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May 2016

Governance *in brief*

Risk, internal control and longer term viability – how companies have tackled the new Code provisions

(Part 2 – May 2016)

Headlines

- The majority of companies have made substantive changes to their risk management disclosures to better explain and evidence their processes.
- No company reported a significant failing or weakness and no company had reported their definition of material controls.
- For the longer term viability statement, three years was the lookout period for the majority of companies. There was no two year period and six years was the maximum length used. Over three quarters used sensitivity analysis, scenario planning or a combination of the two to support the statement.
- Whilst there continues to be elements of boiler plate reporting, we have seen good examples of company-specific and year-specific disclosures.

A reminder of the main changes

- The directors should confirm in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity (Code Provision C.2.1).
- The directors should state whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment (Code Provision C.2.2).
- The board should monitor the risk management and internal control systems (Code Provisions C.2.3).

Facts about our survey sample

In January we surveyed all FTSE 350 companies with a September year end (excluding investment trusts) which had been published by the date of issue of our report. In this report we have extended that sample to include the remainder of the FTSE 350 September year end reporters and another 30 of the largest December year end reporters. So, in total, we have now reviewed the risk management, internal control and longer term viability disclosures of 50 companies.

Dealing with the new aspects of the Code

Some of the challenges facing boards

- Are we going to be able to be able to report compliance with the new Code provisions for the whole of the first year?
- Are we demonstrating a joined up risk management and internal control framework through our disclosures?
- Is our internal audit function focusing on the right areas?

Full compliance with the new provisions of the Code

None of the companies surveyed reported a non-compliance (for even part of the year) in relation to the new Code provisions on principal risks, the longer term viability statement or the monitoring of material controls.

Auditor reporting

Under the International Standards on Auditing, the auditor is required to include a statement in the audit report as to whether they have anything material to add or draw attention to in relation to any of the disclosures around principal risks, going concern and longer term viability. As expected, none of the auditors for our sample companies had included any statement in relation these areas other than to confirm that they had nothing to add or draw attention to.

Internal audit

The disclosures on the work of internal audit were examined to identify examples where there were references to increasing work on risk assessment, controls monitoring or the viability statement. Only one company mentioned the role of internal audit in determining and monitoring principal risks. Several companies stated that they had reorganised their internal audit functions during the year but these changes were not directly attributed to the new Code provisions. The new 2016 Guidance on Audit Committees (published on 27 April) suggests internal audit scope should be reviewed and should be aligned to the key risks of the business.

Linking the disclosures

Linkage of sections of the annual report is being encouraged to paint an integrated picture and the reports were reviewed for clear linkage between the risk management part of the strategic report, the statement of robust assessment of principal risks, the longer term viability statement, the internal control part of the governance statement, the audit committee report and the auditor's report.

Just a small number of companies had what we would describe as good linkage, connecting the risk management disclosures and the longer term viability statement to other relevant information such as the business model or strategy, the internal control part of the governance statements and to the principal risk disclosures with sufficient clarity for the reader to understand why those connections were relevant. However, good linkage is not an easy task, particularly as the length and complexity of modern annual reports means that writing of sections is often divided between individuals – good linking requires excellent project management and sufficient review time.

The following two extracts illustrate this linkage. The extract from Rolls-Royce is taken from their Strategic Report and is the introduction to the Principal Risks section. The extract from Unilever is from their viability statement.

Rolls-Royce Holdings plc Annual Report 2015

Risk management

Risk management is built into our daily activities and is an integral part of how we work: from our engineering design, through to engine production, servicing and how we run our operations.

The Board is responsible for the Group's risk management and internal control system and reviewing its effectiveness. The system is designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable but not absolute assurance against material misstatement or loss. More information about our internal control system can be found in the Audit Committee report on page 95.

Our risk management system (RMS) helps us make better decisions and to deal with problems if they occur. It is implemented through: a Group-wide framework mandated in the Group risk management policy; a network of trained risk management facilitators; and a software tool.

