

## Nomination form for lump sum death benefits

If your circumstances have changed then you may wish to update your expression of wish form to explain to the Trustees your wishes should a lump sum become payable on your death. Please contact the Administrators if you need a new form using the address at the end of this report.

## Have you moved address?

If you have recently moved, or if you are planning to move in the next few months, please don't forget to let us know. It is important that we have your most up to date details so that you don't miss out on future pension benefits. Updating us will only take a few minutes. You can send your changes in writing to the Administrators using the details shown at the end of this report.

## The Trustees of the Plan

The full list of the current Plan Trustees is as follows:

### Employer nominated

Gordon Bissett (Chairman)

Mike Noble

Helen O'Sullivan

Stuart Priday (appointed 1 October 2008)

### Member nominated

Andrew Deery

Chris Lynch

Paul Plowright

Matthew Sesay (appointed 1 October 2008)

Keith Glassbrook (resigned 9 July 2008)

As Trustees, we confirm that the process for appointing the Plan's member nominated Trustees complies with the Pension Regulator's Code of Practice and Pensions Act 2004 legislation. In August this year, we asked members to nominate individuals to become a member Trustee to replace Keith Glassbrook, and Matthew Sesay was selected following this process.

## Professional Advisers

The Trustees use a number of professional advisers and consultants for specialist tasks. They are currently as follows:

### Administrators

Hymans Robertson LLP

### Independent Auditors

Deloitte & Touche LLP

### Plan Actuary

Aaron Punwani

Lane Clark & Peacock LLP

### Investment Consultant

Lane Clark & Peacock LLP

### Investment Manager

Barclays Global Investors Limited

### Legal Adviser

Linklaters LLP

### Banker

Barclays Bank

### Custodian

Barclays Global Investors Limited

### Secretary to the Trustees

Hymans Robertson LLP

# Ladbroke's Pension Plan Trustees' Annual Report

Welcome to the Trustees' Annual Report for members of the Ladbroke's Pension Plan ("the Plan") for the year ended 30 June 2008. In this report your Trustees will give you an overview of the Plan's finances together with details about how the Plan's investments have performed. The information provided has been taken from the audited Trustees' Report and Accounts. If you would like to see a full copy of the Trustees' Report simply contact the Administrators, Hymans Robertson LLP, whose details can be found on the back page of this report.

## Your comments

We welcome any comments or suggestions that you may have on this newsletter, or about the Plan. Please forward any comments you may have to the Ladbroke's Administration Team.

## Contact details

If you have any questions about the information shown in this report you can contact us using the details below:

The Ladbroke's Administration Team, Hymans Robertson LLP, One London Wall, London, EC2Y 5EA.

Email: [ladbrokesadmin@hymans.co.uk](mailto:ladbrokesadmin@hymans.co.uk)

Helpline: 020 7082 6454

## Money in and out of the Plan

	2007/2008	2006/2007
<b>Value at start of period:</b>	<b>£238,995,000</b>	<b>£415,934,000</b>
<b>Where the Plan earned its income</b>		
Company contributions	£6,376,000	£5,912,000
Member contributions (including AVCs)	£1,658,000	£1,572,000
Investment income	£3,250,000	£2,350,000
Transfers in and other income	£633,000	£488,000
<b>Total income</b>	<b>£11,917,000</b>	<b>£10,322,000</b>
<b>What the Plan spent</b>		
Benefits payable	£8,449,000	£7,494,000
Payments in respect of leavers	£364,000	£197,616,000
Life assurance premiums	£479,000	£359,000
Administration expenses	£1,280,000	£1,239,000
Investment management expenses	£266,000	£373,000
<b>Total expenditure</b>	<b>£10,838,000</b>	<b>£207,081,000</b>
<b>Change in value of investments</b>	<b>(£8,395,000)</b>	<b>£19,820,000</b>
<b>Value at end of period:</b>	<b>£231,679,000</b>	<b>£238,995,000</b>

