

**THE HEWLETT-PACKARD LIMITED RETIREMENT
BENEFITS PLAN**

**TRUSTEES' REPORT AND FINANCIAL
STATEMENTS**

YEAR ENDED 31 October 2016

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

CONTENTS

	Pages
Trustees and Advisers	1 - 2
Trustees' Report	3 - 10
Investment Report	11 - 22
Independent Auditor's Report to the Trustees of the Plan	23
Fund Account	24
Net Assets	25
Notes to the Financial Statements	26 - 46
Independent Auditor's Statement on Contributions Payable to the Plan	47
Summary of Contributions	48 - 49
Compliance Statement	50 - 52
Actuarial Certification of the Schedule of Contributions	52 - 55

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

TRUSTEES AND ADVISERS TO THE PLAN

Trustee Company	Hewlett Packard Enterprise UK Pension Trustee Limited (appointed with effect from 28 October 2016)
	<u>Trustee Directors</u>
	Jonathan Lord Chairman
	Andrew Dodd*
	Paul Early (member nominated)
	Phil Lawman* (member nominated)
	Mike Jackson* (member nominated)
	(retired on 31 October 2016)
	Keith Norrington*
	Philippa Oram
	Gillian Manning
	Martin Smith* (member nominated)
	(appointed on 1 November 2016)
	 *In receipt of Plan pension
Administration	Equiniti Pensions Solutions Capita (Medas section) up to 31 January 2017
Plan Actuary	David Eteen FIA of Aon Hewitt Limited
Secretary to the Trustees	Inside Pensions
Investment Managers Digital and HP (incorporating the former BOI/Medas Section)	Legal and General Investment Management CQS Asset Management Limited Wellington Management International Limited Morgan Stanley Investment Management Limited Threadneedle Asset Management Lothbury Investment Management Mesirow Financial Product Group Shoreline Investment Management Company Insight Investment Management (Global) Limited State Street Global Advisors UBS Global Asset Management (HP Section only) Invesco Asset Management Limited BlackRock Investment Management (UK) Limited (HP Section only) BMO Global Asset Management
Investment Consultants	Mercer Limited
AVC Providers – both Sections	Legal & General Assurance Society Limited Equitable Life Assurance Society
AVC Providers HP Section	MGM Assurance Standard Life Assurance Limited Clerical Medical (ex Medas members only)
AVC Providers Digital Section	Phoenix Life and Pensions (formerly Royal & Sun Alliance)
Custodians HP and Digital Sections	State Street Europe Limited
Independent Auditor	KPMG LLP

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

TRUSTEES AND ADVISERS TO THE PLAN

Solicitors Linklaters LLP

**Employer Covenant
Adviser** Lincoln International Pensions Advisory Limited

Bankers Lloyds Bank Plc

Enquiries General enquiries from interested parties about the Plan should be addressed to:-

Secretary to the Trustees
Hewlett-Packard Limited Retirement Benefits Plan
Inside Pensions

3rd Floor
54 – 56 Victoria Street
St Albans
Hertfordshire
AL1 3HZ

Enquiries from individual members and other beneficiaries about their entitlements should be addressed to:-

Hewlett-Packard Limited Retirement Benefits Plan
Equiniti Paymaster
Sutherland House
Russell Way
Crawley
Surrey
RH10 1UH

A copy of the Plan summary is available on the Members' website by following this link, <http://hp.xpmemberservices.com/Home.aspx> and individual benefit statements are provided to all active members. A summary of the Trustees' Report and Financial statements is produced and issued to all the members.

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

TRUSTEE REPORT

Introduction

The Trustee Directors (the Trustees) are pleased to present their annual report and the audited financial statements for the Hewlett-Packard Limited Retirement Benefits Plan ("Plan") for the year ended 31 October 2016. The Plan is a defined benefit plan and provides benefits for permanent employees of the Principal Employer, Hewlett-Packard Limited, and associated employers (the "Company") in the United Kingdom.

The Hewlett-Packard ("HP") Section of the Plan was closed to the admission of new members with effect from 31 December 1996. A new defined benefit section, the Bank of Ireland Section, was created with effect from 1 April 2004 for employees transferring from the Bank of Ireland to Hewlett-Packard as part of an outsourcing agreement. This section was closed to new members and the outsourcing arrangement is now terminated, although a number of members are still employed by the Company and remain in active service. Following the transfer of the assets and liabilities of the Medas Pension Scheme into the Bank of Ireland Section on 1 June 2015, the Section was renamed the BoI/Medas Section and subsequently transferred into the HP Section of the Plan on 6 July 2016, with transferring members remaining on the same benefits. A new defined benefit section, the Digital Section was created with effect from 1 October 2006 for members transferring from the Digital Pension Plan. This section is also closed to new members.

Trustees and advisers

A new incorporated body, Hewlett Packard Enterprise UK Pension Trustee Limited, was formed on 14 October 2016 and replaced the individual trustees on 28 October 2016. The previous individual trustees became Directors of that body. The Trustee Directors are shown on page 1.

The power of appointing and removing directors of the Trustee Company is vested in the Principal Employer, although it exercises this power so as to give effect to the arrangements for the Member Nominated Directors so that at least one-third of the Trustee Directors are member-nominated. At 31 October 2016 the Plan had eight Trustees Directors, three of whom were nominated by members of the Plan.

The Trustees are responsible for running the Plan in accordance with the Rules of the Plan dated 1 September 2008 as amended.

The Trustees' advisers are shown on pages 1 and 2.

Governance

The Trustee Board met four times during the past year to review the ongoing management of the Plan and the investment of its assets. The Trustees have also established a number of Sub-Committees which carry out operational activities and act as advisory bodies to the Trustee Board in respect of strategic matters. Each Sub-Committee meets as often as is required to carry out the duties delegated to it by the Trustees.

Trustees' Sub-Committees

The Trustees have established eight Sub-Committees, as listed below, and have approved the functions which have been delegated to these Sub-Committees. The delegated powers are included in the Terms of Reference together with details of the way in which the Sub-Committees are regulated. The Trustees have the power to change these Terms of Reference at any time.

The Sub-Committees are as follows:

- **Covenant Sub-Committee (CSC)**
- **Trustees' Investment Sub-Committee (TISC)**
- **Operations Sub-Committee (OSC)**
- **Funding Sub-Committee (FSC)**
- **Appointments Sub-Committee (ASC)**
- **Remuneration Sub-Committee (RSC)**
- **Audit Sub-Committee (Audit SC)**
- **De-Risking Sub-Committee (DSC)**

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

TRUSTEE REPORT

Financial Development of the Plan

	£'000
Fund value at 1 November 2015	2,823,034
During the year, income to the fund from contributions, investments and other sources amounted to	156,197
Total expenditure was	(164,759)
Net increase/(decrease) before change in market value	(8,562)
The change in market value of investments was	632,373
Which gave total increase/(decrease) in the fund during the year of	623,811
Fund value at 31 October 2016	3,446,845

The financial statements have been prepared and audited in accordance with regulations made under Section 41 (1) and (6) of the Pensions Act 1995.

Corporate re-organisation of Hewlett-Packard Company

At the start of November 2015, Hewlett-Packard Company (in the US) was split into two new publicly traded companies. Hewlett-Packard Company was renamed HP Inc and a new company called Hewlett Packard Enterprise Company (HPE) was listed on the New York Stock Exchange. In the months leading up to the split of Hewlett Packard Company, the Trustees worked closely with the Company to understand the impact the split would have on the ongoing support available to the Plan and to ensure that the security of member benefits would not be materially diminished. During the discussions, the Trustees took legal, actuarial, employer covenant and investment advice and had discussions with the Pensions Regulator. As a result of these discussions, it was agreed that the Parent Company Guarantee from Hewlett-Packard Company would be replaced by a Parent Company Guarantee from HPE, the new parent company of the UK Principal Employer and participating employers. This new Parent Company Guarantee with HPE has the same terms as the previous guarantee, but with a number of improvements. Details of the changes were communicated to members in December 2015.

Flexible retirement

Deferred members aged 55 and over are able to opt for flexible retirement. This means that members may elect that only a proportion of their DB benefits come into payment. The offer is subject to qualifying conditions as outlined to the members in a newsletter.

Cessation of Contracting out

From April 2016, it was not possible for pension schemes to be contracted out of the State Second Pension and active members were advised that they ceased to be contracted out under the Plan from 6 April 2016.

Actuarial Valuations

A formal actuarial valuation of each of the sections of the Plan is obtained by the Trustees at least once every three years, which involves seeking the advice of the Scheme Actuary. The main purposes of the actuarial valuation are to review the financial position of the Plan by examining the Plan's assets and liabilities and to assess the future rate of contributions the participating employers should pay to ensure that benefits can be paid. An actuarial valuation of each Section of the Plan as at 31 October 2015 is currently ongoing, but completion has been delayed by Hewlett Packard Enterprise's announcement of spin offs that could potentially have a material impact on the covenant supporting the Plan.

The Trustees also monitor the funding position at each Trustees' meeting, using approximate updates supplied by the Scheme Actuary.

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

TRUSTEE REPORT

Actuarial Valuations as at 31 October 2012 and schedules of contributions

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits to which members are entitled, based on pensionable service to the actuarial valuation date, and assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

Hewlett-Packard Section – Report on Actuarial Liabilities

The most recent full actuarial valuation of the HP Section of the Plan was carried out as at 31 October 2012. This showed that on that date:

The value of the Technical Provisions was:	£1,086 million
The value of the assets at that date was:	£829 million

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

Method

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

Significant actuarial assumptions

Discount interest rate: rate set by reference to AA corporate bond yields at the valuation date less 0.3% per annum.

Future Retail Price inflation: Set assuming 15% of the liabilities are to be valued in line with market-derived inflation (derived from the Bank of England fixed interest and index-linked gilt rates at the valuation date) and 85% of the liabilities to be valued using a long term assumption of 3.0% p.a. term.

Future Consumer Price inflation: RPI less 0.7% per annum.

Pension increases: derived from the assumptions for future retail price and consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

Pay increases: 2.0% p.a. in line with long-term pay increase expectations.

Mortality: standard tables S1PMA Light with a scaling factor of 105% for males and S1PFA Light with a scaling factor of 93% for female active members. Future improvements in line with CMI 2011 core projections with long-term improvement rate of 1.25% p.a. for men and women.

The current Schedule of Contributions was put in place in July 2016 following the transfer in of the BOI/Medas Section. A copy of the certification is included in this report. The Schedule of Contributions sets out the

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

TRUSTEE REPORT

contributions payable in future years, but these contributions will be recalculated as at 31 October on an annual basis and a new schedule may be put in place if appropriate.

The actuarial report as at 31 October 2014 showed a deficit of £293 million relative to the technical provisions, corresponding to a funding ratio of 79%. Based on the position as at 31 October 2014, the Company paid contribution of £119.4 million into the HP Section in March 2015.

A formal actuarial valuation is now being carried out as at 31 October 2015. This actuarial valuation has yet to be completed but, based on the position as at 31 October 2015, the Company paid a contribution of £34.3 million into the HP Section in March 2016.

The position as at 31 October 2016 has also been assessed and, based on this, it has been agreed that the Company will pay contributions to the HP Section of £45.2 million before 30 April 2017 and £5 million plus interest before 31 October 2017.