In 2015, we performed a comprehensive review of our RMS and are implementing a programme of work to enhance our RMS which will continue to be embedded throughout 2016. This activity is sponsored by the General Counsel and Chief Financial Officer and is regularly reviewed by the Audit Committee. The enhancements touch all areas of our RMS including: categorisation, governance, operating model, reporting and infrastructure.

Our RMS is designed so that principal risks can be identified from multiple sources. Key bottom-up risks are identified by businesses and functions and the detail of risks that meet the Group threshold are subject to review and challenge by the Executive Leadership Team (ELT) and the Board during their risk reviews. This includes monitoring the status of mitigation actions, adequacy of controls and any incidents that have occurred since the last review. Risks are also captured during the strategy and business planning activities to inform the development of the principal risks.

The Board, assisted by the ELT, has carried out a robust assessment of, and reviewed our appetite for, the principal risks facing the Group. These include those that threaten the business model, future performance, solvency and liquidity. These reviews have been complemented by financial scenario modelling of our principal risks which is also used to support our viability statement on page 57.

The Board, or the most appropriate Board committee, undertakes periodic in-depth reviews of our principal risks in which it assesses our material controls and the effectiveness of our risk management and mitigation activities.

Business units and functions are accountable for identifying and managing risk in line with the Group risk management policy. Business continuity plans are in place to mitigate continuity risks.

The Group's enterprise risk team, led by the Director of Risk, is responsible for disseminating risk policy and processes and co-ordinating the effective operation of the RMS. Progress of actions to mitigate risks and the adequacy of risk controls are also now regularly reviewed by the sector audit committees.

Joint ventures constitute an increasingly large part of the Group's activities. Responsibility for risk and internal control in joint ventures lies with the managers of those operations. We seek to exert influence over such joint ventures through board representation. Management and internal audit regularly review the activities of these joint ventures.

The Board is aware that the effectiveness of risk management is highly dependent on behaviours, as a good process does not automatically lead to a good outcome. Our ethics and compliance improvement programme, aimed at securing compliance with our ethical standards, and the Global Code of Conduct are reinforcing the values and behaviours required, which in turn will continue to strengthen our risk management culture.

Principal risks

During the year, the Board and ELT focused on the principal risks and the actions and controls in place to manage them.

This involved: discussing changes to the risks; reviewing the risk indicators for principal risks; and hearing from management about how risks will be managed.

This ongoing review of risks has resulted in a further principal risk being added this year: talent and capability. This risk has been added to reflect the significant transformation agenda ahead and our future growth requirements and plans.

Unilever plc Annual Report 2015

VIABILITY STATEMENT

The activities of the Group, together with the factors likely to affect its future development, performance, the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report on pages 2 to 39. In addition, we describe in notes 15 to 18 on pages 115 to 129 the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit and liquidity risk.

The Directors have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. These risks and the ways they are being managed and mitigated by a wide range of actions are summarised on pages 54 to 57.