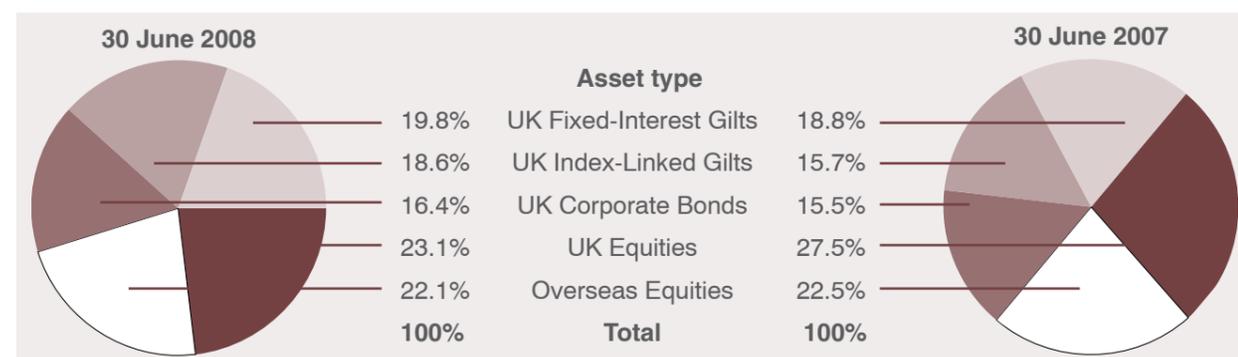
## How the investments performed

The estimated overall return on the Plan's investments over the one year and three years ending 30th June 2008 was -2.2% and 7.2% per annum respectively.

## How the Plan's assets are invested

The Trustees regularly review the Plan's investment strategy to achieve a suitable balance between cash flow, performance and risk. The main changes during the year were a move from "active" to "passive" management of the Plan's UK equities and the implementation of a currency hedging strategy to remove broadly half of the Plan's foreign currency exposure. Both of these changes took place in January 2008. The current strategy resulted in a 55% allocation to bonds and a 45% allocation to equities as at 30 June 2008.

The asset allocation of the Plan at 30 June 2008 and 30 June 2007 is summarised in the charts below.



## Actuarial update

The Plan is subject to a full actuarial valuation at least once every three years. The most recent valuation was carried out as at 30 September 2007. The Plan's funding level on an ongoing basis was 97% (which gave a shortfall of £8 million on that basis).

The Company is currently contributing £6 million each year to the Plan, representing 24.5% of total Pensionable Salaries. Following the 30 September 2007 valuation, the Company has agreed with the Trustees to increase its contributions with effect from 1 January 2009 to approximately £7.5 million each year. This includes an allowance of £1.6 million to be paid annually for seven years to make good the £8 million shortfall. (Over the seven year period, interest will accrue on the shortfall, which is why the Company will pay £11.2 million in total to meet an £8 million shortfall).

The full valuation as at 30 September 2007 is just a snapshot of the Plan's financial position at a point in time. The financial position fluctuates as market conditions change. However, it is important to bear in mind that the Trustees invest for the long term with the Company's contributions normally being reviewed every three years, following each actuarial valuation.

## Pension Increases

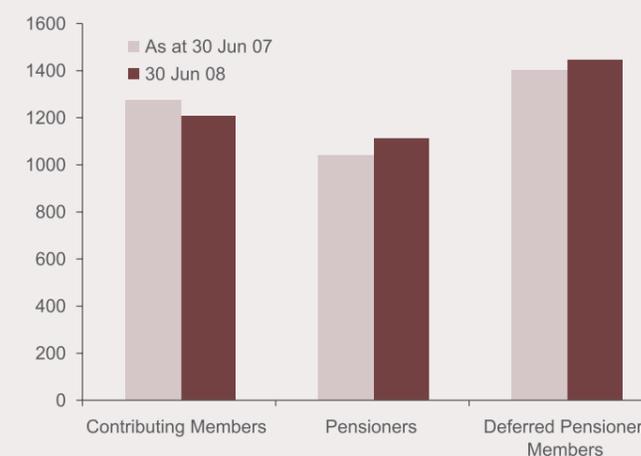
Pensioners have already received details of increases applied to their pensions with effect from 1 April 2008. Where pension relates to service prior to 6 April 1997, pensioners have been notified of the individual increase applied to that part of their pension.

For pensions relating to service after 6 April 1997, increases are as follows:

- Pensions relating to service between 6 April 1997 and 5 April 2005 - 4%;
- Pensions relating to service after 5 April 2005 - 2.5%.

## Membership of the Plan

The membership of the Plan is shown in the graph:



Annual Benefit Statements, as at 1 July 2008, were sent to all Contributing Members in September 2008.