CLIFFORD CHANCE PENSION SCHEME

(Scheme Registration Number : 10137020)

ANNUAL REPORT

For the 12 months ended 30 April 2007

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CLIFFORD CHANCE PENSION SCHEME : TRUSTEE AND ADVISERS

TRUSTEE : Clifford Chance Pension Trustees Limited
10 Upper Bank Street, Canary Wharf,
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

Partners
Peter Charlton
Robert Davies
Lynn Johansen
Robin Tremaine

Member Nominated
Lorrayne Chapman
Bryan King
Andy Steward (appointed February 2006)
Andrew Tromans (appointed January 2006)

AUDITORS
Deloitte & Touche LLP
London

INVESTMENT MANAGERS

1. HSBC Asset Management Europe Limited
10 Upper Thames Street
London, EC3R 6AE

2. Legal & General Investment Management
(appointed February 2007)
One Coleman Street
London, EC2R 5AA

3. Frank Russell Company
Rex House, 10 Regent Street
London, SW1Y 4PE

4. Aegon Asset Management
Aegon House, Edinburgh Park
Edinburgh, EH12 9SA

5. Liontrust Asset Management
2 Savoy Court
London, WC2R 0EZ

6. Clerical Medical Investment Group
PO Box 174, Walton Street
Aylesbury, Bucks, HP21 7YP

7. Equitable Life Assurance Society
Walton Street, Aylesbury
Bucks, HP21 7QW

SCHEME ACTUARY
Until June 2006, Simon Head FIA,
From July 2006, Keith Poulson FIA,
both employed by Aon Consulting Ltd
Carnegie House
21 Peterborough Road
Harrow, Middlesex, HA1 2AJ

LEGAL ADVISERS
Clifford Chance LLP
10 Upper Bank Street, Canary Wharf,
London, E14 5JJ

INVESTMENT CONSULTANTS
Aon Consulting Ltd
11 Devonshire Square
London, EC2N 4YR

CUSTODIANS
HSBC Global Investor Services
Mariner House
Pepys Street
London, EC3N 4DA

ADMINISTRATORS
Clifford Chance London Limited
10 Upper Bank Street, Canary Wharf
London, E14 5JJ

BANKERS
National Westminster Bank PLC
21 Lombard Street, London, EC3P 3AR

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 (the 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 and the Money Purchase section was no longer made available to any new entrants, and from January 2005 the Scheme was closed to all new entrants.

Clifford Chance Pension Trustees Ltd is the corporate trustee which administers the Scheme. During the financial year in question, there were eight Trustee Directors, four of whom being Scheme Members and the remaining four being partners in Clifford Chance LLP (the Firm). Day-to-day administration of the Scheme is dealt with by the pensions administration section, but the Trustee Directors retain overall control of the Scheme and the ability to exercise discretion over the payment of benefits as 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 below, are designed to provide a good level of income in retirement and to provide for the members' dependants on their death. The Scheme is 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 was 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.

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 service and final pensionable salary (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 50, 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 then value of any voluntary contributions the member may have made to the Scheme's investment options.

(ii) A widow or widower pension equal to 50% of the pension which the member would have received if service had continued to normal retirement date.

- If a member dies whilst in retirement, a widow or widower 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 leaves 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 50 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 have been equal to the increase in the Retail Prices Index for well over ten years. Increases to 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. Any further increases (for example where the change in the RPI is over 5%) are provided only at the discretion of the Firm, by making a recommendation to the Trustee Directors.

- The Scheme is non-contributory on the part of the members as their Employer meets the full cost of all the benefits.

- Members can choose to make voluntary contributions which will increase the benefits they eventually receive.

N.B. For members who joined the Scheme from 1 June 1989 the salary on which benefits are calculated is subject to a maximum under the Rules of the Scheme which in the tax year 2007/2008 is £112,800 (2006/2007 £108,600).

The Employer reserves the right to suspend or cease their future contributions, and subject to the consent of the Trustee Directors, to amend the Scheme Rules.

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 pensions at that time and the then value of the total funds built up in:

  (i) a unitised fund, wholly managed by HSBC Asset Management Europe Limited until

October 2002, a combination of HSBC, Frank Russell and Aegon after October 2002 and including Liontrust from December 2003 and Legal & General replacing HSBC from April 2007; and/or

(ii) a with-profits contract, available from Clerical Medical since June 2001 and Equitable Life previously.

