

**DUN & BRADSTREET (UK) PENSION PLAN**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 5 APRIL 2017**  
Scheme Registration Number: 18079702

**Dun & Bradstreet (UK) Pension Plan**  
**Annual Report for the year ended 5 April 2017**  
**Contents**

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	<b>Page</b>
<b>Trustee, Principal Employer and Advisers</b>	1 - 2
<b>Trustee's Report</b>	3 - 12
<b>Annual Statement regarding Governance of the Defined Contribution Section</b>	13
<b>Statement of Trustee's Responsibilities</b>	14
<b>Independent Auditor's Report to the Trustee</b>	15
<b>Financial Statements</b>	16 - 17
<b>Notes to the Financial Statements</b>	18 - 28
<b>Independent Auditor's Statement about Contributions to the Trustee</b>	29
<b>Summary of Contributions</b>	30
<b>Actuarial Certificate</b>	31

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## **Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

### **Trustee, Principal Employer and Advisers**

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#### **Trustee**

Dun & Bradstreet (UK) Pension Plan Trustee Company Limited

#### **Employer-nominated Trustee Directors**

Andy Jermy - Chairman

Alan Batley

Greg Connell

Piers Woolston

#### **Member-nominated Trustee Directors**

Richard Archer

Gary Lucas

George Prior

Martin Read

#### **Principal Employer**

D & B Europe Limited

#### **Plan Actuary**

S Aries, FIA

Towers Watson Limited

#### **Independent Auditor**

RSM UK Audit LLP

#### **Administrators**

##### **Defined Benefit Section**

Mercer Limited

##### **Defined Contribution Section**

Aviva Life & Pensions UK Limited (formerly Friends Life)

#### **Plan Investment Consultant**

Towers Watson Limited

#### **Investment Managers**

##### **Defined Benefit Section**

Legal & General Investment Management Limited

Schroder Investment Management Limited (until 10 May 2016)

Towers Watson investment Management Limited

BlackRock Investment Management (UK) Limited

##### **Defined Contribution Section**

Aviva Life & Pensions UK Limited (formerly Friends Life)

#### **Additional Voluntary Contribution (AVC) Provider**

Aviva Life & Pensions UK Limited (formerly Friends Life)

#### **Life Assurance Company**

Canada Life Assurance Company

## **Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

**Trustee, Principal Employer and Advisers**

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### **Banks**

National Westminster Bank plc (removed 21 October 2016)

Barclays Bank plc (from 21 October 2016)

### **Legal Adviser**

Squire Patton Boggs (UK) LLP

### **Contact for further information about the Plan**

Mercer Limited  
Four Brindleyplace  
Birmingham  
B1 2JQ

### **Contact for complaints about the Plan**

Gary Kent  
Trustee Secretary  
Dun & Bradstreet (UK) Pension Plan  
Marlow International  
Parkway  
Marlow  
Buckinghamshire  
SL7 1AJ  
Email: [secretary@dnbpensionplan.co.uk](mailto:secretary@dnbpensionplan.co.uk)

## **Dun & Bradstreet (UK) Pension Plan**

### **Annual Report for the year ended 5 April 2017**

#### **Trustee's Report**

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##### **Introduction**

The Trustee of the Dun & Bradstreet (UK) Pension Plan (the Plan) is pleased to present its report together with the audited financial statements for the year ended 5 April 2017. The Plan is a hybrid scheme, comprising a Defined Benefit Section and a Defined Contribution Section.

With effect from 31 March 2004 members of the Defined Benefit Section of the Plan transferred to the Career Average Revalued Earnings (CARE) Section and benefits earned within this section are accrued on a CARE basis. The CARE Section is closed to new members.

##### **Constitution**

The Plan was established on 6 April 1993 and is governed by a definitive Trust Deed dated 21 April 1999 which replaced and amended the Trust Deed of 26 April 1993.

##### **Management of the Plan**

###### **Trustee**

The Trustee who served during the year is listed on page 1.

In accordance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for Member-nominated Trustee Directors.

The four Member-nominated Trustee Directors, as shown on page 1, are nominated by the members under the rules notified to the members of the Plan to serve for a period of six years. They may be removed before the end of their six year term only by agreement of all the remaining Trustee Directors, although their appointment ceases if they cease to be members of the Plan.

In accordance with the trust deed, the Principal Employer, D & B Europe Limited, has the power to appoint and remove the Trustee of the Plan. The Employer-nominated Trustee Directors of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited are appointed and removed in accordance with the Company's Articles of Association.

The Plan has two sub committees, the Governance and Communications Committee and the Investment and Funding Committee. Both of these met four times during the year.

The Trustee has met four times (2016 : four) during the year.

###### **Statement of Trustee's Responsibilities**

The Statement of Trustee's Responsibilities is set out on page 14 and forms part of this Trustee's Report.

###### **Governance and risk management**

The Trustee has in place a business plan which sets out its objectives in areas such as administration, investment and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Plan efficiently and serves as a useful reference document.

The Trustee has also focused on risk management. A risk register has been put in place which sets out the key risks to which the Plan is subject along with the controls in place to mitigate these. This register is regularly reviewed and updated by the Trustee.

###### **Trustee knowledge and understanding**

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Plan documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective from 6 April 2006 and which was revised and reissued in November 2009. The Trustee has agreed a training plan to enable it to meet these requirements.

###### **Principal Employer**

The Plan is provided for all eligible employees of the Principal Employer whose registered address is D & B Europe Limited, Marlow International, Parkway, Marlow, Buckinghamshire, SL7 1AJ.

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

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#### Financial development

The financial statements on pages 16 to 28 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund increased from £228,940,095 at 5 April 2016 to £280,752,724 at 5 April 2017.

The increase shown above comprised net additions from dealings with members of £1,497,813 together with net returns on investments of £50,314,816.

#### Report on actuarial liabilities

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

The most recent full actuarial valuation of the Plan was carried out as at 5 April 2015 with a subsequent update as at 5 April 2016. These showed:

	Actuarial Update 5 April 2016	Actuarial Valuation 5 April 2015
	£m	£m
The value of Technical Provisions was:	244.0	239.7
The value of assets was:	229.0	225.6
Percentage of Technical Provisions	94%	94%

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

#### Method

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

#### Significant actuarial assumptions

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##### Principal actuarial assumptions for valuation as at 5 April 2015

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Discount interest rate:	3.625% p.a.
Future Retail Price Inflation:	3.2% p.a.
Future Consumer Price inflation:	2.1% p.a.
Pay increases:	3.5% p.a.
Pension increases in payment:	CPI(0,3) 1.8% p.a. CPI(0,5) 2.2% p.a. RPI(0,5) 3.0% p.a. RPI(0,2,5) 1.9% p.a. DB underpin applying to DC benefits CPI(0,3) 3.0% p.a. CPI(0,5) 3.2% p.a.
Mortality:	Male members: 86% S1PMA CMI2014 1.5% Female members: 85% S1PFA CMI2014 1.5% Male dependants: 111% S1PMA CMI2014 1.5% Female dependants: 107% S1PFA CMI2014 1.5%

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## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

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#### Report on actuarial liabilities - continued

The derivation of these key assumptions and an explanation of the other assumptions to be used in the calculation of the technical provisions are set out below.

