

Clifford Chance Pension Scheme

CLIFFORD CHANCE PENSION SCHEME

(Scheme Registration Number : 10137020)

ANNUAL REPORT

For the year ended 30 April 2014

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

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

BOARD OF DIRECTORS

Employer Nominated

David Dunnigan

Jeremy Kosky

David Saleh

Robin Tremaine

Member Nominated

Alison Blackwell

Alistair Dawson

David Hatchard

Tim Sherwood-King

INVESTMENT MANAGERS

1. Legal & General Investment Management - One Coleman Street, London EC2R 5AA
2. Kames Capital (formerly Aegon) - Aegon House, Edinburgh Park, Edinburgh EH12 9SA (switched to Absolute Return Bond Funds with Wellington, GAM and Ignis Jul 2014)
3. Majedie Asset Management Ltd, 10 Old Bailey, London EC4M 7NG
4. Newton Investment Management Ltd, 160 Queen Victoria St, London EC4V 4LA (from 25 Oct 2012)
5. Standard Life Investments, 1 George Street, Edinburgh EH2 2LL
6. JP Morgan Asset Management, 20 Finsbury Street, London EC2Y 9AQ (switched to L&G Jul 2014)
7. Walter Scott & Partners, One Charlotte Square, Edinburgh EH2 4DR (switched to L&G Jul 2014)
8. BlackRock Investment Management - Grenville Street, St Helier, Jersey JE1 0BR
9. Prudential M&G - Laurence Poutney Hill, London EC4R 0HH
10. Schroder Property Investment Management - 31 Gresham Street, London EC2V 7QA
11. Clerical Medical Investment Group - PO Box 174, Walton Street, Aylesbury, Bucks HP21 7YP
12. Equitable Life Assurance Society - Walton Street, Aylesbury, Bucks HP21 7QW
13. Scottish Widows plc - PO Box 902, 15 Dalkeith Road, Edinburgh EH16 5BU
14. Aviva Life & Pensions UK Limited - PO Box 520, Norwich NR1 3WG

SCHEME ACTUARY

Keith Poulson FIA,

Verulam Point, Station Way

St Albans, Hertfordshire, AL1 2QU

LEGAL ADVISERS

1. Clifford Chance LLP

10 Upper Bank Street,

London E14 5JJ

2. Sackers LLP

29 Ludgate Hill

London EC4M 7NX

BANKERS

National Westminster Bank PLC

21 Lombard Street

London EC3P 3AR

INVESTMENT CONSULTANTS

Aon Hewitt Limited,

Verulam Point, Station Way

St Albans, Hertfordshire, AL1 5HE

AUDITOR

Deloitte LLP, Chartered Accountants

& Registered Auditor

Gatwick

ADMINISTRATORS

Clifford Chance London Limited

10 Upper Bank Street, Canary Wharf

London E14 5JJ

Clifford Chance Pension Scheme

TRUSTEE'S REPORT - 30 APRIL 2014

Introduction

This will be the twenty second occasion on which the full report and accounts of the Clifford Chance Pension Scheme (the "Scheme") have been prepared, and for a number of years now have been available to all members on the Scheme's website along with a summary of the key information. In our report, we will review the events which have had a bearing on the Scheme over the accounting period. The accounts on pages 23 to 30 have been prepared and audited in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. The accounting period covered by this report is for the year to 30 April 2014.

Scheme Constitution and Background

The Clifford-Turner Pension Scheme was formed and took effect from 1 January 1978, and following the merger between Clifford-Turner and Coward Chance was renamed, from 1 May 1988, the Clifford Chance Pension Scheme. Originally the Scheme only provided benefits linked to salary at retirement or leaving service (final salary benefits). A Money Purchase section was introduced in March 1996 and was made available to all existing eligible employees at that time, and thereafter all eligible new employees. From October 2002 the Scheme was no longer made available to new lawyers joining Clifford Chance London Limited and the Money Purchase section was no longer made available to any new entrant, and from January 2005 the Scheme was closed to all new entrants.

Following the conclusion of a consultation exercise carried out by Clifford Chance London Limited (the "Principal Employer"), with active members in early 2011 the Scheme was closed to future benefit provision with effect from 1 May 2011.

Clifford Chance Pension Trustees Ltd is the corporate trustee which administers the Scheme. At the end of the financial year there were eight Trustee Directors, four of whom being Scheme Members and the remaining four being nominated and selected by Clifford Chance LLP (the "Firm") with three being partners in the Firm.

Day-to-day administration of the Scheme is dealt with by the in-house pensions administration team, but the Trustee Directors retain overall control of the Scheme and the ability to exercise discretion over the payment of benefits as and where set down in the Trust Deed.

The purpose of the Scheme is to provide benefits for members and their dependants. The benefits, which are summarised on the following pages, were designed to provide a member with a level of income in retirement and to provide for the members' dependants on their death. The Scheme was not contracted-out of the State Second Pension (S2P), so both the basic and additional state pension benefits may be paid in addition to the pension from the Scheme.

The Scheme is an exempt approved scheme with HMRC and is now a registered scheme under the Finance Act 2004. The Scheme investments are held in a trust which is completely separate from the Firm's own funds.

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

The following is a summary of the benefit structures under the Scheme. It should be noted that the Trust Deed and Rules prevail in the event of any doubt or conflict.