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 50. This pension would take into account the higher cost of purchasing a pension 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 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 original retirement pension 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 50.

  (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 the Inland Revenue, 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.

- Although there are currently no pensions in payment from this section of the Scheme, 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. Employer contributions will commence after two years' membership at the rate of 5% of pensionable salary up to age 35 and 10% from age 35. Service 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.
- Members can choose to make voluntary contributions which will increase the benefits they eventually receive.

N.B. For members who joined the Scheme from 1 June 1989 the salary on which benefits are calculated is subject to a maximum under the Rules of the Scheme which in the tax year 2007/2008 is £112,800 (2006/2007 £108,600).

The Employer reserves the right to suspend or cease their future contributions, and subject to the consent of the Trustee Directors, to amend the Scheme Rules.

TRUSTEE DIRECTORS' REPORT - 30 APRIL 2007

Introduction

This will be the fifteenth occasion on which the full report and accounts of the Scheme have been prepared and a summary available to all members. In our report, we will review the events which have had a bearing on the Scheme over the accounting period. The accounts on pages 20 to 27 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 12 months to 30 April 2007.

Member Nominated Trustee Directors

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. This was broadly to invite nominations for two Member Director categories bi-annually and hold elections where more than one nomination is received.

Investment Strategy

An adjustment to the investment strategy was agreed in December 2005 with an increase in property proposed. The new target asset allocation agreed was split 40.5% in UK Equities, 32% in Overseas Equities, 20% in UK long dated Corporate Bonds and the remaining 7.5% in Commercial Property.

HSBC Asset Management were replaced by Legal & General during the year to manage 50% of the UK Equities on an index-tracking (passive) basis, with the remaining 50% continuing to be managed by Liontrust Asset Management. Frank Russell Company Ltd manages the Overseas Equities. The assets in UK long dated corporate bonds are managed by Aegon Asset Management UK Plc and the investment in Property is split between Prudential, Schroders and BlackRock (formerly Merrill Lynch).

The transition of the majority of assets between the managers was completed during the year with a small residue of assets and cash remaining with HSBC until just after the Scheme year end. The investment of future contributions will continue to be structured in order to complete the target allocation.

All of the managers will continue to be reviewed regularly and, should it be considered appropriate, subject to change at any time.

Trustee Board

In the twelve month period covered by these accounts, the Trustee Directors have met on five occasions. The Trustees are kept up to date with the management of the funds through quarterly reports which include where appropriate details of the investments which the Scheme holds and statements of all transactions carried out.

Increases to Pensions in Payment and Deferred Pensions

One of the most important features of the Scheme to pensioners is the past policy of giving discretionary pension increases which have ensured that the purchasing power of their pensions remains the same as when they retired. In January 2007, 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 4.4%. Up until 1997 these increases were not guaranteed however; 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 sponsoring 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 2.6% on 1 April 2006 and 4.8% on 1 April 2007.

Benefit Statements

Individual benefit statements were issued to all members of the Final Salary section of the Scheme in September 2006 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.

Actuarial Assumptions

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

The actuary had last carried out a valuation of the Scheme as at 30 April 2004, at which time he judged that the assets were more than sufficient to meet the liabilities of the Scheme as they fall due. Included in this annual report therefore is an actuarial statement (pages 12 and 13) as at an effective date of 30 April 2004 which confirms that the ongoing contribution rate to provide the pension benefits promised under the Final Salary section increased from 9% to 10.1% of pensionable salary from 6 May 2005. 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 have agreed with the sponsoring and participating employers and the actuary, a Schedule of Contributions which sets out the rate and due dates for the payment of contributions to the Scheme. A Schedule was agreed dated May 2005 with an ongoing contribution rate, under the Final Salary section, of 10.1% of pensionable salaries to take effect from 1 May 2004. Included in this annual report is the latest certificate from the actuary (page 14) certifying that the rates shown in the

Schedule are adequate for the Minimum Funding Requirement (MFR) imposed under the Pensions Act 1995.

A further valuation is currently being carried out at 30 April 2007 although the results and conclusions have not yet been completed.