Digital Section – Report on Actuarial Liabilities

The most recent full actuarial valuation of the Digital Section of the Plan was carried out as at 31 October 2012. This showed that on that date:

The value of the Technical Provisions was: £1,384 million

The value of the assets at that date was: £1,040 million

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

Method

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

Significant actuarial assumptions

Discount interest rate: rate set by reference to AA corporate bond yields at the valuation date less 0.3% per annum.

Future Retail Price inflation: Set assuming 15% of the liabilities are to be valued in line with market-derived inflation (derived from the Bank of England fixed interest and index-linked gilt rates at the valuation date) and 85% of the liabilities to be valued using a long term assumption of 3.0% p.a. term.

Future Consumer Price inflation: RPI less 0.7% per annum.

Pension Increases: derived from the assumptions for future retail price and consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

Pay increases: 2.0% p.a. in line with long-term pay increase expectations.

Mortality: standard tables S1PMA Light with a scaling factor of 110% for males and S1PFA Light with a scaling factor of 98% for female active members. Future improvements in line with CMI 2011 core projections with long-term improvement rate of 1.25% p.a. for men and women.

The current Schedule of Contributions was put in place in April 2016 and a copy of the certification is included in this report. The Schedule of Contributions sets out the contributions payable in future years, but these contributions will be recalculated as at 31 October on an annual basis and a new schedule may be put in place if appropriate.

The actuarial report as at 31 October 2014 showed a deficit of £312.2 million relative to the technical provisions, corresponding to a funding ratio of 81%. Based on the position as at 31 October 2014, the Company paid a contribution of £98 million into the Digital Section in March 2015.

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

TRUSTEE REPORT

A formal actuarial valuation is now being carried out as at 31 October 2015. This actuarial valuation has yet to be completed but, based on the position as at 31 October 2015, the Company paid a contribution of £34.3 million into the Digital Section in March 2016.

The position as at 31 October 2016 has also been assessed and, based on this, it has been agreed that the Company will pay contributions to the Digital Section of £39 million before 30 April 2016 and £4.9m plus interest before 31 October 2017.

Bol/Medas Section – Report on Actuarial Liabilities

The most recent full actuarial valuation of the Bol/Medas Section of the Plan was carried out as at 31 October 2012 (prior to the transfer in of the Medas Pension Scheme). This showed that on that date:

The value of the Technical Provisions was: £15.4 million

The value of the assets at that date was: £14.9 million

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

Method

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

Significant actuarial assumptions

Discount interest rate: rate set by reference to AA corporate bond yields at the valuation date less 0.3% per annum.

Future Retail Price inflation: Set assuming 15% of the liabilities are to be valued in line with market-derived inflation (derived from the Bank of England fixed interest and index-linked gilt rates at the valuation date) and 85% of the liabilities to be valued using a long term assumption of 3.0% p.a. term.

Future Consumer Price inflation: RPI less 0.7% per annum.

Pension increases: derived from the assumptions for future retail price and consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

Pay increases: 2.0% p.a. in line with long-term pay increase expectations.

Mortality: standard tables S1PMA with a scaling factor of 94% for males and S1PFA with a scaling factor of 107% for female active members. Future improvements in line with CMI 2011 core projections with long-term improvement rate of 1.25% p.a. for men and women.

A Schedule of Contributions was put in place in April 2016. This required no Company contributions over the next five years, but these contributions would be recalculated as at 31 October on an annual basis and a new schedule may be put in place if appropriate.

The actuarial report as at 31 October 2014 showed a deficit of £ 0.18 million relative to the technical provisions, corresponding to a funding ratio of 99%, the Company paid contribution of £40,000 into the Bol/Medas Section in March 2015.

Since then, the assets and liabilities of the BOI/Medas Section transferred into the HP Section. As there are no longer any liabilities in the Bol/Medas Section there is no need to carry out an actuarial valuation in respect of this Section.

Transfer of the Bol/Medas section into the HP Section

The assets and liabilities of the Bol/Medas Section were transferred into the HP Section of the Plan with effect from 6 July 2016. The Trustees took legal, actuarial and employer covenant advice to ensure that the security of members' benefits in both sections of the Plan was not adversely affected. The BOI/Medas

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

TRUSTEE REPORT

Section has been terminated by Hewlett-Packard Limited and will be wound up, as there are no assets or liabilities remaining in this Section.

Additional Voluntary Contributions

The Plan allows active members to boost their benefits by paying Additional Voluntary Contributions (AVCs), as a means of making extra savings for retirement. This is especially useful for members who are thinking of early retirement, would like to receive a lump sum on retirement without having to reduce their pension in the Plan, or those who wish to make up for any periods when they were not earning pension rights.

Active members of the Digital Section can either pay In-Plan AVCs, increasing the rate at which their salary linked retirement benefits build up, or Investment Option AVCs, where AVCs are invested in a range of investment funds on a money purchase basis to secure additional pension benefits at retirement. Active members of the HP Section, including the ex Bol/Medas members, can only pay Investment Option AVCs.

During the year the Trustees completed their review of AVC investment options. It was agreed:

- No changes be made to the various with profits funds in which members held AVCs.
- The funds invested with Clerical Medical in which ex-Medas members held AVCs should be moved to Legal & General. Affected members were notified in November 2016 and the transfer is expected to take place by 31 March 2017.

Membership numbers

Details of the current membership numbers of the Plan are given below.

	HP*	2016 Digital Total	2015
Active members	332	320	796
Deferred members	2,757	6,095	9,194
Pensioners	1,400	3,959	5,011
Total	4,489	10,374	15,001

* These figures include 8 active members, 196 deferred members and 93 pensioners who transferred into the HP Section on 6 July 2016 following the transfer of the BOI/Medas Section into the HP Section.

	HP	Digital	Bol/Medas	Total
Active members				
Active members at 1 November 2015	390	392	14	796
Adjustments	(2)			
Adjusted balance at 1 November 2015	388	392	14	794
Leavers – members leaving before retirement	(42)	(61)	(6)	(109)
Retirements	(20)	(11)	-	(31)
Deaths	(2)	-		(2)
Transfers from BOI/Medas Section	8	-	(8)	-
Total active members at 31 October 2016	332	320	-	652

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

TRUSTEE REPORT

	HP	Digital	Bol/Medas	Total
Deferred members				
Deferred members at 1 November 2015	2,649	6,353	192	9,194
Adjustments	-	1	-	1
Adjusted balance at 1 November 2015	2,649	6,354	192	9,195
Members deferring in the year	32	35	6	73
Transfers Out	(32)	(41)	(1)	(74)
Retirements	(83)	(240)	(1)	(324)
Deaths	(5)	(13)	-	(18)
Transfer from BOI/Medas Section	196	-	(196)	-
Total deferred members at 31 October 2016	2,757	6,095	-	8,852

	HP	Digital	Bol/Medas	Total
Pensioner members				
Pensioners members at 1 November 2015	1,212	3,707	92	5,011
Adjustments	8	12	-	20
Adjusted balance at 1 November 2015	1,220	3,719	92	5,031
New pensioners commencing in the year	103	255	1	359
New spouse and dependant pensions commencing in the year	19	56	-	75
Trivial commutation of pension benefits	(6)	(21)	-	(27)
Deaths	(25)	(49)	-	(74)
Dependants' pensions ceasing	(4)	(1)	-	(5)
Transfer from BOI/Medas Section	93	-	(93)	-
Total pensioner members at 31 October 2016	1,400	3,959	-	5,359

Current developments to the Plan post year end

Proposed spins announced by Hewlett Packard Enterprise (HPE)

HPE announced two company spin offs in the year:

- Enterprise Services would be spun into a separate company and merged with Computer Sciences Corporation (CSC), with the transaction due to be finalised by 31 March 2017. As a result, from 1 December 2016, some members of the Plan joined the EDS Retirement Plan and some EDS scheme members joined the Plan on their existing benefits. Such members were given a choice as to whether or not to transfer in their historic benefits from the respective pension arrangements. As some of the participating employers ceased to have active members in the Plan from 1 December 2016, the Company requested that a Flexible Apportionment Agreement (FAA) be signed to reapportion the section 75 debt triggered on the withdrawal of the employer from the Plan. The Trustees took legal, and actuarial advice and signed the FAA accordingly. Transfers between the two schemes are due to be made by the end of March 2017.
- Plans to spin-merge non-core software assets with Micro Focus. This transaction is due to complete in the year 2016/2017.

The Trustees will be assessing the impact of these two transactions on the strength of HPE's covenant for the Plan. Given the uncertainty, the actuarial valuations as at 31 October 2015 were not completed within the statutory timeframe. The Pensions Regulator has been advised of the delay.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

TRUSTEE REPORT

Statement of Trustees' responsibilities for the financial statements

The audited financial statements which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) are the responsibility of the Trustees. Pension Plan regulations require the trustees to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

(i) show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and

(ii) contain the information specified in the Occupational Pension Plans (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Plans.

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. They are also responsible for making available each year, commonly in the form of a Trustees' annual report, information about the Plan prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

The Trustees also have certain responsibilities in respect of contributions which are set out in the statement of Trustees' responsibilities accompanying the Trustees' summary of contributions.

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

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

INVESTMENT REPORT

Introduction

Investment policy can be considered in two parts; (1) the strategic management, the setting of which is one of the fundamental responsibilities of the Trustees and (2) the day-to-day management of the assets, which has been delegated to professional investment managers.

As detailed on page 3, the Trustees' Investment Sub-Committee ("TISC") considers all investment issues and makes recommendations to the main Trustee Board. A De-Risking Sub-Committee ("DSC") of the Trustees is responsible for overseeing the implementation of the Trustees' de-risking strategy.

Diversification

The Trustees ensure that risks have been spread in two different ways:

- First, by ensuring that the investments of the Plan are suitably diversified as regards asset class, geographical spread and the number of stocks held.
- Second, by appointing a number of investment management firms, each of whom is a leader in its respective market. Each investment manager has been given clear investment guidelines and performance objectives.

Statement of Investment Principles

In accordance with section 35 of the Pensions Act 1995, the Trustees have produced a Statement of Investment Principles.

The statement is required by law and summarises how the Trustees:

- set the investment policy and choose the most suitable types of investments for the Plan;
- delegate buying and selling investments to the Plan's investment managers;
- monitor the performance of the Plan's investments.

The Trustees have considered ethical and socially responsible investments and have delegated to the investment managers responsibility for taking social, environmental and ethical considerations into account when assessing the financial potential and suitability of investment, and for exercising the rights attaching to the Plan's investments. A copy of the statement is available upon request.

Strategic Asset Allocation

For the HP and Digital Sections, the Plan has adopted a trigger-based approach for moving towards the long-term growth/protection asset split and hedging levels, linked both to improvements in the funding level and minimum yield triggers. No funding level or yield triggers were breached over the year and there were no changes to the high level Growth / Protection strategic split. The HP and Digital Sections did introduce additional inflation hedging protection.

No funding level or yield triggers were breached over the year. However, the 31 October 2016 monthly review showed that funding level triggers had been breached for both Sections. Subsequent to the end of the period the HP Section moved to 50.4% Growth, 49.6% Protection, and the Digital Section moved to 45.6% Growth, 54.4% Protection.