Risk management

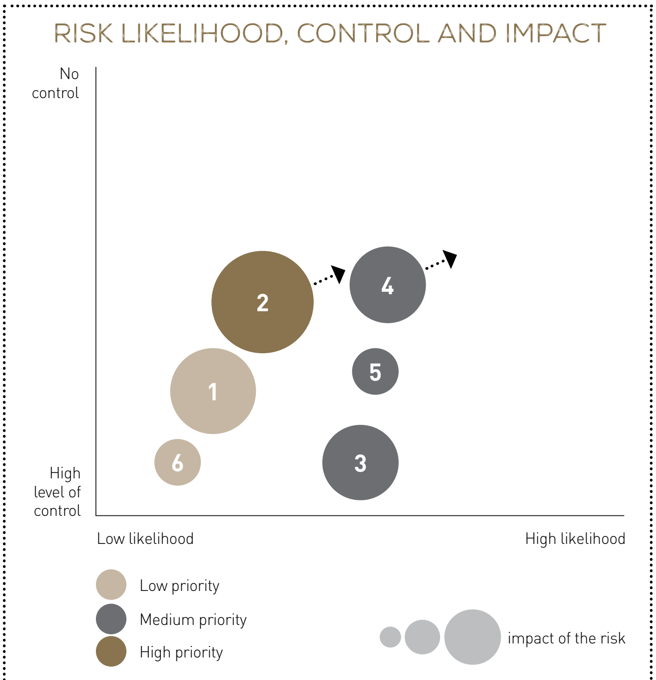
Some of the challenges facing boards

- Do our existing processes and disclosures reflect a "robust assessment" of principal risks?
- Are we satisfied that our risk identification and assessment process is sufficiently dynamic?
- Is there sufficient focus on the risk culture of the organisation?
- Have we as a board considered our risk appetite for each principal risk and reached an agreed position and approach?

Evidence of change in the risk management section from the prior year

Nearly all companies changed the risk management sections of their annual reports both in terms of content and structure – almost all had added more description on risk management process as well as more detail or different detail on principal risks (see below). Some had added diagrams to help the reader to better understand risk management – for instance, a diagram depicting the company's risk management structure – or the principal risks, such as a risk heat map.

Marston's PLC Annual Report 2015



The Risk number corresponds to the Principal Risks overleaf.

Intu Properties plc Annual Report 2015

On the grounds that much of the risk management process remains consistent from year to year, Legal & General had made the decision to shorten their annual report disclosures on risk management process from the prior year and to provide a "Risk Supplement" on their website. Unrelated to this particular topic but interesting from a governance perspective, they also produced supplements on Remuneration Policy and Group Tax. We like that the website is being used more to de-clutter the annual report, but not all readers may agree that this sort of material can be omitted from the annual report.

Legal & General Group plc Annual Report 2015

FURTHER DETAIL
Detailed information can be found in our risk supplement. Please visit: www.legalandgeneralgroup.com/reporting-centre/supplements

In prior years, within this section, we have included descriptions of the risks we face, how our risk management framework operates, as well as a narrative description of our appetite in relation to our main risk areas. As our risk management processes and policies are well established, the reality is that these descriptions do not significantly change from year to year. Accordingly, we have created a 'Risk management supplement' that contains all of these narrative descriptions, which can be found within our 'Corporate Reporting Centre'.

Changing principal risks

The vast majority of companies had also made changes to their principal risks – some streamlining the existing categories and some adding in new risks for 2015. New risks reflect many of today's boardroom hot topics – business model disruption, technology and data security, supplier failures, tax compliance and failure to implement new strategy and major change projects.

Risk culture

The FRC's Guidance on Risk management, internal control and financial and related business reporting makes many references to the importance of a sound risk culture throughout an organisation. We examined disclosures to see if risk culture had been referred to. We were not surprised that the majority of companies made no reference to risk culture at all – as this is currently mostly the preserve of financial institutions – but there were some non-financial institutions where more than a passing reference was made.

The Sage Group plc Annual Report & Accounts 2015

Culture
The Board is aware that the effectiveness of risk management is dependent on behaviours. During 2015 we launched a revised Code of Ethics, re-enforcing our required values and behaviours, and in turn strengthening our risk culture. This is now supported by our ethics and compliance programme, which aims to ensure compliance with our ethical standards.

In parallel, Sage recognises the behavioural benefits that clear expectations bring to the business, and as such is re-enforcing a 100% compliance culture with policies and procedures across the business, and wrapping this within a broader 'Sage Way' of working. Oversight of compliance is reported through Global Risk and Assurance, and during 2016 plans are in place to enhance existing capabilities through the formation of a dedicated Compliance function.

ITV PLC Annual Report and Accounts 2015

Risk culture
Throughout the year we have continued to focus on and strengthen our risk culture. Our Code of Conduct remains unchanged and the Operational Risk Steering Group considers ethical behaviours, governance and compliance with our Code. ITV also offers all employees annual online training on ethics and compliance.

Risk appetite

The FRC's Guidance also makes reference to the board's responsibility for determining the organisation's risk appetite. Almost all of the surveyed companies had included some reference to risk appetite in their annual report but the extent of those references varied greatly. As expected, the financial services companies in the sample mention risk appetite repeatedly, including in the notes to the financial statements.