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#### Derivation of actuarial assumptions for valuation as at 5 April 2015

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Discount interest rate:	Level discount rate equivalent to gilt yield of appropriate duration plus margin of 1.375%.
Future Retail Price inflation:	Rates derived from the Bank of England fixed interest and Index-linked gilt curves at the valuation date of appropriate duration.
Future Consumer Price inflation:	Fixed margin of RPI less 1.1%.
Pay increases:	General pay increases of 0.3% per annum above RPI.
Pension increases in payment:	Derived from the assumed RPI/CPI inflation allowing for future inflation volatility and the caps and floors on pension increases according to the provisions in the Plan's rules.
Mortality:	Base rates unchanged from 2012 valuation with improvements updated to reflect latest CMI information (2014).

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## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

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#### Membership

The membership movements of the Plan for the year are given below:

##### Defined Benefit Section

	Actives	Deferreds	Pensioners	Total
At 6 April 2016	30	694	549	1,273
Adjustments	-	(2)	5	3
Retirements	(4)	(36)	40	-
Leavers with deferred benefits	(2)	2	-	-
Deaths	-	-	(10)	(10)
Transfers out	-	(6)	-	(6)
Spouses and dependants	-	-	2	2
Pensions commuted for cash	-	-	(3)	(3)
Pensions ceasing	-	-	(1)	(1)
At 5 April 2017	<u>24</u>	<u>652</u>	<u>582</u>	<u>1,258</u>

##### Defined Contribution Section

	Actives	Deferreds	Total
At 6 April 2016	386	918	1,304
Adjustments	11	6	17
New entrants	58	-	58
Retirements	(1)	(1)	(2)
Leavers with deferred benefits	(112)	112	-
Leavers with refunds	-	(11)	(11)
Transfers out	(1)	(16)	(17)
Re-entrants	39	(39)	-
At 5 April 2017	<u>380</u>	<u>969</u>	<u>1,349</u>

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal, which represent 'adjustments' shown above.

Certain members of the Defined Contribution Section of the Plan have a Defined Benefit Section benefit. For accounting purposes these members are only shown as Defined Benefit Section members.

In addition to the above, there were 2 (2016: 10) members included in the Plan for life assurance benefits only.

Included within the above is 1 (2016: 3) pensioner annuitant.

#### Pension increases

As at 6 April 2016, post 1988 Guaranteed Minimum Pensions were increased by 0.0% (2016: 1.27%) and pensions accrued after 5 April 1997 were increased by 0.0% (2016: 1.2%). Pensions accrued after 5 April 2005 were increased by 0.8% (2016: 2.3%).

Preserved pensions were increased in accordance with statutory requirements.

#### Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations made under Section 97 of the Pension Schemes Act 1993 and do not include discretionary benefits. None of the transfer values paid was less than the amount provided by the Regulations.



## **Dun & Bradstreet (UK) Pension Plan**

### **Annual Report for the year ended 5 April 2017**

#### **Trustee's Report**

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#### **Investment management**

##### **General**

All investments have been managed during the year under review by the investment managers and AVC provider detailed in the list of Plan advisers on pages 1 to 2. There is a degree of delegation of responsibility for investment decisions.

The investment strategy is agreed by the Trustee after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day-to-day management of the Plan's asset portfolio, which includes full discretion for stock selection, is the responsibility of the investment managers.

##### **Investment principles**

The Trustee has produced a Statement of Investment Principles (SIP) in accordance with Section 35 of the Pensions Act 1995. A copy of the SIP is available on request. The main priority of the Trustee when considering the investment policy for the Defined Benefit Section is to ensure that the promises made about members' pensions may be fulfilled. The main priority of the Trustee when considering the investment policy for the Defined Contribution Section is to make available investment funds which serve to meet the varying investment needs and risk tolerances of the members.

##### **Responsible investment and corporate governance**

The Trustee believes that good stewardship and environmental, social and governance (ESG) issues may have a material impact on investment returns. The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Plan's investments.

Similarly, the Plan's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Equity managers who are regulated by appropriate UK (or other relevant) authorities are expected to report on their adherence to the UK Stewardship Code on an annual basis.

##### **The Pension Regulator's Code of Practice No 13**

The Pensions Regulators' Code of Practice No 13 - Governance and Administration of Occupational Defined Contribution Trust based Pension Schemes (the DC code) has been updated with effect from July 2016. The regulator has also published final 'Regulatory guidance for defined contribution schemes' (the regulatory guidance) which is to be read in conjunction with the DC code. Both documents give practical guidance to trustees of DC pension schemes on how they can give effect to the 31 DC quality features that the Regulator considers essential to good member outcomes. The DC code deals with those quality features that are underpinned by actual legislation while the regulatory guidance relates more to best practice standards of governance. The regulator intends on monitoring the extent to which the quality features are embedded in DC schemes and has introduced a 'comply or explain' framework for trustees in order to help it supervise activity.

The Trustee has assessed each quality feature with regard to the Plan and has created an action plan to address any areas of concern.

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

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##### Investment report

##### Defined Benefit Section

##### Asset allocation

The Plan's asset allocation remains consistent with its high-level, 60% return-seeking and 40% matching strategic asset allocation, with matching assets only slightly overweight to its strategic asset allocation by 0.4%. Economic policy and political uncertainty caused the big surprises in 2016. In the aftermath of the EU referendum result, Sterling depreciated significantly against other major currencies. Equity market returns have been particularly strong over the year, with unhedged overseas equity funds providing the strongest returns primarily due to the weakening of Sterling. UK Government bond yields have decreased over the year, also driven by reactions to the UK referendum result. Bond prices moves inversely to bond yields, hence returns from the Plan's LDI portfolio also saw positive returns over the year.

The Plan's actual allocation relative to the strategic allocations as at 31 March 2017 is shown below.

Asset Class	Plan Weight (%)	Benchmark Weight (%)	Difference (%)
Diversified Growth Funds	59.6	60.0	(0.4)
LDI Portfolio	40.4	40.0	0.4

Source: State Street, Willis Towers Watson.

At the start of 2016, the Trustee discussed with their advisor on the market outlook for the next 5 years after seeing significant volatility over the last year. As a result, the Trustee agreed to reduce its exposure to equity markets and increase the level of diversification within the Plan in order to protect the Plan from any downside risks. The transition commenced at the end of April 2016, and the Plan's return seeking portfolio now consists of three Diversified Growth Funds. The Plan also fully redeemed from the BlackRock Global Corporate Bond Fund in November 2016.

##### Investment Performance

The Trustee regularly monitors the performance of its investment managers against agreed benchmarks. The table below compares the Plan's performance against the benchmark.

Period to 31 March 2017	Plan (% p.a.)	Benchmark (% p.a.)	Relative (% p.a.)
1 year	21.8	14.9	6.9
3 years	15.7	12.7	3.0
5 years	12.3	9.9	2.4

Source: State Street.