During the year the previously appointed actuary, Simon Head was replaced by Keith Poulson, both being employed by Aon Consulting. Simon Head confirmed to the Trustee that there were no circumstances connected with his resignation which significantly affected the interests of members or prospective members of, or beneficiaries under, the Scheme.

Contributions

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 6 May 2005. The Schedule of Contributions require 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 2007 for the year ended 30 April 2007) and for the Money Purchase section of the Scheme to be paid by the end of the month following the month of payment of Salary to which they relate.

If contributions are not paid across to the Scheme by the Principal Employer within 30 days of the due date, the Trustees must advise the Pensions Regulator, and if not paid across within 60 days of the due date, the Trustees must inform the Scheme members.

Contributions due to the Scheme during the year ended 30 April 2007 were paid in accordance with the Schedule of Contributions and in accordance with the Scheme rules and the recommendation of the actuary.

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 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 seen from the membership statistics on the next page, the full membership of the Scheme together with the numbers of deferred members and pensioners has increased. As the Scheme matures, the number of deferred members and pensioners will form an increasing proportion of the membership of the Scheme.

Membership Statistics

	CCPSFS Full Members	CCPSMP Full Members	PPP Holders(i)	LA Only Members(i)	CCPSFS/CCPSMP Deferred Members (ii)	CCPSFS Pensioners
At 30 April 2006	1,376	64	425	692	3,113	293
Joiners	-	-	230	-	-	-
Leavers (with no Scheme benefits)	-	-	(25)	(59)	-	-
Leavers (with deferred pension)	(231)	(9)	-	-	240	-
Transfers out of Scheme	-	-	-	-	(27)	-
Retirements	(7)	-	-	-	(14)	29
Deaths	(1)	-	-	-	(2)	(8)
At 30 April 2007	1,137	55	630	633	3,310	314

CCPSFS = Clifford Chance Pension Scheme Final Salary section

CCPSMP = Clifford Chance Pension Scheme Money Purchase section

PPP = Personal Pension Plan

LA = Life Assurance

Notes:-

(i) These employees remain covered for lump sum life assurance benefits only and initially includes trainee solicitors employed on fixed-term contracts.

(ii) Deferred members are employees who have left the Scheme but retain a right to a pension to be paid to them once they reach age 65 (or for some females age 60).

Voluntary Contributions

Although the Scheme is non-contributory on the part of the members, there is an option for members to pay voluntary contributions to enhance the benefits eventually paid from the Scheme. This has continued to be a popular option with the members and, as at 30 April 2007, approximately 800 current and former members still have voluntary contributions invested in the Scheme. Until December 2000 these were either invested entirely separately from the rest of the Fund through with-profits or unit-linked insurance policies with Equitable Life, Scottish Widows' and Norwich Union (formerly CGU, General Accident and Provident Mutual). Following Equitable Life's closure to new business in December 2000 a temporary deposit account option was made available to existing Equitable contributors and a new with-profits investment option, operated by Clerical Medical, was subsequently set up and made available. Further details regarding the voluntary contribution investments are given in the Investment Report from page 15. Anyone who wishes to consider paying voluntary contributions should contact the pensions administration section for an application form. The value of individual members' 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, 10 Upper Bank Street, Canary Wharf, London, E14 5JJ. 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. In the unlikely event that 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. 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.

Statement of Trustee's Responsibilities

The financial statements 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 are in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practices) and 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 the assets of the Scheme and of the liabilities of the Scheme (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 accounts have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes (Revised November 2002)'.

The Trustee has supervised the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis.

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 of contributions received in respect of any active member of the Scheme and for procuring that contributions are made to the Scheme in accordance with the Schedule of Contributions.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept, for the system of internal control, for safeguarding the assets of the Scheme and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

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

P.J. Charlt

L Chapman

Date: 30/11/07 (P.J. CHARLTON) Trustee Director

(L.CHAPMAN) Trustee Director

Actuarial Statement Made for the Purposes of Regulation 30 of the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996

Name of scheme	Clifford Chance Pension Scheme
Effective date of valuation	30 April 2004

Security of prospective rights

In my opinion, the resources of the scheme are likely in the normal course of events to meet in full the liabilities of the scheme as they fall due. This statement assumes the scheme continues and does not mean that should the scheme wind up there would be sufficient assets to provide the full accrued benefits.

