): 3.00% p.a. gross expected real return above inflation
   iv. Cheapest & Lowest Return – LGIM Sterling liquidity: -1.75% p.a. gross expected real return above inflation.
6. The Transaction Costs relate to the actual transaction costs incurred in the Scheme year. Negative transaction costs are assumed 0% as a prudent measure.

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DC Governance Statement (continued)

4. Value for Members' considerations

The Trustee is committed to ensuring that members receive good value in respect of the DC and AVC arrangements in place within the Scheme. In conjunction with their professional advisors, they undertook a value for members assessment, in accordance with regulation 25(1)(b). The assessment was presented to the Trustee at the 25 March 2022 meeting, covering the period 1 October 2020 to 30 September 2021.

There is no legal definition of "good value", so the process of determining good value is a subjective one. Therefore, the Trustee assessment examines the current investment management charges relative to fees charged on DC investment platforms, Mercer Manager Research Ratings and historical performance. The review concluded that the Scheme's overall DC benefits and options represent **good value for money** in comparison to the costs payable by members. The reasons underpinning this conclusion include:

- Charges for the Scheme's funds used by the default investment arrangements are significantly below the charge cap of 0.75% per annum.
- Charges for the majority of funds have been assessed as comparing favourably with those of peer funds.
- The funds used by the Scheme are generally highly rated by its investment advisors as having good prospects of achieving their risk and return objectives.
- The performance of the majority of the Scheme's funds over the 3 years to 30 September 2021 compare favourably relative to the performance benchmarks set by the Trustee.
- The LGIM Property Fund has a charge higher than its peers and has underperformed over the 3 year period to 30 September 2021. The Trustee will continue to monitor the performance of the fund going forwards.

Additionally, the Company pays for all administration, member communication and advisory costs associated with operating the Scheme. The Trustee has appointed a specialist pensions communication agency to help it develop a communications strategy.

As mentioned previously some members also have AVC assets in funds managed by Standard Life. The 2021 assessment concluded that the Standard Life Managed Fund provided reasonable value for money when taking into account the Scheme discount, with the charges paid by members being below the charge cap.

Assessing the value for money of a with-profits fund is directly related to an individual's attitude towards, and capacity for, investment risk. An individual may find comfort in the fact that a with-profits fund provides guarantees; whether that is a guaranteed pension, investment return or "just" capital security. Therefore, we consider it inappropriate to reach a general conclusion on value for money from the With-Profits Funds, as this will vary by member.

The Pensions Regulator expects trustees to have an understanding of the types and levels of transaction costs that are incurred by different investments and include them in a Value for Members' assessment. However, no assessment of value in relation to transaction costs has been undertaken at this time, due to the absence of wider market data that would enable appropriate comparative assessment. The Trustee intends to build transaction costs into future Value for Member assessments when this data is available.

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DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU)

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

The Trustee board is currently comprised of three Trustee Directors, with two being member-nominated, and one being an Independent Trustee. There are three vacancies available for the Employer to appoint additional Trustee Directors if so desired at any stage.

The Independent Trustee, Hugh Nolan (representing Dalriada Trustees Limited) has over 30 years of experience in the pensions industry. In addition to his Scheme conversance (as detailed below), he is also a qualified actuary and has held senior roles at several pension consultancies. The board benefits from the range of his depth and experience in the pensions arena which enables him to challenge the Trustee's advisors.

The Trustee Directors must also be conversant with the Scheme's own documentation. These are described in legislation as the Trustee Memorandum and Articles of Association, Trust Deed and Rules, Statement of Investment Principles. The Trustee Directors must also be conversant with any other document recording current policy relating to the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee is able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee.

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DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

This requirement has been met during the course of the Scheme year as the Trustee Directors have undertaken ongoing training, both as a group and individually to keep abreast of relevant developments. During the year, the Trustee completed the following:

Requirement	How met
Trustees must have sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational pension schemes	The Trustee Directors consider their annual training plan on a quarterly basis at each meeting, which includes specific consideration of whether any further training is required in respect of these statutory areas. In addition, the Trustee Directors receive updates from their advisors at regular Trustee meetings and throughout the year to keep abreast of recent developments in these areas. They are also required to complete the Pension Regulator's Trustee Tool Kit and any new/revised relevant modules released. At each of their meetings, the Trustee Directors consider a report that summarises forthcoming changes to regulations, their potential impact on the Scheme and the actions that are required to ensure compliance. The Trustee view these regular and ongoing training opportunities as an essential part of expanding their combined knowledge to exercise their functions as Trustee of the Scheme. During the Scheme Year the Trustee Directors undertook ongoing training both as a group within the regular meetings and individually including: - Considered the Scheme's investment strategy including the investment process and potential members' outcomes. - Briefings on forthcoming changes to Pensions law and their possible impact on the Scheme, for example ESG requirements and financial considerations for Statement of Investment Principles. - General AVC governance requirement and scheme specific focus on the Standard Life Managed Fund. - Publication of Scheme documents on a publicly accessible website and illustration of costs and charges. - Regular training of the investment principles and philosophy from investment managers.

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DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

Requirement	How met
Trustees must have a working knowledge of the Scheme's own documentation including the Trust Deed and Rules, the current Statement of Investment Principles and of all documents setting out the trustees' current policies	The Trustee Directors undertake an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents, further details are outlined in the last section of the table. The Trustee Directors have access to all key Scheme documentation and as part of their gap analysis. The Trustee's lawyers have just produced a consolidated working copy of the governing documentation to allow easier reference to the current position. During the Scheme Year the Trustee Directors: - Reviewed the DB Section of the Scheme's Statement of Investment Principles (SIP) in September 2021 and updated it in light of the annuity policy purchased with Rothesay Life. - The Trustee has prepared an Implementation Statement in light of the regulatory requirements to include in the latest Annual Trustee Report and Accounts. - As per the Business Plan the Trustee reviewed the Scheme documents incrementally on a quarterly basis. - Reviewed the Chair's Statement layout and considered publication of corresponding Scheme documents. - Exercised their discretion regarding member cases, liaising with their lawyers and referring to Scheme Trust Deed and Rules as appropriate.

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DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

Requirement	How met
Knowledge and resources generally	The Trustee Board comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that its governance must address. The Trustee's pension advisors attend each of their quarterly meetings and input into the agenda. They also help the Trustee prepare its annual business plan. The Trustee's investment advisor reports quarterly on the performance of the Scheme's investments and on their views regarding the Scheme's funds and their managers. The Trustee regularly receive email bulletins and quarterly updates from its advisors including the latest developments affecting money purchase benefits and industry trends, as a mean to upkeep the Trustee's regulatory knowledge and understanding. The Trustee believes that their combined knowledge and understanding, together with the available advice, enables them to properly exercise their function.

The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Trustee Directors, enables them to properly exercise their duties and responsibilities.

As part of the evaluation of the performance and effectiveness of the board as a whole, all of the Trustee Directors in office during the period have completed the Pension Regulator's Trustee Toolkit. New Trustee Directors are required to complete the toolkit within six months of their appointment.

Taking into account the various reviews and actions carried out by the trustee body, and the professional advice available to them, the Trustee Board consider they are properly enabled to exercise their function as Trustee of the Scheme.

The Trustee will also, on an ongoing basis, review and assess whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13.

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DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

Chair's declaration

I confirm that the above statement has been produced by William Hill Trustee Limited.

Signature: Hugh Nolan _____

Hugh Nolan
for Dalriada Trustees Limited
Chair of William Hill Trustee Limited
Trustee of the William Hill Pension Scheme

Date: 29/4/2022

Appendix

III. Statement of Investment Principles

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Actuary's Certification of the Schedule of Contributions

CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS

Name of the Scheme	William Hill Pension Scheme

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 continue to be met for the period for which the schedule is to be in force.

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 September 2020.

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

Signature	
Name	A R Cook
Date of signing	30 September 2020
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of employer	Mercer Limited
Address	One Christchurch Way, Woking, Surrey GU216JG

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Independent Auditor's Statement about Contributions to the Trustee of William Hill Pension Scheme

We have examined the summary of contributions to the William Hill Pension Scheme (the 'Scheme') for the scheme year ended 30 September 2021 which is set out in the Trustee's report on page 48.

In our opinion, contributions for the Scheme year ended 30 September 2021 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme actuary on 30 September 2020.

Scope of work on statement about contributions

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

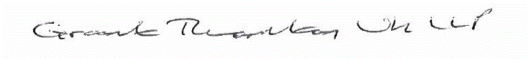
Respective responsibilities of trustee and the auditor

As explained more fully in the statement of trustee's responsibilities set out on page 47, the Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

Use of our statement

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



Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

Date: 29/4/2022

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Independent Auditor's Report to the Trustee of William Hill Pension Scheme

Opinion

We have audited the financial statements of the William Hill Pension Scheme (the 'Scheme') for the year ended 30 September 2021, which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 September 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Scheme including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

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Independent Auditor's Report to the Trustee of William Hill Pension Scheme (continued)

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

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

The responsibilities of the Trustee with respect to going concern are described in the 'Responsibilities of the Trustee for the financial statements' section of this report.