Summary of Clifford Chance Pension Scheme - Final Salary section benefits

- A retirement pension from age 65 for men and women based on length of pensionable service and final pensionable salary as at retirement or ceasing pensionable service if earlier (subject to an earnings "Cap" where appropriate) with an option to exchange part of the pension for a tax-free cash sum on retirement.
- The option of an early retirement pension to be paid at any time after age 55, subject to the consent of the Principal Employer and the Trustee Directors. This pension would be reduced to take account of the early payment.
- In the event of a member's death in service the following would be payable;
 - (i) lump sum equal to 4 x salary (subject to an earnings "Cap" where appropriate) together with the value of any voluntary contributions the member may have made to the Scheme's investment options.
 - (ii) a widow's or widower's pension equal to 50% of the member's own pension.
- If a member dies whilst in retirement, a widow's or widower's pension would be paid to a surviving legal spouse. This pension would be equal to 50% of the member's own pension before any part of that pension was exchanged for cash.
- If a member left the Scheme or ceased to accrue benefits in the Scheme prior to normal retirement date, having completed two years' pensionable service, their entitlement would be:-
 - (i) a deferred pension payable at normal retirement date with the option of early payment at any time after age 55 at a reduced rate.
 - (ii) automatic increases to the pension between the time of leaving the Scheme and the time the pension commences.
 - (iii) a 50% spouse's pension on death before or after retirement.
 - (iv) as an alternative to (i) (ii) and (iii), the value of the benefits could be transferred to another approved pension arrangement.
- Up until 6 April 1997 pensions in payment received discretionary increases which although not guaranteed, were equal to the increase in the Retail Prices Index for well over ten years. Increases to pensions in payment after 6 April 1997 have been guaranteed to be equal to the change in the RPI up to a maximum of 5% per annum for benefit accrued based on pensionable service up to 6 April 2005, and equal to the change in the RPI up to a maximum of 2.5% per annum for benefit accrued based on pensionable service accrued after 6 April 2005. Any further increases (for example where the change in the RPI is over 5%) are provided only at the discretion of the Firm.

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Summary of Clifford Chance Pension Scheme - Final Salary section benefits (continued)

- The Scheme was non-contributory on the part of the members as their Employer met the full cost of all the benefits.
- Until 30 April 2011 members could choose to make voluntary contributions which would increase the benefits they eventually receive.

N.B. For members who joined the Scheme from 1 June 1989 the salary on which benefits were calculated was subject to a maximum under the Rules of the Scheme, which for member's death in service benefit for the tax year 2013/2014 amounts to £141,000 (2012/2013: £137,400).

The Employer had the right to suspend or cease future contributions, and subject to the consent of the Trustee Directors, to amend the Scheme Rules. In this respect the Scheme ceased future benefit provision with effect from 1 May 2011.

Summary of Clifford Chance Pension Scheme - Money Purchase section benefits

- A retirement pension from age 65 for men and women based and dependent on the cost of purchasing a pension annuity at that time and the then value of the total funds built up in:

(i) a unitised fund, managed as follows:-

UK Equities –	Legal & General and Majedie
Overseas Equities –	Legal & General, JP Morgan and Walter Scott
Diversified Growth –	Standard Life and Newton
Corporate Bonds -	Kames (formerly Aegon)
Property –	M&G, BlackRock and Schroders

and/or;

(ii) a with-profits contract:-

available from Clerical Medical since June 2001 and Equitable Life previously and/or;

(ii) a cash fund:-

available through Clerical Medical, since October 2004.

There is an option to take part of the funds built up as a tax-free cash sum at retirement.

- The option of an early retirement pension to be paid at any time after age 55. This pension would take into account the higher cost of purchasing a pension annuity at an earlier age.
- In the event of a member's death in service the following would be payable:-
 - (i) lump sum equal to 4 x salary (subject to an earnings "Cap" where appropriate) together with the then value of any voluntary contributions the member may have made to the Scheme's investment options;
 - (ii) the then value of the total funds built up in the Scheme's investment options, in respect of any Employer contributions, would be used to purchase a spouse or dependant pension, or any other benefits permitted by HMRC. The

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Summary of Clifford Chance Pension Scheme - Money Purchase section benefits (continued)

level of these benefits would be determined by the cost of providing such benefits at that time.

- If a member dies whilst in receipt of a retirement pension, a widow or widower pension would be paid to a surviving legal spouse only if the pension annuity was purchased with an attaching cover for a spouse on death and not single life only. Any spouse's pension would then be paid at the rate purchased at retirement (normally 50% of the rate of pension on death).
- If a member leaves the Scheme prior to normal retirement date having completed two years' pensionable service, their total funds held in the Scheme's investment options would continue to be invested until:-
 - (i) payment of retirement benefits are taken at any time after age 55.
 - (ii) death occurs before payment of retirement benefits are taken. The then value of any voluntary contributions would be returned to the deceased's dependants or nominated beneficiaries and the then value of any Employer contributions would be used to purchase a spouse or dependant pension, or any other benefits permitted by HMRC, based on the cost of providing such benefits at that time.
 - (iii) as an alternative to (i) and (ii) the then value of the funds built up could be transferred to another approved pension arrangement.
- Increases to any pensions in payment after 6 April 1997 are guaranteed to be equal to the change in the RPI up to a maximum of 5% per annum.
- The Scheme is non-contributory on the part of the members. Until 30 April 2011 Employer contributions commenced after two years' membership at the rate of 5% of pensionable salary up to age 35 and 10% from age 35. Service with the Employer which has already been served: in continuous non-pensionable employment, in continuous pensionable employment without financial support from the Employer, or in continuous pensionable employment within the Final Salary section of the Scheme where no benefit entitlement has been accrued, will count towards the two years' membership period before the Employer contribution is made.
- Until 30 April 2011 members could choose to make voluntary contributions which would increase the benefits they eventually receive.

