

Clifford Chance Pension Scheme

CLIFFORD CHANCE PENSION SCHEME

(Scheme Registration Number : 10137020)

ANNUAL REPORT

For the year ended 30 April 2016

Clifford Chance Pension Scheme

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Clifford Chance Pension Scheme

CLIFFORD CHANCE PENSION SCHEME - TRUSTEE AND ADVISERS:

TRUSTEE: Clifford Chance Pension Trustees Limited, 10 Upper Bank Street, London, E14 5JJ

BOARD OF DIRECTORS	
<i>Employer Nominated</i>	<i>Member Nominated</i>
Robin Tremaine (Chairman)	Alison Blackwell (Deferred member)
Helen Carty	Alistair Dawson (Pensioner member)
Dorian Drew	David Hatchard (Pensioner member)
David Saleh	Tim Sherwood-King (Deferred member)

SCHEME SECRETARY:	Andy Darlison, Clifford Chance London Limited, 10 Upper Bank Street, London E14 5JJ
SCHEME ADMINISTRATOR:	Clifford Chance London Limited
ACTUARY:	Keith Poulson FIA, Aon Hewitt Limited
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP
LEGAL ADVISERS:	Clifford Chance LLP Sackers LLP
INVESTMENT ADVISER:	Aon Hewitt Limited
INVESTMENT MANAGERS:	Legal & General Investment Management Majedie Asset Management Ltd Newton Investment Management Ltd Standard Life Investments Wellington Management Company LLP GAM Fund Management Ltd M&G Brown Brothers Harriman (Luxembourg) S.C.A. BlackRock Investment Management Prudential M&G Schroders Property Investment Management Clerical Medical Investment Group Equitable Life Assurance Society Scottish Widows plc Aviva Life & Pensions UK Limited
AVC MANAGERS:	Clifford Chance Pension Scheme (internal Unitised Fund) Clerical Medical Investment Group Equitable Life Assurance Society Scottish Widows plc Aviva Life & Pensions UK Limited
BANKERS:	National Westminster Bank plc
PRINCIPAL AND PARTICIPATING EMPLOYERS:	Clifford Chance London Limited (Principal)
NAME AND ADDRESS FOR ENQUIRIES:	Andy Darlison, Pensions Manager, Clifford Chance Pension Scheme, 10 Upper Bank Street, London E14 5JJ (andrew.darlison@cliffordchance.com or hradvice@cliffordchance.com)

Clifford Chance Pension Scheme

CHAIRMAN'S REVIEW

For the year ended 30 April 2016

2015/2016 has been another challenging year for the Trustee Directors, and this review sets out my summary of the main events having an impact on the Scheme.

This year, the main legislative and regulatory challenges have been focused on defined contribution arrangements. Although the defined contribution arrangements in the Scheme are a relatively small proportion of the Scheme overall, we have considered them carefully. This included reviewing the governance arrangements to ensure that the defined contribution arrangements comply with the new requirements and that there are sufficient options available in order to provide a greater degree of flexibility to members approaching retirement. Our Statement regarding defined contribution governance included within the annual report shows how we have addressed the new requirements.

However, we have not neglected the defined benefit section of the Scheme, and have continued to make changes to the investments in order to provide greater diversification and manage risk in these continuing uncertain times.

This is the twenty fourth year of producing an annual report and financial statements and it is the first year that the financial statements included in the annual report have had to comply with the new Financial Reporting Standard 102 and the new Statement of Recommended Practice (SORP). Changes to accounting policies on adoption of the new SORP have not resulted in a change in the reported net assets compared with last year. The main impact has been an increased level of disclosure about our investments and the financial risks associated with them.

Robin Tremaine

Chairman

Clifford Chance Pension Scheme

TRUSTEE DIRECTOR'S REPORT

For the year ended 30 April 2016

The Trustee Directors of the Clifford Chance Pension Scheme (the "Scheme") present their annual report for the year ended 30 April 2016.

Scheme Constitution and Management

The Scheme is an occupational pension scheme set up under trust to provide retirement benefits for certain groups of employees of Clifford Chance LLP and its current and former entities. It is governed by the First Supplemental Definitive Trust Deed and Rules dated 13 December 2001 and subsequent amendments. During the year there were no deeds of amendments executed.

The Trustee Directors may be appointed and removed by the sponsoring employer, Clifford Chance London Limited and the Trustee Directors may be appointed and removed by a corporate trustee company, Clifford Chance Pension Trustees Limited under its articles of association.

Responsibility for setting the strategy and for managing the Scheme rests with the Trustee. The persons who acted as Trustee Directors during the year are listed on page 1. The Trustee Directors aim to meet at least quarterly and decisions are passed on a simple majority of those voting. During the period covered by these financial statements the Trustee Directors met on seven occasions.

Since 1997 there has been a formal procedure for the nomination and selection of members of the Scheme to serve as Directors of the Trustee. There have been four Member Nominated Trustee Directors (MNTDs), and following the closure of the Scheme to future benefit accrual from 1 May 2011 since 1 July 2011 two MNTDs have been an existing deferred member and an existing pensioner member, with the remaining two MNTDs being either further deferred members or further pensioner members. The current MNTDs are: Alison Blackwell (Deferred Member); Alistair Dawson (Pensioner Member); David Hatchard (Pensioner Member) and Tim Sherwood-King (Deferred Member). Both Alison and Alistair were re-nominated for further terms of office with effect from 1 July 2015, and both David and Tim were re-nominated for further terms of office with effect from 1 July 2016. The Scheme is in compliance with the Member Nominated Trustee Regulations requiring at least one third of the Trustee board to be nominated by the membership.

The Trustee Directors' attendance at meetings of the Trustee board is summarised below. The additional trustee meetings can be convened at short notice in order to deal with more immediate matters and it would therefore not be expected, feasible or necessary for all trustee directors to attend.

Trustee Directors	Quarterly board meetings - 4 held	Additional board meetings – 3 held
Alison Blackwell	3	2
Helen Carty	3	1
Alistair Dawson	4	1
Dorian Drew	2	1
David Hatchard	3	0
David Saleh	2	3
Tim Sherwood-King	4	3
Robin Tremaine	4	3

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Trustee Directors are not paid by the Scheme for their services. The Trustee Directors have agreed a business plan to support their governance arrangements. This includes periodic review of registers of risks and conflicts to ensure that appropriate internal controls are put in place and remain effective.

The Trustee Directors have appointed professional advisers and other organisations to support them in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustee Directors have written agreements in place with each of them.

Financial developments and financial statements

The financial statements included in this annual report are the financial statements required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

There were no significant developments affecting the financial position of the Scheme during the year.

Membership and benefits

The change in membership during the year is set out below. As the Scheme matures, the number of Pensioners will form an increasing proportion of the members of the Scheme who have pension benefit entitlements.