Other information

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

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 the Trustee for the financial statements

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

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Trustee of William Hill Pension Scheme (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the scheme and determined that the most significant are the Pensions Acts 1995 and 2004 and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP"). In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Scheme operates.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee.

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Independent Auditor's Report to the Trustee of William Hill Pension Scheme (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the susceptibility of the Scheme's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to the risk of management override of controls through posting inappropriate journal entries to manipulate net assets and potential bias in the choice of assumptions used and judgements made in the inputs to the valuation of the insurance policies. Our audit procedures included:
  - Evaluation of the design effectiveness of controls that the Trustee has in place to prevent and detect fraud
  - Journal entry testing, with a focus on large journals and those journals with unusual account combinations or posted to suspense accounts
  - Use of our internal experts to challenge the reasonableness of the insurance policy valuations at the year end produced by the Trustee's valuation experts
  - Obtaining independent confirmations of material investment valuations and cash balances at the year end

  In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

  These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of schemes of a similar size and complexity, appropriate to their role within the team. The engagement team are required to complete mandatory pensions sector training on an annual basis, thus ensuring they have sufficient knowledge and of the sector the underlying applicable legislation and related guidance.

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Independent Auditor's Report to the Trustee of William Hill Pension Scheme (continued)

Use of our report

This report is made solely to the Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

Date: 29/4/2022

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Fund Account for the Year Ended 30 September 2021

		Defined Benefit Section 2021 £'000	Defined Contribution Section 2021 £'000	Total 2021 £'000	Total 2020 £'000
Contributions and Benefits					
Employer Contributions		**10,500**	**7,768**	**18,268**	13,330
Employee Contributions		**-**	**6,228**	**6,228**	6,423
Total Contributions	6	**10,500**	**13,996**	**24,496**	19,753
Transfers In	7	**-**	**244**	**244**	126
Other Income	8	**355**	**993**	**1,348**	1,353
		10,855	**15,233**	**26,088**	21,232
Benefits Paid or Payable	9	**(13,464)**	**(4,285)**	**(17,749)**	(16,935)
Payments to and on Account of Leavers	10	**(4,901)**	**(6,159)**	**(11,060)**	(7,565)
Administrative Expenses	11	**(1,807)**	**-**	**(1,807)**	(1,781)
Other Payments	12	**(946)**	**-**	**(946)**	(1,127)
		(21,118)	**(10,444)**	**(31,562)**	(27,408)
Net (Withdrawals)/Additions from Dealings with Members		**(10,263)**	**4,789**	**(5,474)**	(6,176)
Returns on Investments					
Investment Income	13	**9,035**	**-**	**9,035**	6,768
Change in Market Value of Investments	14	**(60,356)**	**34,795**	**(25,561)**	2,691
Investment Management Expenses	15	**(153)**	**(263)**	**(416)**	(648)
Net Returns on Investments		**(51,474)**	**34,532**	**(16,942)**	8,811
Net (Decrease)/Increase in the Fund During the Year		**(61,737)**	**39,321**	**(22,416)**	2,635
Transfer Between Sections		**29**	**(29)**	**-**	-
Net Assets of the Scheme at Start of Year		**472,199**	**192,140**	**664,339**	661,704
Net Assets of the Scheme at End of Year		**410,491**	**231,432**	**641,923**	664,339

The accompanying notes on pages 79 to 105 are an integral part of these financial statements.

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Statement of Net Assets available for Benefits

As at 30 September 2021

	Note	Defined Benefit Section 2021 £'000	Defined Contribution Section 2021 £'000	Total 2021 £'000	Total 2020 £'000
Investment Assets:					
Pooled Investment Vehicles	16	**482**	**228,927**	**229,409**	491,694
Insurance Policies	17	**407,000**	**-**	**407,000**	170,000
AVC Investments	18	**384**	**-**	**384**	483
Total Investments		**407,866**	**228,927**	**636,793**	662,177
Current Assets	22	**4,237**	**2,760**	**6,997**	3,662
Current Liabilities	23	**(1,612)**	**(255)**	**(1,867)**	(1,500)
Total Net Assets of the Scheme available for Benefits		**410,491**	**231,432**	**641,923**	664,339

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on pages 45 and 46 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 79 to 105 form an integral part of these financial statements.

These financial statements were approved by the Trustee:

Date: 29/4/2022	For and on behalf of William Hill Trustee Limited
Date: 29/4/2022	

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Notes to the Financial Statements

1. General Information

The Scheme commenced on 1 October 1990 and is a Hybrid Scheme.

There is one defined benefit (DB) section, the Retirement Plan, and two defined contribution (DC) sections, the Pension Savings Plan and Employee Pension Plan.

The Retirement Plan section of the Scheme is closed to future accrual. The Pension Savings Plan is closed to new entrants other than for discretionary entrants permitted by the Employer.

The Employee Pension Plan was set up on 1 March 2013 specifically in response to the Government's automatic enrolment pension legislation.

The Scheme is registered for tax purposes in accordance with the Finance Act 2004.

2. Basis of Preparation

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

During the global pandemic and consequent public health restrictions, the Trustee worked with its advisers, administrator and Principal Employer to assess the impact of COVID-19 on the Scheme and, in particular, its investments, day-to-day administration and employer covenant. It will continue to do so as governments in the UK and other countries release plans for removing the remaining legal restrictions. There is no expectation that the Scheme will not remain a going concern for the 12 months subsequent to the signing of these financial statements. Therefore, the financial statements have been prepared on a going concern basis.

3. Identification of the financial statements

The Scheme is established as a trust under English Law. The registered address of the Scheme is at 1 Bedford Avenue, London, United Kingdom, WC1B 3AU.

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Notes to the Financial Statements

4. Accounting Policies

The principal accounting policies of the Scheme are set out below. Unless otherwise stated, they have been applied consistently year on year.

i. Employers' normal contributions are accounted for by the Trustee in the period to which they relate and as the amounts receivable in accordance with the Schedule of Contributions in force during the year.

ii. Employees' contributions, including AVCs, are accounted for by the Trustee as amounts receivable on wages and salaries paid in the year, except for the first contribution due where the employee has been auto-enrolled by the Employer in which case it is accounted for when received by the Scheme, or the expiry of the opt out period if earlier.

iii. Employers' deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions and Recovery Plan, or on receipt if earlier.

iv. Employers' other contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions and Recovery Plan, or on receipt if earlier.

v. Employer augmentation contributions are accounted for in accordance with the agreement under which they are payable or, in the absence of an agreement, on a receipts basis.

vi. Income from cash and short term deposits is accounted for on an accruals basis.

vii. Pensions in payment are accounted for in the period to which they relate.

viii. Benefits, and any associated taxation, are accounted for in the period in which the member notifies the Trustee of his or her decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

ix. Opt-outs are accounted for when the Scheme is notified of the opt-out.

x. Income Drawdown is accounted for in the period to which it relates.

xi. Administration Expenses are accounted for on an accruals basis.

xii. Investment management expenses are accounted for on an accruals basis.

xiii. Tax is accounted for in the period to which it relates.

xiv. Transfer payments relate to those early leavers whose transfers have been agreed by the Trustee, and they are included in the financial statements on the basis of sums received or paid during the year. All transfers have been calculated and verified as required by Regulations under the Pension Schemes Act 1993. Cash equivalents paid were not reduced below the actuarially calculated values.

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Notes to the Financial Statements

4. Accounting Policies (continued)

xv. 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. 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 the sales of investments during the year.

Investments purchased in Employee Pension Plan and the Pension Savings Plan 2001 are allocated to provide benefits to the individuals in respect of whom the corresponding contributions were paid. Accordingly, the assets identified as designated to members in the net assets statement do not form a common pool of assets available for members generally. Members each receive an annual statement confirming the contributions paid in respect of them and the value of their money purchase rights.

xvi. Additional Voluntary Contributions (AVCs)

Members are allowed to make AVCs under the terms of the Scheme rules to purchase additional benefits over and above normal scheme entitlement.

The Trustee holds assets invested separately from the main fund in the form of unitised investments with Standard Life and Legal & General that are stated at values as advised by the investment manager.

Members participating in this arrangement each receive an annual statement confirming the amounts held to their account and the movements in the year. Investments purchased with AVC monies are included with those of the main fund and disclosed separately.

xvii. Insurance Policies have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

xviii. Insurance Policies Receipts: Receipts from Insurance policies are reported when received from the provider and are included within investment income.

xix. Presentation Currency: The Scheme's functional and presentation currency is pounds Sterling.