N.B. For members who joined the Scheme from 1 June 1989 the salary on which benefits were calculated was subject to a maximum under the Rules of the Scheme, which for member's death in service benefit for the tax year 2013/2014 amounts to £141,000 (2012/2013: £137,400).

The Employer had the right to suspend or cease their future contributions, and, subject to the consent of the Trustee Directors, to amend the Scheme Rules. In this respect the Scheme ceased future benefit provision with effect from 1 May 2011.

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Member Nominated Trustee Directors (MNTDs)

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 were normally four MNTDs, with at least three drawn from active members. Following the closure of the Scheme to future benefit accrual from 1 May 2011, with all existing active members then becoming deferred members, the Trustee Directors agreed a new procedure for the nomination and selection of MNTDs. Two of the MNTDs will be an existing deferred member and an existing pensioner member, with the remaining two MNTDs being either further deferred members or further pensioner members. These new arrangements were put into place with effect from 1 July 2011 following a nomination and selection exercise. As a result 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 2014. The Scheme is in compliance with the MNT Regulations requiring at least one third of the Trustee board to be elected by the membership.

Investment Strategy

The target asset allocation as at the beginning of the financial year was a split of 30% in UK Equities, 20% in Overseas Equities, 20% in Diversified Growth, 20% in UK long dated Corporate Bonds and the remaining 10% in Commercial Property.

The managers and target allocations in place at the end of the year are shown below:-

UK Equities –	30% of assets, of which Legal & General 60% "passive" and Majedie 40% "active";
Overseas Equities –	20% of assets, of which Legal & General 70% "passive", JP Morgan 15% "active" and Walter Scott 15% "active";
Diversified Growth –	20% of assets, of which Standard Life 75% "active" and Newton 25% "active" from Oct 2012;
Corporate Bonds -	20% of assets all with Kames Capital (formerly Aegon Asset Management) "active" in their Core Plus and Long Core Plus funds;
Property –	10% of assets split between M&G, Schroders and BlackRock "active".

In July 2014 the "active" Overseas Equity investments in JP Morgan and Walter Scott were switched to the "passive" Overseas Equity investment with Legal & General and the "active" Corporate Bond investments with Kames were switched to three "active" Absolute Return Bond Funds with GAM, Ignis and Wellington respectively. In October 2014 the Ignis Absolute Return Bond Fund was sold, following manager departures at Ignis. The sale proceeds were temporarily held in cash pending reinvestment in another bond fund.

The investment of future contributions will continue to be structured in order to complete the target allocation as far as is possible and practicable (subject to regular reviews of investment strategy). All managers will continue to be reviewed regularly and, should it be considered appropriate, subject to change at any time.

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Financial development of the Scheme

The financial statements show that the net assets at 30 April 2014 amounted to £375.0 million, an increase during the year of £32.0 million due to net additions from dealings for members of £7.6m and net returns on investments of £24.3m. Including a continued excess of income (contributions plus investment income) the increase also reflects a continuing improvement in the market value of investments. Further details will be found in the financial statements which have been prepared and audited in accordance with the regulations made under section 41 (1) and (6) of the Pensions Act 1995.

Trustee Board

The Directors who served during the year and to the date of this report are listed on page 1. In the twelve month period covered by these accounts, the Trustee Directors met on four occasions. The Trustee Directors are kept up to date with the management of the funds through monthly and quarterly reports from Aon Hewitt.

Increases to Pensions in Payment and Deferred Pensions

In January 2014, pensions in payment from this Scheme were increased in line with the change in the Retail Prices Index (RPI) over the previous twelve months, resulting in an increase of 2.7% in respect of benefits accrued for service completed up to 6 April 2005 and 2.5% in respect of benefits accrued for service completed after 6 April 2005.

Up until 1997 increases in line with inflation were not guaranteed. In response to the requirement under the Pensions Act for pensions in payment, in respect of benefits accrued for service completed after 6 April 1997, to be increased by the change in the RPI (up to a maximum of 5% per annum) the Principal Employer elected to extend this guarantee to pensions in payment for both pre- and post- 6 April 1997 service benefits. A subsequent change was made in the year ended 30 April 2005, in respect of benefits accrued for service completed after 6 April 2005, to be increased by the change in the RPI (up to a maximum of 2.5% per annum).

Deferred members who left the final salary section of the Scheme after 31 December 1985 continue to have all of their deferred pensions increased on 1 April each year by the change in the RPI over the previous twelve months (up to a maximum of 5% per annum where appropriate). This resulted in an increase of 2.5% on 1 April 2014 and 2.8% on 1 April 2013.

The increases to pensions in payment and to deferred pensions refer to the rate of change in the RPI as set out under the Rules of the Scheme and as a result changes to the use of CPI (Consumer Prices Index) have no bearing.

Benefit Statements

Individual benefit statements were issued to all members of the Final Salary section of the Scheme in October 2013 (with regard to Additional Voluntary Contributions only) and these will continue to be issued every year. At the same time, members of the Money Purchase section of the Scheme have received a statement setting out the contributions paid and their value.

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Actuarial Assumptions

The Trustee Directors appoint an independent actuary to assess and help ensure that the Scheme has sufficient assets to meet the potential liabilities under the Final Salary section as they fall due.