I have made assumptions consistent with market values, prospective investment returns and economic conditions at the effective date. However significant changes in market values of the assets after the effective date may mean that the assumptions and market values on which it is based are no longer appropriate. Depending on the circumstances, alternative assumptions may be appropriate or contributions may need to be reviewed at or before the next valuation. It should also be noted that the actuarial investigation does not include an examination of the Employer's ability to meet future contribution requirements.

In giving this opinion, I have assumed that the following amounts will be paid to the scheme:

Employer contributions:

- 10.1% of Pensionable Salaries in respect of members of the Final Salary Section of the Scheme from 1 May 2004
- Contributions of £3m per annum from 1 May 2004 increasing annually in line with price inflation
- Contributions in respect of members of the Money Purchase Section of the Scheme in accordance with the rules of that Section

In addition, the Employer will meet the cost of insured death benefits and the expenses of administering the Scheme (other than investment management expenses)

The above contributions may be reviewed at any time, and in any event no later that the next actuarial valuation which is due as at 30 April 2007.

Summary of methods and assumptions used

Valuation method	Projected Unit
Pre-retirement investment return	7.5% per annum
Post-retirement investment return	5.5% per annum
Salary growth	5.5% per annum
Pension increases	3.0% per annum
RPI inflation	3.0% per annum

Further details of the methods and assumptions used are set out in my actuarial valuation addressed to the Trustee dated 24 March 2005.

Signature ....Simon Head........ Date: ......24/3/05......

Name: Simon Head

Address: Carnegie House
21 Peterborough Road
Harrow
Middlesex HA1 2AJ

Qualification: Fellow of the Institute of Actuaries

Name of employer: Aon Limited

ACTUARIAL CERTIFICATE GIVEN FOR THE PURPOSES OF SECTION 58 OF THE PENSIONS ACT 1995 (CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS)

AON

Name of scheme: Clifford Chance Pension Scheme

Adequacy of rates of contributions

1 I hereby certify that, in my opinion, the rates of the contributions payable in accordance with the schedule of contributions dated May 2005 are adequate for the purpose of securing that throughout the period it covers the scheme will meet the minimum funding requirement imposed by section 56(1) of the Pensions Act 1995.

2 In forming this opinion I have complied with the requirements imposed by sections 56(3) and 58 of the Pensions Act 1995, the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996 and the mandatory guidelines on minimum funding requirement (GN27) prepared and published by the Institute of Actuaries and the Faculty of Actuaries, and have made the assumptions prescribed by them.

Signature: Simon Head

Name: Simon Head

Address:

Aon Limited

Carnegie House

21 Peterborough Road

Harrow

Middlesex

HA1 2AJ

Date: 6/5/05

Qualification: Fellow of the Institute of Actuaries

Name of employer: Aon Limited

Note:

The certification of the adequacy of rates of contributions for the purpose of securing the meeting of the minimum funding requirement is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

INVESTMENT REPORT - 30 APRIL 2007

At 30 April 2007, the assets of the Clifford Chance Pension Scheme had a total market value of £212.7m, compared to £190.8m at 30 April 2006. This Investment Report considers the investments of the Scheme for the twelve month period up to 30 April 2007.

Investment Management and Fees Basis

During the year to 30 April 2007, the investments of the Clifford Chance Pension Scheme were managed by HSBC Asset Management Europe, Legal & General Investment Management, Liontrust Asset Management, Frank Russell Company and Aegon Asset Management.

The Trustee Directors set investment guidelines, then delegate the day-to-day administration of the investments to the managers. There was also an investment in property funds which at the end of the period was split between units in the Prudential Corporation Pensions Property Fund, the Schroder Exempt Property Unit Trust (Primary Units) and the BlackRock UK Property Fund. All specific UK equities held during the year were in fact held by HSBC Global Investor Services (formerly Midland Security Services), the custodians appointed by the Trustee, who are also a subsidiary of the HSBC group of companies.

The investment management fees charged by HSBC during the twelve months to 30 April 2007 amounted to £184,929. The investment management fees charged by all other managers involve a cancellation of units in the pooled funds and are not expressed explicitly.