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Notes to the Financial Statements

5. Comparative disclosures for the Fund Account and Statement of Net Assets

Fund Account for the Year Ended 30 September 2020

		Defined Benefit Section 2020 £'000	Defined Contribution Section 2020 £'000	Total 2020 £'000
Contributions and Benefits				
Employer Contributions		**5,121**	**8,209**	**13,330**
Employee Contributions		**-**	**6,423**	**6,423**
Total Contributions	6	**5,121**	**14,632**	**19,753**
Transfers In	7	**-**	**126**	**126**
Other Income	8	**489**	**864**	**1,353**
		5,610	**15,622**	**21,232**
Benefits Paid or Payable	9	**(12,961)**	**(3,974)**	**(16,935)**
Payment to and on Account of Leavers	10	**(3,847)**	**(3,718)**	**(7,565)**
Administrative Expenses	11	**(1,781)**	**-**	**(1,781)**
Other Payments	12	**(1,127)**	**-**	**(1,127)**
		(19,716)	**(7,692)**	**(27,408)**
Net (Withdrawals)/Additions from Dealings with Members		**(14,106)**	**7,930**	**(6,176)**
Returns on Investments				
Investment Income	13	**6,767**	**1**	**6,768**
Change in Market Value of Investments	14	**3,171**	**(480)**	**2,691**
Investment Management Expenses	15	**(236)**	**(412)**	**(648)**
Net Returns on Investments		**9,702**	**(891)**	**8,811**
Net (Decrease)/Increase in the Fund During the Year		**(4,404)**	**7,039**	**2,635**
Transfer Between Sections		**2**	**(2)**	**-**
Net Assets of the Scheme at Start of Year		**476,601**	**185,103**	**661,704**
Net Assets of the Scheme at End of Year		**472,199**	**192,140**	**664,339**

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Notes to the Financial Statements

5. Comparative disclosures for the Fund Account and Statement of Net Assets

Statement of Net Assets available for Benefits

As at 30 September 2020

	Note	Defined Benefit Section 2020 £'000	Defined Contribution Section 2020 £'000	Total 2020 £'000
Investment Assets:				
Pooled Investment Vehicles	16	**301,861**	**189,833**	**491,694**
Insurance Policies	17	**170,000**	**-**	**170,000**
AVC Investments	18	**483**	**-**	**483**
Total Net Investments		**472,344**	**189,833**	**662,177**
Current Assets	22	**1,042**	**2,620**	**3,662**
Current Liabilities	23	**(1,187)**	**(313)**	**(1,500)**
Total Net Assets of the Scheme available for Benefits		**472,199**	**192,140**	**664,339**

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Notes to the Financial Statements

6. Contributions

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Employer Contributions			
Normal Contributions*	**-**	**7,746**	**7,746**
Additional Contributions**	**8,600**	**-**	**8,600**
Administration Expense Contributions	**1,900**	**-**	**1,900**
Other Contributions		**22**	**22**
	10,500	**7,768**	**18,268**
Employee Contributions			
Normal Contributions*	**-**	**5,529**	**5,529**
Additional Voluntary Contributions	**-**	**699**	**699**
	-	**6,228**	**6,228**
	10,500	**13,996**	**24,496**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Employer Contributions			
Normal Contributions*	-	8,185	8,185
Deficit Funding Contributions	2,918	-	2,918
Administration Expense Contributions	1,900	-	1,900
Other Contributions	-	24	24
Augmentation Contributions	303	-	303
	5,121	8,209	13,330
Employee Contributions			
Normal Contributions*	-	5,793	5,793
Additional Voluntary Contributions	-	630	630
	-	6,423	6,423
	5,121	14,632	19,753

* Contributions received from Members and participating employers were in accordance with the Schedule of Contributions.

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Notes to the Financial Statements

6. Contributions (continued)

** Employers' other contributions are payable at £158,333 per month until 31 October 2025 to cover administration and other costs (including the levy payable to the Pension Protection Fund).

The Employer has also paid £22,000 (2020: £24,000) to cover any errors and omissions in respect of Defined Contribution Section contributions.

The Employer also paid augmentation contributions of £Nil (2020: £303,000).

During the year the Employer made an additional contribution to the Defined Benefit Section of £8.6m in respect of the purchase of an insurance policy to secure benefits for DB Section pensioners.

7. Transfers In

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Individual Transfers In	**-**	**244**	**244**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Individual Transfers In	**-**	126	126

8. Other Income

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Group Life Claims	**355**	**992**	**1,347**
Compensation	**-**	**1**	**1**
	355	**993**	**1,348**

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Notes to the Financial Statements

8. Other Income (continued)

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Group Life Claims	489	863	1,352
Compensation	-	1	1
	489	864	1,353

9. Benefits Paid or Payable

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Pensions Paid	**11,276**	**-**	**11,276**
Commuted Benefits	**1,864**	**2,612**	**4,476**
Annuities Purchased	**-**	**670**	**670**
Payments on Death of Members	**324**	**1,003**	**1,327**
	13,464	**4,285**	**17,749**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Pensions Paid	10,860	-	10,860
Commuted Benefits	1,861	1,955	3,816
Annuities Purchased	19	778	797
Payments on Death of Members	221	1,241	1,462
	12,961	3,974	16,935

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Notes to the Financial Statements

10. Payments to and on Account of Leavers

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Transfers to Other Arrangements	**4,901**	**6,080**	**10,981**
Refunds to Members	**-**	**79**	**79**
	4,901	**6,159**	**11,060**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Transfers to Other Arrangements	3,847	3,677	7,524
Refunds to Members	-	41	41
	3,847	3,718	7,565

11. Administrative Expenses

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Administration	**594**	**-**	**594**
Legal and Consultancy	**1,046**	**-**	**1,046**
Audit Fees	**28**	**-**	**28**
Trustee Fees (note 27)	**96**	**-**	**96**
Sundries	**15**	**-**	**15**
Pensions Regulator Levy	**20**	**-**	**20**
PPF Levy	**8**	**-**	**8**
	1,807	**-**	**1,807**

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Notes to the Financial Statements

11. Administrative Expenses (continued)

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Administration	611	-	611
Legal and Consultancy	1,013	-	1,013
Audit Fees	28	-	28
Trustee Fees (note 27)	87	-	87
Sundries	21	-	21
Pensions Regulator Levy	13	-	13
PPF Levy	8	-	8
	1,781	-	1,781

12. Other Payments

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Death in Service Insurance Premiums	**946**	**-**	**946**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Death in Service Insurance Premiums	1,127	-	1,127

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Notes to the Financial Statements

13. Investment Income

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Annuity Income	**9,035**	**-**	**9,035**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Annuity Income	6,765	-	6,765
Interest on Cash Deposits	2	1	3
	6,767	1	6,768

14. Reconciliation of Investments held at the Beginning and End of the year

Defined Benefit Section

	Value at 1 October 2020 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 30 September 2021 £'000
Pooled Investment Vehicles	301,861	**410,506**	**(711,567)**	**(318)**	**482**
Insurance Policies	170,000	**297,090**	**-**	**(60,090)**	**407,000**
Additional Voluntary Contributions	483	**5**	**(156)**	**52**	**384**
	472,344	**707,601**	**(711,723)**	**(60,356)**	**407,866**

Purchases and Sales above include in-specie transfers between funds within Policies held with LGIM. Cash Policy switches between LGIM funds are included gross within Purchases and Sales.

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Notes to the Financial Statements

14. Reconciliation of Investments held at the Beginning and End of the year

Defined Contribution Section

	Value at 1 October 2020 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 30 September 2021 £'000
Pooled Investment Vehicles	189,833	**21,755**	**(17,456)**	**34,795**	**228,927**

Purchases and Sales above include in-specie transfers between funds within Policies held with LGIM.

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

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.

Within the Defined Contribution section, there are unallocated units of £642,529 (2020: £455,376).

All of the Scheme's investments are managed by companies registered in the United Kingdom.

Transaction costs

Transaction costs comprising fees, commissions, stamp and other duties are included in the cost of purchases and sale proceeds. Direct transaction costs incurred during the year amounted to £Nil (2020: £NIL). Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. Indirect transaction costs are not separately provided.

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15. Investment Management Expenses

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Managed Fund Units Policy Charges	**153**	**263**	**416**

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Managed Fund Units Policy Charges	236	412	648

16. Pooled Investment Vehicles

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

	2021 £'000	2020 £'000
Defined Benefit Section		
Equities	**457**	371
Bonds	**-**	53,322
Index Linked	**-**	71,468
Cash	**25**	35,233
Diversified Debt Assets	**-**	77,963
Multi Asset	**-**	63,504
	482	301,861

	2021 £'000	2020 £'000
Defined Contribution Section		
Equities	**115,746**	93,388
Index Linked	**13,797**	12,824
Property	**839**	900
Cash	**3,084**	2,566
Diversified fund	**95,461**	80,155
	228,927	189,833

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Notes to the Financial Statements

17. Insurance Policies

The Trustee holds assets invested in Just Retirement and Rothesay Life as a result of a bulk buy in on 1 May 2018 and 1 July 2021, to secure benefits for The Defined Benefit Section members. The investment in Rothesay Life was funded by redeeming all assets held with CQS, M&G and the majority of the DB assets held with L&G. During the year to 30 September 2021, the Defined Benefit Section received funding each month from the policy provider to cover 100% of Pensioner Payroll. This percentage was previously 63% until the completion of a data cleanse exercise in October 2020. The values of the policies are as follows:

	2021 £'000	**2020 £'000**
Just Retirement	**155,000**	170,000
Rothesay Life	**252,000**	-
	407,000	170,000

18. AVC Investments

The Trustee holds assets invested separately from the main Defined Benefit Section investments to secure additional benefits on a money purchase basis for those Defined Benefit Section members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to 5 April 2021 confirming the amounts held in their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	2021 £'000	**2020 £'000**
Standard Life Unitised Insured Investments	**94**	150
Utmost Life and Pension	**2**	2
Legal and General Managed Fund	**288**	331
	384	483

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Notes to the Financial Statements

19. Fair Value Determination

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

As at 30 September 2021	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Defined Benefit Section				
Pooled Investment Vehicles	**-**	**482**	**-**	**482**
Insurance Policies	**-**	**-**	**407,000**	**407,000**
AVC Investments	**-**	**384**	**-**	**384**
	-	**866**	**407,000**	**407,866**
Defined Contribution Section				
Pooled Investment Vehicles	**-**	**228,927**	**-**	**228,927**

As at 30 September 2020	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Defined Benefit Section				
Pooled Investment Vehicles	-	238,357	63,504	301,861
Insurance Policies	-	-	170,000	170,000
AVC Investments	-	483	-	483
	-	238,840	233,504	472,344
Defined Contribution Section				
Pooled Investment Vehicles	-	189,833	-	189,833

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted, and the vehicles are included in level 3 as appropriate.