The actuary last carried out a valuation of the Scheme as at 30 April 2013 and this was completed on 17 June 2014. Included in this annual report therefore are actuarial statements (pages 12 to 15) which were formally implemented from the date of certification, being 17 June 2014. The valuation that covers the period of these financial statements was that carried out at 30 April 2010 and that valuation was completed on 28 April 2011. That valuation confirmed that the ongoing contribution rate to provide the pension benefits accruing under the Final Salary section increased from 10.4% to 12.25% of pensionable salary to take effect from 1 May 2010 and in this respect the Principal Employer agreed to implement early at this increased rate for the Scheme year ended 30 April 2011. Following the closure of the Scheme to future benefit provision with effect from 1 May 2011 however no further ongoing contributions have been 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.

The Trustee Directors agreed with the Principal Employer and the actuary, a Schedule of Contributions which sets out the rate and due dates for the payment of all contributions to the Scheme. A Schedule was agreed dated 28 April 2011.

Contributions

All contributions due to the Scheme must be paid in accordance with the Schedule of Contributions as already mentioned. The Schedule in place setting out the contribution payments for the period covered by these accounts was certified by the actuary on 28 April 2011. The Schedule of Contributions require the balance of all employer contributions for the Final Salary section of the Scheme to be paid by the end of the month following the end of the Scheme Year (i.e. by 31 May 2014 for the year ended 30 April 2014). Details of the contributions paid are set out in the Summary of Contributions on page 32.

Contributions due to the Scheme during the year ended 30 April 2014 were paid at least in accordance with the Schedule of Contributions.

Transfer Values and Buy Outs

All transfer values and buy outs paid from the Final Salary section of the Scheme on behalf of members who have left the Scheme have been calculated on an actuarial basis and verified in accordance with regulations under the Pension Schemes Act 1993. This basis provides as a minimum an amount consistent with that used for the purposes of Section 57 of the Pensions Act 1995, subject only to appropriate adjustments. All transfers take into account increases to pensions in payment, which up until 6 April 1997 were provided on a discretionary basis, and represent the full cash equivalent of the benefits members would have received had they opted for deferred benefits from the Scheme. Discretionary benefits, other than the discretionary increases to pensions in payment until 6 April 1997 referred to

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Transfer Values and Buy Outs (continued)

earlier, were not allowed for in the calculation of transfer values. All transfer values received into the Scheme are treated as money purchase investments and benefits are thereafter provided on a value of fund basis.

Membership

As can be determined from the membership statistics below, the number of Deferred Members of the Scheme has decreased and the number of Pensioners of the Scheme has increased. 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)
At 30 April 2013	4,216	152	456	1,809
Joiners	-	-	-	678
Leavers (with no Scheme benefits)	-	-	-	(717)
Transfers out of Scheme	(16)	(3)	-	-
Retirements	(27)	-	27	-
Deaths	(4)	-	(9)	-
At 30 April 2014	4,169	149	474	1,770
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 461 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.

Additional Voluntary Contributions

Although the Scheme was non-contributory on the part of the members, there was an option for members to pay additional voluntary contributions to enhance the benefits eventually paid from the Scheme. This continued to be a popular option with the members and, as at 30 April 2014, approximately 700 members still have additional voluntary contributions invested in the Scheme. Until March 1996 these were invested entirely separately from the rest of the Fund through with-profits or unit-linked insurance policies with Equitable Life, Scottish Widows and Aviva. Since April 1996 a unitised Mixed Managed Fund was made available as an investment option, with assets managed alongside the assets of the Final Salary section of the Scheme.

Clifford Chance Pension Scheme

TRUSTEE'S REPORT (continued)

Transfer Values and Buy Outs (continued)

Following the closure of Equitable Life to new business a replacement with-profits investment option, operated by Clerical Medical, was made available to members. From October 2004 a cash fund was also made available through Clerical Medical. Further details regarding the additional voluntary contribution investments are given in the Investment Report from page 16. The value of individual members' additional voluntary contribution funds is notified to them on an individual basis each year.

Enquiries about the Scheme

All enquiries concerning either section of the Scheme should be made in the first instance to Andrew Darlison, Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ (andrew.darlison@cliffordchance.com). Alternatively, you can speak to any of the Trustee Directors.

If you have a problem or query about your Clifford Chance pension benefits, this should be referred to Andrew or one of the Trustee Directors. If you are dissatisfied with the response and would like to make a formal request for your enquiry to be considered further, the Trustee Directors have set up, in accordance with the requirement under the Pensions Act, a procedure for dealing with such enquiries and this is known as the Internal Dispute Resolution Procedure (IDRP). Details of this procedure should already have been provided or made available to you. If you would like further information or have mislaid the papers outlining the procedure then please contact Andrew.

Should you still remain dissatisfied with the response having completed the IDRP, you can seek further advice from The Pensions Advisory Service (TPAS), an independent body funded by the Government or the Pensions Ombudsman, and both are located at 11 Belgrave Road, London SW1V 1RB.

Pension Tracing Service

The Pensions Tracing Service has been set up primarily to assist in tracing pension benefits which have arisen from previous employment. The Scheme has been registered with this body, so any leavers from the Scheme would be able to go through them to trace their pension benefits if they were to lose contact with the Firm after leaving. The Service can be contacted at:

Pensions Tracing Service,
The Pension Service,
Tyneview Park,
Whitley Road,
Newcastle upon Tyne,
NE98 1BA.