Membership Statistics	CCPSFS Deferreds (i)	CCPSMP Deferreds (i)	CCPSFS Pensioners	LA Only Members (ii)	Total
At the start of the year	4,123	145	490	1,768	6,526
Joiners	-	-	-	264	264
Leavers (with no Scheme benefits)	-	-	-	(244)	(244)
Transfers out of Scheme	(24)	(2)	-	-	-
Retirements	(27)	-	39(iii)	-	12
Deaths	(4)	-	(10)	-	(14)
At the end of the year	4,068	143	519	1,788	6,518

CCPSFS = Clifford Chance Pension Scheme Final Salary section

CCPSMP = Clifford Chance Pension Scheme Money Purchase section

LA = Life Assurance only members

Notes:-

(i) Deferred Members are employees who have left the Scheme but retain a right to a pension to be paid to them (or pension account under the Money Purchase section to be available) once they reach age 65 (or for some females, age 60). Following the closure of the Scheme to future benefit accrual after 30 April 2011 there are 401 Deferred Members who also remain members of the Scheme for death in service life assurance benefits.

(ii) These employees remain covered for death in service lump sum life assurance benefits only under the Scheme.

(iii) Includes Retirements and dependants pensions commencing following member deaths.

Clifford Chance Pension Scheme

Pension increases

The Trust Deed and Rules makes provision for increases in pensions in payment and deferred pensions. The increases applied depend on when the benefits were accrued and under which pension arrangements. The table below summarises the most recent increases applied. None of the increases was discretionary.

Effective date	Minimum	Maximum	Average
Pensions in payment			
1 January 2014	0%	5%	2.7%
1 January 2015	0%	5%	1.6%
1 January 2016	0%	5%	1.2%
Deferred pensions			
1 April 2014	0%	2.5%	2.5%
1 April 2015	0%	0.9%	0.9%
1 April 2016	0%	1.0%	1.0%

Transfer values

All cash equivalent transfer values paid during the year have been calculated and verified in the manner prescribed by the Pensions Schemes Act 1993 and do not include discretionary benefits.

Actuarial liabilities

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

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on eligible pensionable service. This is assessed at least every 3 years using assumptions agreed between the Trustee Directors and the employer and set out in the Statement of Funding Principles, a copy of which is available to members on the Scheme's website or on request.

The most recent triennial actuarial valuation of the Scheme was carried out as at 30 April 2013 and this was completed on 17 June 2014. An update valuation was performed at 30 April 2016 using the 2013 basis.

Following the closure of the Scheme to future benefit provision with effect from 1 May 2011 there are no further ongoing contributions due although deficit repair contributions remain payable.

In addition to this, the Principal Employer pays an insurance premium to cover the cost of providing the death in service lump sum benefit.

Valuation date: 30 April	2016 (draft)	2013
Value of technical provisions	£513m	£432m
Value of assets available to meet technical provisions	£380m	£308m
as a percentage of technical provisions	74%	71%

Although there are no current plans to discontinue the scheme and buy-out liabilities with an insurance

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company, the Trustee Directors also consider the level of funding relative to the estimated costs of such a buy-out (known as "solvency liabilities") and equivalent information on this basis is provided below at the last triennial actuarial valuation as at 30 April 2013:

Valuation date: 30 April	2013
Value of solvency liabilities	£1,015m
Value of assets available to meet solvency liabilities	£308m
as a percentage of solvency liabilities	30%

The value of technical provisions is based on eligible pensionable service and assumptions about various factors that will influence the scheme in the future, such as the levels of investment returns, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

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: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 0.5% per annum.

Future Retail Price inflation: term dependent rates derived from the Bank of England fixed interest and index-linked gilt curves at the valuation date.

Pension increases: derived from the term dependent rates for future retail price inflation allowing for the caps and floors on pension increases according to the provisions in the Scheme's rules.

Mortality: for the period in retirement, standard tables S1PMA with a scaling factor of 103% for male deferred members and 99% for male pensioners; and S1PFA with a scaling factor of 107% for female deferred members and 111% for female pensioners.

Recovery plan

A recovery plan was agreed between the Trustee Directors and the employer on 17 June 2014. Under the recovery plan, it was agreed that the employer would pay deficit repair contributions of £12.7m per annum (plus inflationary increases) for a period of 11 years and 5 months. On the basis of conditions prevailing at that date, the Scheme funding deficit was expected to be eliminated by 30 September 2024.

These arrangements were formalised in a schedule of contributions which the Scheme Actuary certified on 17 June 2014. A copy of his certificate is included on page 32 of this annual report.

Next actuarial valuation

The next triennial valuation is being performed as at 30 April 2016. The Trustee Directors have already reviewed draft results and are seeking to agree a revised recovery plan with the employer within the statutory timescale by 31 July 2017.

Investment management

Investment strategy and principles

The Trustee Directors are responsible for determining the Scheme's investment strategy.

In accordance with section 35 of the Pensions Act 1995, the Trustee Directors have agreed a statement of

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investment principles ("SIP"). The statement in place during the year was updated in March 2016 to reflect the changes in investment managers and target asset allocation. A copy of the latest statement is available on the scheme's website or on request from Andy Darlison in the London office.

The Trustee Directors' investment strategy considers the Scheme's investments in the following groupings:

- **Return-seeking assets:** Predominantly equities, diversified funds and properties, where the objective is to achieve growth within the constraints of the risk profile set by the Trustee Directors.
- **Money purchase assets:** As these are chosen by individual members, the Trustee Directors focus primarily on the suitability of the range of investments offered.

The managers are permitted to move away from their targets (within a range specified by the Trustee Directors). This mix of investments provides a suitable spread for the Scheme bearing in mind that, in pension scheme terms, the Scheme is relatively young, both in terms of the age of its membership and the length of time that the Scheme has been in operation. During the year the mix of investments remained within the range specified by the Trustee Directors in the SIP.

The managers aim to invest this portfolio in a manner which would enable them to produce real investment returns which adequately meet the long-term pension liabilities of the Scheme.

Management and custody of investments

The Trustee Directors have delegated management of investments to professional investment managers which are listed on page 1. These managers, which are regulated by the Financial Conduct Authority in the United Kingdom.

The Trustee Directors instruct the investment managers as to the general manner in which the funds should be invested. The assets managed by all managers are invested in pooled funds which gives the Trustee Directors a right to the cash value of the units rather than to the underlying assets. As a result the Trustee Directors have no influence over the underlying investments and how the investments are acted upon, including voting participation and the consideration of social, ethical and environmental factors when making investment decisions, although can review the managers' policies and statements of compliance in respect of these matters.

The investment managers of the pooled fund are responsible for the appointment and monitoring of the custodian of the underlying assets.

The investment management fees charged by all managers involve a cancellation of units in the pooled funds and are not expressed explicitly.