##### Market update

##### Summary

Global market movements over 2016 have been driven primarily as a result of several key political events. In June 2016, the UK electorate voted unexpectedly to leave the European Union.

In the aftermath of the result, Sterling depreciated significantly against other major currencies. Over the year to 31 March 2017 it depreciated by 13% against the US Dollar, 7% against the Euro and 14% against the Yen. In reaction to the result, UK policymakers cut base interest rates from 0.50% to 0.25% and announced the expansion of its asset purchase scheme by £60bn for UK Government bonds and £10bn for UK corporate bonds, taking the total for quantitative easing to £435bn.

In November, Donald Trump was elected as US president. On election night, equity markets initially fell by 3-5% on average, US 10-year bond yields fell by as much as 15bps, the Dollar fell relative to the majority of developed market currencies but strengthened against emerging market currencies such as the Mexican Peso. However, after those initial price moves, we have seen US real yields and discounted inflation rates rise significantly, the Dollar strengthen against most developed and emerging currencies, and US equity prices rally due to the expectation of corporate tax cuts and infrastructure spending under the Trump administration.

2017 looks to be another interesting year for global politics, with market participants keeping a close eye on the upcoming European elections and Brexit negotiations. The first of several key European elections took place in March, with the Dutch Prime Minister Mark Rutte seeing off the challenge from anti-EU populist Geert Wilders. Market attention now turns to the upcoming French elections which could have significant impact on the future of the European Union. The United Kingdom (UK) invoked Article 50 in late March, triggering the start of a two year negotiation period within which Britain is to negotiate its exit deal from the European Union (EU).

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

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##### Investment report - continued

###### Equity markets

Equity market returns have been particularly strong over the year, with the FTSE All-World Index GBP-hedged returning 17% in Sterling terms. Developed Asia Pacific ex Japan equities and North American equities were the best performing regions. Emerging market equities also had a strong year, with the FTSE All-World All Emerging index performing 35.6% in Sterling terms (largely due to the weakening of Sterling).

###### Bond markets

UK Government bond yields (which move inversely to bond price) have decreased over the year, largely driven by reaction to the UK referendum result. Long maturity UK gilts have returned 12.3% over the year (as measured by FTSE-A Gilts over 15 Years Index), whilst inflation-linked gilts have generated higher performance with the FTSE-A Index-Linked Gilts over 15 Years Index returning 26.1%. Over the past year, both local and hard emerging market debt had positive absolute performance, with the JPM EM Global Diversified (£-hedged) returning 8.5%.

###### Alternative investment markets

Crude oil returned 51.7% in Sterling terms over the year to 31 March 2017 as OPEC agreed to cut output. However, since this, oil fell by 6.9% over the first quarter of 2017. Relative to other main asset classes, UK property has seen suppressed returns since the UK referendum result. The IPD Monthly Index returned 3.8% in the year ending 31 March 2017.

##### Defined Contribution Section

###### Investment options

The following report refers to the Investments of the Defined Contribution (DC) Section of the Plan, including Additional Voluntary Contributions (AVC).

The DC Section offers members a range of investment options through Aviva Life & Pensions UK Limited. The initial fund range was selected by the Trustee following advice from Willis Towers Watson (Towers Watson Limited).

During 2016, two new lifestyle strategies were introduced and in addition, changes were made to the two existing lifestyle strategies (including re-naming them). As a result of these changes, members have the option of four lifestyle strategies or alternatively, they can select from a range of individual investments funds. A summary of the four lifestyle strategies is provided below.

- **The Diversified Lifestyle Annuity Investment Programme (DLAIP)** – the DLAIP is the nominated default investment option and is invested as follows:
  - Whilst members are more than 25 years from their retirement date, it invests 100% in the FL BlackRock (30:70) Currency Hedged Global Equity Index fund.
  - Then, over the next 5 years, members are gradually switched into the FL LGIM Diversified fund so that during the period whilst they are between 20 and 10 years from their retirement date they are invested 100% in this fund.
  - Finally, during the 10 years immediately preceding a member's retirement date, their investments are gradually switched into a mixture of the FL LGIM Diversified fund (20%), the FL BlackRock Over 5 Year Index-Linked Gilt Index fund (27%), the FL Legal & General All Stocks Gilts Index fund (28%) and the FL Money Market fund (25%).
- **The World Equity Lifestyle Annuity Investment Programme (WELAIP)** – the WELAIP is invested as follows:
  - Whilst members are more than 5 years from their retirement date, it invests 100% in the FL BlackRock (30:70) Currency Hedged Global Equity Index fund.
  - Then, during the 5 years immediately preceding a member's retirement date, their investments are gradually switched into a mixture of the FL LGIM Diversified fund (20%), the FL BlackRock Over 5 Year Index-Linked Gilt Index fund (27%), the FL Legal & General All Stocks Gilts Index fund (28%) and the FL Money Market fund (25%).
- **The Diversified Lifestyle Drawdown Investment Programme (DLDIP)** – the DLDIP is invested as follows:
  - Whilst members are more than 25 years from their retirement date, it invests 100% in the FL BlackRock (30:70) Currency Hedged Global Equity Index fund.

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

##### Investment report - continued

- Then, over the next 5 years, members are gradually switched into the FL LGIM Diversified fund so that during the period whilst they are between 20 and 10 years from their retirement date they are invested 100% in this fund.
- Finally, during the 10 years immediately preceding a member's retirement date, their investments are gradually switched into a mixture of the FL LGIM Diversified fund (60%), the FL BlackRock Over 5 Year Index-Linked Gilt Index fund (7%), the FL Legal & General All Stocks Gilts Index fund (8%) and the FL Money Market fund (25%).
- **The World Equity Lifestyle Drawdown Investment Programme (WELDIP)** – the WELDIP is invested as follows:
  - Whilst members are more than 5 years from their retirement date, it invests 100% in the FL BlackRock (30:70) Currency Hedged Global Equity Index fund.
  - Then, during the 5 years immediately preceding a member's retirement date, their investments are gradually switched into a mixture of the FL LGIM Diversified fund (60%), the FL BlackRock Over 5 Year Index-Linked Gilt Index fund (7%), the FL Legal & General All Stocks Gilts Index fund (8%) and the FL Money Market fund (25%).