The Pensions Regulator

The Pensions Regulator ("tPR") has been set up to enforce the provisions laid down in Pensions Acts and accompanying regulations. It can be contacted at:

The Pensions Regulator,
Napier House,
Trafalgar Place,
Brighton,
BN1 4DW.

Clifford Chance Pension Scheme

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, 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 that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice "Financial Reports of Pension Schemes".

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgments 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 is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised 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 monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee 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.

For and on behalf of the Trustee, Clifford Chance Pension Trustees Ltd.

Date: 27/11/2014 ()

Trustee Director
D. SALEH

()

Trustee Director
ALISON BLACKWELL

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

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:

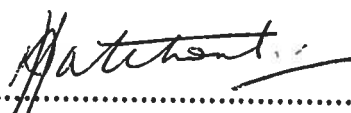
(a) In respect of each 31 May commencing 31 May 2015 up to (and including) 31 May 2024	£12.7m
(b) By 30 September 2024	£5.3m

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.

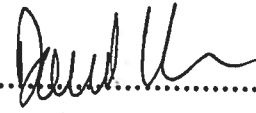
- 4.2 The employers shall in addition pay such further contributions (if any) as may be required from time to time in accordance with the provisions of the Scheme, including pursuant to Clause 24 of the Definitive Trust Deed of the Scheme (augmentation of benefits).
5. *Dates for payment of employer 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.

Clifford Chance Pension Scheme

INVESTMENT REPORT - 30 APRIL 2014

At 30 April 2014, the assets of the Clifford Chance Pension Scheme had a total market value of £375.0m compared to £343.1m at 30 April 2013. This Investment Report considers the investments of the Scheme for the twelve month period up to 30 April 2014.

Investment Managers and Fee Basis

At the end of the year the investments of the Clifford Chance Pension Scheme were managed as follows (target asset allocations are shown accordingly):-

UK Equities –	30% of assets, of which Legal & General Investment Management 60% "passive" and Majedie Asset Management 40% "active";
Overseas Equities –	20% of assets, of which Legal & General Investment Management 70% "passive", JP Morgan Asset Management 15% "active" and Walter Scott & Partners 15% "active";
Diversified Growth –	20% of assets, of which Standard Life 75% "active" and Newton 25% "active" from Oct 2012;
Corporate Bonds -	20% of assets all with Kames Capital (formerly Aegon Asset Management) "active" in their Core Plus (25%) and Long Core Plus (75%) funds;
Property –	10% of assets split between M&G Corporation Pensions Property Fund, Schroders Exempt Property Unit Trust (Primary Units) and BlackRock UK Property Fund (formerly Merrill Lynch) "active".

In July 2014 the "active" Overseas Equity investments in JP Morgan and Walter Scott were switched to the "passive" Overseas Equity investment with Legal & General and the "active" Corporate Bond investments with Kames were switched to three "active" Absolute Return Bond Funds with GAM, Ignis and Wellington respectively. In October 2014 the Ignis Absolute Return Bond Fund was sold, following manager departures at Ignis. The sale proceeds were temporarily held in cash pending reinvestment in another bond fund.

The Trustee Directors set investment guidelines, then delegate the day-to-day administration of the investments to the managers. The investment management fees charged by all managers involve a cancellation of units in the pooled funds and are not expressed explicitly.

Custody of Assets

The assets managed by all managers are invested in pooled funds which gives the Trustee a right to the cash value of the units rather than to the underlying assets. The investment managers of the pooled fund are responsible for the appointment and monitoring of the custodian of the underlying assets.

Investment Strategy

It is the responsibility of the Trustee Directors to identify objectives and to set an appropriate strategy to achieve them. In seeking to maintain investment returns, the Trustee Directors must have proper regard to an appropriate level of risk and the level of benefits to be provided.

It is the duty of the Trustee Directors to ensure that the assets of the Scheme are invested in such a way that long-term investment return is as high as possible whilst avoiding unnecessary risks. It is often the

Clifford Chance Pension Scheme

INVESTMENT REPORT (continued)

case that more risky investments can provide the highest level of return, but with higher potential return comes greater risk.

During the year, a broad based portfolio of investments was maintained, covering pooled investment vehicles investing in UK and overseas ordinary company shares (equities), corporate bonds, property and cash. In accordance with Section 35 of the Pensions Act, the Trustee Directors have adopted a Statement of Investment Principles setting out guidelines for the Investment Managers.

The statement in place during the year was updated to reflect the changes in investment managers and target asset allocation in November 2012. A copy of the latest statement is available on request from Andrew Darlison in the London office.

The Trustee Directors instruct the Investment Managers as to the general manner in which the funds should be invested. The long-term target at the end of the year was 30.0% in UK equities, 20.0% in Overseas Equities, 20.0% in Diversified Growth Funds, 20.0% in Corporate Bonds and 10.0% in Commercial Property.

The managers are permitted to move away from these 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 Statement of Investment Principles.

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. The Trustee Directors report that the Scheme is prohibited from holding any employer-related investments.

Scheme Investment Performance

The last performance report made available by the investment managers was as at 31 March 2014. Over the 12 month period ended 31 March 2014, the Scheme's assets returned 7.3% outperforming a benchmark return of 5.3% by 2.0%. The benchmark was the appropriate asset indices.