Investment performance

The Trustee Directors assess the performance of the Scheme's investments in the following groupings consistent with the overall strategy:

- **Return-seeking assets** are assessed by reference to benchmarks and performance targets set and agreed with each manager.
- **Money purchase assets:** As these are chosen by individual members, the Trustee Directors receive information about performance against benchmarks. Performance information is provided to members as part of the annual package of information.

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The Trustee Directors receive detailed reports from their investment advisers quarterly, along with monthly updates, showing actual performance by manager and fund. Monitoring of managers is delegated to Aon Hewitt although investment managers may be required to present to the Trustee Directors during the year if and when required. DC members are provided with an annual summary of the performance of their chosen fund and further information is available through fund factsheets which are available on the Scheme's website or on request.

The last quarterly performance report made available was as at 31 March 2016 and the performances are set out in the following table:

Annualised return over	1 year	3 years	Allocation @ 31 March 2016
Return seeking assets			
UK Equities	-5.0%	5.0%	28.6%
<i>Benchmark</i>	<i>-3.9%</i>	<i>3.7%</i>	
Global Equities	0.3%	8.9%	20.8%
<i>Benchmark</i>	<i>0.3%</i>	<i>9.0%</i>	
Property	10.1%	12.5%	13.0%
<i>Benchmark</i>	<i>10.6%</i>	<i>13.0%</i>	
Diversified Growth Funds (DGFs)	-3.3%	2.8%	22.4%
<i>Benchmark</i>	<i>5.5%</i>	<i>5.4%</i>	
Absolute Return Bond Funds (ARBs)	0.0%	n/a	15.2%
<i>Benchmark</i>	<i>4.8%</i>	<i>n/a</i>	
Scheme total	-1.2%	5.2%	100%
<i>Benchmark</i>	<i>1.8%</i>	<i>5.6%</i>	

Over the 1 year period to 31 March 2016 the Scheme underperformed the composite benchmark of 1.8% by 3.0% and over the 3 year period to 31 March 2016 the Scheme underperformed the composite benchmark of 5.6% per annum by 0.4% per annum.

The Scheme outperformed the BNY Mellon Balanced Fund Median over the 1 year period but underperformed over the 3 year period.

It should be noted that the performance of the Property investments were partially driven by the increase in the Stamp Duty Land Tax from 4% to 5%, which was effective from 17 March 2016.

The benchmark is made up of the appropriate asset indices for each of the underlying funds, save for the Absolute Return Bond funds (ARBs) and the Diversified Growth Funds (DGFs) where the target return has been used.

The principal economic factors which have affected the benchmarks against which performance is compared were as follows:

- Economic momentum slowed globally over the year to April 2016, with the US suffering from a fall in confidence and business activity, weaker Chinese economic growth, and global trade failing to

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grow. Eurozone economic growth steadily improved as the weaker euro boosted exports, but Japan's economy experienced two (non-consecutive) quarters of recession over the year. UK growth remained steady around the 2% mark, although fears over a 'Brexit' from the EU ignited some concerns over the UK's future economic prospects.

- After intense speculation on the timing of the US interest rate lift off, the Federal Reserve (Fed) pulled the trigger in December, raising the target federal funds band from 0-0.25% to 0.25-0.5%. However, expectations over the timing of future rate rises were tempered heavily on increasing economic uncertainty. In the Eurozone, ongoing concerns over weak growth and deflation caused the European Central Bank (ECB) to expand quantitative easing (QE) in Q1 2016 and bring interest rates even lower. The Bank of Japan (BoJ) continued with its aggressive QE programme in an effort to ramp up inflation. Monetary easing also continued in China as authorities attempted to control the slowing economy and volatile financial markets. Concern over the effectiveness of developed market central bank easing actions grew, causing unexpected market moves after the easing announcements.
- In May 2015, the UK electorate voted in a conservative government after great outcome uncertainty. In Greece, after months of negotiations over austerity conditions, the left wing Syriza Greek government came to a bailout agreement with its creditors. A snap election, in which Alexis Tsipras was re-elected, followed soon after. In the second half of 2015, the European migrant crisis became one of the dominant themes in news headlines. After UK Prime Minister David Cameron secured a deal with Brussels over reformed terms of the UK's EU membership, a referendum over a British exit from the EU was set for June 2016.
- After the Brent crude oil price rebounded back to nearly \$70 per barrel in spring 2015, prices fell again, eventually hitting lows of \$28 per barrel in January 2016. All other major commodity prices also fell over the year as Chinese growth weakened. This helped to keep global inflation low and the US, UK and various other economies experienced inflation levels close to zero over the 12 months.
- Sterling weakened in the second half of the year, affecting assets with exposure to overseas currency. Equities experienced sharp falls in August 2015, triggered by an unexpected devaluation of the Chinese renminbi, and in January 2016 over growth worries.

The Trustee Directors have considered the nature, disposition, marketability, security and valuation of the Scheme's investments and consider them to be appropriate relative to the reasons for holding each class of investment. More details about investments are given in the notes to the financial statements.

Money purchase funds

Since March 1996 members have had the choice between two investment options, namely:

1. a with-profits arrangement, intending to provide steady growth; and
2. the unitised mixed asset fund investment, which is shared with the main pension scheme, but separately identified by the pensions administration team unitisation arrangements. This should provide higher returns in the longer term, but is likely to be more volatile in the short term.

A further investment option, a cash based fund operated by Clerical Medical, was made available from

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October 2004 and from 1 May 2015 two "passive" UK Equity and Overseas Equity index funds were made available managed by L&G.

The Trustee Directors originally selected Equitable Life as the office for members who wished to pay AVCs on a with-profits basis. This decision was reviewed and Clerical Medical now operate the ongoing with-profits contract. The funds which support with-profits contracts invest in a diversified range of assets, but in order to support the guarantees offered by the contracts, the funds maintain a larger exposure to fixed interest investments and a correspondingly smaller amount in equities, compared to typical unit-linked managed funds.

Life Office with-profits contracts have a capital guarantee and a bonus structure which enables the capital value of an investment to accumulate steadily. The Clerical Medical policy offers an accumulation of "Bonus Interest" each year and a terminal bonus at the end of the contract term.

It is not possible to provide a sensible analysis of the performance for either the Equitable Life or Clerical Medical with-profits funds, or to compare them against other with-profits funds. This is primarily due to the changing bonus rates and adjustments under with-profit policies.

The Clerical Medical with-profits option has been available since June 2001. The with-profits fund invests in a wide range of stocks and shares. The returns achieved on these investments within their with-profits fund will determine the level of growth achieved by investors in the with-profits fund. This growth is achieved by way of a regular bonus added to member's funds each year. By awarding a regular bonus, the with-profits fund aims to smooth out any fluctuations in market performance. At retirement or on leaving the Scheme, members may also receive an additional bonus payment (the "terminal bonus") to reflect the investment earnings from the with-profits fund. This will depend on the performance of the fund over the period they are invested.

