



# Summary Funding Statement

William Hill Pension Scheme  
(Retirement Plan section)



# Welcome to the Summary Funding Statement

The purpose of this document is to provide an update on the financial position of the Retirement Plan Section of the William Hill Pension Scheme (the Scheme).

## How is the Scheme's financial security measured?

The estimated cost of providing the benefits that you and all other members have earned to date is known as the Scheme's "liabilities".

Contributions paid into the Retirement Plan over the years by you, other members and the Company are invested to help provide your benefits. The money is held under trust in a communal fund and not in segregated accounts for each individual. The amount of money invested is known as the Scheme's "assets".

To check the Scheme's financial position and security we compare the estimated value of its liabilities to its assets. If the Scheme has fewer assets than liabilities, it is said to have a "deficit". If the assets are more than the liabilities there is said to be a "surplus".

We are required by law to carry out a formal valuation of the Scheme's finances at least once every three years. This is called an "actuarial valuation" and is undertaken by a qualified actuary, as an independent professional. We are responsible for appointing the independent actuary. We also monitor and review the financial security of the Scheme on an informal basis every year.

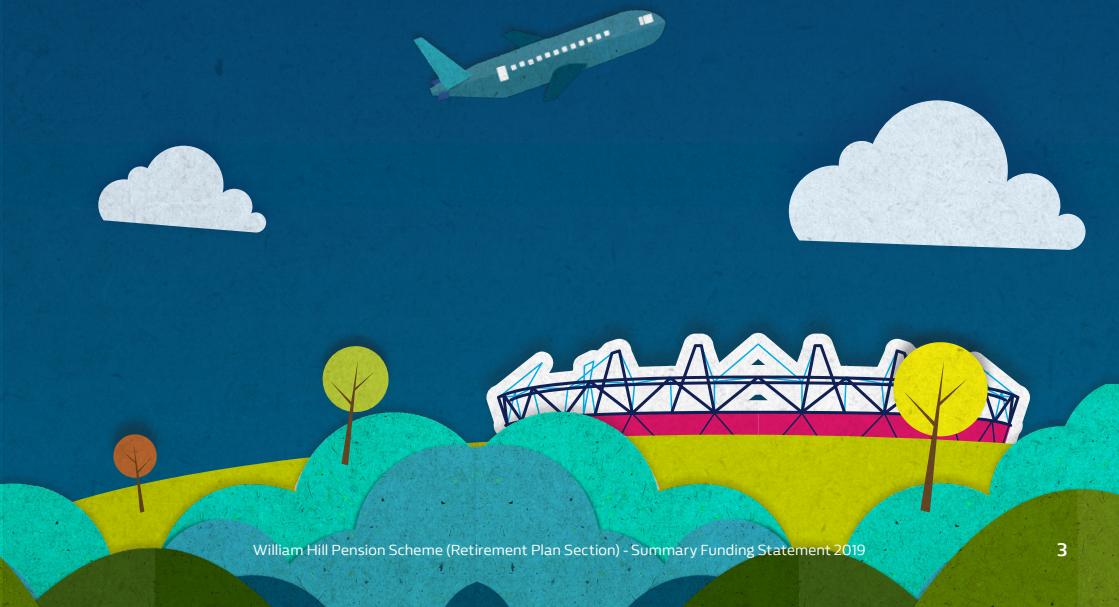
## What is the Scheme's financial position?

The latest actuarial valuation of the Scheme showed that on 30 September 2016:

<b>The value of the liabilities was</b>	<b>£452.2 million</b>
<b>The Scheme's assets were valued at</b>	<b>£453.7 million</b>
<b>This means that there was a surplus of</b>	<b>£1.5 million</b>



We are required to inform you whether a payment has been made from the Scheme to the Company, as permitted under the Pensions Act 1995, since we last sent you a Summary Funding Statement. We can confirm that no such payment has been made.



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

As mentioned above, the Trustee looks at the financial position of the Scheme on a regular basis.

The latest review as at 30 September 2018 showed that since the valuation date the Scheme's surplus had increased to approximately £11 million, albeit representing a small reduction since the previous review in September 2017. Since the last valuation, the Trustee and the Company have taken steps to reduce the level of risk by purchasing annuity policies in respect of the majority of pensioner members. These do not affect member benefits but provide the Scheme with further protection against adverse changes in financial markets and increases in life expectancy, thereby improving the security of members' benefits. Despite the surplus, the Company is continuing to pay contributions into the Scheme, helping to provide a further buffer against potential adverse experience.

The next formal actuarial valuation of the Scheme will measure the financial position as at 30 September 2019.

## **Should a deficit arise, would it be paid off and, if so, how will this be done?**

At the last actuarial valuation as at 30 September 2016 the financial position of the Scheme showed a surplus, rather than a deficit. This means that there was no requirement to agree a deficit funding plan with the Company. However, as mentioned above, the Company agreed to pay ongoing funding contributions of £8.75 million per annum between 1 January 2018 and 31 December 2019, to strengthen the financial position of the Scheme.