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

During the year, a broadly based portfolio of investments was maintained, covering UK and overseas ordinary company shares (equities), corporate bonds, property and cash.

In accordance with Section 35 of the Pensions Act, the Trustee Directors adopted a Statement of Investment Principles, dated April 1997, setting out guidelines for the Investment Managers. The statement is kept under review periodically.

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. By the end of the year the long-term target was 40.5% in UK equities, 32% in Overseas Equities, 20% in Corporate Bonds and 7.5% 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 provided 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. 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 2007. Over the 12 month period ended 31 March 2007, the Scheme's assets returned 5.1% underperforming a benchmark return of 6.2% by 1.1%. The benchmark was the appropriate asset indices.

ASSET SECTOR RETURNS 1.4.06 - 31.3.07			
Equities		Bonds	
Market	Index Movement	Market	Index Movement
UK	11.1%	IBoxx £ Non Gilt fixed	1.29%
Europe (excl. UK)	12.4%		
US	-1.6%		
Japan	-11.4%		
Far East (excl. Japan)	12.8%		

Over a rolling three-year period the Fund achieved a return of 14.2% p.a. which was 0.1% below the appropriate asset indices.

Portfolio Activity

The table below shows the asset allocation distribution at 31 March 2006 and 2007.

Asset Distribution

	Clifford Chance Pension Scheme		Benchmark	
	31.3.07	31.3.06	31.3.07	31.3.06
	%	%	%	%
UK - Quoted Equities	21.9	20.4	20.25	20.25
UK - Pooled Investment Vehicles, made up of:	44.9	43.9	47.75	47.75
Property Units (managed funds and unit trusts)	4.8	3.8	7.5	7.5
Corporate Bonds (unitised insurance policy)	17.1	17.5	20.0	20.0
Equities (units in pooled investment vehicle)	23.0	22.6	20.25	20.25
OVERSEAS - Pooled Investment Vehicles (units in OEICs*)				
Equities, made up of:	33.2	35.7	32.0	32.0
US	9.6	10.9	9.6	9.6
Europe	9.6	10.8	9.6	9.6
Japan	6.7	6.9	6.4	6.4
Pacific Basin	7.3	7.1	6.4	6.4
TOTAL EQUITIES	78.1	78.7	72.5	72.5
CASH	NIL	NIL	NIL	NIL
TOTAL	100.0	100.0	100.0	100.0

(* Open Ended Investment Companies)

Voluntary Contributions (VCs)

Since March 1996 members have had the choice between two investment options for VCs, 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 section 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, the Clerical Medical Halifax fund, was made available from October 2004. There were however no assets held within the fund during the period covered by this report.

1. With-Profits Arrangement

The Trustee Directors originally selected Equitable Life as the office for members who wished to pay VCs 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 only 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, and the potential dividends resulting from Clerical Medical's business profits, will determine the level of growth achieved by investors in the with-profits fund. This growth is achieved by way of a minimum guaranteed return added to member's funds each year ("bonus interest"). By awarding bonus interest, 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 ("terminal bonus") to reflect the investment earnings from the with-profits fund. This will depend on the profits of Clerical Medical at that time and is not guaranteed.

The current bonus interest rate is 4.0%. The terminal bonus rates are reviewed by Clerical Medical every 6 months and the table below sets out the rates applying for funds maturing from 1 February 2007.

Year of payment (first payment under regular payments fund)	Regular payments fund : % of accrued fund		Special payments fund (for transfer and lump sum payments) : % of accrued fund	
	Current rates	Previous rates	Current rates	Previous rates
2007	0	-	0	-
2006	4	0	7	0
2005	7	3	17	5
2004	11	6	27	14
2003	14	9	28	22
2002	15	10	20	18
2001	14	9	5	5
2000	12	8	0	0
1999	11	6	3	0
1998	11	5	10	0

Although Clerical Medical's with-profits fund has only been available for a short period of time a fuller history for terminal bonus rates has been stated. The increase in the terminal bonus rates from 1 February 2007 are partly a result of the increase in the value of underlying assets of the with-profits fund (which is consistent with an increase of assets in general).

2. **Mixed Managed Fund**

The investment selected by the Trustee Directors was the unitised fund which until October 2002 was wholly managed by HSBC Asset Management. After October 2002 the fund was being managed by a combination of HSBC Asset Management, Frank Russell Company and Aegon Asset Management.