Employer-related investments

A statement regarding employer-related investments are given in note 17 to the financial statements.

Statement of Trustee's Responsibilities

Trustee's responsibilities in respect of the Financial Statements

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to scheme members, beneficiaries and certain other parties, audited financial statements for each scheme year which:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and

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- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

The Trustee is responsible for supervising the preparation of the financial statements and for agreeing suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

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

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

Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the scheme in accordance with the schedule of contributions.

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Further information


Requests for additional information about the Scheme generally, or queries relating to members' own benefits, should be made to the contact listed on page 1.

Approval

The Trustee Directors' Report was approved by the Trustee Directors on 24 November 2016 and signed on their behalf by:

Date: 24/11/16


(R.T. TREMAINE)
Trustee Director


(A.J. Blackwell)
Trustee Director

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Statement regarding DC governance

For the year ended 30 April 2016

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee Directors to prepare an annual statement regarding governance, which should be included in the annual report.

This is the first such statement issued by the Scheme, covering the period from 6 April 2015 to 30 April 2016 and signed on behalf of the Trustee Directors by the Chair. This statement is in relation to the Money Purchase Section of the Clifford Chance Pension Scheme (the "Scheme") and the Voluntary Contributions (for both Money Purchase members and Final Salary members of the Scheme), collectively referred to in this statement as the "DC Section".

This Statement covers governance and charge disclosures in the relation to the following:

- Processing of core financial transactions,
- Member borne charges and transaction costs, including Value for Members, and
- Trustee knowledge and understanding.

This Statement does not cover governance of a default investment fund because (a) the Money Purchase Section was closed to new contributions before 6 April 2015 when these regulations came into force and (b) the Voluntary Contribution arrangement has never included, and never needed to include, a default investment fund.

1. Processing of Core Financial Transactions

The Trustee Directors have a specific duty to secure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members) relating to the DC section are processed promptly and accurately.

In relation to the DC section, all transactions are undertaken on the Trustee Directors' behalf by the HR Team of Clifford Chance London Limited, in its capacity as the Scheme administrator, and by the Scheme's investment managers. The Clifford Chance HR team has confirmed to the Trustee Directors that core financial transactions have been processed promptly and accurately over the period, and the team will report to the Trustee Directors on a quarterly basis going forward regarding the accuracy and timeliness of transactions.

In the light of the above, the Trustee Directors and their advisers consider that the requirements for processing core financial transactions have been met.

2. Member Borne Charges and Transactions costs

Members are able to invest their DC and VC funds in the internal unitised fund. This fund had an estimated Total Expense Ratio ("TER") of 0.47% pa over the period. Performance related fees are payable in addition and totalled 0.07% pa over the period. The internal unitised fund saw transaction costs of c. £40k. Approximately 80% of members' total DC and VC funds are invested in the unitised fund.

The Trustee Directors also make available a selection of alternative funds which may be chosen by members or in the case of legacy funds may have previously been chosen by members historically, including with-profits funds. These funds attract Annual Management Charges ("AMCs") of between 0.495% and 1.0% pa (excluding two legacy funds, for which the providers have been unable to provide

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the AMC).

The AMC covers the cost of managing and governing the fund and is only a component of the total cost. The TER covers additional fees that are incurred, such as administrative fees, regulatory fees, marketing fees, directors' fees, audit fees and legal fees.

All administration costs are met by the employer.

The Trustee Directors requested transaction costs from all investment managers in respect of funds in which members were invested during the scheme year. The Trustee Directors have not been provided with transactions costs for any DC funds (except the unitised fund). This is because the underlying DC providers have not been able to respond to the requests as yet. Aon Hewitt will pursue this with the DC providers and will be including this as an item on the Trustee Directors' business plan to be reviewed on a regular basis.

The Trustee Directors have considered the costs and charges paid by members and have assessed the extent to which these represent good Value for Members. Given the charges on the funds available and the fact that the employer meets all administration costs, the Trustee Directors have concluded that the DC Section offers good Value for Members as they understand it, save as set out below.

In the case of the legacy Clerical Medical cash fund, the Trustee Directors are aware that this gives members a negative return after charges. However, the HR Team of Clifford Chance London Limited and Aon Hewitt have advised the Trustee Directors that they have been unable to find any other provider prepared to offer a cash fund given the size of the fund and that there will be no ongoing regular contribution inflows.

In the case of the with-profits funds with Scottish Widows and Clerical Medical, and the Aviva and Equitable Life unit-linked funds, whilst where available the AMCs have been provided, it has not been possible to ascertain the full extent of the charges levied by the providers, due to the legacy nature of these funds. In addition, the Trustee Directors have been advised that, given that the nature of with-profits funds means that the eventual return to each member will be dependent on features such as bonuses and guarantees, no meaningful performance analysis of the with-profits funds with Equitable Life, Scottish Widows and Clerical Medical can realistically be provided. Therefore, it is not possible for the Trustee Directors to make a general statement as the value to members that the costs and charges represent in relation to the with-profits funds with Equitable Life, Scottish Widows and Clerical Medical, and Aviva and Equitable Life unit-linked funds.

Full details of the fees and charges on all DC and VC funds are set out in the document titled "Clifford Chance Fee Information" which is available on request from the HR Team at Clifford Chance London Limited.

The Trustee Directors believe that positive member experience also adds value to members and therefore the HR Team of Clifford Chance London Limited are instructed to:

- a) Report regularly to the Trustee Directors regarding the timeliness and accuracy of DC transactions, and
- b) Provide members with information regarding the full range of options available to them as they approach retirement.

3. Trustees' Knowledge and Understanding ("TKU")

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustee Directors to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of

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occupational pension schemes, investment of Scheme assets and other matters to enable them to exercise their functions as Trustee Directors properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

The Trustee Directors have met the Pension Regulator's TKU requirements (as set out under Code of Practice No 7) during the scheme year by:

- Holding regular Trustee meetings with advisers who provided specialist advice,
- Keeping knowledge up to date through training sessions at trustee meetings on DC matters, including an annual DC Governance update.

New and existing Trustee Directors are encouraged to identify any training needs and to liaise with Andy Darlison and undertake training as appropriate.

In addition to the skills within the trustee board, we have engaged with our appointed advisers regularly throughout the year to ensure that we run the Scheme and exercise our functions properly.

Signed on behalf of the Trustees of the Clifford Chance Pension Scheme

A handwritten signature in blue ink, appearing to read 'RT', is positioned above the name Robin Tremaine.