ASSET SECTOR RETURNS 1.4.13 - 31.3.14							
Equities		Bonds		Diversified Growth Funds (DGFs)		Property	
Market	Index Management Movement	Market	Index Movement	Market	Index Movement	Market	Index Movement
UK	8.8%	IBoxx £ Non Gilt fixed interest	-1.7%	LIBOR	5.4%	IPD UK Pooled Fund Indices	11.9%
Global	7.6%						

- Over a three-year period the Fund achieved a return of 8.5% p.a. which was above the benchmark based on comparative asset indices of 6.8% p.a.
- Over a ten-year period the Fund achieved a return of 8.0% p.a. which was above the benchmark based on comparative asset indices of 7.5% p.a.

Clifford Chance Pension Scheme

INVESTMENT REPORT (continued)

Portfolio Activity

The table below shows the asset allocation distribution at 31 March 2013 and 2014.

Asset Distribution

	Clifford Chance Pension Scheme		Target Benchmark	
	31.3.14 (*)	31.3.13 (*)	31.3.14	31.3.13
	%	%	%	%
UK - Pooled Investment Vehicles, made up of:	79.0	78.3	80.0	80.0
Property Units (managed funds and unit trusts)	9.8	8.9	10.0	10.0
Corporate Bonds (unitised insurance policy)	17.5	18.6	20.0	20.0
Diversified Growth (units in pooled investment vehicle)	18.6	18.7	20.0	20.0
Equities (units in pooled investment vehicle)	33.1	32.1	30.0	30.0
OVERSEAS - Pooled Investment Vehicles (units in Open Ended Investment Companies - OEICs)				
Equities	21.0	21.7	20.0	20.0
TOTAL EQUITIES	54.1	53.8	50.0	50.0
CASH	-	-	-	-
TOTAL	100.0	100.0	100.0	100.0

* These asset distribution statistics are as at 31 March 2014 and 31 March 2013 respectively. The investment performance between 31 March and 30 April each year resulted in the asset distribution allocations at 30 April 2014 and 30 April 2013 respectively being: UK Pooled Investment Vehicles of 79.3% (2013 78.5%) (made up of Property units of 9.8% (2013 8.8%), Corporate Bonds of 17.7% (2013 19.0%), Diversified Growth of 18.4% (2013 18.7%) and Equities of 33.4% (2013 32.0%)) and Overseas Pooled Investment Vehicles in Equities of 20.7% (2013 21.5%), resulting in Total Equities of 54.1% (2013 53.8%) and Cash of 0.0% (2013 0.0%).

Additional Voluntary Contributions (AVCs)

Since March 1996 members have had the choice between two investment options for AVCs, 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 October 2004.

1. With-Profits Arrangement

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.

Clifford Chance Pension Scheme

INVESTMENT REPORT (continued)

With-Profits Arrangement (continued)

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.

The regular bonus declared on 1 February 2014 was 0.8%. The terminal bonus rates are reviewed by Clerical Medical and have declined in recent years partly as a result of the decreases in the allocation to the underlying "growth" assets of the With-Profits Fund together with the resulting overall decreases in the value of those underlying assets (which is consistent with With-Profit Funds in general).

2. Mixed Managed Fund

The investment selected by the Trustee Directors was the unitised fund.

The managers in place at the end of the year are shown below together with their respective target asset allocations:-

UK Equities –	30% of assets, of which Legal & General 60% "passive" and Majedie 40% "active";
Overseas Equities –	20% of assets, of which Legal & General 70% "passive", JP Morgan 15% "active" and Walter Scott 15% "active";
Diversified Growth –	20% of assets, of which Standard Life 75% "active" and Newton 25% "active" from Oct 2012;
Corporate Bonds -	20% of assets all with Kames Capital (formerly Aegon Asset Management) "active" in their Core Plus (25%) and Long Core Plus (75%) funds;
Property –	10% of assets split between M&G, Schrodgers and BlackRock (formerly Merrill Lynch) "active".

Clifford Chance Pension Scheme

INVESTMENT REPORT (continued)

Mixed Managed Fund (continued)

In July 2014 the "active" Overseas Equity investments in JP Morgan and Walter Scott were switched to the "passive" Overseas Equity investment with Legal & General and the "active" Corporate Bond investments with Kames were switched to three "active" Absolute Return Bond Funds with GAM, Ignis and Wellington respectively. In October 2014 the Ignis Absolute Return Bond Fund was sold, following manager departures at Ignis. The sale proceeds were temporarily held in cash pending reinvestment in another bond fund.

This fund also includes the assets of the Final Salary section of the Scheme. The analysis is therefore provided within the main body of the investment section of this report.

Clifford Chance Pension Scheme

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

We have audited the financial statements of the Clifford Chance Pension Scheme for the year ended 30 April 2014 which comprise the fund account, the net assets statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustee, as a body, in accordance with regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for the preparation of financial statements which give 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 April 2014 and of the amount and disposition at that date of its assets and liabilities, other than the 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

Clifford Chance Pension Scheme

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

- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.