Liontrust Asset Management was appointed from December 2003 and in early 2007 Legal & General Investment Management replaced HSBC Asset Management with an asset transfer taking place by the end of April 2007 (all residue stocks and cash assets were transferred shortly after the scheme year end).

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.

Financial development of the Scheme

The financial statements show that the net assets at 30 April 2007 amounted to £212.7 million, an increase during the year of £21.9 million. This reflected an increase in income (contributions plus investment income) over benefits paid and an increase 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.

CLIFFORD CHANCE PENSION SCHEME

FUND ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

	Note	2007			2006
		Final Salary £'000s	Money Purchase £'000s	Total £'000s	£'000s
Contributions and Benefits					
Contributions receivable	4	10,832	679	11,511	12,687
Transfers in	5	26	0	26	243
		10,858	679	11,537	12,930
Benefits payable	6	(1,725)	0	(1,725)	(1,645)
Leavers	7	(322)	(335)	(657)	(586)
Other payments	8	(298)	(10)	(308)	(246)
		(2,345)	(345)	(2,690)	(2,477)
Net additions from dealings with members		8,513	334	8,847	10,453
Returns on investments					
Investment income	10	1,526	60	1,586	2,198
Investment management expenses	11	(179)	(6)	(185)	(115)
Change in market value of investments	12	11,203	457	11,660	37,511
Net returns on investments		12,550	511	13,061	39,594
Net increase in the fund during the year		21,063	845	21,908	50,047
Net assets of the Scheme At 1 May		182,028	8,744	190,772	140,725
At 30 April		203,091	9,589	212,680	190,772

CLIFFORD CHANCE PENSION SCHEME

STATEMENT OF NET ASSETS AS AT 30 APRIL 2007

	Note	2007	2006
		£'000s	£'000s
Final Salary section			
Investments	12	184,165	165,214
Voluntary Contributions		18,035	15,987
		202,200	181,201
Current Assets and Liabilities	13	891	827
		203,091	182,028
Money Purchase section			
Investments	12	6,544	6,554
Voluntary Contributions		2,373	2,190
		8,917	8,744
Current Assets and Liabilities	13	672	0
		9,589	8,744
Total net assets of the Scheme at 30 April		212,680	190,772

These financial statements were approved by the Trustee on 30 November 2007

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

P. J. Charlton

Trustee Director
(P.J. CHARLTON)

L Chapman

Trustee Director
(L. CHAPMAN)

CLIFFORD CHANCE PENSION SCHEME

Notes to the accounts - 30 April 2007

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 November 2002).

2. Actuarial Position

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 Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the statement by the Actuary on pages 12 and 13 of the annual report, and these financial statements should be read in conjunction therewith.

3. Accounting Policies

(a) Contributions

Normal contributions from the employers have been made at the rates set out in the schedule of contributions in force for the Scheme year. Normal contributions relating to pensionable salary in the Scheme year have been recognised in these accounts.

Any employer's special contributions are recognised in the accounts on receipt. Such contributions have been made, with the agreement of the actuary, in order to enhance certain members' benefits by way of augmentation.

Members' voluntary contributions (VCs) are recognised in the accounts as soon as they are deducted from the payroll. VCs paid other than by payroll deduction are recognised on receipt. Transfers of VC investments 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. Dividends from quoted investments 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.

(d) Transfers

Individual transfers into the Scheme are recognised in the accounts 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

Listed securities and equities are valued at mid-market value at the Scheme year end. Unit trust or managed fund investments are stated at the mid-point of the latest prices quoted by the managers prior to the Scheme year end.

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

(f) Foreign exchange

Assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the period end. Differences arising are dealt with in the Fund Account.