Robin Tremaine, Chair of Trustee

Date of signing: 24 November 2016

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CLIFFORD CHANCE PENSION SCHEME Report on the Financial Statements

Our opinion

In our opinion, Clifford Chance Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 30 April 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 year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

What we have audited

Clifford Chance Pension Scheme's financial statements comprise:

- the statement of net assets available for benefits as at 30 April 2016;
- the fund account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the trustee has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Trustee

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for the preparation of the financial statements and being satisfied that they 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Clifford Chance Pension Scheme

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CLIFFORD CHANCE PENSION SCHEME (continued)

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of Financial Statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the scheme's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustee; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustee's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 24 November 2016

Clifford Chance Pension Scheme

FUND ACCOUNT FOR THE YEAR ENDED 30 April 2016

	Notes	2016			2015		
		Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Contributions and Benefits							
Employer Contributions	4	13,283	-	13,283	13,033	-	13,033
		13,283	-	13,283	13,033	-	13,033
Benefits	5	(5,051)	-	(5,051)	(4,104)	-	(4,104)
Transfers to other plans	6	(2,685)	(104)	(3,489)	(2,436)	(547)	(2,983)
Other payments	7	(229)	(8)	(237)	(190)	(7)	(197)
		(7,965)	(112)	(8,777)	(6,730)	(554)	(7,284)
Net additions/(withdrawals) from dealings with members and employer		5,318	(112)	5,206	6,303	(554)	5,749
Net returns on investments							
Investment income	9	1,277	32	1,309	1,489	41	1,530
Investment management expenses	10	(936)	(24)	(960)	(304)	(8)	(312)
Change in market value of investments	11	(5,470)	(300)	(5,770)	33,433	1,551	34,984
		(5,129)	(292)	(5,421)	34,618	1,584	36,202
Transfers between sections	5	700	(700)	-	-	-	-
Net (decrease)/increase in the fund		889	(1,104)	(215)	40,921	1,030	41,951
Opening net assets		404,463	12,512	416,975	363,542	11,482	375,024
Closing net assets		405,352	11,408	416,760	404,463	12,512	416,975

The notes on pages 19 to 29 of this report form an integral part of these financial statements.

Clifford Chance Pension Scheme

STATEMENT OF NET ASSETS

AVAILABLE FOR BENEFITS AS AT 30 April 2016

	Notes	2016			2015		
		Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Investment assets	11						
Pooled Investment Vehicles		378,476	9,136	387,612	374,036	9,877	383,913
Voluntary Contributions		26,296	2,258	28,554	27,915	2,623	30,538
		404,772	11,394	416,166	401,951	12,500	414,451
Current assets	19	580	14	594	2,512	12	2,524
Net assets available for benefits		405,352	11,408	416,760	404,463	12,512	416,975



The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee Directors. They do not take account of obligations to pay pensions and benefits which fall due after the end of the accounting period.

The actuarial position of the Scheme which does take account of such obligations is dealt with in pages 5 to 6 of this report and should be read in conjunction therewith.

The notes on pages 19 to 29 of this report form an integral part of these financial statements.

These financial statements were approved by the Trustee Directors on 24 November 2016

Signed on behalf of the Trustee Directors, Clifford Chance Pension Trustees Ltd:

	Trustee Director
	Trustee Director

Clifford Chance Pension Scheme

Notes to the financial statements

For the year ended 30 April 2016

1. General information

The Clifford Chance Pension Scheme (the "Scheme") is an occupational pension scheme established under trust.

The Scheme was established to provide retirement benefits to employees of Clifford Chance London Limited. The address of the Scheme's principal office is 10 Upper Bank Street, London E14 5JJ.

The Scheme has a Final Salary and a Money Purchase section which are both closed to new members and, since 1 May 2011, to future benefit accrual.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees, at the time, are normally eligible to tax relief, and income and capital gains earned by the Scheme receive preferential tax treatment.

2. Statement of compliance

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

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

The Scheme has adopted FRS 102 in these financial statements for the first time.

(a) Currency

The Scheme's functional currency and presentational currency is pounds sterling (GBP).

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Any foreign currency transactions would be translated into sterling at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

(b) Contributions

Contributions are dealt with on an accruals basis in the period to which they relate.

Any employers' augmentation contributions are accounted for in accordance with any agreement under which they may be paid, or in the absence of such an agreement, when received.

Employers' deficit repair funding contributions are accounted for on the due dates set out in the schedule of contributions, or in receipt if earlier, with the agreement of the employer and the Trustee Directors. These have been paid by the employer for the period 1 May 2015 to 30

Clifford Chance Pension Scheme

April 2016 in accordance with the Schedule of Contributions certified by the Scheme Actuary on 17 June 2014.

(c) Transfers from and to other plans

Transfer values represent the capital sums either receivable in respect of members from other investment funds or to the pension plans of new employers or alternative pension arrangements for members who have left the Scheme. They are accounted on an accruals basis on the date when the receiving scheme has accepted liability for the member. In the case of individual transfers, this is normally when the payment of the transfer value is made.

(d) Benefits and payments to and on account of leavers

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

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 or death as appropriate.

Where the Trustee Directors agree or are required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and is shown separately with Benefits.

(e) Administrative and other expenses

Administrative expenses are met by the employer. Premiums on term insurance policies are accounted for on an accruals basis.

(f) Investment income and expenditure

Income from pooled investment vehicles which distribute income, is accounted for on an accruals basis on the date stocks would be quoted ex-dividend, or in the case of unquoted instruments, when the dividend is declared.

Interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

Investment income includes withholding taxes. Withholding tax is accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense within investment returns.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Any transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs which may be charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

Clifford Chance Pension Scheme

(g) Valuation and classification of investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustee Directors adopt valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- The value of pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee Directors. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- With profits insurance policies (including those held as AVC investments) are reported at the policy value provided by the insurer based on cumulative reversionary bonuses declared and the current terminal bonus.
- Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
4. Employer contributions						
Deficit Funding (*)	13,046	-	13,046	12,836	-	12,836
Premiums on term insurance policies	237	-	237	197	-	197
	13,283	-	13,283	13,033	-	13,033

(*) Clifford Chance London Limited paid deficit funding contributions in accordance with the Schedule of Contributions dated 17 June 2014. Under this Schedule deficit funding contributions are due to be paid at £12.7m per annum for the period up to 31 May 2024, and £5.3m by 30 September 2024. The amount payable will include benefits paid by Clifford Chance London Limited on behalf of the Scheme and the amount reflected in the financial statements may therefore be greater than the deficit funding contributions set out in the Schedule. The amount of each deficit funding contribution payment should also increase annually in line with the increase in the Retail Prices Index.

Clifford Chance Pension Scheme

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
5. Benefits						
Pensions	3,013	-	3,013	2,808	-	2,808
Commutations and lump sum retirement benefits	1,159	-	1,159	938	-	938
Lump sum death benefits	879	-	879	358	-	358
	5,051	-	5,051	4,104	-	4,104

The transfers between sections shown on the face of the Fund Account relate to Money Purchase benefits being paid out of the Final Salary section rather than directly from the Money Purchase section.