Deloitte LLP

Chartered Accountants and Statutory Auditor
Gatwick, United Kingdom

Date: 27 November 2014

Clifford Chance Pension Scheme

FUND ACCOUNT FOR THE YEAR ENDED 30 APRIL 2014

	Note	2014		2013
		Final Salary £'000s	Money Purchase £'000s	Total £'000s
Contributions and Benefits				
Contributions	3	12,697	-	12,697
Transfers In	4	33	-	33
		<u>12,730</u>	<u>-</u>	<u>12,730</u>
Benefits	5	(3,848)	-	(3,848)
Leavers	6	(851)	(205)	(1,056)
Other payments	7	(187)	(7)	(194)
		<u>(4,886)</u>	<u>(212)</u>	<u>(5,098)</u>
Net additions/(withdrawals) from dealings for members		<u>7,844</u>	<u>(212)</u>	<u>7,632</u>
Returns on investments				
Investment income	9	1,007	29	1,036
Investment Management expenses	10	(648)	(19)	(667)
Change in market value of investments	11	23,169	781	23,950
		<u>23,528</u>	<u>791</u>	<u>24,319</u>
Net returns on investments		<u>23,528</u>	<u>791</u>	<u>24,319</u>
Net increase in the fund during the year		<u>31,372</u>	<u>579</u>	<u>31,951</u>
Net assets of the Scheme At 1 May		<u>332,170</u>	<u>10,903</u>	<u>343,073</u>
At 30 April		<u>363,542</u>	<u>11,482</u>	<u>375,024</u>

The notes on pages 25 to 30 of this report form an integral part of these financial statements.

Clifford Chance Pension Scheme

NET ASSETS STATEMENT AS AT 30 APRIL 2014

	Notes	2014 £'000s	2013 £'000s
Final Salary section			
Investment assets	11		
- Pooled Investment Vehicles		337,150	305,480
- Voluntary Contributions		25,700	24,625
		<u>362,850</u>	<u>330,105</u>
Current Assets	12	692	2,065
Current Liabilities		-	-
		<u>363,542</u>	<u>332,170</u>
Money Purchase section			
Investment assets	11		
- Pooled Investment Vehicles		9,081	8,466
- Voluntary Contributions		2,401	2,437
		<u>11,482</u>	<u>10,903</u>
Total net assets of the Scheme at 30 April		<u>375,024</u>	<u>343,073</u>

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

The actuarial position of the Scheme which does take account of such obligations is dealt with in pages 12 to 15 of this report and should be read in conjunction therewith.

The notes on pages 25 to 30 of this report form an integral part of these financial statements.

These financial statements were approved by the Trustee 27/11/2014

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

Trustee Director

(*D. Saleh*) D. SALEH

Trustee Director

(*Alison Blackwell*)
ALISON BLACKWELL

Clifford Chance Pension Scheme

Notes to the financial statements - 30 April 2014

1. General

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and with the guidelines set out in the Statement of Recommended Practice: Financial Reports of Pension Schemes (Revised May 2007). The principal accounting policies have been applied consistently in both the current and prior year.

The financial statements have been prepared on an accruals basis in accordance with applicable accounting standards, and the following accounting policies have been applied consistently in the current and preceding periods.

2. Accounting Policies

(a) Contributions

Contributions from the employer have been paid for the period 1 May 2013 to 30 April 2014 in accordance with the Schedule of Contributions certified by the Scheme Actuary on 28 April 2011.

Internal transfers of members' additional voluntary contributions (AVCs) are not recognised in the accounts as either transfers in or transfers out.

(b) Investment income

Interest income is accounted for on an accruals basis. Where dividends are received direct from quoted investments these are accounted for on the date when the shares first become ex-dividend.

Investment income is recognised in the accounts net of associated tax credits which are not recoverable by the Scheme. Any overseas withholding tax is recognised as income, but where this is not recoverable by the Scheme, it is shown separately as a tax charge.

(c) Pension Benefits

Pensions in payment and commutations are accounted for on an accruals basis, in accordance with valid member claims.

(d) Transfers

Individual transfers into the Scheme are recognised in the financial statements when payment has been received by the Trustee. Individual transfers out are recognised in the accounts when payment to the receiving scheme has been made.

(e) Investments

Pooled investment vehicles are stated at bid value reflecting the fair value at the year end date, as determined by the investment managers.

The increase or decrease on the market valuation of investments over the period is included within the Fund Account.

Clifford Chance Pension Scheme

Notes to the financial statements (continued)

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
3. Contributions				
Deficit Funding (*)				
- Clifford Chance London Limited	12,503	-	12,503	11,866
Additional Employer Contributions paid by Clifford Chance London Limited on behalf of the Scheme				
- Premiums on term insurance policies	194	-	194	198
	<u>12,697</u>	<u>-</u>	<u>12,697</u>	<u>12,084</u>

(*) Clifford Chance London Limited paid deficit funding contributions in accordance with the Schedule of Contributions dated 28 April 2011. Deficit funding contributions as set out under the Schedule of Contributions dated 28 April 2011 are due to be paid for the period up to 31 October 2017.

Following the conclusion of the actuarial valuation of the Scheme at 30 April 2013 a new Schedule of Contributions, dated 17 June 2014, was agreed and signed. Under this new 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 of each payment should increase annually in line with the increase in the Retail Prices Index.

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
4. Transfers In				
Individual transfers in from other schemes	33	-	33	99
	<u>33</u>	<u>-</u>	<u>33</u>	<u>99</u>
5. Benefits				
Pensions	2,636	-	2,636	2,457
Commutations and lump sum retirement benefits	589	-	589	357
Lump sum death benefits	623	-	623	13
	<u>3,848</u>	<u>-</u>	<u>3,848</u>	<u>2,827</u>

Clifford Chance Pension Scheme

Notes to the financial statements (continued)

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
6. Leavers				
Individual transfers to other schemes	851	205	1,056	980

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
7. Other payments				
Premiums on term insurance policies	187	7	194	198

8. Administrative Expenses

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

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
9. Investment Income				
Interest on cash deposits	1	-	1	1
Income from pooled investments	1,006	29	1,035	759
	<u>1,007</u>	<u>29</u>	<u>1,036</u>	<u>760</u>

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
10. Investment Management Expenses				
Investment management fees	648	19	667	450

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

Clifford Chance Pension Scheme

Notes to the financial statements (continued)

11. Investment assets

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.