Over the 12 month period under review, two new mandates were introduced. BMO Global Asset Management (BMO) Government Guaranteed Bond mandate was introduced in December 2015, with funds sourced from the Insight LDI mandate. SSgA North American Equity was introduced in November 2015, funded by the termination of the LGIM North American Equity mandate. The Plan's currency hedging mandate was also moved to SSgA with the North American Equity mandate used as an equity buffer for the currency overlay.

In July 2016, the Bol / Medas Section of the Plan transferred into the HP Section of the Plan.

With full approval of the Trustees and after consultation with the Company, the Plan's strategic asset

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

allocation, excluding AVCs, as at 31 October 2016 is as follows:

Hewlett-Packard Section

Asset Class	Allocation as at 31/10/2016 (%)	Allocation as at 31/10/2015 (%)
UK Equity	5.0	5.0
International Equity	38.0	35.0
Fund of Hedge Funds	5.0	5.0
Diversified Growth Fund	5.0	5.0
Property	7.0	10.0
Non-Government Fixed Interest Bonds	3.0	3.0
Global Bonds	8.0	8.0
Absolute Return Bonds	5.0	5.0
Multi Asset Credit	5.0	5.0
LDI	17.0	19.0
Government Guaranteed Bonds	2.0	0.0
Total	100.0	100.0

50% of the developed market overseas currency exposure is hedged back to sterling for the growth assets (first 5 rows of the above table)

100% of the developed market overseas currency exposure is hedged back to sterling for the protection assets (last 6 rows of the above table)

Digital Section

Asset Class	Allocation as at 31/10/2016 (%)	Allocation as at 31/10/2015 (%)
UK Equity	5.0	5.0
International Equity	38.0	35.0
Fund of Hedge Funds	5.0	5.0
Diversified Growth Fund	5.0	5.0
Property	7.0	10.0
Non-Government Fixed Interest Bonds	3.0	3.0
Global Bonds	8.0	8.0
Absolute Return Bonds	5.0	5.0
Multi Asset Credit	5.0	5.0
LDI	17.0	19.0
Government Guaranteed Bonds	2.0	0.0
Total	100.0	100.0

50% of the developed market overseas currency exposure is hedged back to sterling for the growth assets (first 5 rows of the above table)

100% of the developed market overseas currency exposure is hedged back to sterling for the protection assets (last 6 rows of the above table)

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Distribution of Assets

The following tables provide a breakdown of the value of the total Plan assets on an investment type and manager basis, by Section, at 31 October 2016:

Hewlett-Packard Section

	Market Value (£m)*	Percentage %
UK Equity	82.9	5.1
International Equity ^{1,2}	652.3	40.2
Fund of Hedge Funds ³	23.9	1.5
Diversified Growth Fund	73.8	4.5
Property	105.6	6.5
Non-Government Fixed Interest Bonds	34.5	2.1
Global Bonds	91.7	5.6
Absolute Return Bonds	58.8	3.6
Multi Asset Credit	57.4	3.5
LDI	340.7	21.0
UK Government Bonds ¹	27.3	1.7
UK Government Guaranteed Bonds	28.4	1.7
Cash ³	47.2	2.9
Total	1,624.6	100.0

* Based on bid valuations where available. Figures may not sum due to rounding.

1 Includes ex BOI/Medas assets

2 International Equity includes £78,354 of unrealised losses from the currency hedge.

3 Fund of Hedge Funds valuation excludes c.£25m disinvestment dated 31 October 2016, this is included in cash.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Investment Manager	Asset Class	Market Value (£m)*	Percentage %
BlackRock ¹	UK and International Equity, UK Government Bonds	14.1	0.9
L&G ¹	UK and International Equity, UK Government Bonds	248.9	15.3
Shoreline	International Equity and Global Bonds	484.2	29.8
Mesirow ³	Fund of Hedge Funds	23.9	1.5
Invesco	Diversified Growth Fund	73.8	4.5
Morgan Stanley	Property	82.7	5.1
Threadneedle	Property	7.9	0.5
Lothbury	Property	14.9	0.9
UBS	Property	0.2	0.0
Insight	Non-Govt Fixed Interest Bonds, LDI, Cash	376.2	23.2
Wellington	Absolute Return Bonds	58.8	3.6
CQS	Multi Asset Credit	57.4	3.5
State Street ²	International Equity	107.0	6.6
BMO	UK Government Guaranteed Bonds	28.1	1.7
Other ³	Cash	46.3	2.8
Total		1,624.6	100.0

* Based on bid valuations where available. Figures may not sum due to rounding.

¹ Includes ex BOI/Medas assets

² State Street includes £78,354 of unrealised losses from the currency hedge.

³ Mesirow valuation excludes c.£25m disinvestment dated 31 October 2016, this is included in cash.

Digital Section

	Market Value (£m)*	Percentage %
UK Equity	89.9	5.1
International Equity ¹	717.9	40.0
Fund of Hedge Funds ²	26.8	1.6
Diversified Growth Fund	81.2	4.6
Property	128.7	7.2
Non-Government Fixed Interest Bonds	44.3	2.5
Global Bonds	112.3	6.4
Absolute Return Bonds	63.0	3.5
Multi Asset Credit	71.2	4.1
LDI	368.6	20.7
UK Government Guaranteed Bonds	34.1	1.9
Cash ²	42.0	2.4
Total	1,780.0	100.0

* Based on bid valuations where available. Figures may not sum due to rounding.

¹ International Equity includes £6,773 of unrealised losses from the currency hedge.

² Fund of Hedge Funds valuation, excludes c.£28m disinvestment dated 31 October 2016, this is included in cash.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Investment Manager	Asset Class	Market Value (£m)*	Percentage %
L&G	UK and International Equity	224.2	12.6
Shoreline	International Equity and Global Bonds	587.7	33.0
Mesirow ²	Fund of Hedge Funds	26.8	1.5
Invesco	Diversified Growth Fund	81.2	4.6
Morgan Stanley	Property	92.7	5.2
Threadneedle	Property	12.4	0.7
Lothbury	Property	23.6	1.3
Insight	Non-Govt Fixed Interest Bonds, LDI, Liquidity	413.0	23.2
Wellington	Absolute Return Bonds	63.0	3.5
CQS	Multi Asset Credit	71.2	4.0
State Street ¹	International Equity	108.1	6.1
BMO	UK Government Guaranteed Bonds	34.1	1.9
Other ²	Cash	42.0	2.4
Total		1,780.0	100.0

* Based on bid valuations where available. Figures may not sum due to rounding.

¹ State Street includes £6,773 of unrealised losses from the currency hedge.

² Mesirow valuation excludes c.£28m disinvestment dated 31 October 2016, this is included in cash.

Investment Performance

The Trustees and the TISC must balance the need to maintain the security of members' benefits with the aim of achieving the best possible return on the assets of the Plan.

The performance of the Plan's two Sections is detailed below:

Hewlett-Packard Section

Total Section	1 Year (% p.a.)	3 Year (% p.a.)	5 Year (% p.a.)
Actual	12.9	8.9	9.6
Benchmark	15.0	9.2	9.2

Net of fees, including impact of currency hedging

Source: State Street

Over the one-year period, the HP Section underperformed its benchmark by 2.1% (net of fees). Over the one-year period, the Section's equity, bond and alternative portfolios underperformed their respective benchmarks.

Over the three year period to 31 October 2016, the Section returned 8.9% p.a. underperforming its benchmark by 0.3% p.a. (net of fees). Over three years the equity portfolio continued to outperform its aggregate benchmark whilst bonds and alternatives marginally underperformed their benchmarks.

Over the five-year period to 31 October 2016, the Section returned 9.6% p.a. (net of fees) versus a benchmark return of 9.2% p.a. Both the Section's equities and bonds outperformed their aggregate benchmarks, whilst alternatives underperformed their benchmark.

As at 31 October 2016 the benchmark comprised:

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Benchmark	Allocation (%)
FTSE All-Share Index	5.0
FTSE All-World Developed North America Net UK Tax Index	7.0
FTSE All-World Developed Europe (ex UK) Index	2.0
FTSE All-World Japan Index	2.0
FTSE All-World Developed Asia Pacific (ex Japan) Index	2.0
MSCI Emerging Market Index	7.0
MSCI AC World Index	18.0
Markit iBoxx Sterling Non-Gilts Index	3.0
Bank of America Merrill Lynch 3-month T-Bill Index + 5.0% p.a. in GBP	5.0
Citigroup World Government Bonds Index (hedged return)	2.0
Barclays Global Aggregate Index (hedged back to sterling)	3.2
EONIA	2.8
FTSE EPRA/NAREIT Global Developed Real Estate Index	5.0
IPD UK Pooled Property All Balanced Fund Index	2.0
3 Month USD LIBOR + 4.5% p.a. in GBP	5.0
3 Month GBP LIBOR + 4.5% p.a. in GBP	10.0
Liability cashflows benchmark	17.0
Fund Return ¹	2.0
Total	100.0

Figures may not sum due to rounding.

¹ BMO Government Guaranteed Bonds mandate has a fund return benchmark

Digital Section

Total Section	1 Year (% p.a.)	3 Year (% p.a.)	5 Year (% p.a.)
Actual	12.6	8.8	9.4
Benchmark	14.6	9.1	9.1

Net of fees, including impact of currency hedging

Source: State Street

Over the one-year period, the Digital Section underperformed the benchmark by 2.0% (net of fees). Over the one-year period, the Section's equity, bond and alternative portfolios underperformed their respective benchmarks.

Over the three-year period to 31 October 2016, the Section underperformed its benchmark by 0.3% p.a. (net of fees). Over three years the equity portfolio outperformed its aggregate benchmark, whilst the bond and alternatives portfolios underperformed their respective benchmarks.

Over the five-year period to 31 October 2016, the Section returned 9.4% p.a. (net of fees) versus a benchmark return of 9.1% p.a. Both the Section's equities and bonds portfolios outperformed their aggregate benchmarks, whilst alternatives underperformed their benchmark.

As at 31 October 2016 the benchmark comprised:

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Benchmark	Allocation (%)
FTSE All-Share Index	5.0
FTSE All-World Developed North America Net UK Tax Index	7.0
FTSE All-World Developed Europe (ex UK) Index	2.0
FTSE All-World Japan Index	2.0
FTSE All-World Developed Asia Pacific (ex Japan) Index	2.0
MSCI Emerging Market Index	7.0
MSCI AC World Index	18.0
Markit iBoxx Sterling Non-Gilts Index	3.0
Bank of America Merrill Lynch 3-month T-Bill Index + 5.0% p.a. in GBP	5.0
Citigroup World Government Bonds Index (hedged return)	2.0
Barclays Global Aggregate Index (hedged back to sterling)	3.2
EONIA	2.8
FTSE EPRA/NAREIT Global Developed Real Estate Index	5.0
IPD UK Pooled Property All Balanced Fund Index	2.0
3 Month USD LIBOR + 4.5% p.a. in GBP	5.0
3 Month GBP LIBOR + 4.5% p.a. in GBP	10.0
Liability cashflows benchmark	17.0
Fund Return ¹	2.0
Total	100.0

Figures may not sum due to rounding.

¹ BMO Government Guaranteed Bonds mandate has a fund return benchmark

Management of investments

The day-to-day management of the Plan investments is delegated by the Trustees to external investment managers.

The Trustees allocate a proportion of the Plan assets to each investment manager and set them specific investment performance targets. They review the investment managers' investment activity and performance against the targets set for them. The objectives established for the investment managers are either to match or outperform a particular benchmark index or target.