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
6. Transfers to other plans						
Individual transfers to other schemes	2,685	104	2,789	2,436	547	2,983

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
7. Other payments						
Premiums on term insurance policies	229	8	237	190	7	197

8. Administrative expenses

All administrative, legal, accounting and audit costs are borne by Clifford Chance LLP and are not recharged to the Scheme.

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
9. Investment income						
Interest on cash deposits	4	-	4	1	-	1
Income from pooled investment vehicles	1,273	32	1,305	1,488	41	1,529
	1,277	32	1,309	1,489	41	1,530

Clifford Chance Pension Scheme

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
10. Investment management expenses						
Investment fees	936	24	960	304	8	312

Management fees in respect of pooled investment vehicles are recovered from the fund and units in issue.

11. Reconciliation of net investments

The investments of the Scheme are divided between the Final Salary and the Money Purchase sections.

	Opening value £'000s	Purchases at cost £'000s	Sales proceeds £'000s	Change in market value £'000s	Closing value £'000s
Final Salary section					
Pooled investment vehicles					
Main fund	374,036	45,884	(37,967)	(3,477)	378,476
VC investments	22,325	2,461	(2,087)	(2,088)	20,611
	<u>396,361</u>	<u>48,345</u>	<u>(40,054)</u>	<u>(5,565)</u>	<u>399,087</u>
External VC investments	5,590	-	-	95	5,685
	<u>401,951</u>	<u>48,345</u>	<u>(40,054)</u>	<u>(5,470)</u>	<u>404,772</u>
	<u>Opening value £'000s</u>	<u>Purchases at cost £'000s</u>	<u>Sales proceeds £'000s</u>	<u>Change in market value £'000s</u>	<u>Closing value £'000s</u>

Money Purchase section – all designated to members

Pooled investment vehicles					
Main fund	8,593	936	(1,614)	(75)	7,840
VC invested	2,623	269	(397)	(237)	2,258
	<u>11,216</u>	<u>1,205</u>	<u>(2,011)</u>	<u>(312)</u>	<u>10,098</u>
External MP investments	1,284	-	-	12	1,296
	<u>12,500</u>	<u>1,205</u>	<u>(2,011)</u>	<u>(300)</u>	<u>11,394</u>

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

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. In addition to the transaction costs, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of transaction and indirect costs are not separately provided to the Scheme.

12. Investment transaction costs

Any indirect transaction costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It is not possible to quantify any such indirect transactions costs.

Clifford Chance Pension Scheme

The investments of the Scheme are divided between the Final Salary and the Money Purchase sections. The aggregate amounts for the Final Salary and Money Purchase sections are identified separately for information purposes.

13. Pooled investment vehicles

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Equity	197,341	4,993	202,334	216,432	6,124	222,556
Bond/Absolute Return Bonds (ARBs)	60,941	1,542	62,483	69,147	1,957	71,104
Diversified growth	89,246	2,258	91,504	71,323	2,018	73,341
Property	51,559	1,305	52,864	39,459	1,117	40,576
	399,087	10,098	409,185	396,361	11,216	407,577

14. Additional voluntary contribution (VC) investments

For those members who had elected to invest their own additional voluntary contributions (VCs) and/or the employer's contribution to the Money Purchase section a number of their assets are held separately in the form of insurance policies. The remainder of the assets are held in the form of units held in the main Unitised Fund. Members participating in these external arrangements and in the Unitised Fund receive an annual statement confirming the amounts held in their account and the movements in the year. The aggregate amounts for the Final Salary and Money Purchase sections for all types of investments are as follows:

		2016 £'000s	2015 £'000s
Final Salary section			
VCs	- Pooled investment vehicles	20,611	22,325
	- Scottish Widows	1,138	1,089
	- Aviva	218	198
	- Clerical Medical	2,842	2,835
	- Equitable Life	1,487	1,468
		<u>26,296</u>	<u>27,915</u>
Money Purchase section			
External MP	- Clerical Medical	1,176	1,168
	- Equitable Life	120	116
VCs	- Pooled investment vehicles	2,258	2,623
		<u>3,554</u>	<u>3,907</u>

Contributions invested in the unitised fund are included in the main assets of the Scheme. All units in managed funds held during the year were controlled by companies registered in the UK.

Clifford Chance Pension Scheme

15 Fair value of investments

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

- Level 1** Unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date
- Level 2** Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly.
- Level 3** Inputs are unobservable, i.e. for which market data is unavailable.

The Scheme's assets have been included at fair value within these categorisations in the table below:

As at 30 April 2016	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Total (£m)
Legal & General UK Equity Fund	-	62.2	-	62.2
Legal & General Overseas Equity Fund	-	84.0	-	84.0
Majedie UK Equity Fund	-	56.2	-	56.2
Newton Real Return Fund	-	22.3	-	22.3
Standard Life GARS	-	-	69.2	69.2
Wellington Alternative Bonds Fund	-	20.8	-	20.8
GAM Alternative Bonds Fund	-	20.6	-	20.6
M&G Alternative Bonds Fund	-	21.0	-	21.0
BlackRock Property Fund	-	-	29.9	29.9
Schroder Property Fund	-	-	14.0	14.0
M&G Property Fund	-	-	8.9	8.9
External AVC Funds	-	5.7	-	5.9
External Money Purchase Funds	-	1.3	-	1.3
Total	-	294.1	122.0	416.1

Analysis for the prior period end is as follows:

As at 30 April 2015	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Total (£m)
Legal & General UK Equity Fund	-	72.8	-	72.8
Legal & General Overseas Equity Fund	-	90.4	-	90.4
Majedie UK Equity Fund	-	59.3	-	59.3
Newton Real Return Fund	-	17.0	-	17.0
Standard Life GARS	-	-	56.4	56.4
Wellington Alternative Bonds Fund	-	24.8	-	24.8
GAM Alternative Bonds Fund	-	23.0	-	23.0
M&G Alternative Bonds Fund	-	23.2	-	23.2
BlackRock Property Fund	-	-	19.5	19.5
Schroder Property Fund	-	-	12.9	12.9
M&G Property Fund	-	-	8.2	8.2
External AVC Funds	-	5.6	-	5.6
External Money Purchase Funds	-	1.3	-	1.3
Total	-	317.4	97.0	414.4

Clifford Chance Pension Scheme

16. Investment risks

Types of risk relating to investments

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 is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables.

The maximum risk resulting from financial instruments, except for written options and securities sold short, equals their value.

Market risk comprises currency risk, interest rate risk and other price risk:

- **Currency risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** This is the risk that the fair value or future cash flows of a financial asset – primarily bonds, interest rate swaps and pooled investment vehicles held mainly in bonds – will fluctuate because of changes in market interest rates.
- **Other price risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk – primarily equity prices), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee Directors determine their investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below.

Risk management structure

The Trustee Directors are responsible for identifying and managing risks, including risks arising from the investment activities.