##### DC Section and AVCs Values

The distribution of investments for both the DC Section and AVCs at 5 April 2017, is given in the table below:

Fund	DC section (£)	AVC (£)
FL Artemis UK Special Situations	1,409,784	13,716
FL BlackRock UK Equity Index	1,533,840	72,924
FL BlackRock World (ex UK) Equity Index	1,763,270	429,684
FL Threadneedle Pension Property	846,056	18,316
D&B Global Equity Active	1,134,677	38,707
FL Money Market	531,999	58,053
FL BlackRock Over 15 Years UK Gilt Index	166,083	37,942
FL L&G All Stocks Gilt Index	435,736	223,969
FL BlackRock Over 5 Years Index Linked Gilt Index	833,140	238,771
FL BlackRock 30:70 Currency Hedged Global Equity Index	11,164,864	376,722
FL BlackRock 50:50 Global Equity Index*	103,191	-
FL BlackRock Over 15 Years Corporate Bond Index	186,988	36,711
FL Schroder Life Intermediated Diversified Growth*	30,154	-
FL LGIM Diversified	10,306,543	2,504,344
<b>Total</b>	<b>30,446,325</b>	<b>4,049,859</b>

Source: Aviva (Friends Life)

\* Fund removed as an option since the year end

##### D&B Lifestyle Strategy Values

The investment funds below are used exclusively in the D&B Lifestyle Strategy. This was established as part of the consolidation exercise undertaken during 2010 and represents the majority of the DC assets previously invested in the main Defined Benefit Fund (the balance of these funds was switched to the Additional Voluntary Contribution arrangement with Aviva Life & Pensions UK Limited). The funds below are not available under the DC Section or for AVCs.

Fund	5 April 2017 (£)
FL L&G Global Equity (30/70) Index	28,996,734
FL L&G Over 5 Years Index Linked Gilt Index	1,853,435
<b>Total</b>	<b>30,850,169</b>

Source: Aviva (Friends Life)

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Trustee's Report

##### Investment return

The investment returns for each of the funds over the year to 31 March 2017, compared with the relevant benchmarks, is set out in the table below.

Fund	Investment Return			Benchmark Return			Benchmark
	1 yr %	3 yrs % p.a.	5 yrs % p.a.	1 yr %	3 yrs % p.a.	5 yrs % p.a.	
FL Artemis UK Special Situations	12.4	4.7	9.8	22.0	7.7	9.7	FTSE All Share Index
FL BlackRock UK Equity Index	20.8	7.1	9.4	22.0	7.7	9.7	FTSE All Share Index
FL BlackRock 30:70 Currency Hedged Global Equity Index	20.1	8.9	10.7	20.6	9.5	11.3	Composite
D&B Global Equity Active	29.6	15.2	15.0	31.9	16.1	14.9	Composite
FL BlackRock World (ex UK) Equity Index	33.0	17.2	15.5	33.2	17.2	15.6	FTSE All World Developed ex UK Index
FL LGIM Diversified	19.4	-	-	3.9	-	-	LIBOR + 3.5%
FL Threadneedle Pensions Property	3.3	10.9	9.0	3.7	10.2	8.5	IPD All Balanced Weighted Property
FL BlackRock Over 15 Yrs UK Gilt Index	11.9	13.7	8.9	12.3	14.0	9.2	FTSE UK Gilts Over 15 Year Index
FL L&G All Stocks Gilt Index	6.2	7.5	4.8	6.6	7.8	5.2	FTSE UK Government All Stock Index
FL BlackRock Over 5 Yrs UK Index-Linked Gilt Index	21.4	14.2	9.6	22.0	14.6	9.9	FTSE Index-Linked Gilts Over 5 Year Index
FL BlackRock Over 15 Yrs Corp Bond Index	16.8	11.3	9.8	15.7	11.6	9.8	iBoxx £ Non-Gilt Over 15 Year Index
FL Money Market	0.1	0.2	0.2	0.2	0.3	0.3	7 day Sterling London Interbank Bid Rate

##### D&B Lifestyle Strategy

	Investment Return			Benchmark Return			Benchmark
	1 yr %	3 yrs % p.a.	5 yrs % p.a.	1 yr %	3 yrs % p.a.	5 yrs % p.a.	
L&G Global Equity 30:70 Index	21.8	9.3	10.7	22.4	10.2	11.6	Composite
L&G over 5 Yrs Index Linked Gilt Index	21.4	13.7	9.2	22.0	14.6	9.9	FTSE UK Gilts Index Linked Over 5 Year Index

##### Notes:

- Performance data sourced from Aviva (Friends Life).
- Passive fund performance is subject to price swings causing fund performance to deviate from the benchmark.
- The individual fund performance figures above are shown net of charges.
- Performance is only shown for periods where a fund has been part of the investment options under the DC Section. Where a fund has been available for less than a year, no performance is shown.

**Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

**Trustee's Report**

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**Custodial arrangements**

The Plan's managed fund units are held under managed fund policies in the name of the Trustee and the policy documents are held by the Trustee.

PFT Limited, a wholly owned subsidiary of Mercer Limited, was appointed by the Trustee as custodian of the cash held in connection with the administration of the Plan until 21 October 2016, after which the cash was held in the name of the Trustee with Barclays Bank plc.

**Bases of investment managers' fees**

The investment managers are remunerated by reference to the value of assets under management. In addition, one of the Plan's DGF managers has a performance element to its fee. This is reviewed periodically by the Trustee.

Approved on behalf of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited on ..... 31/10/17 .....

Signed for on behalf of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited

..... Trustee Director

..... Trustee Director

**Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

**Annual Statement regarding Governance of the Defined Contribution Section**

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**1. DEFAULT ARRANGEMENT**

- 1.1 A copy of the latest statement of investment principles prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 is attached.
- 1.2 A review of the default strategy and the performance of the default fund were undertaken during the Plan year. The Schroder DGF fund was replaced by the LGIM Diversified Growth Fund in the default investment programme.

**2. CORE FINANCIAL TRANSACTIONS**

- 2.1 The requirements of regulation 24 of the Regulations have been met and core financial transactions have been processed promptly and accurately by Aviva Life & Pensions UK Limited, regular reports are received by the Trustees from Aviva Life & Pensions UK Limited detailing all core financial transactions.

**3. CHARGES AND TRANSACTION COSTS**

- 3.1 The range of the levels of charges and transaction costs applicable to the default arrangements during the Plan year are between 0.35% p.a. and 0.56% p.a.
- 3.2 The range of the levels of charges and transaction costs applicable to the Plan's other investment funds during the Plan year are between 0.35% p.a. and 1.26% p.a.
- 3.3 The Trustee has assessed the extent to which the charges and transaction costs set out above represent good value for members and have concluded that the Plan's charges and transaction costs represent good value to the members.

**4. TRUSTEE KNOWLEDGE AND UNDERSTANDING**

- 4.1 The requirement under section 248 of the Pensions Act 2004 (requirement for knowledge and understanding) has been met during the Plan year by:
- 4.2 Regular training at each quarterly board meeting and targeted attendance at external training courses. All trustees have also successfully completed all sections of the regulator's trustee toolkit.
- 4.3 The combined knowledge and understanding of the Trustees, together with the advice which is available to them enables them to properly exercise their functions as Trustees by formulating a suitable investment framework and providing rigorous governance for the Plan.

Signed for and on behalf of Dun & Bradstreet (UK) Pension Plan on  
by

31/10/17

.....  
Chair of Trustees

## **Dun & Bradstreet (UK) Pension Plan**

### **Annual Report for the year ended 5 April 2017**

#### **Statement of Trustee's Responsibilities**

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The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of that year, of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement as to 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 judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the Plan 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 Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan 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 adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.



## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Independent Auditor's Report to the Trustee

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#### Opinion on financial statements

We have audited the financial statements of the Dun & Bradstreet (UK) Pension Plan for the year ended 5 April 2017 on pages 16 to 28 which comprise the Fund Account, the Statement of Net Assets (available for benefits) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 5 April 2017, 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
- contain the information specified in 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.

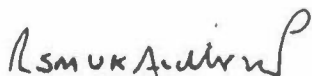
#### Scope of the audit of the financial statements

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

#### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 14, the Plan's Trustee is responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors.

This report is made solely to the Plan's Trustee, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's 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 plan and the Plan's Trustee, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountant  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date: 1 November 2017.....

## Dun & Bradstreet (UK) Pension Plan

Annual Report for the year ended 5 April 2017

### Financial Statements

#### Fund Account

	Note	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Employer contributions		7,161,483	2,640,730	9,802,213	7,015,393	2,598,975	9,614,368
Employee contributions		249,138	384,242	633,380	228,238	217,453	445,691
<b>Total contributions</b>	4	<u>7,410,621</u>	<u>3,024,972</u>	<u>10,435,593</u>	<u>7,243,631</u>	<u>2,816,428</u>	<u>10,060,059</u>
Transfers in	5	-	279,840	279,840	-	20,220	20,220
Other income	6	-	-	-	-	313,408	313,408
		<u>7,410,621</u>	<u>3,304,812</u>	<u>10,715,433</u>	<u>7,243,631</u>	<u>3,150,056</u>	<u>10,393,687</u>
Benefits paid or payable	7	(4,919,224)	(528,067)	(5,447,291)	(4,497,208)	(584,765)	(5,081,973)
Payments to and on account of leavers	8	(2,269,274)	(727,503)	(2,996,777)	(637,834)	(1,451,247)	(2,089,081)
Administrative expenses	9	(773,552)	-	(773,552)	(746,404)	-	(746,404)
		<u>(7,962,050)</u>	<u>(1,255,570)</u>	<u>(9,217,620)</u>	<u>(5,881,446)</u>	<u>(2,036,012)</u>	<u>(7,917,458)</u>
<b>Net (withdrawals)/ additions from dealings with members</b>		<u>(551,429)</u>	<u>2,049,242</u>	<u>1,497,813</u>	<u>1,362,185</u>	<u>1,114,044</u>	<u>2,476,229</u>
<b>Returns on investments</b>							
Investment income	10	14,877,000	-	14,877,000	14,442	-	14,442
Change in market value of investments	11	24,879,956	10,955,966	35,835,922	2,552,115	(1,087,635)	1,464,480
Investment management expenses	12	(106,506)	(291,600)	(398,106)	(287,605)	(392,568)	(680,173)
<b>Net returns on investments</b>		<u>39,650,450</u>	<u>10,664,366</u>	<u>50,314,816</u>	<u>2,278,952</u>	<u>(1,480,203)</u>	<u>798,749</u>
<b>Net increase/ (decrease) in the fund during the year</b>		<u>39,099,021</u>	<u>12,713,608</u>	<u>51,812,629</u>	<u>3,641,137</u>	<u>(366,159)</u>	<u>3,274,978</u>
Transfers between sections	14	1,054,995	(1,054,995)	-	672,920	(672,920)	-
<b>Net assets at 6 April</b>		<u>175,252,355</u>	<u>53,687,740</u>	<u>228,940,095</u>	<u>170,938,298</u>	<u>54,726,819</u>	<u>225,665,117</u>
<b>Net assets at 5 April</b>		<u>215,406,371</u>	<u>65,346,353</u>	<u>280,752,724</u>	<u>175,252,355</u>	<u>53,687,740</u>	<u>228,940,095</u>

The notes on pages 18 to 28 form part of these financial statements.

**Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

**Financial Statements**

**Statement of Net Assets available for benefits**

	Note	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
<b>Investment assets</b>							
Pooled investment vehicles	15	214,846,377	65,346,353	280,192,730	174,861,245	53,687,740	228,548,985
Cash	17	-	-	-	997	-	997
<b>Total investments</b>	11	<b>214,846,377</b>	<b>65,346,353</b>	<b>280,192,730</b>	<b>174,862,242</b>	<b>53,687,740</b>	<b>228,549,982</b>
<b>Current assets</b>	22	<b>1,394,351</b>	-	<b>1,394,351</b>	<b>1,513,661</b>	-	<b>1,513,661</b>
<b>Current liabilities</b>	23	<b>(834,357)</b>	-	<b>(834,357)</b>	<b>(1,123,548)</b>	-	<b>(1,123,548)</b>
<b>Net assets at 5 April</b>		<b>215,406,371</b>	<b>65,346,353</b>	<b>280,752,724</b>	<b>175,252,355</b>	<b>53,687,740</b>	<b>228,940,095</b>

The financial statements summarise the transactions of the Plan 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 Plan year. The actuarial position of the Plan, which takes into account such obligations for the Defined Benefit Section, is dealt with in the report on actuarial liabilities on pages 4 to 5 and these financial statements should be read in conjunction therewith.

The notes on pages 18 to 28 form part of these financial statements.

The financial statements on pages 16 to 28 were approved on behalf of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited on .....31/12/17.....

Signed on behalf of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited

..... Trustee Director

..... Trustee Director

## **Dun & Bradstreet (UK) Pension Plan**

### **Annual Report for the year ended 5 April 2017**

#### **Notes to the Financial Statements**

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##### **1. General information**

The Dun & Bradstreet (UK) Pension Plan (the Plan) is an occupational pension scheme established in the United Kingdom under trust.

The Plan was established to provide retirement benefits to certain groups of employees of D & B Europe Limited. The address of the Plan's principal office is Marlow International, Parkway, Marlow, Buckinghamshire, SL7 1AJ.

The Plan is a hybrid scheme, comprising a Defined Benefit Section and a Defined Contribution Section.

##### **2. Basis of preparation**

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, Financial Reporting Standard 102 (FRS 102) - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRC) and the guidance set out in the Statement of Recommended Practice (SORP) (Revised 25 Nov 2014).

In March 2016 the FRC made amendments to FRS 102 in respect of the fair value hierarchy disclosures designed to simplify the preparation of the disclosures and increase their consistency with EU-adopted International Financial Reporting Standards. The amendments replace the requirement to disclose the investments using categories a, b and c with levels 1, 2 and 3, and are applicable for accounting periods beginning on or after 1 January 2017. The Trustee has chosen early adoption of these provisions, which are disclosed in note 18 to these financial statements.

##### **3. Accounting policies**

The principal accounting policies are set out below. Unless otherwise stated, they have been applied consistently year on year.

###### **3.1 Accruals concept**

The financial statements have been prepared on an accruals basis.

###### **3.2 Currency**

The Plan's functional currency and presentational currency is Pounds Sterling (GBP).

###### **3.3 Contributions**

Employee contributions, including AVCs, are accounted for by the Trustee when they are deducted from pay by the Employer.

Employer normal contributions are accounted for in the period to which they relate in accordance with the Schedule of Contributions.

Employer deficit funding contributions are accounted for in the period to which they relate, in accordance with the Schedule of Contributions, or on receipt if earlier, with the agreement of the employer and Trustee.