The investment managers and their respective benchmarks are listed on pages 18 to 20 for each of the Sections.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Hewlett-Packard Section

Investment Manager	
Legal and General Investment Management (L&G)	Invest in: UK Equity Benchmark: Track FTSE All-Share Index Invest in: Europe ex UK Equity Benchmark: Track FTSE All-World Developed Europe ex UK Index Invest in: Japan Equity Benchmark: Track FTSE All-World Japan Index Invest in: Asia Pacific ex Japan Equity Benchmark: Track FTSE All-World Developed Asia Pacific ex Japan Index ¹ Invest in: Worldwide company shares and bonds ¹ Benchmark: Track the L&G customised benchmark
BlackRock Investment Management (BlackRock)	¹ Invest in: Worldwide company shares and bonds ¹ Benchmark: Track the BlackRock customised benchmark
State Street Global Advisors	Invest in: North American Equity Benchmark: FTSE All-World Developed North America Net UK Tax Index Invest in: Foreign exchange contracts Benchmark: Reduce foreign currency volatility
Mesirow Financial Product Group (Mesirow)	Invest in: Global Hedge Funds Benchmark: Outperform 3 month USD LIBOR + 1.5% p.a.
Shoreline Investment Management Company (HP Invest Emerging Market Equity):	Invest in: Emerging Market Equity Benchmark: MSCI Emerging Markets
Shoreline Investment Management Company (HP Invest Global Equity)	Invest in: Global Equity Benchmark: MSCI AC World
Invesco Perpetual Ltd (Invesco)	Invest in: Global Targeted Returns Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Morgan Stanley Investment Management Ltd (Morgan Stanley)	Invest in: Global Real Estate Benchmark: Outperform FTSE EPRA/NAREIT Global Developed Real Estate Index
Threadneedle Asset Management (Threadneedle)	Invest in: UK Real Estate Benchmark: Outperform IPD UK Pooled Property All Balanced Fund Index (weighted average)
Lothbury Investment Management (Lothbury)	Invest in: UK Real Estate Benchmark: Outperform IPD UK Pooled Property All Balanced Fund Index (weighted average)
UBS Global Asset Management (UBS)	Invest in: Global Real Estate Benchmark: 90% IPD All Balanced Funds Index, 10% EPRA/NAREIT Global Developed Real Estate Index
Wellington Management International Ltd (Wellington)	Invest in: Global Credit Benchmark: Outperform Bank of America Merrill Lynch 3-month T-Bill Index (hedged back to sterling) + 5.0% p.a.
Shoreline Investment Management Company (HP Invest Global Fixed Income)	Invest in: Global Credit Benchmark: Outperform composite benchmark: 25% Barclays Global Aggregate Index (Hedged Return), 40% Citigroup World Government Bonds Index (Hedged Return), 35% EONIA

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Investment Manager	
CQS (UK) LLP (CQS)	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Insight Investment Management (Global) Limited (Insight)	Invest in: UK bonds, swaps and cash Benchmark: Match liability cashflows Invest in: UK Credit Benchmark: Outperform Markit iBoxx Sterling Non-Gilts Index Invest in: Liquidity Benchmark: 7 Day LIBID
BMO Global Asset Management (BMO)	Invest in: UK government guaranteed bonds and cash Benchmark: Fund Return

¹ Including ex BOI/Medas assets

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

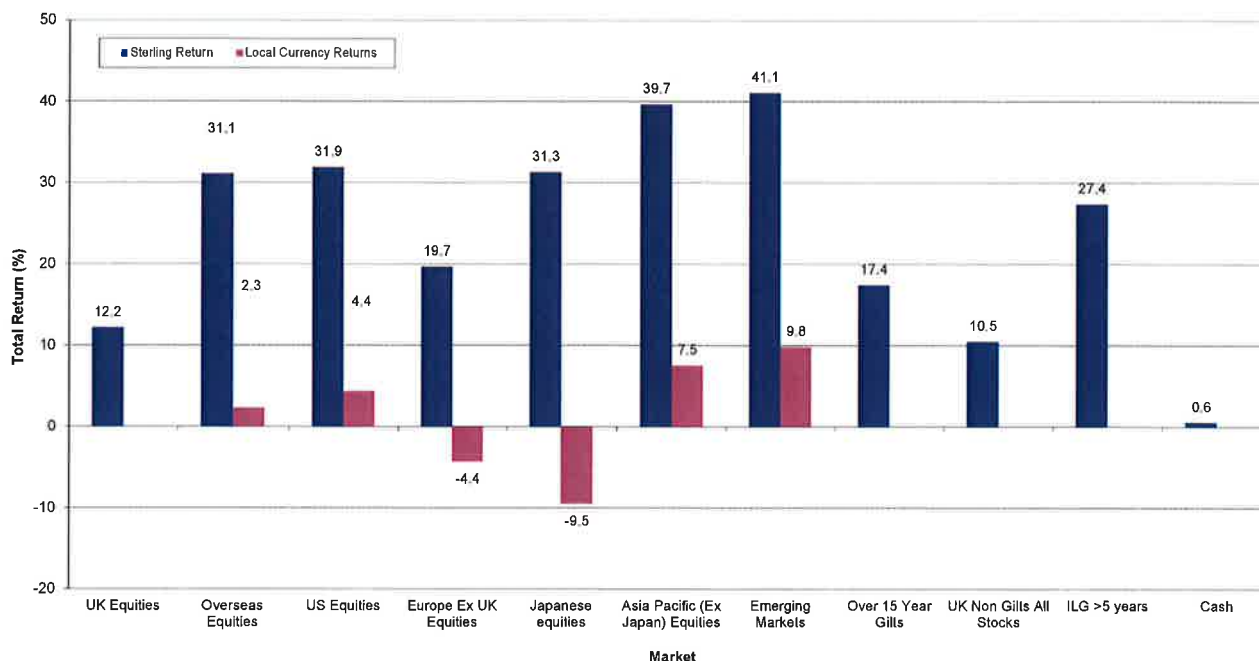
Digital Section

Investment Manager	
Legal and General Investment Management (L&G)	Invest in: UK Equity Benchmark: Track FTSE All-Share Index Invest in: Europe ex UK Equity Benchmark: Track FTSE All-World Developed Europe ex UK Index Invest in: Japan Equity Benchmark: Track FTSE All-World Japan Index Invest in: Asia Pacific ex Japan Equity Benchmark: Track FTSE All-World Developed Asia Pacific ex Japan Index
State Street Global Advisors	Invest in: North American Equity Benchmark: FTSE All-World Developed North America Net UK Tax Index Invest in: Foreign exchange contracts Benchmark: Reduce foreign currency volatility
Shoreline Investment Management Company (HP Invest Global Equity)	Invest in: Global Equity Benchmark: MSCI AC World
Shoreline Investment Management Company (HP Invest Emerging Market Equity)	Invest in: Emerging Market Equity Benchmark: MSCI Emerging Markets
Mesirow Financial Product Group (Mesirow)	Invest in: Global Hedge Funds Benchmark: Outperform 3 month USD LIBOR + 4.5% p.a.
Invesco Perpetual Ltd (Invesco)	Invest in: Global Targeted Returns Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Morgan Stanley Investment Management Ltd (Morgan Stanley)	Invest in: Global Real Estate Benchmark: Outperform FTSE EPRA/NAREIT Global Developed Real Estate Index
Threadneedle Asset Management (Threadneedle)	Invest in: UK Real Estate Benchmark: Outperform IPD UK Pooled Property All Balanced Fund Index (weighted average)
Lothbury Investment Management (Lothbury)	Invest in: UK Real Estate Benchmark: Outperform IPD UK Pooled Property All Balanced Fund Index (weighted average)
Wellington Management International Ltd (Wellington)	Invest in: Global Credit Benchmark: Outperform Bank of America Merrill Lynch 3-month T-Bill Index (hedged back to sterling) + 5.0% p.a.
Shoreline Investment Management Company (HP Invest Global Fixed Income)	Invest in: Global Credit Benchmark: Outperform composite benchmark: 25% Barclays Global Aggregate Index (Hedged Return), 40% Citigroup World Government Bonds Index (Hedged Return), 35% EONIA
CQS (UK) LLP (CQS)	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Insight Investment Management (Global) Limited (Insight)	Invest in: UK bonds, swaps and cash Benchmark: Match liability cashflows Invest in: UK Credit Benchmark: Outperform Markit iBoxx Sterling Non-Gilts Index
BMO Global Asset Management (BMO)	Invest in: UK government guaranteed bonds and cash Benchmark: Fund Return

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

Market returns from 31-Oct-2015 to 31-Oct-2016



Source: Thomson Reuter Datastream

- All the major regional equity markets delivered positive performance in sterling terms, driven by the falling value of the pound. Local currency returns were more mixed, with European and Japanese equities delivering negative returns.
- Bond markets performed well over the 12 month period as yields continued to fall with index-linked gilts and fixed interest gilts performing particularly well.

Custody Arrangements

Custody services are provided by State Street, the Plan's Global Custodian, for Insight, Morgan Stanley, the currency hedge, and UBS; and by BNY Mellon for BlackRock.

The pooled funds (managed by L&G, SSgA, BlackRock, CQS, Insight, BMO, Threadneedle, Lothbury, Mesirow, Invesco, Wellington and Shoreline) have their own separate custodial arrangements. However, they are included within the Plan's total assets by the Global Custodian for accounting purposes.

The custody services are provided in accordance with FCA regulations. There is no involvement by either the Trustees or the Principal Employer in custody procedures.

Employer related investments

As at 31 October 2016 the Plan had exposure to Hewlett-Packard of less than 1% of assets at both the Plan and individual Section level.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

INVESTMENT REPORT

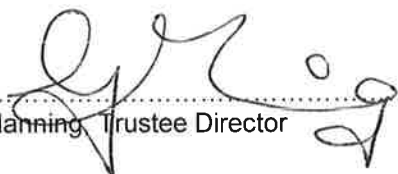
Investment Managers' Fees

Total fees paid to all of the investment managers except Insight (in regards of the LDI funds) and Odey (one of the managers employed by Shoreline in the HP Invest Global Equity Fund) were calculated as a percentage of the market value of the total funds under their control. These costs are borne by the Plan and charged or deducted on a quarterly basis in arrears. The fees for Insight LDI are calculated with reference to: the management of collateral, as a percentage of market value; ongoing management, as a base fee as a percentage of the present value of the liability benchmark of the relevant Section and a performance fee relative to the liability benchmark of the relevant Section. The fees for Longview, Investec, Cantillon and Arrowstreet, which make up the underlying funds in the Shoreline HP Invest Global Equity Fund, are calculated as a percentage of the market value of the total funds under their control. Odey, also an underlying manager in the Shoreline Global Equity Fund, calculate their fees as a percentage of the market value of the funds under their control and also as a percentage of any outperformance above their benchmark.

Signed for and on behalf of the Trustees on 7 March 2017



.....
Jonathan Lord, Trustee Director and Chairman of the Trustees



.....
Gill Manning, Trustee Director

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEWLETT-PACKARD
LIMITED RETIREMENT BENEFITS PLAN**

Independent Auditor's Report to the Trustees, of the Hewlett-Packard Limited Retirement Benefits Plan

We have audited the financial statements of Hewlett-Packard Retirement Benefits Plan for the year ended 31 October 2016 set out on pages 24 to 46. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). This report is made solely to the Plan Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made there under.