The Trustee Directors appoint investment managers to manage the investments of the Scheme under agreed mandates. These mandates set out target allocations, benchmarks and risk tolerance levels consistent with the Statement of Investment Principles.

The Trustee Directors review the performance of each investment manager against the agreed performance objectives.

Risk measurement and reporting

The Trustee Directors monitor the Scheme's risks periodically.

The Trustee Directors measures risks both qualitatively and quantitatively.

The Trustee Directors monitor and measure the overall risk in relation to the aggregate risk exposure across all risk types and activities, including employer covenant and funding risks.

Risk mitigation

The Scheme has investment guidelines that set out its overall investment strategy and its general approach to risk management, as set out in the Statement of Investment Principles.

The Trustee Directors have appointed an investment adviser to assist them in determining and implementing the investment strategy for the Scheme.

The Trustee Directors acknowledge that its investment managers may use derivatives and other instruments for trading purposes and in connection with its risk management activities.

Clifford Chance Pension Scheme

The Scheme's assets

The Scheme invests in pooled investment vehicles, the underlying assets of which are held separate to the assets of the investment manager.

The Scheme's current assets comprise of:

- A UK equity fund with L&G
- A UK equity fund with Majedie
- An overseas equity fund with L&G
- A diversified growth fund with Newton
- A diversified growth fund with Standard Life
- An alternative bond fund with Wellington
- An alternative bond fund with GAM
- An alternative bond fund with M&G
- A property fund with BlackRock
- A property fund with Schroders
- A property fund with M&G
- AVC funds with Clerical Medical, Equitable Life, Scottish Widows and Aviva
- Money Purchase funds with Clerical Medical and Equitable Life

Credit risk

The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to losses that can occur as a result of a counterparty or issuer being unable or willing to honour its contractual obligations. The Scheme is also indirectly exposed to credit risk through the underlying bond (fixed income) investments held within the pooled investment vehicles.

The Trustee Directors mitigate these risks by:

- Delegating the selection of the assets to the investment managers.
- Regularly reviewing the managers' performance.

The amount of the Scheme's assets exposed to credit risk as at the current and previous year-end was:

	30 April 2016 (£m)	30 April 2015 (£m)
Total credit risk	416.1	414.4

Currency risk

The Scheme invests in pooled investment vehicles which are denominated in GBP share class and is therefore not directly exposed to currency risk. However there is indirect exposure where the pooled investment vehicle has overseas investments.

	30 April 2016 (£m)	30 April 2015 (£m)
Pooled Investment Vehicles		
GBP	416.1	414.4
Euro	0	0
Yen	0	0
USD	0	0
Total currency risk	416.1	414.4

Clifford Chance Pension Scheme

Interest rate risk

The Scheme is subject to interest rate risk indirectly because some of the Scheme's pooled investment vehicles hold fixed income securities.

The amount of the Scheme's assets with exposure to interest rate risk as at the year-end was in relation to the underlying fixed income investments within the pooled investment vehicles.

	30 April 2016 (£m)	30 April 2015 (£m)
Total interest rate risk	153.9	144.4

Other price risk

Other price risk arises principally in relation to the Scheme's return-seeking assets as well as fixed income securities that are inflation-linked. All investments are held in pooled vehicles.

The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

	30 April 2016 (£m)	30 April 2015 (£m)
Total other price risk	346.7	336.5

17. Concentration of investment

The following investments represent more than 5% of the total value of the net assets of the Scheme at the year end.

	2016	2015
Legal & General Investment Management – Overseas Equity		
Market Value (£,000)	83,991	90,413
Percentage of net assets (%)	20.15%	21.68%
Standard Life – Diversified Growth		
Market Value (£,000)	69,192	56,353
Percentage of net assets (%)	16.60%	13.51%
Legal & General Investment Management - UK Equity		
Market Value (£,000)	62,168	72,826
Percentage of net assets (%)	14.92%	17.47%
Majedie – UK Equity		
Market Value (£,000)	56,174	59,317
Percentage of net assets (%)	13.48%	14.23%
BlackRock – Property		
Market Value (£,000)	29,941	19,507
Percentage of net assets (%)	7.18%	4.68%
Newton – Diversified Growth		
Market Value (£,000)	22,312	16,989
Percentage of net assets (%)	5.35%	4.07%
M&G – Alternative Bonds		
Market Value (£,000)	21,079	23,232
Percentage of net assets (%)	5.06%	5.57%
Wellington – Alternative Bonds		
Market Value (£,000)	20,785	24,834
Percentage of net assets (%)	4.99%	5.96%
GAM – Alternative Bonds		
Market Value (£,000)	20,618	23,036
Percentage of net assets (%)	4.95%	5.52%

Clifford Chance Pension Scheme

18. Employer related investments

There were no direct employer-related investments during the year.

	2016			2015		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
19. Current assets						
Cash at bank	431	10	441	2,100	-	2,100
Tax rebate	149	4	153	412	12	424
	580	14	594	2,512	12	2,524

20. Related party transactions

Six Directors of the Trustee Company have an interest as members of the Scheme. Where relevant benefits and contributions in respect of these members have been paid in accordance with the Schedule of Contributions. Clifford Chance LLP is one of the appointed legal advisers to the Scheme and Clifford Chance London Limited, the sponsoring employer and a service company which is funded by Clifford Chance LLP, is the appointed administrator for the Scheme.

There are no payments made to Clifford Chance LLP or Clifford Chance London Limited for the provision of these services.

21. Contingencies and commitments

In the opinion of the Trustee Directors, the Scheme had no contingent liabilities or commitments at 30 April 2016 (2015: nil).

22. Subsequent events

There were no subsequent events requiring disclosure in the financial statements.

On 23 June 2016 the UK electorate voted to leave the European Union. This decision is expected to begin an exit process that could take up to two years to complete under the relevant legislation, and the UK remains a member of the European Union until such time as this process is affected. The result of the referendum is likely to result in a period of uncertainty for the UK economy and financial markets and potentially significant volatility in the valuation of investment assets, including fluctuations from the impact of foreign exchange rates. The longer term impact of the referendum decision is clearly yet to be determined. The Trustee Directors will keep the situation under review over the coming months, including implications for the investment strategy and risk management.

23. Transition to FRS 102

This is the first year that the Scheme has presented financial statements under FRS 102 and the SORP. The last financial statements under existing UK GAAP and the previous SORP (dated May 2007) were for the year ended 30 April 2015. The date of transition to FRS 102 was 1 May 2014.

Clifford Chance Pension Scheme

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF THE CLIFFORD CHANCE PENSION SCHEME

Statement about contributions

Our opinion

In our opinion, the contributions required by the schedule of contributions for the scheme year ended 30 April 2016 as reported in Clifford Chance Pension Scheme's summary of contributions have in all material respects been paid in accordance with the schedule of contributions certified by the scheme actuary on 17 June 2014.

