

## APPENDIX

### Fund Account - for year ended 31 March 2010

	Note	2010 £'000	2009 £'000
<b>Contributions and Benefits</b>			
Contributions receivable	3	262,656	245,976
Transfers in		21,932	18,436
Administration Income	6	125	83
		<b>284,713</b>	<b>264,495</b>
Benefits payable	4	231,318	212,476
Leavers	5	19,658	15,121
Administration expenses		3,965	3,860
		<b>254,941</b>	<b>231,457</b>
<b>Net additions from dealings with members</b>		<b>29,772</b>	<b>33,038</b>
<b>Return on Investments</b>			
Investment Income	6	84,024	71,129
Change in market value of investments	7	1,080,102	-833,021
Investment Management Expenses	8	-9,745	-4,982
<b>Net return on Investments</b>		<b>1,154,381</b>	<b>-766,874</b>
<b>Net increase (-decrease) in the Fund during the year</b>		<b>1,184,153</b>	<b>-733,836</b>
Net Assets of the Fund at the start of the year		3,521,496	4,255,332
<b>Net Assets of the Fund at the end of year</b>		<b>4,705,649</b>	<b>3,521,496</b>

### Net Assets Statement as at 31 March 2010

		2010 £'000	2009 £'000
<b>Investments</b>			
Other Investments	7	318,224	264,580
Equities		1,903,013	1,277,175
Managed and Unitised Funds		2,126,946	1,644,108
Derivative Contracts		33	130
Properties		210,225	199,535
Short Term Deposits		56,207	74,089
Other Investment Balances		57,286	41,453
		<b>4,671,934</b>	<b>3,501,070</b>
<b>Current Assets</b>	9	<b>46,631</b>	<b>30,412</b>
<b>Current Liabilities</b>	9	<b>12,916</b>	<b>9,986</b>
<b>Net Assets of the Fund as at 31 March 2010</b>		<b>4,705,649</b>	<b>3,521,496</b>

## NOTES TO THE ACCOUNTS

### 1. General

Although the Scheme is exempt from the requirements of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, the financial statements have been prepared in accordance with these regulations and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (the SORP) May 2007

The financial statements record the transactions of the Scheme during the year and summarise the net assets at the disposal of the Managers at the end of the financial year. They do not take account of obligations to pay pensions and benefits which fall due after the end of Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the statement by the Actuary on pages 00 to 00 and these financial statements should be read in conjunction with it.

### 2. Accounting Policies

#### Basis of Preparation

The financial statements are prepared in accordance with applicable UK accounting standards and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes.

#### Valuation of Investments

Investments are stated at market value. For listed securities the stock exchange values are used. Such values are shown at bid price, i.e. the price which the Fund would have obtained should the securities have been sold at the year end. For this purpose unlisted investments, other than direct property are included at manager's valuation. Valuations of UK private equity are consistent with the guidelines and conventions of the British Venture Capital Association. Properties have been valued independently by Colliers Erdman Lewis, Chartered Surveyors as at 31 March 2010. Some investments, such as limited partnerships, are not readily realisable.

#### Translation of foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates ruling at the year end. Foreign income received during the year is translated at the rate ruling at the date of receipt. All resulting exchange adjustments are included in the revenue account.

#### Investment income

Interest on fixed interest stocks and on short term deposits has been accounted for on an accruals basis. Income from equities is accounted for when the related investment is quoted "ex-dividend".

#### Rental income

Rental income from properties is taken into account by reference to the periods to which the rents relate and is shown net of related expenses. The Fund accrues rent up to 24 March each year. Rent received on the Quarter Day, 25 March, is accounted for in full in the following year.

#### Contributions and benefits

Contributions are accounted for on an accruals basis. Benefits payable represent the benefits paid during the financial year and include an estimated accrual for lump-sum benefits outstanding as at the year end. Augmentation payments due from employers in future years are now accrued for, which represents a change in accounting policy.

#### Transfers to and from other schemes

Transfer payments relate to those early leavers whose transfers have been paid during the year plus an accrual for future payments in respect of members moving their service to other schemes under bulk transfer arrangements. One bulk transfer into MPF is included in 2009/10, for which a cash payment will be received.

#### Investment Management Expenses

In accordance with the SORP, costs in respect of the internal investment team are classified as investment management expenses rather than as administrative expenses.

#### Prior Period Adjustments

There has been no changes to the March 2009 totals of the Fund Account or its Net Asset Statement. However four Prior Period Adjustments have been made, which net out to nil. Note 3 to the Accounts shows a more detailed analysis of Contributions Receivable. Administration Income is now shown separately within the Fund account, with a subsequent reduction in the figure of Investment Income (note 6). Also in note 6, greater analysis is provided of the sources of investment income. Finally, in Note 7 (Investments) the £24m of the market value as at 31 March 2009 of the North American portfolio has been re-attributed to "Equities" from "Managed and Unitised Funds".