To calculate the Scheme's financial position at the date of the actuarial valuation, 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 these assumptions do not all turn out to be exactly matched by reality, it may be necessary to review the level of contributions from the Company at the next actuarial valuation, due as at 30 September 2019.

If the results of the next actuarial valuation reveal the Scheme to be in deficit, the Trustee and the Company will review the level of Company contributions to ensure that they are sufficient to remove any deficit within a reasonable time period.

## What types of assets does the Scheme invest in?

The Trustee's current investment strategy is directed towards investing predominantly in assets that are expected to match the liabilities of the Scheme. This means that as financial market conditions change, the value of the assets will move in a broadly similar way to the value placed on the liabilities. This should serve to reduce the Scheme's investment risk i.e. the risk that falls in investment returns have a significant unfavourable impact on the funding position of the Scheme.

Further details on the Scheme's asset allocation are set out in a document called the Statement of Investment Disclosure.

## How does the Trustee know what contributions should be paid into the Scheme?

Following each actuarial valuation, the actuary advises us on what contributions should be paid into the Scheme so that we can expect to be able to continue to pay members' pensions. We then agree a level of contributions with the Company and record this in a document called the Schedule of Contributions.

We review and update the Schedule of Contributions at least each time the Scheme has an actuarial valuation i.e. every three years.

The actuarial valuation and Schedule of Contributions follow standards we have set out in a Statement of Funding Principles. This document describes how we will manage the Scheme with the aim of being able to continue to pay members' benefits.

In addition to the ongoing funding contributions set out above, the Company also pays contributions to cover the expenses of running the Scheme.

We are required to tell you whether the Pensions Regulator has used its legal powers to make directions as to any of:

- The method or assumptions used to calculate the liabilities
- The contributions that should be paid under the Schedule of Contributions

The Regulator has not used its powers in relation to the Scheme and therefore the Scheme is not subject to any directions.

## **Is my pension guaranteed?**

Our aim is for there to be enough money in the Scheme to pay pensions now and in the future, but this depends on the Company carrying on in business and continuing to support the Scheme.

If the Company goes out of business or decides to stop paying for the Scheme, it is expected to pay the Scheme enough money to buy all the benefits built up by members from an insurance company. This is known as the Scheme being "wound-up".

The comparison of the Scheme's assets to the cost of buying the benefits from an insurance company is known as the "solvency position".

## **Is there enough money in the Scheme to provide my full benefits if the Scheme was wound-up?**

The actuarial valuation at 30 September 2016 showed that the Scheme's assets could not have paid for the full benefits of all members to be provided by an insurance company if the Scheme had wound-up at that date.

<b>The liabilities if the Scheme were to be wound-up were</b>	<b>£623.4 million</b>
<b>The Scheme's assets were valued at</b>	<b>£453.7 million</b>
<b>This means that there was a deficit of</b>	<b>£169.7 million</b>

The fact that we have shown the solvency position does not mean that the Company is thinking of winding up the Scheme. It is just another piece of information we hope will help you understand the financial security of your benefits.

## **What happens if the Scheme is wound up and there is not enough money to pay for all of my benefits?**

The Pension Protection Fund (PPF) exists to pay benefits to members if the Scheme is wound up when the Scheme and the Company do not have enough money to cover the cost of buying all members' benefits with an insurer. The pension you would receive from the PPF may be less than the full benefits you have earned in the Scheme, depending on your age and when your benefits were earned.

Further information and guidance is available on the PPF website at:

**[www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk)**

Alternatively, you can write to the PPF at:

**Renaissance  
12 Dingwall Road  
Croydon  
Surrey  
CR0 2NA**



## Where can I get more information?

If you have any other questions, or would like any more information, please contact the Group Pensions Department at Greenside House. A list of documents which provide further information is attached. If you want us to send you a copy of any of these documents please let us know.

We will be sending you a Summary Funding Statement each year, so if you change address you should let the Group Pensions Department at Greenside House know so that we can update our records.

If you are thinking of transferring your benefits out of the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action. The law prevents the Trustee from providing you with financial advice.

## Additional documents available on request:

**The Statement of Funding Principles** - This explains how we (the Trustee) plan to manage the Scheme with the aim of being able to continue to provide the benefits that members have built up.

**The Statement of Investment Principles** - This explains how we (the Trustee) invest the money paid into the Scheme.

**The Schedule of Contributions** - This shows how much money is being paid into the Scheme by the Company, and includes a certificate from the actuary showing that it is sufficient to meet the requirements set out by law.

**The Annual Trustee Report and Accounts** - This shows the Scheme's income and expenditure for the relevant year.

**The Formal Actuarial Valuation Report as at 30 September 2016** - This contains the details of the actuary's detailed review of the Scheme's financial situation as at 30 September 2016.

**The Actuarial Report as at 30 September 2018** - This contains the details of the actuary's check of the Scheme's financial situation as at 30 September 2018.