Outside financial services, the following were examples of more extensive disclosures on risk appetite:

Intu Properties plc Annual Report 2015

> **Risk appetite**
>
> Our risk appetite remains broadly unchanged in 2015. Risk appetite is the level of risk the Group is willing to take to achieve its strategic objectives and is set by the Board. The Board looks at the Group's appetite to risk across a number of areas including the property market, financing, operations, strategy and execution, developments, cybersecurity and technology and brand.
>
> The Group's risk appetite is set in the context of our focus on one sector – prime shopping centres. As experts in this sector we are able to mitigate the risk involved in growing the business by acquisition, development and our active asset management strategy. This focus on our core strengths is balanced by a more cautious approach to risk in other areas. In financing we set a target Group debt-to-asset ratio of 40-50 per cent and require interest cover of more than 160 per cent, giving us significant headroom against our loan covenants to ensure that we are in a strong position in the event of any substantial falls in property values. We continue to look to minimise interest rate risk with a policy of hedging at least 75 per cent of the exposure and seek to refinance debt early to reduce risk. This does not however prevent us looking at innovative debt structures that provide the Group with diverse funding options.

Thomas Cook Group plc Annual Report 2015

> **RISK APPETITE**
>
> The Board has undertaken a detailed exercise to consider the risk appetite in a number of key areas for the business. The results of this review indicate the relative appetite of the Board across the risk factors and behaviours. It is evident that this represents a view at a point in time and changes in light of the economic environment, strategy and performance of the business will impact this evaluation.
>
> The Board are aligned on the relative risks and have agreed the appetite for risk taking for digital delivery and product risk categories is entrepreneurial. This position aligns with the strategic aims of the transformation programme and targets set for the business.
>
> The Board seeks to minimise all health, safety and reputational risks. In all other aspects, the Board takes a balanced view on risk taking.
>
> It is the intent of the Board to use the results of this review to support its ongoing decision making and as the basis for a review annually in the light of the changes to the economic environment, strategic progress and performance of the business.

The statement on the robust assessment of principal risks

Code provision C.2.1 calls for a statement that the board has undertaken a robust assessment of the principal risks in the annual report. A small number of companies had omitted to include this statement but for those which did, the location of the statement varied – the majority included it in the strategic report; some in the corporate governance statement, one in the audit committee report, one in the management report and one in the financial statements.

Two companies in our sample noted that they had obtained independent assurance on the effectiveness of their risk processes during the year. It will be interesting to see whether this practice evolves as a way for the board to gain comfort that their processes are robust – we expect that boards will from time to time want an outside view.

Crest Nicholson plc Annual Report 2015

Independent risk management and internal control review

During the year the Board commissioned an external review of the risk management framework and key controls that are in place within the business.

The objective of the review was to provide the Board with an independent assessment of the processes through which risks are identified and of the adequacy of the existing controls and assurance activities in mitigating key risks.

A description of our risk management and internal control framework is set out below.

Key themes arising from the review:

- The risk management structure in the business is sound and operates effectively.
- Control activities were identified for all risks contained on the Group risk register.
- Where areas of improvement were identified, which primarily related to increasing the consistency of approach across different business divisions, a plan of action has been put in place and will be a key focus for the Board during 2015/16.

Three lines of defence

The three lines of defence model for risk management is regularly referred to in the financial services industry and all of the financial services companies in our sample made reference to it. In addition eight non-financial services companies referred to the three lines of defence model. RELX made specific reference to the fact that they had adopted a three lines of defence model to provide reasonable assurance on the effectiveness of the systems of internal control and risk management.