	Final Salary	Money Purchase	2007 Total	2006 Total
	£'000s	£'000s	£'000s	£'000s
4. Contributions receivable				
Employers' Normal, payable under the Schedule of Contributions				
- Clifford Chance London Limited	8,307	602	8,909	9,960
Total payable under the Schedule of Contributions	8,307	602	8,909	9,960
In addition, the following amounts were paid:				
By Clifford Chance London Limited on behalf of the Scheme				
- Payment to Pensioners	1,489	0	1,489	1,350
- Reinvested Voluntary Contributions	15	0	15	243
- Premiums on term insurance policies	308	0	308	246
	1,812	0	1,812	1,839
Members' Voluntary				
- Unitised Fund	585	66	651	730
- Scottish Widows	3	0	3	9
- Norwich Union	3	0	3	3
- Clerical Medical	122	11	133	146
Total	10,832	679	11,511	12,687

	Final Salary	Money Purchase	2007 Total	2006 Total
	£'000s	£'000s	£'000s	£'000s
5. Transfers in				
Individual transfers in from other schemes	26	0	26	243

	Final Salary £'000s	Money Purchase £'000s	2007 Total £'000s	2006 Total £'000s
6. Benefits payable				
Pensions	1,489	0	1,489	1,350
Commutations and lump sum retirement benefits	112	0	112	295
Lump sum death benefits	124	0	124	0
Total	1,725	0	1,725	1,645

	Final Salary £'000s	Money Purchase £'000s	2007 Total £'000s	2006 Total £'000s
7. Payments to and on account of leavers				
Refunds to members leaving service	0	0	0	7
Individual transfers to other schemes	322	335	657	579
Total	322	335	657	586

	Final Salary £'000s	Money Purchase £'000s	2007 Total £'000s	2006 Total £'000s
8. Other payments				
Premiums on term insurance policies	298	10	308	246

9. Administrative Expenses

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

	Final Salary £'000s	Money Purchase £'000s	2007 Total £'000s	2006 Total £'000s
10. Investment Income				
Dividends from equities	1,466	58	1,524	2,145
Interest on cash deposits	60	2	62	53
Total	1,526	60	1,586	2,198

Movements in the value of the pooled investment vehicles are incorporated in the end year valuation of the investment.

	Final Salary £'000s	Money Purchase £'000s	2007 Total £'000s	2006 Total £'000s
11. Investment management expenses				
Investment management fees	99	4	103	114
Third party charges re exempt fund held	1	0	1	1
Investment transition charge	79	2	81	0
Total	179	6	185	115

UK equity management fees were paid to HSBC Asset Management Europe Ltd.

12. Investments

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

	Value at 1 May 2006 £'000s	Purchases at cost £'000s	Sales proceeds £'000s	Change in market value £'000s	Value at 30 April 2007 £'000s
Final Salary section - Investments					
Equities	34,061	16,808	(52,106)	2,162	925
Pooled investment vehicles	129,974	45,389	0	7,493	182,856
	164,035	62,197	(52,106)	9,655	183,781
Cash deposits	861				100
Dividends and other receivables	318				284
	165,214				184,165
Final Salary section - Voluntary Contributions					
Equities	2,389	1,179	(3,976)	471	63
Pooled investment vehicles	9,116	3,181	0	299	12,596
External VC investments	4,400	228	(57)	778	5,349
	15,905	4,588	(4,033)	1,548	18,008
Cash deposits	60				7
Dividends and other receivables	22				20
	15,987				18,035
Final Salary section - Totals					
Equities	36,450	17,987	(56,082)	2,633	988
Pooled investment vehicles	139,090	48,570	0	7,792	195,452
External VC investments	4,400	228	(57)	778	5,349
	179,940	66,785	(56,139)	11,203	201,789
Cash deposits	921				107
Dividends and other receivables	340				304
	181,201				202,200
Money Purchase section - Investments					
Equities	1,042	505	(1,625)	106	28
Pooled investment vehicles	3,971	1,366	0	67	5,404
External MP investments	1,506	221	(788)	162	1,101
	6,519	2,092	(2,413)	335	6,533
Cash deposits	25				3
Dividends and other receivables	10				8
	6,554				6,544

12. Investments (continued)	Value at 1 May 2006 £'000s	Purchases at cost £'000s	Sales proceeds £'000s	Change in market value £'000s	Value at 30 April 2007 £'000s
Money Purchase section - Voluntary Contributions					
Equities	451	225	(760)	96	12
Pooled investment vehicles	1,723	607	0	26	2,356
	2,174	832	(760)	122	2,368
Cash deposits	12				1
Dividends and other receivables	4				4
	2,190				2,373
Money Purchase section - Totals					
Equities	1,493	730	(2,385)	202	40
Pooled investment vehicles	5,694	1,973	0	93	7,760
External MP investments	1,506	221	(788)	162	1,101
	8,693	2,924	(3,173)	457	8,901
Cash deposits	37				4
Dividends and other receivables	14				12
	8,744				8,917

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.