AVC investments are unit linked insurance funds, therefore are included in Level 2.

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20. Investment Risk Disclosures

Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Scheme is exposed at the end of the reporting period. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

The Trustee is responsible for determining the Scheme's investment strategy. The Trustee has set the investment strategy for the Scheme after taking appropriate advice. Subject to complying with the agreed strategy, the day-to-day management of the asset portfolio of the Scheme, including the full discretion for stock selection, is the responsibility of the investment managers.

The Scheme has exposure to the above risks because of the investments it makes to implement its investment strategy. The Trustee manages its investment risks within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. The investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee through regular reviews of the investment portfolios. The investment and risk objectives of the Scheme are further detailed in the Statement of Investment Principles ("SIP").

Further information on the Trustee's approach to risk management and exposures to credit and market risk is set out below. The Scheme's investments as at 30 September 2020 and 30 September 2021 for the DB Section , DC Section and AVCs are detailed in note 18.

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Notes to the Financial Statements

20. Investment Risk Disclosures (continued)

Defined Benefit Investments

The Trustee has adopted the following investment strategy for the DB section assets and has been effective since 28 June 2021:

Portfolio	Benchmark Weight	Description
Bulk Annuities	100.0%	Buy-in contracts under which the insurers are obligated to make payments to the Trustee to meet the Scheme's liabilities.

The Trustee holds buy-in contracts with JUST and Rothesay which were purchased in May 2018 and June 2021 respectively. Together the contracts cover all liabilities in the DB section. The longevity and investment risk associated with the liabilities has therefore been transferred to the insurers.

In addition to the above, there is a residual cash balance held in the Trustee Bank Account in order to meet expenses.

Up until June 2021, the DB Section accessed matching funds by contracting directly with Legal & General Assurance (Pensions Management) Limited ("Legal & General") and invested in pooled funds that are structured as unit-linked insurance contracts managed by Legal & General Investment Management ("LGIM"). The DB Section accessed the growth Multi-Asset Credit funds by contracting directly with CQS Global Funds (Ireland) p.l.c. ("CQS") and M&G Investment ("M&G") and invested in pooled funds that are structured as Qualified Investor Funds ("QIFs"). All funds were fully disinvested over the course of the year in order to purchase the buy-in contact with Rothesay.

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20. Investment Risk Disclosures (continued)

Defined Benefit Investments (continued)

Market risk

The following table shows the indirect market risks which affected each of the DB Section's pooled fund investments as at 30 September 2021:

Fund	Indirect Market Risk				2020 (£m)	2021 (£m)
	Credit	Currency	Interest rate	Other price		
M&G Total Return Credit Investment Fund	✓	✓	✓	✓	**63.5**	-
CQS Credit Multi Asset Fund	✓	✓	✓	✓	**78.0**	-
LDI					**124.8**	-
2038 Leveraged Gilt Fund	✓		✓		*4.2*	-
2045 Leveraged Gilt Fund	✓		✓		*5.1*	-
2049 Leveraged Gilt Fund	✓		✓		*3.4*	-
2055 Leveraged Gilt Fund	✓		✓		*7.3*	-
2060 Leveraged Gilt Fund	✓		✓		*3.4*	-
2068 Leveraged Gilt Fund	✓		✓		*3.9*	-
Active Corporate Bond - All Stocks – Fund	✓		✓		*26.0*	-
2024 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*5.4*	-
2030 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*10.5*	-
2034 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*6.4*	-
2040 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*6.9*	-
2042 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*5.4*	-
2047 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*14.3*	-
2050 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*0.6*	-
2055 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*12.6*	-
2062 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*7.4*	-
2068 Leveraged Index-Linked Gilt Fund	✓		✓	✓	*2.0*	-
LDI Cash	✓		✓		**35.2**	-
Total	✓	✓	✓	✓	**301.5**	-

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Notes to the Financial Statements

20. Investment Risk Disclosures (continued)

Defined Benefit Investments (continued)

Inflation risk

The Trustee holds buy-in contracts with JUST and Rothesay, together the contracts cover all liabilities in the DB section. The inflation risk associated with the liabilities has been transferred to the insurers..

Longevity risk

The Trustee holds buy-in contracts with JUST and Rothesay, together the contracts cover all liabilities in the DB section. The longevity risk associated with the liabilities has been transferred to the insurers.

Failure of the bulk-annuity provider (counterparty risk):

The risk that, between now and the completion of the buy-out, JUST or Rothesay may default on their obligations under the buy-in contracts. To mitigate this risk, before entering into the buy-in contracts the Trustee took appropriate advice and paid close attention to the financial strength, security and operational soundness of the chosen annuity providers at the point of purchase.

Illiquidity

The Trustee does not expect to be able to obtain cash from the buy-in policies other than to meet promised benefits as agreed with the provider. The Trustee has considered this and has set aside cash, held in the Trustee Bank Account, in order to meet expenses and other potential liquidity needs.

Credit risk

To gain exposure to certain asset classes in a cost effective way (in both monetary and governance terms), the Scheme invested in pooled investment vehicles before inception of the Rothesay buy-in contact in June 2021. Therefore, the Scheme was directly exposed to credit risk of these pooled investment vehicles. The value of assets invested in pooled funds and therefore directly exposed to credit risk as a result of this at prior year end was £301.5 m, at 30 September 2021 it was nil.

As at 30 September 2020 and until June 2021, the DB Section was subjected to indirect credit risk because it invested in pooled investment vehicles which were structured as insurance contracts, had cash balances, participated in stock lending and invested in corporate bonds. The value of assets exposed indirectly to credit risk as a result of this at 30 September 2020 was £301.5 m, as at 30 September 2021 it was nil. This value includes pooled investment vehicles that have only a partial allocation to these asset classes.

Direct credit risk arising from pooled investment vehicles was mitigated by the underlying assets of the pooled investment arrangements being ring-fenced from the pooled managers, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The DB Section was subject to direct credit risk through their long-term insurance policies with Legal & General and is subject to credit risk through the buy-ins with JUST and Rothesay. Legal & General, JUST and Rothesay are authorised by the Prudential Regulation Authority and regulated by both the Financial Conduct Authority and the Prudential Regulation Authority. In the event of default by the insurer, the DB Section may be protected by the Financial Services Compensation Scheme (“FSCS”) and may be able to make a claim for 100% of its policy value, although noting that compensation is not guaranteed and may not apply to all funds accessed via the insurer.

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Notes to the Financial Statements

20. Investment Risk Disclosures (continued)

Defined Benefit Investments (continued)

Credit Risk (continued)

A summary of the DB Section pooled investment vehicles by type of arrangement:

Investment Type	2021 (£ms)	2020 (£ms)
Unit Linked Insurance Contracts	-	160.0
Open Ended Investment Companies	-	141.8
Total	**-**	**301.8**

Source: Investment Managers and Mercer.
Figures may not sum to total due to rounding.
Valuations are based on Bid prices where available otherwise mid/single price values are used.

In respect of the Trustee approach to managing credit risk arising from the various asset classes, we note the following positions as at year end of 30 September 2020 and for part of the 2021 Scheme year:

- The credit risk from Sovereign Government bonds held directly or indirectly is considered to be minimal. These assets are primarily held for risk management purposes.
- The credit risk from corporate (investment grade) bonds held directly or indirectly is mitigated by investing in a diversified mix of (predominantly) investment grade rated bonds. These assets are held for income and return generating as well as risk management purposes, and the expected return from these assets is considered appropriate for the associated risk.
- The credit risk from corporate (sub-investment grade) and other bonds held directly or indirectly is mitigated via diversification to minimise the impact of default by any one issuer. These assets are held for return generating purposes, and the expected return from these assets is considered appropriate for the associated risk.
- OTC derivative contracts which the leverage LDI funds could use are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC swaps and/or repurchase agreements is reduced by collateral arrangements.
- The credit risk associated with direct cash balances held in the Scheme's bank account are mitigated by the use of regular sweeps and invested into a liquidity fund or other pooled funds.
- Pooled liquidity funds will invest with a diversified range of institutions, which are at least investment grade credit rated, to mitigate credit risk.

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Notes to the Financial Statements

20. Investment Risk Disclosures (continued)

DC and AVC Investments

Investment Strategy

The Trustee recognises that individual members have differing investment needs and that these may change during the course of their working lives. The Trustee also recognises that members have differing attitudes to risk.