Employer other contributions are accounted for in accordance with the agreement under which they are payable or, in the absence of an agreement, on a receipts basis.

###### **3.4 Transfers**

Individual transfers in or out of the Plan are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.

###### **3.5 Other income**

Income is accounted for in the period in which it falls due on an accruals basis.

## **Dun & Bradstreet (UK) Pension Plan**

### **Annual Report for the year ended 5 April 2017**

#### **Notes to the Financial Statements**

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##### **3.6 Payments in respect of members and on account of leavers**

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

Other benefits, and any associated tax liabilities, are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of leaving, retirement or death and the date on which any option or notification is communicated to the Trustee. If there is no choice, they are accounted for on the date of retirement or leaving.

##### **3.7 Administrative and other expenses**

Administrative and investment management expenses are accounted for on an accruals basis. Administrative expenses and investment management expenses for the Defined Benefit Section of the Plan are met by the Defined Benefit Section of the Plan and are therefore ultimately met by the Principal Employer in the form of employer contributions.

Administrative expenses for the Defined Contribution Section of the Plan are met by the Defined Benefit Section of the Plan.

Investment management expenses for the Defined Contribution Section of the Plan are deducted from unit holdings at the investment manager.

Expenses, other than those set out in notes 9 and 12, are met directly by the Principal Employer.

##### **3.8 Investment income**

Income from pooled investment vehicles is accounted for when declared by the investment manager.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

##### **3.9 Change in market value of investments**

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

##### **3.10 Valuation of investments**

Investments are included at fair value as follows:

The market value of the pooled investment vehicles with Towers Watson Investment Management Limited, Schroder Investment Management Limited and Aviva Life & Pensions Limited are taken as the single unit price at the accounting date, as advised by the investment managers.

The market value of pooled investment vehicles with Legal & General Investment Management Limited and BlackRock Investment Management (UK) Limited are taken as the bid price operating at the year end, as advised by the investment managers.

The Trustee holds insurance policies that secure pensions payable to specified beneficiaries. These policies remain assets of the Trustee, but, as the value of these policies is not material, under current regulations and accounting practice, the Trustee has decided that these policies need not be valued in the net assets statement.

The AVC investments include policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC provider.

## Dun & Bradstreet (UK) Pension Plan

Annual Report for the year ended 5 April 2017

### Notes to the Financial Statements

#### 4. Contributions

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
<b>Employer contributions:</b>						
Normal	511,483	2,640,730	3,152,213	415,393	2,598,975	3,014,368
Other	750,000	-	750,000	700,000	-	700,000
Deficit funding	5,900,000	-	5,900,000	5,900,000	-	5,900,000
	<u>7,161,483</u>	<u>2,640,730</u>	<u>9,802,213</u>	<u>7,015,393</u>	<u>2,598,975</u>	<u>9,614,368</u>
<b>Employee contributions:</b>						
Normal	209,913	24,231	234,144	228,238	51,324	279,562
Additional voluntary contributions	39,225	360,011	399,236	-	166,129	166,129
	<u>249,138</u>	<u>384,242</u>	<u>633,380</u>	<u>228,238</u>	<u>217,453</u>	<u>445,691</u>
	<u>7,410,621</u>	<u>3,024,972</u>	<u>10,435,593</u>	<u>7,243,631</u>	<u>2,816,428</u>	<u>10,060,059</u>

In accordance with the Schedules of Contributions dated 10 April 2013 and 18 May 2016, contributions are due in respect of administrative expenses totalling £700,000 and £750,000 respectively. Deficit funding contributions, amounting to £5.9 million a year to 31 October 2017, are payable in each case by equal monthly installments.

Under the salary sacrifice arrangement introduced from 1 May 2010, members who take up the Pension Saver option do not actually contribute as listed in the Schedule of Contributions. The notional member contributions listed above are instead paid to the Plan by the Participating Employers, to the same time scales as specified in the Schedule of Contributions.

The Defined Contribution Section has a flexible contribution scale. The member must contribute between 1% and 5% of Contribution Salary, and the Employer contributes at the corresponding matching rates as specified in the Schedule of Contributions.

#### 5. Transfers in

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Individual transfers in from other schemes	-	279,840	279,840	-	20,220	20,220

#### 6. Other income

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Claims on term insurance policies	-	-	-	-	313,408	313,408

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Notes to the Financial Statements

#### 7. Benefits paid or payable

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Pensions	3,497,359	-	3,497,359	3,112,608	-	3,112,608
Commutations and lump sums on retirement	1,151,782	282,792	1,434,574	1,353,093	48,082	1,401,175
Lump sums on death in service	-	-	-	-	313,408	313,408
Lump sums on death in retirement	-	-	-	8,268	-	8,268
Refunds of contributions on death	-	-	-	-	136,540	136,540
Annuities purchased	270,083	245,275	515,358	23,239	86,735	109,974
	<u>4,919,224</u>	<u>528,067</u>	<u>5,447,291</u>	<u>4,497,208</u>	<u>584,765</u>	<u>5,081,973</u>

Included in the annuities purchased and commutations and lump sums on retirement figure for the Defined Benefit Section above is £172,169 in respect of members of the Defined Contribution Section of the Plan whose benefits have a Defined Benefit Section underpin.

#### 8. Payments to and on account of leavers

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Refunds to members leaving service	(1,575)	24,175	22,600	-	96,840	96,840
Individual transfer values paid to other schemes	2,270,849	703,328	2,974,177	637,834	1,354,407	1,992,241
	<u>2,269,274</u>	<u>727,503</u>	<u>2,996,777</u>	<u>637,834</u>	<u>1,451,247</u>	<u>2,089,081</u>

Included in the individual transfer values paid to other schemes figure for the Defined Benefit Section above is £1,587,961 in respect of members of the Defined Contribution Section of the Plan whose benefits have a Defined Benefit Section underpin.

The negative value for refunds to members leaving service relates to a return of a refund of contributions which was paid in a prior the year.

#### 9. Administrative expenses

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Actuarial & consultancy fees	369,212	-	369,212	353,022	-	353,022
Administration fees	252,494	-	252,494	204,469	-	204,469
Trustee secretarial fees	79,484	-	79,484	79,361	-	79,361
Trustee fees	35,592	-	35,592	42,641	-	42,641
Printing and communication expenses	-	-	-	32,460	-	32,460
Legal fees	15,022	-	15,022	19,356	-	19,356
Audit fees	21,500	-	21,500	15,025	-	15,025
Miscellaneous expenses	248	-	248	70	-	70
	<u>773,552</u>	<u>-</u>	<u>773,552</u>	<u>746,404</u>	<u>-</u>	<u>746,404</u>

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Notes to the Financial Statements

#### 10. Investment income

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Pooled investments						
- Managed funds	14,862,909	-	14,862,909	-	-	-
Interest on cash deposits	9	-	9	33	-	33
Annuity income	14,082	-	14,082	14,409	-	14,409
	<u>14,877,000</u>	<u>-</u>	<u>14,877,000</u>	<u>14,442</u>	<u>-</u>	<u>14,442</u>

The large amount of managed fund income in 2017 has arisen as a result of re-leveraging.