RELX Group plc Annual Report 2015

The longer term viability statement

Some of the challenges facing boards

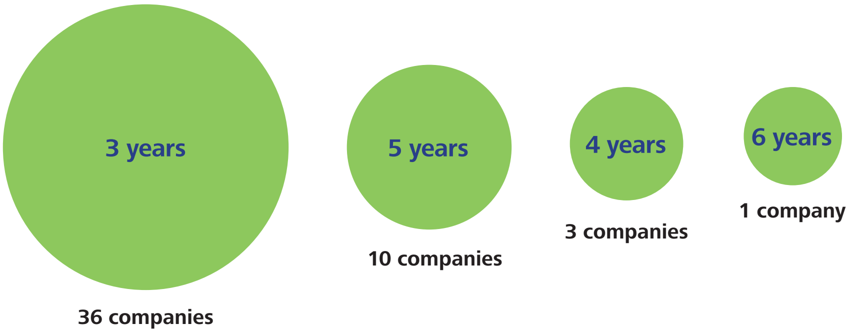
- Should we refer to longer term viability in our preliminary announcement?
- What should our lookout period be and how will we justify that period?
- Where should we put the viability statement in the annual report?
- What analysis do we wish to see to support the viability statement?
- Which qualifications and assumptions are included in the analysis and should be disclosed?

Reference to longer term viability in the preliminary announcement

It was interesting to see that six companies made reference to longer term viability in their press release. Of these four made a brief reference within the discussions on risk management or going concern whereas Brewin Dolphin and Persimmon included the full longer term viability statement.

The lookout period of the longer term viability statement

Figure 1. What lookout period has been used by the 50 companies we have reviewed?



Although the majority of companies chose a lookout period of three years, there have been no clear patterns amongst industry groups. For example, three of the nine companies in the Travel & Leisure industry chose a lookout period of 5 years, the other six a period of 3 years.

The justification for the lookout period varied from company to company as you would expect, with varying degrees of explanation provided. The following are examples of more comprehensive justifications for the selected period.

GSK Annual Report 2015

> The three year review considers our existing strategy and the associated principal risks that underpin our current three year plan, which the Directors review at least annually. The Directors believe that a three year assessment is most appropriate as it aligns with our normal and well established three year business planning processes. This three year period balances the long term nature of investments in the Pharmaceutical industry with a realistic assessment of the variability of the key drivers of near term business performance as well as external factors and regulation impacting the business. It also reflects our view on access to capital markets and funding requirements as projected within this analysis.

Imperial Tobacco Group plc Annual Report 2015

Whilst the Board has no reason to believe the Group will not be viable over a longer period, the period over which the Board considers it possible to form a reasonable expectation as to the Group's longer-term viability, based on the risk and sensitivity analysis undertaken, is the three-year period to September 2018. This period reflects the period used for the Group's business plans and has been selected because, together with the planning process set out above, it gives management and the Board sufficient, realistic visibility on the future in the context of the industry environment. The Board has considered whether it is aware of any specific relevant factors beyond the three-year horizon and confirmed that there are none.

Crest Nicholson plc Annual Report 2015

This period of assessment has been selected as detailed trading and cash flow forecasts are maintained and scrutinised through to this date. In addition, the Group owns or controls a high proportion of the land required to meet unit forecasts for the next three years and is therefore able to forecast cash flows across this period with reasonable confidence. Group banking facilities extend to January 2020 and sufficient headroom exists within these to fund our projected activities.

Rio Tinto plc Annual Report 2015

Current business planning processes within Rio Tinto require the preparation of detailed financial plans over a three-year time horizon. The Group's strategy is developed, and capital investment decisions are made, based on an assessment of cash flows over a multi-decade horizon, with financial investment capacity regularly tested to ensure capital commitments can be funded in line with the Group's capital allocation model. This multi-year planning approach reflects our business model of investing in, and operating, long-life mining assets, whose outputs we sell into commodity markets over which we have limited influence.

The planning process requires modelling under a series of macroeconomic scenarios and assumptions of both internal and external parameters. Key assumptions include: projections of economic growth, and thus commodity demand in major markets, primarily China; commodity prices and exchange rates, often correlated; cost and supply parameters for major inputs such as labour and fuel; and a series of assumptions around the schedule and cost of implementation of organic and inorganic growth programmes.

Reflecting the speed and degree of change possible in a number of these parameters, such as Chinese demand, commodity prices, and exchange rates, Rio Tinto has deemed a three-year period of assessment appropriate for the long-term viability statement, consistent with the Group's detailed planning horizon.