	Value at 1 May 2013 £'000s	Purchases at cost £'000s	Sales proceeds £'000s	Change in market value £'000s	Value at 30 April 2014 £'000s
Final Salary section					
Pooled investment vehicles					
Main fund	305,480	15,500	(5,411)	21,581	337,150
AVC invested	19,567	-	(342)	1,214	20,439
	<u>325,047</u>	<u>15,500</u>	<u>(5,753)</u>	<u>22,795</u>	<u>357,589</u>
AVC investments	5,058	33	(205)	374	5,261
	<u>330,105</u>	<u>15,533</u>	<u>(5,958)</u>	<u>23,169</u>	<u>362,850</u>

Money Purchase section – all designated to members

Pooled investment vehicles					
Main fund	7,332	-	(161)	696	7,867
AVC invested	2,437	-	(41)	5	2,401
	<u>9,769</u>	<u>-</u>	<u>(202)</u>	<u>701</u>	<u>10,268</u>
AVC investments	1,134	-	-	80	1,214
	<u>10,903</u>	<u>-</u>	<u>(202)</u>	<u>781</u>	<u>11,482</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.

	Final Salary £'000s	Money Purchase £'000s	2014 Total £'000s	2013 Total £'000s
Pooled investment vehicles				
Managed funds – UK property	6,869	197	7,066	6,464
Unit trusts – UK property	28,243	811	29,054	22,833
Unitised insurance policies - UK	63,248	1,816	65,064	63,511
Managed funds – UK equities	185,168	5,317	190,485	169,937
Managed funds – overseas equities	74,061	2,126	76,187	72,071
	<u>357,589</u>	<u>10,267</u>	<u>367,856</u>	<u>334,816</u>

Clifford Chance Pension Scheme

Notes to the financial statements (continued)

11. Investment assets (continued)

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.

	2014	2013
Legal & General Investment Management - UK Equity		
Market Value (£,000)	67,731	61,241
Percentage of net assets (%)	18.06%	17.85%
Majedie – UK Equity		
Market Value (£,000)	55,218	46,070
Percentage of net assets (%)	14.72%	13.42%
Standard Life – Diversified Growth		
Market Value (£,000)	51,509	46,714
Percentage of net assets (%)	13.73%	13.61%
Legal & General Investment Management – Overseas Equity		
Market Value (£,000)	48,803	45,807
Percentage of net assets (%)	13.01%	13.35%
Kames Capital (formerly Aegon Asset Management) - Long Core Plus		
Market Value (£,000)	46,202	45,289
Percentage of net assets (%)	12.32%	13.20%
Kames Capital (formerly Aegon Asset Management) - Core Plus		
Market Value (£,000)	18,863	18,221
Percentage of net assets (%)	5.03%	5.31%

AVC Investments

For those members who had elected to invest their own additional voluntary contributions (AVCs) 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:

	2014 £'000s	2013 £'000s
Final Salary section		
Investment assets	337,150	305,480
AVCs		
- Pooled investment vehicles	20,439	19,567
- Scottish Widows	1,019	928
- Aviva	187	159
- Clerical Medical	2,679	2,562
- Equitable Life	1,376	1,409
	<u>362,850</u>	<u>330,105</u>

Clifford Chance Pension Scheme

Notes to the financial statements (continued)

11. Investment assets (continued)

		2014 £'000s	2013 £'000s
Money Purchase section			
Investment assets	- Pooled investment vehicles	7,867	7,332
	- Clerical Medical	1,102	1,026
	- Equitable Life	112	108
AVCs	- Pooled investment vehicles	2,401	2,437
		<u>11,482</u>	<u>10,903</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.

			2014 £'000s	2013 £'000s
12. Current assets				
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Total £'000s
Cash at bank	692	-	692	2,065
	<u>692</u>	<u>-</u>	<u>692</u>	<u>2,065</u>

13. Related Party Transactions

Five 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 are 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, are the appointed administrators for the Scheme.

Clifford Chance Pension Scheme

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

We have examined the summary of contributions to the Clifford Chance Pension Scheme for the Scheme year ended 30 April 2014 on page 32.

This statement is made solely to the Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body for our work, for this statement, or for the opinion we have formed.

Respective responsibilities of the Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is 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 Scheme by or on behalf of the Employer and the active members of the Scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

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

Scope of work on Statement about Contributions

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

Statement about Contributions payable under the Schedule of Contributions

In our opinion contributions for the Scheme year ended 30 April 2014 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid from 1 May 2013 to 30 April 2014 at least in accordance with the Schedule of Contributions certified by the Scheme actuary on 28 April 2011.



Deloitte LLP

Chartered Accountants and Statutory Auditor

Gatwick, United Kingdom

Date: 27 November 2014

Clifford Chance Pension Scheme

Summary of contributions payable to the Scheme in the year

During the year ended 30 April 2014 the contributions payable to the Scheme were as follows:

	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Deficit Funding	12,087	-	12,087
Total contributions payable under the Schedule of Contributions and as reported on by the Scheme Auditor	12,087	-	12,087
Additional Employer Contribution - Premiums on term insurance policies	194	-	194
Total contributions per the financial statements	12,281	-	12,281

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

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

Trustee Director

(*D. M.*)
D. M. ALLEN

Trustee Director

(*Alison Blackwell*)
ALISON BLACKWELL

27/11/2014