#### 11. Reconciliation of investments

##### Defined Benefit Section

	Market value at 6 April 2016 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 5 April 2017 £
Pooled investment vehicles	174,861,245	132,022,208	(116,917,032)	24,879,956	214,846,377
Cash	997	-	-	-	-
	<u>174,862,242</u>			<u>24,879,956</u>	<u>214,846,377</u>

##### Defined Contribution Section

	Reclassified Market value at 6 April 2016 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 5 April 2017 £
Pooled investment vehicles	53,687,740	31,263,330	(30,560,683)	10,955,966	65,346,353

#### 11.1 Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Plan such as fees, commissions, stamp duty and other fees. Direct transaction costs incurred during the year amounted to £NIL (2016: £NIL). In addition to the direct transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Plan.

#### 11.2 Defined contribution assets

Investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions were paid. The investment provider designates the investment records by member. The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting.

	2017 £	2016 £
Designated to members	65,190,118	53,545,888
Not designated to members	156,235	141,852
	<u>65,346,353</u>	<u>53,687,740</u>



**12. Investment management expenses**

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Administration, management and custody fees	<u>106,506</u>	<u>291,600</u>	<u>398,106</u>	<u>287,605</u>	<u>392,568</u>	<u>680,173</u>

Included in the investment management expenses for the prior year are additional costs levied to the Plan in respect of the restructuring of the investment portfolio.

**13. Taxation**

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

**14. Transfers between sections**

The financial statements include transfers between the Defined Contribution and Defined Benefit Sections of the Plan. Certain members of the Defined Contribution Section of the Plan have a Defined Benefit Section underpin, on exiting the Plan assets held in their Defined Contribution accounts are transferred to the Defined Benefit Section prior to being settled.

**15. Pooled investment vehicles**

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Equities *	127,211,874	34,073,027	161,284,901	64,179,856	30,337,712	94,517,568
Bonds	85,326,188	4,012,775	89,338,963	74,918,089	3,682,126	78,600,215
Diversified growth	-	14,264,541	14,264,541	35,762,862	7,287,076	43,049,938
Hedge Funds	-	11,541,587	11,541,587	-	10,979,423	10,979,423
Property	-	864,371	864,371	-	970,118	970,118
Cash	2,308,315	590,052	2,898,367	438	431,285	431,723
	<u>214,846,377</u>	<u>65,346,353</u>	<u>280,192,730</u>	<u>174,861,245</u>	<u>53,687,740</u>	<u>228,548,985</u>

\* The Defined Benefit Section equity funds include the diversified growth funds.

The pooled investments are held in the name of the Plan. Except for certain pooled funds held by BlackRock which generate income as shown in note 10, income generated by the remaining units is not distributed, but retained within the pooled investments and reflected in the market value of the units.

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Notes to the Financial Statements

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#### 16. AVC investments

The Trustee holds assets within the main fund. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to 5 April each year, confirming the amounts held to their account and the movements during the year.

The total amount of AVC investments at the year end is shown below:

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Aviva Life & Pensions UK Limited (formerly Friends Life)	-	5,901,265	5,901,265	-	5,285,553	5,285,553

Following the transfer the majority of the AVC investments held for members participating in both the Defined Benefit Section and the Defined Contribution Section with The Equitable Life Assurance Society to Aviva Life & Pensions UK Limited it is no longer possible to provide a split of these AVC investments between members participating in the Defined Benefit Section and the Defined Contribution Section. As such, the AVC investments held with Friends Life have been shown entirely as being in relation to the Defined Contribution Section.

#### 17. Cash

##### Defined Benefit Section

	Assets £	Liabilities £	2017 £	Assets £	Liabilities £	2016 £
Sterling	-	-	-	997	-	997

**18. Fair value determination**

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The Plan's investment assets have been included at fair value using the above hierarchy categories as follows:

	2017 Level 1 £	2017 Level 2 £	2017 Level 3 £	2017 Total £
<b>Defined Benefit Section</b>				
Pooled investment vehicles	-	214,846,377	-	214,846,377
Cash	-	-	-	-
<b>Defined Contribution Section</b>				
Pooled investment vehicles	-	65,346,353	-	65,346,353
	<u>-</u>	<u>280,192,730</u>	<u>-</u>	<u>280,192,730</u>

Analysis for the prior year end is as follows:

	2016 Level 1 £	2016 Level 2 £	2016 Level 3 £	2016 Total £
<b>Defined Benefit Section</b>				
Pooled investment vehicles	35,762,862	139,098,383	-	174,861,245
Cash	997	-	-	997
	<u>35,763,859</u>	<u>139,098,383</u>	<u>-</u>	<u>174,862,242</u>
<b>Defined Contribution Section</b>				
Pooled investment vehicles	-	53,687,740	-	53,687,740
	<u>35,763,859</u>	<u>192,786,123</u>	<u>-</u>	<u>228,549,982</u>

## **19. Investment risks**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

**Credit risk:** this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

**Market risk:** this comprises currency risk, interest rate risk and other price risk.

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

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit and market risk, within risk limits which are considered when setting the Plan's strategic investment objectives.

These investment objectives and risk limits are implemented through investments in pooled investment vehicles with the Plan's investment managers, and monitored by the Trustee by regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This includes the investments within the Defined Benefit and Defined Contribution Sections only, as other investments outside these sections are not considered significant in relation to the overall investments of the Plan.

### **Defined benefit section**

#### **Investment strategy**

To guide it in its strategic asset management, the Trustee (in consultation with the Principal Employer) has considered its key investment objectives. The primary objective is that the Plan's assets are held to meet the Plan's liabilities as and when they fall due.

In setting the long-term asset allocation to achieve its stated objective, the Trustee has, with the help of its Scheme Actuary and Investment Consultant, evaluated the degree of risk associated with various asset allocation strategies taking account of the Plan's liability profile. The investment strategy makes use of three key types of investments.

- (i) using a range of instruments that provide a reasonable match to changes in liability values, which may include gilts, corporate bonds and derivatives;
- (ii) a diversified range of return-seeking assets, including (but not limited to) diversified growth funds; and
- (iii) actively and passively managed portfolios.

The current strategy is to hold:

- 60% in return seeking investments comprising of diversified growth funds which include a range of different underlying strategies.
- 40% in investments that move in line with the long-term liabilities of the Plan. This is referred to as LDI and comprises UK and fixed and index-linked government bonds, and derivative instruments, the purpose of which is to hedge against the impact of interest rate and inflation movements on long term liabilities.

**19. Investment risks - continued**

**Credit risk**

Indirect credit risk arise in the Plan in relation to underlying investments held in pooled cash investment vehicles, LDI pooled funds and Diversified Growth Funds.

The Plan's holdings in pooled investment vehicles are unrated. Credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

Some of the Plan's pooled funds enter into FX (currency market) contracts which are not collateralised and are therefore exposed to some credit risk through these contracts; the Trustee has delegated credit risk management to the investment managers.