	Final Salary £'000s	Money Purchase £'000s	**2007** Total £'000s	**2006** Total £'000s
UK Quoted Equities				
Mineral extraction	11	1	12	6,818
Basic industrials	0	0	0	2,474
General industrials	0	0	0	4,465
Cyclical consumer goods	0	0	0	1,936
Non-Cyclical consumer goods	0	0	0	3,583
Cyclical services	0	0	0	4,769
Non-Cyclical services	0	0	0	2,319
Utilities	977	39	1,016	666
Financials	0	0	0	10,631
Information technology	0	0	0	282
	988	40	1,028	37,943
Pooled investment vehicles				
Managed funds - property	7,064	280	7,344	6,546
Unit trusts - property	7,419	295	7,714	1,399
Units in OEICs	63,903	2,537	66,440	63,495
Unitised insurance policies	32,002	1,270	33,272	30,938
Other	85,064	3,378	88,442	42,406
	195,452	7,760	203,212	144,784

12. Investments (continued)

	Final Salary £'000s	Money Purchase £'000s	2007 Total £'000s	2006 Total £'000s
Cash deposits	107	4	111	958
Dividends and other receivables				
Dividends receivable	298	12	310	342
Other receivables	6	0	6	12
Total	304	12	316	354

For those members electing to invest their own 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:

		2007 £'000s	2006 £'000s
Final Salary section			
Investments		184,165	165,214
Voluntary Contributions	- Internal	12,686	11,587
	- Scottish Widows	849	613
	- Norwich Union	191	102
	- Clerical Medical	2,659	2,100
	- Equitable Life	1,650	1,585
		202,200	181,201
Money Purchase section			
Investments	- Internal	5,443	5,048
	- Clerical Medical	947	1,357
	- Equitable Life	154	149
Voluntary Contributions	- Internal	2,373	2,190
		8,917	8,744

Contributions invested in the unitised fund are included in the main assets of the Scheme. All UK equity investments held were listed. All units in managed funds held during the year were controlled by companies registered in the U.K. The investments are invested in accordance with the Occupational Pension Schemes (Investment) Regulations 1996.

13. Current assets and liabilities

		Final Salary £'000s	Money Purchase £'000s	2007 £'000s Total £'000s	2006 £'000s Total £'000s
Cash at bank		915	672	1,587	851
Creditors	- Clifford Chance London Limited	(17)	0	(17)	(17)
	- HSBC	(7)	0	(7)	(7)
		891	672	1,563	827

14. Related Party Transactions

Four Directors of the Trustee Company have an interest as active members of the Scheme. Contributions and benefits in respect of these members have been paid in accordance with the Schedule of Contributions. Clifford Chance LLP are 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.

INDEPENDENT AUDITORS' 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 2007 which comprise the fund account, net assets statement and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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 it in an auditors' 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 opinion we have formed.

Respective responsibilities of Trustee and auditors

The trustee's responsibilities for obtaining audited financial statements prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements show a true and fair view in accordance with the relevant financial reporting framework 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 made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if the information specified by law is not disclosed.

We read the other information presented with the financial statements and consider whether it is consistent with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the scheme's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion:

- the financial statements show a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the scheme during the year ended 30 April 2007 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 scheme year end; and
- the financial statements contain the information specified in regulation 3 and the schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

30/11/07.

INDEPENDENT AUDITORS' 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 year ended 30 April 2007 as set out in Note 4 to the accounts.

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 it in an auditors' 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 Trustee and auditors

As described 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 which sets out 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.

Basis of statement about contributions

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have in all material repects been paid at least in accordance with the schedule of contributions. For this purpose the work that we carried out included 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 our statement about contributions is required to refer to those material breaches of the schedule of contributions which come to our attention in the course of our work.

Statement about contributions

In our opinion contributions for the Scheme year ended 30 April 2007 as reported in the summary of contributions have in all material respects been paid at least in accordance with the schedule of contributions certified by the actuary on 6 May 2005.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

30/10/07