The Trustee regards its duty as providing members with a range of investment options to enable them to tailor the investment strategy to their needs, specifically in controlling the risks inherent in their savings. In particular, the Trustee regards its duty as providing investment vehicles that aim to maximise the value of members' assets at retirement and maintain the purchasing power of members' savings.

The Trustee also aims to provide protection for members' accumulated assets in the years approaching retirement against sudden (downward) volatility in capital values and fluctuations in the (implicit and explicit) cost of retirement benefits.

The DC Section and AVCs access the funds by contracting directly with Legal & General Assurance (Pensions Management) Limited ("Legal & General"), Utmost Life and Pensions ("Utmost") and Aberdeen Standard Investments and invest in pooled funds that are structured as unit-linked insurance contracts managed by Legal & General Investment Management ("LGIM"), Utmost and Aberdeen Standard Life.

In addition, the Trustee offers three lifestyle strategies:

Annuity Lifestyle Strategy – for those planning to buy a level annuity (a fixed pension income for life) at their target retirement date. This is the default investment option for PSP members that do not make their own investment decision.

The Trustee decided to change the default investment from the lifestyle strategy targeting annuity purchase to targeting drawdown at retirement from 1 January 2022. This has impacted members invested in the Annuity Lifestyle Strategy as follows:

- Members more than 8 years from their target retirement age on 1 January 2022 will not experience any immediate change to their investments but the investments will differ as they approach retirement as their investments gradually de-risk to target drawdown in retirement.
- Members less than 8 years from their target retirement age on 1 January 2022 will not experience any change to their investments and will continue to target annuity purchase at retirement.

Cash Lifestyle Strategy - for those planning to take their DC savings as a cash lump sum. This is the default investment option for EPP members that do not make their own investment decision.

Drawdown Lifestyle Strategy - for members planning to leave their DC savings invested and withdraw income flexibly over time. Members who wish to utilise this option would have to transfer their DC savings out of the Plan at retirement.

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Notes to the Financial Statements

20. Investment Risk Disclosures (continued)

All three strategies initially invest 50% in the LGIM Global Equity Market Weights 30:70 Index – 75% GBP Currency Hedged Fund and 50% in the LGIM Diversified Fund until members reach eight years before their target retirement date when their contributions are gradually switched into the LGIM Pre-Retirement Fund and LGIM Cash Fund. The proportion of a member's fund invested in the LGIM Diversified, LGIM Pre-Retirement and LGIM Cash funds at a member's target retirement date will depend on which lifestyle strategy the member is invested in.

Day-to-day management of the assets is ultimately delegated to LGIM, Utmost and Aberdeen Standard Investments (via respective long term insurance policies). The Trustee expects LGIM, Utmost and Aberdeen Standard Investments to manage the assets delegated to them under the terms of their contracts, including the direct management of credit and market risks. LGIM, Utmost and Aberdeen Standard Investments have full discretion to buy and sell investments on behalf of the Scheme, subject to agreed constraints and applicable legislation. They have been selected for their expertise in different asset classes.

Market Risk

The DC Section and AVCs are subject to market risk arising from the underlying investments held in the various funds at 30 September 2021as summarised in the following table.

Pensions Saving Plan 2001 and Employee Pension Plan (including Transfers In)

Manager	Fund	Exposed to Indirect				2021 (£000s)	2020 (£000s)	Fair Value Hierarchy Category
		Credit	Currency	Interest Rate	Other Price			
LGIM	Global Equity Market Weights 30:70 Index– 75% GBP Currency Hedged Fund		✓		✓	97,628	78,205	2
LGIM	Diversified Fund	✓	✓	✓	✓	95,460	80,223	2
LGIM	UK Equity (5% Capped) Passive Fund				✓	8,988	7,668	2
LGIM	Overseas Equity Consensus Index Fund		✓		✓	7,387	6,402	2
LGIM	World Emerging Markets Equity Index Fund		✓		✓	1,741	1,583	2
LGIM	AAA-AA-A Corporate Bond All Stocks Index Fund	✓		✓	✓	193	188	2
LGIM	Pre-Retirement Inflation Linked Fund	✓		✓	✓	1,295	1,439	2
LGIM	Pre-Retirement Fund	✓		✓	✓	12,307	11,150	2
LGIM	Property Fund	✓		✓	✓	838	900	3
LGIM	Sterling Liquidity Fund	✓		✓	✓	3,083	2,591	2
						228,920	190,349	

Source: LGIM

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Notes to the Financial Statements

20. Investment Risk Disclosures (continued)

DC and Additional Voluntary Contributions Investments (continued)

Retirement Plan AVCs

Manager	Fund	Exposed to Indirect				2021 (£000s)	2020 (£000s)	Fair Value Hierarchy Category
		Credit	Currency	Interest Rate	Other Price			
LGIM	Global Equity Market Weights 30:70 Index– 75% GBP Currency Hedged Fund		✓		✓	-	-	2
LGIM	Diversified Fund	✓	✓	✓	✓	-	-	2
LGIM	UK Equity (5% Capped) Passive Fund				✓	131	139	2
LGIM	Overseas Equity Consensus Index Fund		✓		✓	175	98	2
LGIM	Pre-Retirement Inflation Linked Fund	✓		✓	✓	57	59	2
LGIM	Pre-Retirement Fund	✓		✓	✓	4	26	2
LGIM	Property Fund	✓		✓	✓	-	3	3
LGIM	Sterling Liquidity Fund	✓		✓	✓	6	9	2
Aberdeen Standard	Managed Fund	✓	✓	✓	✓	56	49	2
Aberdeen Standard	Millennium (With Profits) Fund	✓	✓	✓	✓	35	35	3
Aberdeen Standard	With Profits Fund	✓	✓	✓	✓	65	67	3
Utmost	Money Market Fund	✓	✓	✓	✓	2	3	2
						531	488	

Source: LGIM, Utmost, Aberdeen Standard Investments

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Notes to the Financial Statements

21. Concentration of Investments

The following investments account for more than 5% of the Scheme's net assets as at the year end:

	£'000	2021	£'000	2020
Defined Benefit Section:				
Legal & General – Cash Fund	**-**	**-**	35,208	5%
CQS – Credit Multi Asset Fund	**-**	**-**	63,504	10%
M&G – Total Return Credit Fund	**-**	**-**	77,962	12%
Just Retirement – Insured annuity policy	**155,000**	**24%**	170,000	26%
Rothesay-Insured annuity policy	**252,000**	**39%**	-	-
Defined Contribution Section:				
Legal & General – Multi Asset Diversified Fund	**95,459**	**15%**	78,126	12%
Legal & General – Global Equity Index	**97,628**	**15%**	80,155	12%

22. Current Assets

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Cash at Bank	**2,636**	**703**	**3,339**
Employers' contributions due	**158**	**638**	**796**
Employees' contributions due	**-**	**516**	**516**
Payroll Prepayment	**839**	**-**	**839**
PPF Prepayment	**4**	**-**	**4**
Amount due between sections	**-**	**874**	**874**
Annuity income due	**600**	**-**	**600**
Cash in Transit from Investment manager	**-**	**29**	**29**
	4,237	**2,760**	**6,997**

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Notes to the Financial Statements

22. Current Assets (continued)

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Cash at Bank	181	683	864
Employers' contributions due	-	652	652
Employees' contributions due	-	500	500
Payroll Prepayment	844	-	844
Pensions Regulator Prepayment	13	-	13
PPF Prepayment	4	-	4
Amounts due between sections	-	785	785
	1,042	2,620	3,662

All contributions due to the Scheme relate to the month of September and were paid in full to the Scheme within the timescale required by the Schedule of Contributions in force.

23. Current Liabilities

	2021 Defined Benefit Section £'000	2021 Defined Contribution Section £'000	2021 Total £'000
Benefits Payable	**496**	**160**	**656**
Legal and Consultancy	**101**	**-**	**101**
Audit Fees	**31**	**-**	**31**
Administration Fees	**38**	**-**	**38**
Trustee Fees	**4**	**-**	**4**
Investment Management Fees	**-**	**72**	**72**
Pensions Regulator Levy	**20**	**-**	**20**
Amounts owed to HM Revenue and Customs	**-**	**12**	**12**
Amounts due between sections	**874**	**-**	**874**
Other Creditors	**48**	**11**	**59**
	1,612	**255**	**1,867**

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Notes to the Financial Statements

23. Current Liabilities (continued)

	2020 Defined Benefit Section £'000	2020 Defined Contribution Section £'000	2020 Total £'000
Benefits Payable	84	206	290
Legal and Consultancy	118	-	118
Audit Fees	28	-	28
Administration Fees	41	-	41
Trustee Fees	15	-	15
Investment Management Fees	59	58	117
Amounts owed to HM Revenue and Customs	8	-	8
Amounts due between sections	785	-	785
Other Creditors	49	49	98
	1,187	313	1,500

24. Capital Commitments

At 30 September 2021 there were no capital commitments (2020: £Nil).

25. Contingent Liabilities

The Scheme has no contingent liabilities as at 30 September 2021 (2020: £Nil)

26. Self investment

Employer-related investments at 30 September 2021 amounted to 0% of the Plan's net assets (2020: 0.0069%).