Our audit work has been undertaken so that we might state to the Plan Trustees, as a body, 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 Plan trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 10, the Plan Trustees are responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 October 2016 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 Plan year;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- contain the information specified in the Occupational Pension Plans (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.



.....
**Kevin Clark for and on behalf of KPMG LLP,
Statutory Auditor**
Chartered Accountants
15 Canada Square
London
E14 5GL

Date **13 MARCH 2017**

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

FUND ACCOUNT

	Note	Year to 31 October 2016			Year to 31 October 2015	
		HP £'000	Digital £'000	Bol/Medas £'000	Total £'000	£'000
Contributions and benefits						
Employer contributions		37,931	39,003	49	76,983	227,946
Employee contributions		25	24	24	73	123
Total Contributions	3	37,956	39,027	73	77,056	228,069
Transfers in	4	59,598	239	-	59,837	31,265
Other income	5	269	3	-	272	3
		97,823	39,269	73	137,165	259,337
Benefits paid or payable						
Benefits paid or payable	6	28,128	43,414	624	72,166	67,036
Payments to and on account of leavers	7	13,333	8,338	59,538	81,209	15,780
Administrative expenses	8	1,714	2,906	64	4,684	5,357
		43,175	54,658	60,226	158,059	88,173
Net additions/(withdrawals) from dealing with members						
		54,648	(15,389)	(60,153)	(20,894)	171,164
Returns on investments						
Investment income	9	8,610	10,422	-	19,032	17,559
Change in market value of investments	11	309,554	313,673	9,146	632,373	175,165
Investment management expenses	10	(3,154)	(3,488)	(58)	(6,700)	(4,714)
Net returns on investments		315,010	320,607	9,088	644,705	188,010
Net increase/(decrease) in the Fund during the year						
		369,658	305,218	(51,065)	623,811	359,174
Net assets of the Plan at 1 November						
		1,273,914	1,498,055	51,065	2,823,034	2,463,860
Net assets of the Plan at 31 October						
		1,643,572	1,803,273	-	3,446,845	2,823,034

The notes on pages 26 to *46 form part of these Financial Statements.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

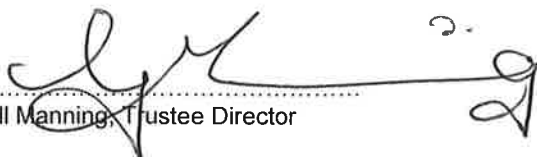
	Note	Year to 31 October 2016			Year to 31 October 2015	
		HP £'000	Digital £'000	Bol/Medas £'000	Total £'000	£'000
Investments assets						
Equities	11	82,869	92,875	-	175,744	142,198
Bonds	11	28,250	33,915	-	62,165	-
Pooled investment	12	1,466,703	1,610,727	-	3,077,430	2,614,226
Derivative assets	13	458	578	-	1,036	3,613
Cash in transit	11	25,000	28,000	-	53,000	-
Other financial assets	11	5,640	5,163	-	10,803	17,837
AVCs	14	17,868	9,875	-	27,743	28,416
		1,626,788	1,781,133	-	3,407,921	2,806,290
Investment liabilities						
Derivatives	13	(536)	(586)	-	(1,122)	-
Other financial liabilities	11	(450)	(508)	-	(958)	(312)
		(986)	(1,094)	-	(2,080)	(312)
Total net investments		1,625,802	1,780,039	-	3,405,841	2,805,978
Current assets	17	19,893	24,947	-	44,840	21,822
Current liabilities	18	(2,123)	(1,713)	-	(3,836)	(4,766)
		17,770	23,234	-	41,004	17,056
Total net assets of the Plan at 31 December		1,643,572	1,803,273	-	3,446,845	2,823,034

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities, included in the annual report on pages 5 to 7 and these financial statements should be read in conjunction with them.

The financial statements on pages 24 and 25 were approved on 7 March by:



Jonathan Lord, Trustee Director and Chairman of the Trustees



Gill Manning, Trustee Director

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 ("FRS 102") – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (revised November 2014) ("the Revised SORP").

In March 2016, an amendment was made to FRS 102 revising the fair value disclosure requirements for retirement benefit plans. This amendment applies for accounting periods beginning on or after 1 January 2017, however, early adoption is permitted for periods ending 31 December 2015 onwards. The Trustees have decided to adopt the amended disclosure early as set out in Note 11 of the financial statements.

There are three sections of the Plan as follows:

Hewlett-Packard Section (HP)

Digital Section (Digital)

Bol/Medas Section (Bol/Medas) to 6th July 2016

2. Statement of Accounting Policies

The following principal accounting policies, which have been applied consistently (except as noted below), have been adopted in the preparation of the financial statements.

2.1 Contributions

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis in the month employee contributions are deducted from the payroll.

Employers' augmentation and deficit repair contributions from the employer are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received.

Additional voluntary contributions from the members are accounted for, on an accruals basis, in the month deducted from the payroll.

Employee directed Employer contributions relate to AVCs paid under salary sacrifice.

2.2 Benefits

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Plan as appropriate.

2.3 Transfer Values

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers or payable to the pension plans of new employers for members who have left the Plan. They are accounted for on a cash basis or where Trustees have agreed to accept the liability in advance of receipt of funds on an accruals basis from the date of the agreement.

Group transfers, where the Trustees have agreed to accept the liability prior to the receipt, are accounted for in accordance with the agreement.

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

NOTES TO THE FINANCIAL STATEMENTS

2.4 Income from investments and deposits

- Investment income is accounted for as follows:-
- Dividends from quoted UK investments are accounted for on the date when stocks are quoted ex-dividend;
- Dividends from overseas investments are accounted for on an accruals basis;
- Interest on fixed interest securities is accounted for on an accruals basis;
- Interest income on cash deposits is accounted for on an accruals basis;
- Investment income includes United Kingdom and overseas tax recoverable in respect of the year.

2.5 Valuation of investments

Investments are valued at bid price.

Equities traded through the Stock Exchange Electronic Trading Service ("SETS") are valued on the basis of the bid price. Other quoted investments are valued on the basis of the bid price (or, if unavailable, most recent transaction) on the relevant stock market.

Pooled investment vehicles are valued at the closing bid price if both bid and offer prices are published, or, if single priced, at the closing single price as advised by the investment managers.

US Equities and Preferred Stock are valued based on the last paid sale price and if no sale occurred then the price will default to mid-market price.

Derivative contracts are valued at fair value. The fair value, being the unrealised profit or loss on the contracts is shown as a separate line within investments. Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices.

Derivative contracts' changes in fair value are included in change in market value where the economic purpose of the contracts relates to assets. Where the economic purpose relates to income the change in fair value is included in investment income.

Futures contracts' fair value is determined using exchange prices at the reporting date. The fair value is the unrealised profit or loss at the current bid or offer market quoted price of the contract. Amounts due from the broker represent the amounts outstanding in respect of the initial margin (representing collateral on the contracts) and any variation margin which is due to or from the broker. The amounts included in change in market value are the realised gains and losses on closed futures contracts and the unrealised gains and losses on open futures contracts.

Exchange traded options' fair value is determined using the exchange price for closing out the option at the reporting date. If a quoted market price is not available on a recognised exchange the over the counter ("OTC") contract options' fair value is determined by the investment manager using generally accepted pricing models such as Black Scholes, where inputs are based on market data at the year-end date.

The fair value of the interest rate swaps and currency swaps is calculated using pricing models based on the market price of comparable instruments at the year-end date, if they are publicly traded. Interest is accrued monthly on a basis consistent with the terms of the contract. The amounts included in change in market value are the realised gains and losses on closed contracts and the unrealised gains and losses on open contracts. Net receipts or payments on swap contracts are either reported in investment income (where the economic purpose relates to income) or change in market value (where the economic purpose relates to assets).

The fair value of the forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

US Government Bonds, US Mortgage Backed, US Corporate Bonds, US Convertible Bonds, US CMO and Asset Backed Securities are valued based on all the bids during the day an evaluation is done.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

Accrued interest is excluded from the market value of fixed interest securities and index linked securities but is included in investment income receivable.

Acquisition costs are included in the purchase cost of investments. Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Plan such as fees, commissions, stamp duty and other fees.

Investments denominated in foreign currencies are translated at closing spot rates into their sterling equivalents at the year end.

The change in market value of investments is accounted for in the year in which it arises and includes 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 and unrealised changes in market value.

AVC investments are included at the values provided by the AVC Investment managers.

2.6 Administrative and investment management expenses

Administrative and investment management expenses are accounted for on an accruals basis. All other costs of administration other than those shown in these financial statements are borne by the Principal Employer, Hewlett-Packard Limited.

2.7 Life assurance premiums

Premiums for group life assurance and widows' death in service benefits are accounted for in the period of cover.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

3. Contributions

	Year to 31 October 2016			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Employers				
Normal	2,191	1,497	11	3,699
Deficit repair	34,300	34,300	-	68,600
Employee directed	549	1,000	-	1,549
Augmentations	891	2,206	38	3,135
	37,931	39,003	49	76,983
Members				
Normal	-	-	20	20
Additional voluntary contributions	25	-	4	29
Life Assurance	-	24	-	24
	25	24	24	73
	37,956	39,027	73	77,056

	Year to 31 October 2015			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Employers				
Normal	2,526	1,595	15	4,136
Deficit repair	119,400	98,000	-	217,400
Employee directed	655	1,102	-	1,757
Augmentations	1,050	3,578	25	4,653
	123,631	104,275	40	227,946
Members				
Normal	-	-	35	35
Additional voluntary contributions	56	-	6	62
Life Assurance	-	26	-	26
	56	26	41	123
	123,687	104,301	81	228,069

In accordance with the statement of funding principles, the Employer deficit repair contributions are calculated as follows:

- the future cost of accrual of benefits calculated using assumptions underlying the Technical Provisions including an allowance for administrative expenses; less
- the amount by which the expected return on the assets for the year exceeds the amount of interest on the assets for the year assumed in calculating the Technical Provisions; plus
- an adjustment (either positive or negative) to allow for deficit or surplus.

The above calculation is subject to a minimum contribution rate of zero, and contributions relating to member contributions paid under salary sacrifice are payable in addition.

The Employer normal contributions for the 2015/16 Plan year were £3.6m for all three Sections of the Plan. Employer normal contributions relate to member contributions paid under salary sacrifice together with payment in lieu of notice representing contributions paid to the Plan for members' pensionable service accrued during their notice period when they have not been required by the Company to work their notice period.

Employee directed Employer contributions relate to AVCs paid under salary sacrifice.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

The Employers' augmentations are made to cover the enhancement to certain members' benefits by the Principal Employer, Hewlett-Packard Limited.

The additional voluntary contributions paid by members are either invested as part of the Plan's assets for in-plan benefits or are invested separately. There are four separate money purchase Plans available to members of the Plan and the assets purchased are held separately from the main Plan assets.

4. Transfers in

	Year to 31 October 2016			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Group transfers in	59,538	-	-	59,538
Individual transfers in from other schemes	60	239	-	299
	59,598	239	-	59,837

The transfer into the HP section refers to the Bol/Medas transfer as at 6th July 2016.