The information about exposures to and mitigation of credit risk above applied at the current year end. The information above also covers the previous year end.

**Currency risk**

The Plan is subject to currency risk because some of the Plan's investments are held in overseas markets via pooled investment vehicles. The Plan has allocated to overseas assets through the Legal and General Investment Management (LGIM) Diversified Fund, Towers Watson Investment Management (TWM) Partners Fund and the TWIM Diversifying Strategies Fund; these are all subject to currency risk. However, the currency risks are mitigated through hedging the currency, which is subject to the managers' discretion.

**Interest rate risk**

The Plan is subject to interest rate risk because some of the Plan's investments are held in LDI pooled funds and gilts funds. The types of instruments used in the Plan's LDI portfolio are used to reduce the impact of changes to interest rates on the Plan's overall position. Under this strategy, if interest rates fall the value of the liability matching assets will rise to help match the increase in liabilities from a fall in the discount rate. Similarly, if interest rates rise the investments will fall in value as will liabilities because of an increase in the discount rate. The Plan's target asset allocation to the LDI portfolio was 40% of total Plan assets. At the year-end the LDI portfolio represented 40.4% of the investment portfolio (2016: 35.8%).

The Plan is also subject to interest rate risk from investments in credit investments held within the Plan's Diversified Growth Funds, cash through pooled vehicles, and cash through the Trustee bank account. Whilst the value of these assets are influenced by changing interest rates, the impact is reduced due to the diversified and global nature of the Plan's assets.

**Other price risk**

Other price risk arises principally in relation to the Plan's return seeking assets which includes equities, credit, property and other alternative investments held in pooled vehicles. The Plan has set a target asset allocation of 60% of investments being held in return seeking investments; at the year-end the return seeking portfolio represented 59.6% of the total investment portfolio (2016: 57.2%). In November 2016, the Plan has fully disinvested from its global credit mandate.

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

**20. Concentration of investments**

The following investments each account for more than 5% of the Plan's net assets at the year end:

	2017		2016	
	£	%	£	%
L&G MAAA Diversified Fund	42,983,055	15.3	N/A	N/A
Towers Watson Oxip LP Series XVIII B Fund	38,217,838	13.6	33,502,806	14.6
BlackRock LMF GBP 2060 Gilt Flex Fund	28,871,687	10.3	24,468,918	10.7
Towers Watson Oxford Oxip Partners Fund	25,802,618	9.2	N/A	N/A
Schroders Life Diversified Growth Fund	N/A	N/A	35,762,862	15.6
L&G World Equity Index Fund	N/A	N/A	15,283,679	6.7
BlackRock CP Global Corp Bond Flex Acc GBP Fund	N/A	N/A	12,205,533	5.3

## Dun & Bradstreet (UK) Pension Plan

### Annual Report for the year ended 5 April 2017

#### Notes to the Financial Statements

#### 21. Employer-related investments

There was no employer-related investment at any time during the year.

#### 22. Current assets

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Reimbursement of insured pensions	-	-	-	218	-	218
VAT recoverable	15,913	-	15,913	-	-	-
Cash deposits held with the Plan Administrator	1,378,438	-	1,378,438	1,513,443	-	1,513,443
	<u>1,394,351</u>	<u>-</u>	<u>1,394,351</u>	<u>1,513,661</u>	<u>-</u>	<u>1,513,661</u>

The cash deposits shown above are not allocated to members.

#### 23. Current liabilities

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £	Defined Benefit Section £	Defined Contribution Section £	2016 Total £
Contributions received in advance						
- employer	491,667	-	491,667	491,667	-	491,667
Reimbursement of pensions received in advance	-	-	-	982	-	982
Lump sums on retirement payable	158,181	-	158,181	305,052	-	305,052
Taxation payable	47,401	-	47,401	43,805	-	43,805
Administrative expenses payable	84,671	-	84,671	242,400	-	242,400
Investment management expenses payable	52,437	-	52,437	39,642	-	39,642
	<u>834,357</u>	<u>-</u>	<u>834,357</u>	<u>1,123,548</u>	<u>-</u>	<u>1,123,548</u>

#### 24. Related party transactions

The Directors of the Trustee Company are members of the Plan but not all are contributing members. Their contributions and pensions are in accordance with the rules of the Plan.

As shown in note 9, fees were paid and expenses were reimbursed to certain Trustee Directors of the Plan for their services.

The Trustee Directors may also have family members who are/have been employed by the Principal Employer. Their contributions and pensions are in accordance with the rules of the Plan.

**Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

**Independent Auditor's Statement about Contributions to the Trustee**

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**Statement about contributions payable under Schedules of Contributions**

We have examined the Summary of Contributions payable to the Dun & Bradstreet (UK) Pension Plan on page 30, in respect of the Plan year ended 5 April 2017.

In our opinion the contributions for the Plan year ended 5 April 2017 as reported in the Summary of Contributions on page 30 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Actuary on 10 April 2013 and 18 May 2016.

**Scope of work on statement about contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 30 have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedules of Contributions.

**Respective responsibilities of Trustee and Auditor**

As explained more fully on page 14 in the Statement of Trustee's Responsibilities, the Plan'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 Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the plan by the employer in accordance with the Schedule of Contributions.

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

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



RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountant  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date: 1 November 2017

**Dun & Bradstreet (UK) Pension Plan**  
**Annual Report for the year ended 5 April 2017**  
**Summary of Contributions**

During the year ended 5 April 2017, the contributions payable to the Plan by the Employer were as follows:

	Defined Benefit Section £	Defined Contribution Section £	2017 Total £
Contributions payable under the Schedules of Contributions:			
Employer contributions:			
Normal	511,483	2,640,730	3,152,213
Other	750,000	-	750,000
Deficit funding	5,900,000	-	5,900,000
	<u>7,161,483</u>	<u>2,640,730</u>	<u>9,802,213</u>
Employee contributions:			
Normal	209,913	24,231	234,144
Contributions payable under the Schedules of Contributions (as reported on by the Plan Auditor)			
	<u>7,371,396</u>	<u>2,664,961</u>	<u>10,036,357</u>
Other contributions:			
Additional voluntary contributions	39,225	360,011	399,236
Total contributions reported in the financial statements	<u>7,410,621</u>	<u>3,024,972</u>	<u>10,435,593</u>

Approved on behalf of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited on 31/10/17

Signed on behalf of Dun & Bradstreet (UK) Pension Plan Trustee Company Limited

..... Trustee Director

..... Trustee Director



**Dun & Bradstreet (UK) Pension Plan**

**Annual Report for the year ended 5 April 2017**

**Actuarial Certificate**

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**Certification of schedule of contributions**

**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 5 April 2015 to be met by the end of the period specified in the recovery plan dated 18 May 2016.

**Adherence to statement of funding principles**

- 2 I here by certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 18 May 2016.

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.

SM Aries

18 May 2016

Mr SM Aries, FIA  
Scheme Actuary, Towers Watson Limited

Watson House  
London Road, Reigate Surrey, RH2 9PQ