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Notes to the Financial Statements

27. Related Party Transactions

Key management personnel

Certain Directors of the Trustee Board are either one or more of employed members of the DB section, contributing members of the DC section or pensioner members. Any contributions or pensions are paid in accordance with the rules of the Scheme. Professional Trustees received fees and expenses during the year amounting to £96,243 (2020: £87,331). £4,365 (2020: £15,000) remained unpaid at 30 September 2021 and have been included in administration fees accrued in note 23. Except as disclosed above there are no transactions, balances or relationships that require disclosure under FRS 102.

28. Contingent Liabilities

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension scheme. The judgment concluded that schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension (GMP) benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee is aware that the issue will have an effect on the Scheme and will be considering this at future meetings and decisions will be made as to next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The High Court has since determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate on this basis the Trustee is under an obligation to make a top-up payment to the receiving scheme on behalf of the transferred member. Based on an initial assessment of the likely backdated amounts and related interest, the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

29. Subsequent Events

Subsequent to the year end, the Company amended the benefits of the Retirement Plan to break the salary link that employed deferred members with effect from 1 November 2021.

888 Holdings has agreed to purchase the non-US business of the Principal Employer following the acquisition of the Principal Employer by Caesars Entertainment Limited. This transaction is subject to regulatory approvals and is expected to complete in H2 2022

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Appendix I

Actuary's Certification of the Technical Provisions

Certificate of Technical Provisions

CERTIFICATE OF TECHNICAL PROVISIO

Name of the Scheme	William Hill Pension Scheme

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Scheme's technical provisions as at September 2019 is made in accordance with regulations under section 222 of the Pen 2004. The calculation uses a method and assumptions determined by the Trustee of and set out in the statement of funding principles dated September 2020.

Signature	
Name	A R Cook
Date of signing	30 September
Name of employer	Mercer Limited
Address	One Christchurch Way Woking

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Membership

Appendix II

- Retirement Plan membership movements
- Pension Savings Plan 2001 membership movements
- Employee Pension Plan membership movements

Membership

The membership movements for the Scheme during the year to 30 September 2021 are shown below.

Retirement Plan (Defined Benefit)

This Plan is closed to new members.

Employed Members

Employed Members as at 1 October 2020		**160**
Less	Opening adjustment	(2)
Less	Members retiring and drawing a pension	(10)
	Members leaving and retaining a deferred pension in the plan	(6)
	Full Members who died in service	(1)
Employed Members as at 30 September 2021		**141**

Deferred Pensioners

Members with a Deferred Pension as at 1 October 2020		**766**
Plus	Active Members leaving and retaining a deferred pension	6
	Opening Adjustment	2
Less	Opening Adjustment	(3)
	Members taking a transfer of their deferred pension from the Plan	(11)
	Members retiring and drawing a pension	(40)
	Members retiring with full commutation	(13)
	Member who have died	(6)
Members with a Deferred Pension as at 30 September 2021		**701**
Includes members with Protected Rights only		*110*

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Membership (continued)

Retirement Plan (Defined Benefit) (continued)

Pensioners and Dependants

Pensioners including dependents as at 1 October 2020		**1,722**
Plus	Opening Adjustment	6
	Members starting to receive their pension	50
	Dependants starting to receive their pension	15
Less	Opening Adjustment	(3)
	Pensioners who have died	(40)
	Dependants who have died	(11)
	Commutation of Spouse Pension	(1)
Pensioners including dependents as at 30 September 2021		**1,738**
Of which dependents (spouses/children/other dependents of members who have died) receiving benefits as at 30 September 2021		224

At 30 September 2021, all pensioner members of the Scheme were covered by the insurance policies held by the Scheme (2020: 530 members).

Total membership as at 30 September 2021

Employed Members	141
Deferred Pensioners	701
Pensioners	1,514
Dependants	224
Total Membership as at 30 September 2021	**2,580**

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Membership (continued)

Pension Savings Plan 2001 (Defined Contribution)

Active Members

Active Members at 1 October 2020		**1,255**
Plus	Opening Adjustment	9
	New Joiners	77
	Enrolled from Employee Pension Plan	46
	Re-instatement	0
Less	Opening Adjustment	(26)
	Retirements with a pension	(16)
	Retirements with full commutation	(1)
	Retirements UFPLS	(5)
	Leavers becoming deferred	(141)
	Members who died in service	(4)
	Leavers taking a transfer of benefits	(2)
	Leavers taking a Refund	(1)
	Non Joiner	(3)
Active Members at 30 September 2021		**1,188**

Deferred Members

Deferred Members at 1 October 2020		**1,753**
Plus	Opening Adjustment	24
	Active members leaving and retaining a deferred pension	141
Less	Opening Adjustment	(7)
	Retirements with full commutation	(1)
	Retirements UFPLS	(25)
	Members taking a transfer of their deferred pension	(64)
	Members retiring and drawing a pension	(15)
	Members who died in deferment	(2)
	Divorce (100% pension credit)	(1)
Deferred Members at 30 September 2021		**1,803**

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Membership (continued)

Pension Savings Plan 2001 (Defined Contribution) (continued)

Leavers - Refund/Transfer Option

Leavers - Refund/Transfer Option as at 1 October 2020		**34**
Less	Members taking a refund	(1)
Leavers - Refund/Transfer Option as at 30 September 2021		**33**

Total Membership as at 30 September 2021

Active Members	1,188
Deferred Members	1,803
Leavers – Refund/Transfer Option	33
Total Membership as at 30 September 2021	**3,024**

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Membership (continued)

Employee Pension Plan (Defined Contribution)

Active Members

Active Members at 1 October 2020		**4,719**
Plus	Opening Adjustment	62
	New Joiners	78
	Auto-Enrolments	681
Less	Opening Adjustment	(108)
	Enrolled into Pension Savings Plan 2001	(46)
	Retirements with a commutation	(9)
	Leavers - refund	(18)
	Leavers becoming deferred	(830)
	Leaver- taking a transfer of benefits	(1)
	Deaths	(7)
	Retirements UFPLS	(4)
	Non Joiners	(5)
Active Members at 30 September 2021		**4,512**

Deferred Members

Deferred Members at 1 October 2020		**10,048**
Plus	Opening Adjustment	94
	Active members leaving and retaining a deferred pension	830
Less	Opening Adjustment	(18)
	Retirements with full commutation	(55)
	Members taking a transfer of their deferred pension	(81)
	Retirement UFPLS	(8)
	Members who died in deferment	(7)
Deferred Members at 30 September 2021		**10,803**

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Membership (continued)

Employee Pension Plan (Defined Contribution)

Leavers - Refund/Transfer Option

Leavers - Refund/Transfer Option as at 1 October 2020		**766**
Less	Opening Adjustment	(15)
	Members taking a refund	(4)
	Members taking a transfer option	(5)
Leavers - Refund/Transfer Option as at 30 September 2021		**742**

Total Membership as at 30 September 2021

Active Members	4,512
Deferred Members	10,803
Leavers – Refund/Transfer Option	742
Total Membership as at 30 September 2021	**16,057**

Life Assurance Members

In addition to the membership of the Retirement Plan, Employee Pension Plan and the Pension Savings Plan 2001 the Scheme also provides lump sum death in service benefits for all employees of William Hill Organization Limited provided they have served at least one year of continuous service with the Employer and are under the age of 75.

All life assurance is currently covered by a policy of assurance underwritten by Legal & General Assurance Society Limited.

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Statement of Investment Principles Appendix III

Defined Contribution (DC) Section

Introduction

The Trustee's main aim is to provide a range of fund options which serve to

The DC section of the Scheme, the Pension Savings Plan, was originally
1997. With effect from 1 July 2001, the terms of the Pension Savings Plan
to comply with Stakeholder regulations and to avoid confusion it was re-nam
Savings Plan 2001' ("PSP").

With effect from 31 March 2013 the Employee Pension Plan ("EPP")

Investment Objectives and Policies

The Trustee recognises that members have differing investment needs and
change during the course of members' working lives. The Trustee also
members have different attitudes to risk. The Trustee believes that membe
their own investment decisions based on their individual circumstances
regards their duty as making available a range of investment options and lif
sufficient to enable members to tailor their investment strategy to their own

The Trustee also recognises that members may not believe themselves q
investment decisions. As such the Trustee makes available two Defa
Strategies – one for PSP members and one for EPP members. The Def
Strategies place the emphasis on aiming to deliver a good level of real return
working lifetimes (whilst mitigating risk through diversification) and also e
risking in the years approaching a member's selected target retirement age i
designed to be appropriate for how a member expects to withdraw th
retirement. These are set out in more detail in section 2.5 of this Statement.

These objectives translate to the following principles:

a. Offering members a 'Lifestyle' approach to the Default Investment
ensuring that the other investment strategy options including additio
strategies allow members to plan for retirement;

b. Making available a range of pooled investment funds (asset classes

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Investment Objectives and Policies (continued)

d. The range of pooled investment funds will have strategies including lifestyle strategies that are highly rated by the Trustee's investment the Trustee decides there is good reason not to;

e. Providing general guidance as to the purpose of each investment opt

f. Encouraging members to seek financial advice from an appropriate determining the most suitable option for their individual circumstan

g. In determining an appropriate balance between providing flexibility well as simplicity and cost control, the Trustee aims to make availab options which satisfy the needs of the majority of members.

h. The Trustee regularly reviews the suitability of the options including

In considering appropriate investments for the Scheme, the Trustee ha considered the written advice of a suitability qualified investment advis received and the arrangements implemented are, in the Trustee's opinion co requirements of Section 36 of the Pensions act 1995 (as amended).