	Year to 31 October 2015			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Group transfers in	-	-	30,960	30,960
Individual transfers in from other schemes	-	305	-	305
	-	305	30,960	31,265

The transfer in of the Medas Pension Scheme in the prior year consists of £30,937k in specie investments, £85k cash and £(62)k debtors/creditors.

5. Other income

	Year to 31 October 2016			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Death benefit income	269	-	-	269
Other income	-	3	-	3
	269	3	-	272

	Year to 31 October 2015			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Death benefit income	-	2	-	2
Other income	-	1	-	1
	-	3	-	3

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

6. Benefits paid or payable

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Pensions	19,527	35,738	412	55,677
Commutations and lump sum retirement benefits	7,901	7,305	201	15,407
Purchase of annuities	-	-	-	-
Lump sum death benefits	258	283	11	552
Taxation where lifetime or annual allowance exceeded	442	88	-	530
	28,128	43,414	624	72,166

	Year to 31 October 2015			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Pensions	17,242	32,793	403	50,438
Commutations and lump sum retirement benefits	5,386	10,544	-	15,930
Lump sum death benefits	-	314	-	314
Taxation where lifetime or annual allowance exceeded	354	-	-	354
	22,982	43,651	403	67,036

7. Payments to and on account of leavers

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Individual transfers out to other schemes	13,333	8,338	-	21,671
Group transfers out to other schemes	-	-	59,538	59,538
	13,333	8,338	59,538	81,209

	Year to 31 October 2015			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Individual transfers out to other schemes	8,790	6,990	-	15,780
Group transfers out to other schemes	-	-	-	-
	8,790	6,990	-	15,780

The group transfer out represents the merging of the Bol/Medas section into the HP section.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

8. Administrative expenses

	Year to 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Administration and actuarial fees	1,116	1,864	59	3,039
Audit fees	45	66	-	111
Legal fees	227	338	(9)	556
Trustee fee and expenses	102	160	-	262
PPF levy	224	478	14	716
	1,714	2,906	64	4,684

	Year to 31 October 2015			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Administration and actuarial fees	1,217	1,963	77	3,257
Audit fees	52	77	1	130
Legal fees	232	73	13	318
Trustee fee and other expenses	94	141	8	243
PPF levy	351	1,037	21	1,409
	1,946	3,291	120	5,357

9. Investment income

	Year to 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Dividends from equities	2,694	3,345	-	6,039
Income from bonds	809	643	-	1,452
Income from pooled investment vehicles	5,042	6,394	-	11,436
Interest on cash deposits	65	40	-	105
	8,610	10,422	-	19,032

	Year to 31 October 2015			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Dividends from equities	1,916	2,222	-	4,138
Income from bonds	224	287	-	511
Income from pooled investment vehicles	5,842	6,887	-	12,729
Interest on cash deposits	80	101	-	181
	8,062	9,497	-	17,559

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

10. Investment management expenses

	Year to 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Administration, management and custody	3,063	3,354	55	6,472
Other advisory fees	91	134	3	228
	3,154	3,488	58	6,700

	Year to 31 October 2015			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Administration, management and custody	1,737	1,528	32	3,297
Other advisory fees	569	843	5	1,417
	2,306	2,371	37	4,714

The movement in the administration, management and custody expenses reflects certain timing differences in respect of the fees as well as changes in the Plan's portfolio.

11. Investment Reconciliation

The following tables show the movements on Plan investment assets during the year. The change in market value includes realised profits and losses arising on sales of investments during the year together with surpluses and deficits arising from the revaluation of investments held at the year end to market value and to sterling where the investments are denominated in foreign currencies.

HP Section	Market Value at 31 October 2015 £'000	Purchase at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Transfers In £, '000	Change in Market Value £'000	Market Value at 31 October 2016 £'000
Equities	66,189	20,589	(18,810)	-	14,901	82,869
Bonds	-	32,622	(7,040)	-	2,668	28,250
Pooled investment vehicles	1,176,150	259,103	(377,481)	59,179	349,752	1,466,703
Derivatives	1,680	99,795	(40,788)	-	(60,765)	(78)
AVC investments	18,241	1,027	(4,092)	87	2,605	17,868
	1,262,260	413,136	(448,211)	59,266	309,161	1,595,612
Cash in transit	-	-	-	-	-	25,000
Other	7,956	-	-	-	393	5,190
Total	1,270,216				309,554	1,625,802

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

11. Investment Reconciliation (continued)

Digital Section	Market Value at 1 November 2015 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in Market Value £'000	Market Value at 31 October 2016 £'000
Equities	76,009	23,372	(23,218)	16,712	92,875
Bonds	-	39,283	(8,415)	3,047	33,915
Pooled investment vehicles	1,387,569	256,984	(398,803)	364,977	1,610,727
Derivatives	1,933	115,877	(46,007)	(71,811)	(8)
AVC investments	10,126	1,852	(2,789)	686	9,875
	1,475,637	437,368	(479,232)	313,611	1,747,384
Cash in transit	-			-	28,000
Other	9,569			62	4,655
	1,485,206			313,673	1,780,039

Bol/Medas Section	Market Value at 1 November 2015 £'000	Purchases at cost and derivative payments £'000	Sales and proceeds and derivative receipts £'000	Transfers out £'000	Change in Market Value £'000	Market Value at 31 October 2016 £'000
Pooled investment vehicles	50,507	7,547	(8,011)	(59,179)	9,136	-
AVC investments	0	41	(11)	(87)	8	-
Total	50,507	7,588	(8,022)	(59,266)	9,144	-

Included within the HP Section purchases and sales are direct transaction costs comprising fees, commission and stamp duty. These costs are attributable to the key asset classes as follows:

HP Section				2016	2015
	Fees £'000	Commission £'000	Stamp Duty £'000	Total £'000	Total £'000
Equities	-	52	21	73	51
Bonds	-	-	-	-	17
Derivatives	-	49	-	49	184
	-	101	21	122	252

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

11. Investment Reconciliation (continued)

Included within the Digital Section purchases and sales are direct transaction costs comprising fees, commission and stamp duty. These costs are attributable to the key asset classes as follows:

Digital Section				2016	2015
	Fees £'000	Commission £'000	Stamp Duty £'000	Total £'000	Total £'000
Equities	24	61	-	85	60
Bonds	-	-	-	-	21
Derivatives	-	-	-	-	243
	24	61	-	85	324

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles and are not separately identifiable.

12. Pooled investment vehicles

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

HP Section	Year to	Year to
	31 October 2016	31 October 2015
	£,000	£'000
Equities	726,629	500,763
Bonds	278,407	237,783
Liquidity	946	-
Multi-Asset	97,056	136,883
Property	22,945	50,435
LDI	340,720	250,286
	1,466,703	1,176,150

Digital Section	Year to	Year to
	31 October 2016	31 October 2015
	£'000	£'000
Equities	852,070	626,768
Bonds	246,549	242,719
Multi-Asset	107,502	152,203
Property	35,986	78,888
LDI	368,620	286,991
	1,610,727	1,387,569

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

12. Pooled investment vehicles (continued)

Bol/Medas Section	Year to	Year to
	31 October 2016	31 October 2015
	£'000	£'000
Equities	-	18,722,372
Bonds	-	31,785,209
	-	50,507,581

13. Derivatives

The Trustees have authorised the use of derivatives by their investment managers as part of their investment strategy for the Scheme as explained in the Trustees' Report. Summarised details of the derivatives held at the year-end are set out below:

HP Section Derivatives

	2016 Assets £'000	2016 Liabilities £'000	2015 Assets £'000	2015 Liabilities £'000
Forward currency contracts	458	536	1,683	3

Forward Foreign Exchange (FX)

The Scheme has open FX contracts at the year-end relating to its currency hedging strategy as follows:

Forward Contracts			Asset value	Liability value
Settlement date	Currency Bought	Currency Sold	at year end £'000	at year end £'000
28/11/2016	AUD 586,000	GBP 365,279	-	-
28/11/2016	GBP 13,370,211	AUD 21,415,000	39	-
28/11/2016	GBP 9,102,736	CAD 14,610,000	177	-
28/11/2016	GBP 1,422,883	DKK 11,791,000	-	1
28/11/2016	GBP 27,565,710	EUR 30,737,000	-	47
28/11/2016	GBP 8,652,504	HKD 82,354,000	-	43
28/11/2016	GBP 29,902,449	JPY 3,811,109,000	187	-
28/11/2016	GBP 355,882	ILS 1,670,000	-	-
28/11/2016	GBP 322,594	NZD 551,000	-	-
28/11/2016	GBP 530,022	NOK 5,296,000	5	-
28/11/2016	GBP 2,652,679	SGD 4,511,000	-	1
28/11/2016	GBP 2,652,279	SEK 29,631,000	50	-
28/11/2016	GBP 7,558,363	CHF 9,161,000	-	36
28/11/2016	GBP 188,555,216	USD 230,820,000	-	408
Total 2016			458	536
Total 2015			1,683	3

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

13. Derivatives (continued)

Digital Section - Derivatives

	2016 Assets £'000	2016 Liabilities £'000	2015 Assets £'000	2015 Liabilities £'000
Forward currency contracts	578	586	1,937	4

Forward Foreign Exchange (FX)

Forward Contracts			Asset value at year end £'000	Liability value at year end £'000
Settlement date	Currency Bought	Currency Sold		
28/11/2016	AUD 652,000	GBP 406,420	-	1
28/11/2016	GBP 24,185,000	AUD 15,099,627	44	-
28/11/2016	GBP 9,746,172	CAD 15,639,000	192	-
28/11/2016	GBP 1,694,281	DKK 14,040,000	-	1
28/11/2016	GBP 32,771,779	EUR 36,542,000	-	56
28/11/2016	GBP 9,723,948	HKD 92,552,000	-	48
28/11/2016	GBP 36,697,981	JPY 4,677,209,000	229	-
28/11/2016	GBP 430,894	ILS 2,022,000	-	-
28/11/2016	GBP 362,406	NZD 619,000	-	-
28/11/2016	GBP 629,701	NOK 6,292,000	5	-
28/11/2016	GBP 3,013,152	SGD 5,124,000	-	1
28/11/2016	GBP 3,247,316	SEK 35,088,000	60	-
28/11/2016	GBP 9,058,319	CHF 10,979,000	-	43
28/11/2016	GBP 214,083,467	USD 262,036,000	-	436
28/11/2016	USD 8,686,000	GBP 7,063,011	48	-
Total 2016			578	586
Total 2015			1,937	4

The Plan's investment managers use derivatives (forwards, futures and options) to manage currency risk in portfolios or generate returns from active currency management. Where returns are earned in non-sterling denominated currencies the manager may use currency derivatives to hedge out any change in returns resulting purely from currency moves which are beyond the manager's control. Use of currency in this context is not intended to add value to the portfolio and used only to mitigate the impact of currency movements against sterling. Some of the Plan's investment managers use currency derivatives to add value to their portfolios. Where a manager has a view that one currency is cheap or expensive relative to another, they will use derivatives to express this view.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

14. AVC assets

	At 31 October 2016			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Equitable Life	933	880	-	1,813
MGM Assurance/Scottish Friendly	75	-	-	75
Standard Life	181	-	-	181
Clerical Medical	8	-	-	8
Phoenix Life	-	183	-	183
Legal & General	16,671	8,812	-	25,483
	17,868	9,875	-	27,743

	At 31 October 2015			Total £'000
	HP £'000	Digital £'000	Bol/Medas £'000	
Equitable Life	1,176	1,053	19	2,248
MGM Assurance/Scottish Friendly	127	-	-	127
Standard Life	175	-	-	175
Clerical Medical	-	-	12	12
Phoenix Life	-	270	-	270
Legal & General	16,763	8,803	18	25,584
	18,241	10,126	49	28,416

The AVCs above are invested in a mix of with-profit policies, building society arrangements, managed and unit-linked funds. These are invested on a money purchase basis. Members participating in these arrangements each receive an annual statement as at 31 October confirming the amounts held in their account and the movements in the period.