Location of the longer term viability statement

The strategic report was the clear favourite for the location of the longer term viability statement. In most cases, the statement was included in the risk management section alongside the principal risks. The full distribution was as follows:

Connection to the going concern statement

Given the nature of the longer term viability statement, we have seen some companies making a clear link between the longer term viability statement and the going concern statement. Over half of the companies surveyed had done this. Twelve of those linked the two statements by cross-reference and fifteen through positioning the longer term viability statement adjacent to the going concern statement.

easyJet plc Annual report and accounts 2015, p22

GOING CONCERN

easyJet's business activities, together with factors likely to affect its future development and performance, are described in the strategic report on pages 1 to 45. Principal risks and uncertainties are described on pages 24 to 29. Note 22 to the accounts sets out the Group's objectives, policies and procedures for managing its capital and gives details of the risks related to financial instruments held by the Group.

The Group holds cash and cash equivalents of £650 million and money market deposits of £289 million as at 30 September 2015. Total debt of £504 million is free from financial covenants, with £182 million due for repayment in the year to 30 September 2016.

Net current liabilities at 30 September 2015 were £489 million but included unearned revenue (payments made by customers for flights scheduled post year end) of £619 million.

The business is exposed to fluctuations in jet fuel prices and US dollar and euro exchange rates. The Group's policy is to hedge between 65% and 85% of estimated exposures 12 months in advance, and 45% and 65% of estimated exposures from 13 up to 24 months in advance. The Group was compliant with this policy at the date of this Annual report and accounts.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group will be able to operate within the level of available facilities and cash and deposits for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

VIABILITY STATEMENT

The Directors have assessed easyJet's viability over a three-year period to September 2018. This is based on three years of the strategic plan, which gives greater certainty over the forecasting assumptions used.

In making their assessment, the Directors took account of easyJet's current financial and operational positions and contracted capital expenditure. They also assessed the potential financial and operational impacts, in severe but plausible scenarios, of the principal risks and uncertainties set out on pages 24 to 29 and the likely degree of effectiveness of current and available mitigating actions.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet all their liabilities as they fall due up to September 2018.

In making this statement, the Directors have also made the following key assumptions:

- funding for capital expenditure in the form of capital markets debt, bank debt or aircraft leases will be available in all plausible market conditions;
- there will not be a prolonged grounding of a substantial portion of the fleet; and
- in the event that the UK votes to leave the European Union, the terms of exit are such that easyJet would be able to continue to operate over broadly the same network as at present.

Two companies, HSBC and Zoopla, prepared a combined longer term viability and going concern statement.

Disclosure of qualifications or assumptions

The new Code provision (C.2.2) states that directors should draw attention to any qualifications or assumptions as necessary. It is no surprise that the vast majority of reporters did in fact refer to qualifications and assumptions. The following matters were the most common qualifications and assumptions set out in the disclosures.

- Ability to acquire funding/refinancing
- Success of mitigating actions
- Company or industry specific assumption
- Operating costs/cost management
- Revenue maintenance or growth
- Gross margin
- Working capital management

Nature of analysis undertaken

Code provision C.2.1 asks directors to explain how they have assessed the prospects of the company. Over three quarters of our survey sample used sensitivity analysis, scenario planning or a combination of the two, showing that companies are taking this exercise seriously. The financial services companies in our sample conducted an even more detailed quantitative modelling exercise using their ICAAP processes.

Clarity on which principal risks have been used in the supporting analysis

Just under half of our sample made it clear which principal risks had been taken into account when assessing viability. Most of these described the specific risks/scenarios either in words or by cross-reference and some simply cross-referenced to the whole principal risk statement, suggesting that all principal risks had been considered.

We saw two examples of companies including a symbol in their principal risks table indicating that those risks had been considered as part of the viability statement assessment.

Enterprise Inns plc Annual Report 2015

The table below sets out the principal risks and uncertainties facing the Group and how we mitigate them. This is not intended to be an exhaustive analysis of all the risks the Group may face.