The self-select fund range allows members some flexibility in their selectio

Members determine the balance between the different kinds of investments balance will determine the expected return on member's assets and should member's own risk appetite and tolerances.

The funds are pooled investment funds which are daily-dealt, with assets m in regulated markets and therefore should be realisable at short notice, base Trustee or member demand.

The table below shows the list of the non-lifestyle self-select funds offered

Fund Option	Investment Brief
Global Equity Market Weights	The Fund invests passively in global equities to target higher cap Fund aims to capture the total returns of the UK and overseas e

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Investment Objectives and Policies (continued)

Diversified Fund	The Fund will hold between 20% and 50% in bonds, and the remai will be held in a range of assets which may include equities, prope and the shares of infrastructure companies. Exposure to each primarily be through investing in passively managed funds, management may be used for some asset classes. The asset al reviewed periodically (typically annually). The expected annual ret is broadly similar to that of a developed market equity fund but witl than developed equity markets.
UK Equity Fund	The Fund invests passively in UK equities, with a maximum expo to a single company. The Fund aims to track the performance Share (5% Capped) Index.
Overseas Consensus Equity Fund	The Fund invests passively in overseas equities, to produce a comparable with the FTSE All-World (ex UK) Index (gross of fee
Emerging Markets Equity Fund	The Fund invests passively in emerging market equities. It a performance of the performance of the FTSE AW – All Emerging
LGIM Pre-Retirement Inflation Linked Fund	The Fund aims to provide diversified exposure to sterling bond a the broad characteristics of investments underlying the pricing of a linked annuity product. The benchmark allocation for the Fund i gilts and corporate bond funds managed on a passive basis.
AAA-AA-A Corporate Bond All Stocks Fund	The Fund invests passively in sterling denominated non-governme to track the performance of the iBoxx £ Non-Gilts (ex-BBB) Inde
Sterling Liquidity Fund	The Fund invests in high quality short term fixed income and varial across a range of financial institutions, sovereign and corporate i provide returns in line with the 7 Day LIBID over rolling three ye
Property Fund	The Fund is 'actively managed' and invests directly in UK comme may also invest in shares of property companies from time to time to outperform the AREF/IPD UK Quarterly All Balanced Prope over three and five year periods.
Pre-Retirement Fund	The Fund aims to provide diversified exposure to sterling asset broad characteristics of investments underlying the pricing of a typi linked annuity product. The benchmark asset allocation for the Fund is a composite of gilts and corporate bond funds managed or

Following a review of the Scheme's investment arrangements in 2014, the implemented a total of three lifestyle strategies (targeting cash, annuity and

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Investment Objectives and Policies (continued)

These lifestyle strategies allocate to the self-select fund range, as describe
of these allocations is provided in further detail below. The Trustee took a
investment consultants when determining the balance of investments w
strategies
strategies.

Lifestyle strategy	Funds
Annuity	*Growth phase:*
(default strategy for PSP members)	50% LGIM Global Equity Market Weights (30: Fund – 75% GBP Currency Hedged
	50% LGIM Diversified Fund
	De-risking phase (final allocation):
	75% LGIM Pre-Retirement Fund
	25% LGIM Sterling Liquidity Fund
Cash	*Growth phase:*
(default strategy for EPP members)	50% LGIM Global Equity Market Weights (30: Fund – 75% GBP Currency Hedged
	50% LGIM Diversified Fund
	De-risking phase (interim allocation):
	Funds are gradually switched to the LGIM Pre-I Fund before being gradually switched to the LG Liquidity Fund.
	De-risking phase (final allocation):
	100% LGIM Sterling Liquidity Fund
Drawdown	*Growth phase:*
	50% LGIM Global Equity Market Weights (30: Fund – 75% GBP Currency Hedged

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Risk Measurement and Management

The Trustee has considered risk from a number of perspectives in the
Trustee believes that the following risks may be financially material t

Type of Risk	Risk	Description	How is the risk m managed?
Market risks	Inflation risk	The risk that returns over the members' working lives does not keep pace with inflation.	The Trustee makes range of funds, acr classes.
	Currency risk	The risk that fluctuations in foreign exchange rates will cause the value of overseas investments to fluctuate.	The Trustee expect return on those inv that invest predomi equities and other assets (e.g. diversif funds) to exceed pr general salary grov
	Credit risk	The risk that the issuer of a financial asset, such as a bond, fails to make the contractual payments due.	Members are able t investment allocati their risk tolerance
	Equity, property and other price risk	The risk that market movements leads to a substantial reduction in the value of a member's savings.	Within active funds of many of these m responsibility of th manager. Lifestyle strategies and gradually redu investment risk me exposed to as they retirement. The asset allocatio investments strateg the intention of div risk to reach a leve appropriate.
		The risk that the pooled funds do not provide the required	The Scheme is inv dealt and daily pric funds.

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Risk Measurement and Management (continued)

Investment Manager risk	The risk that the appointed investment managers do not meet their objectives, fail to carry out operational tasks, do not ensure safe-keeping of assets or breach agreed guidelines.	The Trustee regula performance of the managers.
Pension Conversion risk	The risks that the member is invested in a strategy that does not reflect the way in which they intend to take their benefits at retirement.	The Trustee makes lifestyle strategies annuities, cash lum drawdown which h invest more approp they wish to take th Lifestyle strategies switch member ass investments whose expected to be less to how the member access their pensio they approach retir The default investm are lifestyle strateg retirement destinat different sections o and PSP members) appropriateness of destinations is revi the triennial strateg
Environmental, Social and Corporate Governance ("ESG") risk	The risk that ESG concerns, including climate change, have a financially material impact on the return of the Scheme's assets.	The management o risks is delegated t managers. See Section 6 of th the Trustee's respo investment and cor governance statem

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Default Investment Strategies

Typically, a proportion of DC section members will actively choose the Def
Strategy because they feel it is most appropriate for them. However, the
Scheme members do not make an active investment decision and are investe
Investment Strategy appropriate to the specific section in which they are in

The aims of the Default Investment Strategies

The Trustee believes that:

- The growth phase structure, that invests in equities and other growth-se
will provide growth with some downside protection and some protectio
inflation erosion.

- As a member's pot grows, investment risk will have a greater impact or
outcomes. Therefore, the Trustee believes that the Default Investment
seeks to reduce investment risk as the member approaches retirement is
This is achieved by automated switches over a seven-year period prior t
member's retirement date. Assets are switched into pre-retirement fund
market instruments.

Policies in relation to the Default Investment Strategies

The Default Investment Strategies manage investment and other risks throu
strategic asset allocation consisting of traditional and alternative assets.

- In designing the Default Investment Strategies, the Trustee has explicitl
the trade-off between risk and expected returns. Risk is not considered
in conjunction with expected investment returns and outcomes for mem
balance between different kinds of investments is decided accordingly.
investment in derivative instruments contributes to risk reduction, or ef
management.

- If members wish to, they can opt to choose their own investment strate

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Default Investment Strategies (continued)

Policies in relation to the Default Investment Strategies (continued)

- Assets are invested mainly on regulated markets (those that are not are
  levels).

- In considering appropriate investments for the Scheme, the Trustee h
  considered the written advice of a suitability qualified investment advi
  received and the arrangements implemented are, in the Trustee's opinion
  the requirements of Section 36 of the Pensions act 1995 (as amended).

- The funds are pooled investment vehicles which are daily-dealt, with as
  invested in regulated markets and therefore should be realisable at shor
  on either Trustee or member demand.

Based on member analysis undertaken in 2014 and the Trustee's understan
Scheme's membership, a default investment option that targets annuity pur
free cash lump sum (up to 25% of a member's pot) was chosen as the Defa
Strategy for PSP members. Separately, a default investment option that targ
at retirement was chosen as the Default Investment Strategy for EPP memb
be noted that the Trustee has decided to review the appropriateness of the A
Lifestyle Strategy and the Cash Lifestyle Strategy as the default investment
PSP and EPP members, respectively, on a periodic basis.

Investment manager fees

The investment manager fees for assets within the DC section are set out in
this Statement.

Transfers In

Further DC monies are invested with Legal & General representing trans
William Hill Investment Plan which operated from 1990 to 1997, and w
wound up; and from the Pension Savings Plan. Any individual transfer wh
agrees to accept may also utilise these funds.

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Additional Voluntary Contributions (continued)

contributions to the Pension Savings Plan 2001. These arrangements are re
time to time to ensure that the investment performance achieved is accept
investment profile of the Scheme remains consistent with the objectives of th
needs of the members.

Buying and selling investments

The responsibility for buying and selling the underlying investments has beer
the investment managers. However, both the Trustee and Administrator
involved in the process behind the buying and selling of investments. Th
activities that the investment managers carry out are reviewed from time to ti
that the operating instructions, guidelines and restrictions remain appropria
custody of the Scheme's assets is delegated via the investment managers to
custodians (via the use of pooled vehicles).