In addition to the AVC investments held by the Plan shown above, Digital Section members can pay in-plan AVCs to provide added years benefits. The AVCs invested in this way are held by the Plan in the main pool of investments.

The Trustees hold assets invested separately from the main fund in the form of insurance policies, unit-linked investments and with profit funds securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held to their account and the movements in the year.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

15. Investment Fair Value Hierarchy

The fair value of financial instruments has been disclosed 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 on 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. that is for which market data is unavailable) for the asset or liability

The Scheme's investment assets and liabilities disclosed according to the above hierarchy categories are as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2016 Total £'000
HP Section				
Equities	82,869	-	-	82,869
Bonds	-	28,250	-	28,250
Pooled investment vehicles	-	1,385,776	80,927	1,466,703
Derivatives	(78)	-	-	(78)
AVC investments	-	16,676	1,192	17,868
Cash in transit	25,000	-	-	25,000
Other investment balances	5,190	-	-	5,190

Digital Section

Equities	92,875	-	-	92,875
Bonds	-	33,915	-	33,915
Pooled investment vehicles	-	1,513,230	97,497	1,610,727
Derivatives	(8)	-	-	(8)
AVC investments	-	8,812	1,063	9,875
Cash in transit	28,000	-	-	28,000
Other investment balances	4,655	-	-	4,655

238,503	2,986,659	180,679	3,405,841
---------	-----------	---------	-----------

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2015 Total £'000
HP Section				
Equities	66,189	-	-	66,189
Pooled investment vehicles	-	1,038,651	137,499	1,176,150
Derivatives	1,680	-	-	1,680
AVC investments	-	16,890	1,351	18,241
Other investment balances	7,956	-	-	7,956
Digital Section				
Equities	76,009	-	-	76,009
Pooled investment vehicles	-	1,235,366	152,203	1,387,569
Derivatives	1,933	-	-	1,933
AVC investments	-	8,803	1,323	10,126
Other	9,569	-	-	9,569

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

15. Investment Fair Value Hierarchy (continued)

Bol/Medas Section

Pooled investment vehicles	-	50,507	-	50,507
AVC investments	-	19	30	49
	163,336	2,350,236	292,406	2,805,978

16. Investment Risk Disclosures

Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks. 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 comprises currency risk, Interest rate risk and other price risk.

Currency risk: this is the risk that the fair value of 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 of 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 of 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 Plan has exposure to these risks because of the investments it makes to implement the investment strategy described in the Trustee's Report. The Trustee manages investment risks, including credit risk and market risk, within the agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and monitored by the Trustee by regular reviews of the investment portfolios. Further information on the Trustee's approach to risk management and the Plan's exposures to credit and market risks are set out below. This does not include annuity insurance policies or AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Credit Risk

The Plan is subject to credit risk as it invests in bonds, OTC derivatives and has cash balances. The Plan also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to the credit risks arising on the financial instruments held by the pooled investment vehicles.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

16. Investment Risk Disclosures (continued)

Analysis of direct credit risk

HP Section

31 October 2015 (£'000)	Investment grade	Non-investment grade	Unrated	Total
OTC Derivatives	-	-	1,680	1,680
Cash	7,895	-	-	7,895
PIVs	-	-	1,176,150	1,176,150
Total	7,895	-	1,177,830	1,185,725

31 October 2016 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	28,250	-	-	28,250
OTC Derivatives	-	-	(78)	(78)
Cash	30,221	-	-	30,221
PIVs	-	-	1,466,703	1,466,703
Total	58,451	-	1,466,625	1,525,096

Digital Section

31 October 2015 (£'000)	Investment grade	Non-investment grade	Unrated	Total
OTC Derivatives	-	-	1,933	1,933
Cash	9,459	-	-	9,459
PIVs	-	-	1,387,569	1,387,569
Total	9,459	-	1,389,502	1,398,961

31 October 2016 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	33,915	-	-	33,915
OTC Derivatives	-	-	(7)	(7)
Cash	32,584	-	-	32,584
PIVs	-	-	1,610,727	1,610,727
Total	66,499	-	1,610,720	1,677,219

Credit risk arising on bonds is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

The Plan also invests via pooled vehicles in a range of bonds which are non-investment grade, including high yield bonds, convertible bonds, leveraged loans and securitised bonds. The Trustee manages the associated credit risk with these non-investment grade bonds by requesting that the investment managers undertake fundamental credit analysis of each of the issues they hold, and that the investment managers diversify their portfolios to minimise the impact of default by any one issuer. This is the position at the year end.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter (OTC). OTC derivate contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements. Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts and the Trustee delegates responsibility for the selection and monitoring of the counterparties to the respective investment managers.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

16. Investment Risk Disclosures (continued)

Directly held cash is mostly held at the Plan's custodian, State Street, although some of the investment managers also hold cash with other counterparties, where they are responsible for the selection and monitoring of the counterparties. The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled manager.

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

HP Section

	31 October 2015 (£'000)	31 October 2016 (£'000)
Unit linked insurance contract	224,935	377,913
Open ended investment companies	221,397	200,478
Common contractual fund	393,140	484,214
Qualifying Investor Alternative Investment Fund	270,699	355,615
Cayman Islands limited company	65,412	48,288
Limited Partnership	567	195
Total	1,176,150	1,466,703

Digital Section

	31 October 2015 (£'000)	31 October 2016 (£'000)
Unit linked insurance contract	263,092	344,732
Open ended investment companies	254,243	231,849
Common contractual fund	477,453	587,700
Qualifying Investor Alternative Investment Fund	319,283	392,180
Cayman Islands limited company	73,498	54,266
Total	1,387,569	1,610,727

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in predominantly investment grade credit rated securities, i.e. Insight UK Credit, HP Invest Global Bonds.

Currency Risk

The Plan is subject to currency risk because some of the Plan's investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. The Trustee manages the risk of overseas currency exposure through a currency hedging policy.

The Plan's total unhedged exposure by major currency at the year end was as follows. The figures provided in the table below are before allowing for the SSgA currency overlay (described below), but after any currency hedging which is undertaken by the investment managers.

HP Section

Currency	31 October 2015 (£'000)	31 October 2016 (£'000)
US Dollar	408,212	488,619
Euro	4,696	6,022
Japanese Yen	6,772	10,020
Other	13,383	16,095

Digital Section

Currency	31 October 2015 (£'000)	31 October 2016 (£'000)
US Dollar	486,465	583,238
Euro	4,744	6,353
Japanese Yen	7,778	11,053
Other	15,354	17,837

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

16. Investment Risk Disclosures (continued)

The Plan has a passive overlay mandate managed by SSgA which hedges some of the Plan's currency exposures. The mandate aims to hedge 50% of the developed market currency exposure arising from the LGIM – Europe ex UK Equity, LGIM – Japan Equity, LGIM – Asia Pacific ex Japan Equity, HP Invest Global Equity, Mesirow, Morgan Stanley and

SSGA – North America Equity portfolios. Emerging market currency exposures are not hedged due to practical limitations and costs for hedging these currencies and expected long-term appreciation of emerging market currencies relative to sterling.

Interest Rate Risk

The Plan is subject to interest rate risk through its direct holdings in bonds swaps, fixed income futures and fixed income options, and the indirect holdings in pooled bonds funds and the pooled LDI portfolio. The position at the year end was:

HP Section

	31 October 2015 (£'000)	31 October 2016 (£'000)
Bonds	-	28,250
Bond PIVs	174,427	211,891
LDI PIVs	250,286	340,890
Total	424,713	581,031

Digital Section

	31 October 2015 (£'000)	31 October 2016 (£'000)
Bonds	-	33,915
Bond PIVs	216,287	228,868
LDI PIVs	286,991	368,806
Total	503,278	631,589

Other Price Risk

Other price risk arises principally in relation to the Plan's return seeking portfolio, which includes directly held equities, and also pooled fund investments in equities, property, hedge funds, and private equity.

The Plan manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

At the year end, the Plan's exposure to investments subject to other price risk was:

HP Section

	31 October 2015 (£'000)	31 October 2016pl (£'000)
Equities	66,189	82,868
Equity PIVs	500,762	735,272
Property PIVs	50,434	22,945
Hedge Funds	200,972	155,857
Total	818,357	996,942

Digital Section

	31 October 2015 (£'000)	31 October 2016 (£'000)
Equities	76,009	92,875
Equity PIVs	586,343	807,730
Property PIVs	78,889	35,986
Hedge Funds	219,901	170,544
Total	961,142	1,107,135

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

17. Current assets

	at 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Cash balances	19,369	24,667	-	44,036
Other debtors	524	267	-	791
Intersection balance	-	13	-	13
	19,893	24,947	-	44,840

	at 31 October 2015			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Cash balances	5,368	15,674	558	21,600
Other debtors	104	2	10	116
Intersection balance	-	106	-	106
	5,472	15,782	568	21,822

The intersection balance is made up of asset transfers between the HP and Digital Sections during the year.

18. Current Liabilities

	at 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Unpaid benefits	587	-	-	587
Accrued expenses	1,195	1,260	-	2,455
Other creditors	328	453	-	781
Intersection balance	13	-	-	13
	2,123	1,713	-	3,836

	at 31 October 2015			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Unpaid benefits	387	1,624	-	2,011
Accrued expenses	935	843	54	1,832
Other creditors	346	466	5	817
Intersection balance	106	-	-	106
	1,774	2,933	59	4,766

19. Concentration of investments

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

Except for the investments noted below, which comprise 63.12% (2015: 60.4%) of the Plan assets, the Plan does not hold over 5% of its funds in any one form of investment:

Managed by:	Holdings	31 October 2016	
		Market	Percentage
		Value £'000	%
Insight	LDI Solutions Plus Fund 11/12 CLS 'B' Shares	709,340	20.58
Northern Trust	Invest GLB SB F	630,749	18.30
HP Invest	CCF Global Bond Fund Common Stock	203,947	5.92
Northern Trust	Emerging MKT EQT SF	237,219	6.88
SSGA	MPF North America Equities	215,203	6.24
Morgan	Global Property	179,381	5.20

Managed by:	Holdings	31 October 2015	
		Market	Percentage
		Value £'000	%
Insight	LDI Solutions Plus Fund 11/12 CLS 'B' Shares	538,494	19.08
Northern Trust	Invest GLB SB F	498,177	17.65
HP Invest	CCF Global Bond Fund Common Stock	195,463	6.92
Northern Trust	Emerging MKT EQT SF	176,954	6.27
Invesco Perpetual	Global Targeted Returns Fund	150,176	5.32
Morgan	Global Property	144,487	5.12

The Plan holds units in the Insight LDI Active 11 and 12 funds of £709,340m. The Plan is the sole investor in these funds. The underlying investments in the funds comprise:

	31 October 2016
	£'000
Asset Swaps	(81,580)
Interest Rate Swaps	(87,316)
Futures	(82,975)
Fixed Income Futures	82,975
LPI Swaps	5,795
RPI Swaps	(20,785)
Corporate Index Linked	22,406
Government Index Linked	809,783
Government	1,361,644
Repurchase Agreements	(1,311,787)
Liquidity Funds	11,180
	<u>709,340</u>

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

NOTES TO THE FINANCIAL STATEMENTS

31 October 2015

	£'000
Asset Swaps	(50,348)
Interest Rate Swaps	(30,852)
LPI Swaps	8,476
RPI Swaps	(30,656)
Corporate Index Linked	17,297
Government Index Linked	791,323
Government	1,359,756
Repurchase Agreements	(1,549,473)
Short term Investment Funds	22,971
	<u>538,494</u>

20. Employer related investments

For the current period the Plan had a direct holding of £Nil as at 31 October 2016 in the Hewlett-Packard Company (2015: £nil).