What we have examined

Clifford Chance Pension Scheme's summary of contributions for the Scheme year ended 30 April 2016 is set out on the following page.

Responsibilities for the statement about contributions

Our responsibilities and those of the Trustee

As explained more fully in the statement of trustee's responsibilities, the scheme's trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the scheme by the employer in accordance with relevant requirements.

It is our responsibility to provide a statement about contributions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an examination of the summary of contributions involves

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 in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme under the schedule of contributions and the timing of those payments.

We test and examine information, using sampling and other techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through testing the effectiveness of controls, substantive procedures or a combination of both.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

Date 24 November 2016

Clifford Chance Pension Scheme

Summary of contributions payable to the Scheme in the year

During the year ended 30 April 2016 the contributions payable to the Scheme were as follows:

	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Deficit Funding	13,046	-	13,046
Total contributions payable under the Schedule of Contributions and as reported on by the Scheme Auditor	13,046	-	13,046
Additional Employer Contribution - Premiums on term insurance policies	237	-	237
Total contributions per the financial statements	13,283	-	13,283

All administrative, legal, accounting and audit costs are borne by Clifford Chance LLP.

Signed on behalf of the Trustee Directors, Clifford Chance Pension Trustees Ltd:


Trustee Director

(R.T. Trevine)


Trustee Director

(AJ Blackwell)

THE CLIFFORD CHANCE PENSION SCHEME

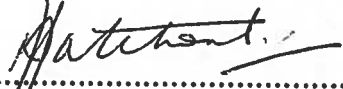
SCHEDULE OF CONTRIBUTIONS (June 2014)

1. ***Effective date of valuation: 30 April 2013.***
2. ***Period covered by this Schedule: the period beginning with the date of the certificate of the Scheme actuary in relation to this Schedule (which is attached to this Schedule) and ending on 30 September 2024.***
3. ***Employers covered by this Schedule: Clifford Chance London Limited ("CC London").***
4. ***Rates of employer contributions:-***
 - 4.1 Final Salary Section deficit repair - CC London shall pay the following contributions in respect of deficit repair, in accordance with the Scheme's recovery plan:

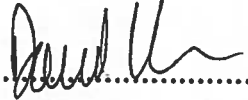
(a) In respect of each 31 May commencing 31 May 2015 up to (and including) 31 May 2024	£12.7m
(b) By 30 September 2024	£5.3m
 - The amount of each of the above payments shall be increased annually in line with the increase in the Retail Prices Index (as defined in the Scheme rules) for the period from 1 January 2014 to 1 January immediately preceding the 31 May or 30 September by which the payment is due.
 - 4.2 The employers shall in addition pay such further contributions (if any) as may be required from time to time in accordance with the provisions of the Scheme, including pursuant to Clause 24 of the Definitive Trust Deed of the Scheme (augmentation of benefits).
5. ***Dates for payment of employer contributions:-***
 - 5.1 The contributions under paragraph 4.1 above shall be payable and due for payment by each respective 31 May. Throughout the Scheme Year preceding each 31 May payment date under this Schedule CC London shall pay monthly contributions of at least £416,666 on account of the contributions due under paragraphs 4.1 of this Schedule (such sum may be reduced by making appropriate allowance for the netting off arrangements referred to in paragraph 6 below, if applicable). The Scheme administrators will carry out a reconciliation of the total contributions due by each respective 31 May payment date against the payments made on account during the Scheme Year preceding 31 May payment date in order to determine the balancing payments to be made to the Scheme by CC London or the balancing prepayment credit for CC London.

6. **Netting-off against benefit payments** - the total of the contributions payable to the Scheme by CC London by each respective 31 May shall, unless and until agreed otherwise by the Principal Employer and the Trustee, be reduced by an amount equal to the total of the benefit payments made by (or on behalf of) CC London on an agency basis for and on behalf of the Trustee for the preceding twelve month period to each respective preceding 30 April. For example, the contribution due by 31 May 2015 shall be reduced by an amount equal to the total of the benefit payments made by (or on behalf of) CC London on an agency basis for and on behalf of the Trustee between 1 May 2014 and 30 April 2015. CC London confirms it will continue to pay all benefit payments due from the Trustee on its behalf.
7. **Date of this Schedule** - the date of this Schedule shall be the latest of the dates of signature under paragraph 8 below.
8. This Schedule has been agreed between CC London and the Trustee:-

Signed:  Trustee Director
Date: 17/06/2014

Signed:  Trustee Director
Date: 17/06/2014

For and on behalf of Clifford Chance Pension Trustees Limited (as Trustee)

Signed:  Director
Date: 17/06/2014

For and on behalf of Clifford Chance London Limited

Notes to the Schedule

- (i) This Schedule supersedes the previous schedule of contributions for the Scheme (signed on 28 April 2011) with effect on and from the date of the certificate of the Scheme actuary in relation to this Schedule (which is attached to this Schedule).
- (ii) At the date of this Schedule, the "Scheme Year" for the Scheme is the period of 12 months beginning on 1 May in each year.
- (iii) Subject as provided in Clause 20 of the Definitive Trust Deed of the Scheme, the Principal Employer bears the administration and management costs and expenses (including PPF levy and other levies) of the Scheme (other than expenses connected with the investment of Scheme funds, which are provided for in the funding of the Scheme and paid from the Scheme funds) and the cost of life assurance premiums. The costs and expenses borne by the Principal Employer on behalf of or as agent for the Trustee are paid on an indemnity basis as they fall due for payment.
- (iv) The certificate of the Scheme actuary in relation to this Schedule is attached to and forms part of this Schedule.
- (v) This Schedule is subject to review at each triennial valuation of the Scheme and otherwise may be reviewed by agreement between the Scheme employers and the Trustee (in which case the revised schedule of contributions for the Scheme must again be certified by the Scheme actuary).
- (vi) Save as provided by legislation, nothing in this Schedule shall affect the employers' rights and obligations regarding the payment of contributions to the Scheme in accordance with the rules of the Scheme from time to time and for the avoidance of any doubt:-
 - (a) It shall not be a breach of the requirements of this Schedule for the employer to pay more contributions to the Scheme in respect of any period than are provided for in paragraph 4 of this Schedule.
 - (b) It shall not be a breach of the requirements of this Schedule for the employer to pay the contributions to the Scheme at an earlier date than as set out in this Schedule.

Certificate of schedule of contributions

Clifford Chance Pension Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 30 April 2013 to be met by the end of the period specified in the Recovery Plan dated 17 June 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 17 June 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 to be wound up.

Signature: <i>Keith Poulson</i>	Date: <i>17 June 2014</i>
Name: Keith Poulson	Qualification: Fellow of the Institute and Faculty of Actuaries
Address: Aon Hewitt Limited, Verulam Point, Station Way, St Albans, AL1 5HE	Name of employer: Aon Hewitt Limited