Responsible Investment and Corporate Governance

The Trustee believes that environmental, social, and corporate governance (E
may have a material impact on investment risk and return outcomes, and that
stewardship can create and preserve value for companies and markets as a wh
Trustee also recognises that long-term sustainability issues, particularly clima
present risks and opportunities that increasingly may require explicit consider
Trustee has taken into account the expected time horizon of the Scheme when
how to integrate these issues into the investment decision making process.

The Trustee has given appointed investment managers full discretion in eva
factors, including climate change considerations, and exercising voting
stewardship obligations attached to the investments, in accordance with their o
governance policies and current best practice, including the UK Corporate
Code and UK Stewardship Code. The Trustee will periodically review th
managers' policies and engagement activities (where applicable).

The Trustee considers how ESG, climate change and stewardship is inte

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Responsible Investment and Corporate Governance (continued)

Member views are not taken into account in the selection, retention and r
investments, but members have a variety of methods by which they can make
known to the Trustee. This position will be reviewed periodically. The Trustee e
the Scheme's investment managers on issues including, but not limited
concerning an issuer of debt or equity, a manager's performance, stra
environmental impact and corporate governance. The Trustee also expects the
managers to engage with investee companies on the capital structure and ma
conflicts of interest.

The Trustee have not set any investment restrictions on the appointed investme
in relation to particular products or activities, but may consider this in future.

Investment Manager Appointments

Aligning manager appointments with investment strategy

Investment managers are appointed based on their capabilities and, the
perceived likelihood of achieving the expected return and risk characteristics
the asset class or classes they are selected to manage.

The Trustee looks to its investment consultant for their forward looking asse
manager's ability to outperform over a full market cycle. This view will be
consultant's assessment of the manager's idea generation, portfolio
implementation and business management, in relation to the particular investm
the Scheme invests in. The consultant's manager research ratings assist with d
and questioning managers during presentations to the Trustee and are used
around selection, retention and realisation of manager appointments.

If the investment objective for a particular manager's fund changes, the Trustee
the fund appointment to ensure it remains appropriate and consistent with t
wider investment objectives.

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Investment Manager Appointments (continued)

Aligning manager appointments with investment strategy (continued)

As the Scheme invests in pooled investment vehicles, the Trustee accepts
direct ability to specify the risk profile and return targets of the manager, b
mandates can be selected to align with the overall investment strategy.

The Trustee believes the annual fee paid to the investment managers incent
follow the fund's objective, which is aligned to the Trustee's policies.

Monitoring manager appointments

The Trustee receives investment manager performance reports on a quarterly
present performance information over a variety of periods. The Trustee review
performance, relative performance against a suitable index used as the benc
against the managers' stated target performance (over the relevant time perio

The Trustee will also consider the investment consultant's assessment of how
embeds ESG into its investment process and how the manager's responsib
philosophy aligns with the Trustee's views. This includes investment manag
voting and engagement. The Trustee meets with each investment manager on
and challenges their decisions in these areas.

The Trustee's focus is on long term performance but, as noted above,
manager's appointment if:

- There are sustained periods of underperformance;
- There is a change in the portfolio manager or portfolio management t
- There is a change in the underlying objectives of the investment mana
- There is a significant change to the investment consultant's rating of

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Investment Manager Appointments (continued)

Monitoring manager appointments (continued)

The Trustee considers that the method of remunerating the investmer consistent with incentivising them to make decisions based on assessment long-term financial and non-financial performance of an issuer of debt or e held within their fund. By encouraging a long-term view, they will in turn investment managers to engage with the issuers of debt or equity in order t performance in the medium to long term.

If managers are not meeting performance objectives, or investment objectiv have changed, the Trustee may ask managers to review the Annual Manage

The Trustee undertakes an annual review of the DC investment options, incl investment manager, and the default strategy to assess their performance a continue to meet the Trustee's objectives. As part of the annual Value for Me assessment, the Trustee also reviews the investment manager fees.

Portfolio turnover costs

The Trustee does not analyse portfolio turnover costs in detail. Howeve Trustee may ask managers to report on portfolio turnover costs. The Trustee by comparing portfolio turnover across the same asset class, on a year-on-y same manager fund, or relative to the manager's specific portfolio turnov investment guidelines or prospectus.

The Trustee considers portfolio turnover costs indirectly through cc transaction cost data as part of the annual VfM assessment. Though the T currently define target portfolio turnover ranges for funds, they will engage if the portfolio turnover is higher than expected as a result of the monitoring

Manager turnover

The Trustee is a long term investor and is not looking to change the investm arrangements on a frequent basis. The Scheme is invested in open-ended fu

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Statement of Investment Principles (continued)

Defined Contribution (DC) Section (continued)

Investment Manager Appointments (continued)

Manager turnover (continued)

Within the Defined Contribution section, all the funds are open-ended with no set end date for the arrangement. The self-select fund range and default investment options are reviewed on at least a triennial basis. A manager's appointment may be terminated if it is no longer considered to be optimal.

Investment consultant fees

Mercer fees are either based on fixed quotes for particular projects or are on a time-cost basis.

Compliance with Statement

We, William Hill Trustee Limited, the investment managers and Mercer, our consultant each have duties to perform to ensure compliance with this Statement. These are:

The Trustee will review this Statement every year on the advice of Mercer.

Mercer, our consultants, will provide the advice needed to allow us to review and update this statement annually (or more frequently if required). In addition, they will provide all the investment managers with a copy of the signed Statement.

Hugh Nolan

Signed by Hugh Nolan on behalf of Dalriada Trustees Limited Chair of William Hill Trustee Limited
Trustee of the William Hill Pension Scheme

16 September 2021

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Statement of Investment Principles (continued)

Appendix

Lifestyle Strategies

Annuity Lifestyle Strategy (Default for PSP members)

This strategy is for those planning to buy an annuity (a pension income for life) a
retirement date. Members will be invested in a 50% allocation to the LGIM Glob
Weights (30:70) Index Fund – 75% GBP Currency Hedged and 50% allocation t
Diversified Fund, as part of the growth element of the Annuity Lifestyle Strategy

Once a member is eight years from retirement the strategy gradually de-risks the
growth phase assets into a final asset allocation of 75% LGIM Pre-Retirement Fu
LGIM Sterling Liquidity Fund. This is illustrated in the table below:

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	I S Li Fu
10	50.00	50.00	0.00	
9	50.00	50.00	0.00	
8	50.00	50.00	0.00	
7	50.00	37.50	12.50	
6	50.00	25.00	25.00	
5	50.00	12.50	37.50	
4	50.00	0.00	50.00	
3	37.50	0.00	56.25	
2	25.00	0.00	62.50	
1	12.50	0.00	68.75	
0	0.00	0.00	75.00	

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Statement of Investment Principles (continued)

Appendix (continued)

Lifestyle Strategies (continued)

Cash Lifestyle Strategy (Default for EPP members) (continued)

Once a member is eight years from retirement the strategy gradually de-risks the growth phase assets to the LGIM Pre-Retirement Fund and the LGIM Sterling L before being allocated 100% to the LGIM Sterling Liquidity Fund. This is illustr below:

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	I S Li Fu
10	50.0	50.0	0.0	
9	50.0	50.0	0.0	
8	50.0	50.0	0.0	
7	50.0	37.5	12.5	
6	50.0	25.0	25.0	
5	50.0	12.5	37.5	
4	50.0	0.0	50.0	
3	37.5	0.0	37.5	
2	25.0	0.0	25.0	
1	12.5	0.0	12.5	
0	0.0	0.0	0.0	

Drawdown Lifestyle strategy

This lifestyle strategy is designed for those members who intend to make use of retirement. Members will be invested in a 50% allocation to the LGIM Global E Weights (30:70) Index Fund – 75% GBP Currency Hedged and 50% allocation t

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Statement of Investment Principles (continued)

Appendix (continued)

Lifestyle Strategies (continued)

Drawdown Lifestyle strategy (continued)

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Liquidi (%
10	50.00	50.00	0.00	0.
9	50.00	50.00	0.00	0.
8	50.00	50.00	0.00	0.
7	50.00	43.75	6.25	0.
6	50.00	37.50	12.50	0.
5	50.00	31.25	18.75	0.
4	50.00	25.00	25.00	0.
3	50.00	18.75	25.00	6.
2	50.00	12.50	25.00	12
1	50.00	6.25	25.00	18
0	50.00	0.00	25.00	25

DC Section fees

The table below shows the Total Expense Ratio ("TER") of the funds (the annual management c
expenses). Note that expenses are a function of the size of the fund and will change over time. Tl
below are correct as at October 2018.

Fund	TI
Retirement Income Multi-Asset	
William Hill Equity Fund	
World Equity Index (MSCI) Fund	
World Equity Index (MSCI) Fund – GBP Currency Hedged	
Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged	
Diversified Fund	

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Statement of Investment Principles (continued)

Appendix (continued)

DC Section fees (continued)

Fund	TE
Property Fund	0
Sterling Liquidity Fund	0

Source: LGIM.
*TERs may vary over time.