The new strategic direction being taken by the Group as explained in the 'Our Strategy' section has been considered when reviewing risks and consequently there are some changes to the risks the Group faces. These are explained in more detail below.

Key:
- Increase
- Decrease
- Unchanged
- Considered as part of viability assessment

Description and potential impact	Mitigation processes
Strategy and business model	
Regulation of the tied pub model	Due to the introduction of MRO during the current year the risk of regulation to the business has increased.

Internal control

Some of the challenges facing boards
• Which are our material controls and what are our board monitoring procedures? • How will we identify significant failings or weaknesses in risk management or internal control systems?

Identification of material controls

Code provision C.2.3 states that the board's monitoring and review should cover all "material controls". None of our sample chose to offer a definition for material controls.

Significant failings or weaknesses

None of the companies surveyed mentioned any significant failings or weaknesses in the risk management or internal control systems. This suggests that the bar is being set pretty high when boards are deciding what is a "significant failing or weakness".

Deloitte View

- The largest December year end reporters have further reinforced our view that the substantial revisions to risk management disclosures have encouraged renewed focus on the ongoing process of risk management and monitoring of controls.
- We expect that further improvements will be made to company processes, embedding risk management more seamlessly into operations.
- We also expect the scope of internal audit to be reviewed to ensure all principal risks are covered regularly.
- In year two we expect more depth in the following areas of risk; appetite, capacity, culture and modelling. (See Governance *in brief*: Risk, internal control and longer term viability – unlocking the value)

Contacts – Risk Advisory

Deloitte's Risk Advisory team works with clients to help them manage risk and create value. The team works collaboratively with client organisations to either assess existing processes in place or to assist in the implementation of pragmatic risk solutions.

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For further details about the Deloitte Academy, including membership enquiries, please email enquiries@deloitteacademy.co.uk

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Appendix

Industry and Company name	Lookout period
Banking and financial services	
HSBC	3
Chemicals	
Victrex plc	5
Commodity trading and mining	
Glencore	4
Construction & materials	
CRH plc	5
Consumer goods	
Unilever	3
Energy	
BP plc	3
Financial Services	
Aberdeen Asset Management plc	3
Brewin Dolphin Holdings plc	3
Paragon Group of Companies plc	3
Barclays	3
Food Industry	
Greencore Group PLC	3
Gas, water & multi-utilities	
Centrica	3
General Industrials	
Rexam plc	3
General mining	
Rio Tinto	3
Health services	
GlaxoSmithKline	3
Healthcare	
UDG Healthcare Public Limited Company	3
Hotels	
Intercontinental Hotels Group	3
Household Goods & Home Construction	
Crest Nicholson Holdings plc	3
Persimmon	6
Industrial Engineering	
Bodycote plc	3
Insurance Brokers	
Admiral Group	3
Integrated oil & gas	
Royal Dutch Shell	3
Life Insurance	
Legal & General Group	3

Industry and Company name	Lookout period
Media	
Euromoney Institutional Investor plc	3
Daily Mail and General Trust plc	4
RELX	3
ITV plc	3
Media agencies	
Zoopla plc	3
Online Grocery retailer	
Ocado	3
Pharmaceutical and biologics	
AstraZeneca	3
Power	
Rolls-Royce Holdings	5
Real Estate Investment & Services	
Grainger plc	4
St Modwen Properties	3
Real Estate Investment Trusts	
Intu Properties	5
Shaftesbury plc	5
Retail	
Hammerson	5
Software & Computer Services	
Sage Group plc	5
Sports betting and Game leisure	
William Hill	3
Support Services	
Diploma plc	3
Tobacco	
Imperial Tobacco Group plc	3
Travel & Leisure	
Compass Group plc	3
Easyjet plc	3
Enterprise Inns plc	5
Thomas Cook Group plc	3
TUI AG	3
Marston’s plc	5
SSP Group	3
Carnival Corporation	3
International Consolidated Airlines Group	5
Value added services and outsourcing	
Bunzl plc	3

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