21. Related party transactions

During the year the Plan reimbursed fees and expenses incurred by the following whilst carrying out their duties as Trustees of the Plan – A Dodd, M Jackson, P Early, G Manning, P Lawman, J Lord, K Norrington, and P Oram. These costs are included in note 8.

The company bears additional administrative costs, which are not shown in note 8 and are not recharged to the Plan.

Except as disclosed above and elsewhere in the financial statements, there are no transactions, balances or relationships that require disclosure under the Pension SORP and FRS102.

22. Contingent liabilities

Other than the liabilities to pay future pensions, there are no contingent liabilities of the Plan at 31 October 2016 (2015: £nil).

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 OCTOBER 2016**

INDEPENDENT AUDITOR'S STATEMENT ON CONTRIBUTIONS PAYABLE TO THE PLAN

We have examined the summary of contributions payable under the schedule of contributions to the Hewlett-Packard Retirement Benefits Plan in respect of the Plan year ended 31 October 2016 which is set out on pages 48-49.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 48, the Plan's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan 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 to the Plan and to report our opinion to you.

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 Plan and the timing of those payments under the schedule of contributions.

Statement about contributions payable under the schedule of contributions

In our opinion contributions for the Plan year ended 31 October 2016 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 actuary on 17 January 2014 and 27 April 2016 for the Sections of the Plan at that time and the schedule of contributions certified by the actuary on 30 July 2016 for the HP Section.



.....
**Kevin Clark for and on behalf of KPMG LLP,
Statutory Auditor**
15 Canada Square
London
E14 5GL

Date 13 MARCH 2017

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 OCTOBER 2016**

SUMMARY OF CONTRIBUTIONS

Statement of Trustee's Responsibilities in respect of Contributions

The Plan's Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a payment schedule showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid.

The Plan's Trustees are also responsible for keeping records of contributions received in respect of any active member of the Plan and for procuring that contributions are made to the Plan in accordance with the schedule.

During the year ended 31 October 2016, the contributions payable to the Plan under the Schedule of Contributions were as follows:

Contributions payable under the schedule in respect of the Plan year	£'000s
Employer:	
normal contributions	3,699
deficit repair contributions	68,600
Member:	
normal contributions	20
	<hr/>
Contributions payable under the Schedule (as reported on by the Plan auditor)	72,319
	<hr/>

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 OCTOBER 2016**

SUMMARY OF CONTRIBUTIONS


Reconciliation of contributions

Reconciliation of contributions payable under the schedules to contributions reported in the accounts in respect of the Plan year:

	£'000s
Contributions payable under the Schedule (as above)	72,319
Contributions payable in addition to those due under the Schedules (and not reported on by the Plan auditor):	
Employee directed	1,549
Augmentations	3,135
Additional voluntary contributions	29
Life Assurance	24
	<hr/>
Total contributions reported in the accounts	77,056
	<hr/>

Signed on behalf of the Trustee on 7 March 2017

Jonathan Lord Trustee Director Signature.....

Gillian Manning Trustee Director Signature.....

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

COMPLIANCE STATEMENT

Tax status of the Plan

The Plan is established and is governed by the Rules and is a registered pension plan under Schedule 36 of the Finance Act 2004. Prior to the introduction of this Act, the Plan was an "exempt approved Plan" under the terms of the Income and Corporation Taxes Act 1988.

Contracted out Status

From 6 April 2016, it was not possible for pension schemes to be contracted out of the State Second Pension and active members ceased to be contracted out from that date.

HP Section's Pension Increases

Prior to the transfer in of the Bol/Medas Section, the elements that receive guaranteed increases are Post 1997 Pension, Pre 1997 Qualifying Pension and Post 1988 GMP. In addition, Hewlett-Packard Limited is required under the Rules of the Plan to regularly review pensions and may award discretionary increases from time to time as it decides, subject to the consent of the Trustees.

The pensions in payment were increased at 6 April 2016 as follows:

Post 1997 Pension	1.2%
Pre 1997 Non-Qualifying Pension	0.0%
Pre 1997 Qualifying Pension	0.80%
Pre 1988 GMP (if applicable)	0.0%
Post 1988 GMP (if applicable)	0.0%
AVC Increasing pension	1.2%

Hewlett-Packard Limited decided not to award any discretionary pension increases during the year. No increases have been granted since the transfer in of the BOI/Medas Section.

Digital Section's Pension Increases

The elements that receive guaranteed increases are Post 1997 Pension, Post 2005 Pension and Post 1988 GMP. In addition, Hewlett-Packard Limited is required under the Rules of the Plan to review pensions at least annually and may award discretionary increases from time to time as it decides.

The pensions in payment were increased at 6 April 2016 as follows:

Pre 1997 Pension (in excess of GMP)	0.0%
Post 1997 Pension (5% LPI)	1.3%
Post 1997 Pension (2.5% LPI)	1.3%
Post 97 (6-4-97 to 7-3-00 Leavers) (CPI)	0.0%
Post 2005 Pension (5% LPI Members)	1.3%
Post 2005 Pension (non 5% LPI Members)	1.3%
Pre 1988 GMP (if applicable)	0.0%
Post 1988 GMP (if applicable)	0.0%
External AVCs (Non-increasing)	0.0%
External AVCs (2.5% LPI)	1.3%
External AVCs (5% LPI)	1.3%

Hewlett-Packard Limited decided not to award any discretionary pension increases during the year.

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

COMPLIANCE STATEMENT

Bol/Medas Section's Pension Increases

Prior to the transfer of the Bol/Medas Section into the HP Section, the elements that receive guaranteed increases include Post 1997 Pension, Pre 1997 Pension (in excess of GMP) and Post 88 GMP. In addition, Hewlett-Packard Limited is required under the Rules of the Plan to regularly review pensions and may award discretionary increases from time to time as it decides, subject to the consent of the Trustees.

The pensions in payment were increased at 6 April 2016 as follows:

Post 1997 Pension (former Bol members)	0.0%
Post 1997 Pension (former Medas members)	1.2%
Pre 1997 Pension (in excess of GMP)	1.2%
Pre 1988 GMP (if applicable)	0.0%
Post 1988 GMP (if applicable)	0.0%
Post 2005 Pension (former Bol members)	0.0%

Hewlett-Packard Limited decided not to award any discretionary pension increases during the year

Increases to pensions in deferment - All sections

GMP is increased in deferment at a fixed rate depending on the date of leaving service. This rate applies until age 65 (men) or 60 (women).

For all Plan members other than those who transferred in from the Medas Pension Scheme, benefits in excess of GMP are increased in line with statutory deferred increase orders, subject to a maximum increase of 5% p.a. for the period of deferment in respect of service prior to 6 April 2009. For members who left service before 1 January 1991, increases to non-GMP benefit may be below this level.

For service after 5 April 2009 (Bol / Medas) or 1 May 2009 (HP and Digital) the maximum increase is 2.5% p.a. for the period of deferment.

For Plan members who transferred in from the Medas Pension Scheme, benefits in excess of GMP are increased in line with increases in the Retail Price Index.

Transfer values

Transfer values paid during the year were calculated using assumptions set by the Trustees which were expected to place a best estimate value on the cost of providing the preserved benefits within the Plan. In setting these assumptions the Trustees first obtained the advice of the Scheme Actuary. No transfer values paid during the year were reduced as a result of the funding level of the Plan. No discretionary benefits have been included in the calculation of transfer values. It should be noted that the calculation basis and transfer value assumptions for all Sections of the Plan were revised with effect from August 2014.

Enquiries

Any enquiries about the Plan, including requests from individuals for information about their benefits, should be sent to:

The Trustees of the Hewlett-Packard Limited Retirement Benefits Plan care of:
Equiniti Paymaster Limited
Sutherland House
Russell Way
Crawley
West Sussex
RH1 1UH

Equiniti may be contacted on the Hotline number (01293 604844) or by sending an e-mail quoting your badge number or pension ID to:

HP Section: hp2@equiniti.com
Digital Section: digital@equiniti.com
Bank of Ireland Section: bankofireland@equiniti.com

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

COMPLIANCE STATEMENT

Internal Dispute Resolution Procedure

The Trustees have a formal dispute resolution procedure in place. Any complaints about the Plan should be made in writing to:

The Trustees of the Hewlett-Packard Limited Retirement Benefits Plan care of:

Secretary to the Trustees

Hewlett-Packard Limited Retirement Benefits Plan

Inside Pensions

3rd Floor,

54 – 56 Victoria Street

St Albans, Hertfordshire, AL1 3HZ

Most pension queries can usually be resolved informally, and initial enquiries from employees should be directed to the Hewlett-Packard Human Resources department.

Enquiries relating specifically to employment matters (e.g. salary queries) will also be dealt with by Hewlett-Packard Human Resources.

If a dispute cannot be resolved informally, the Plan's formal Internal Dispute Resolution Procedure is available.

Scheme registration numbers

HP Section:19003501, Digital Section:19003503, Bol /Medas Section:19003502

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

Name of scheme: THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN –
HEWLETT-PACKARD SECTION

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 14 April 2016.

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 16 January 2014.

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 wound up.

Signature:



Date:

30/7/16

Name: David Eteen

Qualification: Fellow of the Institute and
Faculty of Actuaries

Address:
Verulam Point
Station Way
St. Albans
Hertfordshire
AL1 5HE

Name of employer:
Aon Hewitt Limited

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

Name of scheme: THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
DIGITAL SECTION

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 14 April 2016.

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 16 January 2014.

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 wound up.



Signature:

Date: 27 APRIL 2016

Name: David Eteen

Qualification: Fellow of the Institute and
Faculty of Actuaries

Address:
Verulam Point
Station Way
St. Albans
Hertfordshire
AL1 5HE

Name of employer:
Aon Hewitt Limited

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 OCTOBER 2016**

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

Name of scheme: THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN
– BOI/MEDAS SECTION

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 16 January 2014.

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 16 January 2014.

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 wound up.



Signature:

Date: 27 APRIL 2016

Name: David Eteen

Qualification: Fellow of the Institute and
Faculty of Actuaries

Address:
Verulam Point
Station Way
St. Albans
Hertfordshire
AL1 5HE

Name of employer:
Aon Hewitt Limited