<b>3. Contributions Receivable</b>		<b>2010</b>	2009
		<b>£'000</b>	£'000
<b>Employers</b>			
Normal		<b>164,996</b>	158,778
Augmentation		<b>522</b>	134
Pension Strain		<b>23,811</b>	11,859
Deficit Funding		<b>316</b>	7,568
Compensatory Added Years		<b>12,183</b>	8,000
<b>Employees</b>			
Normal		<b>60,828</b>	59,637
		<b>262,656</b>	245,976
relating to :	Administering Authority	<b>40,981</b>	36,524
	Statutory Bodies	<b>185,133</b>	167,958
	Admission Bodies	<b>36,542</b>	41,494
		<b>262,656</b>	245,976

"Augmentation" represents payments by employers to the Fund for the costs of additional membership benefits awarded under LGPS regulations. An accrual has been made for agreed future payments to the Fund.

"Pension Strain" represents the cost to employers when their employees retire early to compensate the Fund for the reduction in contribution income and the early payment of benefits. Payments to the Fund for such costs are made over agreed periods. An accrual has been made for agreed future payments to the Fund.

"Deficit Funding" represents additional payments by employers to reduce a past service deficit, thereby potentially reducing their future contribution rates. Such payments may be made either as lump sum payments (nil 2009/2010, £8m in 2008/2009) or as regular additional contributions.

"Compensatory Added Years" represents re-imbursments by employers to the Fund for additional pension payments awarded under the Local Government (Early Termination of Employment)(Discretionary Compensation) Regulations 2000. Such pensions payments lie outside the LGPS regulations, with the Fund acting as agent for such payments. The equivalent additional pension payments are included in "Pensions" in Note 4.

<b>4. Benefits Payable</b>		<b>2010</b>	2009
		<b>£'000</b>	£'000
Pensions		<b>185,968</b>	173,545
Lump Sum Retiring Allowances		<b>41,260</b>	35,387
Lump Sum Death Benefits		<b>4,090</b>	3,544
		<b>231,318</b>	212,476
relating to :	Administering Authority	<b>34,053</b>	29,784
	Statutory Bodies	<b>166,898</b>	156,773
	Admission Bodies	<b>30,367</b>	25,919
		<b>231,318</b>	212,476

#### **5. Payments to and on Account of Leavers**

Refunds to members leaving service	<b>41</b>	21
Payment for members joining state scheme	<b>2</b>	25
Income for members from state scheme	<b>-7</b>	-29
Individual transfers to other schemes	<b>19,622</b>	15,104
	<b>19,658</b>	15,121

#### **6. Investment Income**

Dividends from Equities	<b>53,650</b>	40,740
Income from Associate and Joint Ventures	<b>1,732</b>	7,410
Income from Managed and Unitised Funds	<b>7,730</b>	2,147
Net Rents from Properties	<b>18,734</b>	16,419
Interest on Deposits	<b>1,279</b>	3,927
Other	<b>899</b>	486
	<b>84,024</b>	71,129

## 6. Investment Income (continued)

A net nil Prior Period Adjustment has been made to reflect the separate disclosure in the main Fund Account of income attributed to "Administration", reducing the "Other" amount for 2008-2009 by £83m.

Figures of 'Dividends from Equities' and 'Income from Managed and Unitised Funds' are now shown separately. Within these headings is included recoverable taxation of £1.27m, (2008/09 £0.65m). Income from profits from associate and joint ventures of £1.7m (2008/09 £7.41m) is now shown separately. Irrecoverable taxation amounted to £2.35m (2008/09 £2.64m).

The Fund is seeking to recover tax withheld by UK and overseas tax regimes under the EU principle of free movement of capital within its borders, but is not accruing for future receipt of such income within these accounts. In 2009-2010 £225,000 was recovered, gross of fees.

As at 31 March 2010, £88.4m of stock was on loan to market makers, which was covered by non-cash collateral totalling £93.6m, giving a margin of 5.7%. Income from stock lending is included within 'Other' Investment Income".

## 7. Investments

	Market Value @ 31.3.09	Purchases at cost and derivative payments	Sale Proceeds and derivative receipts	Change in Market Value*	Market Value @ 31.3.10
	£'000	£'000	£'000	£'000	£'000
Equities	1,277,175	782,528	743,826	587,136	1,903,013
Managed and Unitised Funds	1,644,108	69,749	41,770	454,859	2,126,946
Other	264,580	89,988	67,082	30,738	318,224
Derivative Contracts	130	1,386	1,690	207	33
Properties	199,535	2,619	2	8,073	210,225
	<b>3,385,528</b>	<b>946,270</b>	<b>854,370</b>	<b>1,081,013</b>	<b>4,558,441</b>
Short Term Deposits	74,089			233	56,207
Other Investment Balances	41,453			-1,144	57,286
	<b>3,501,070</b>			<b>1,080,102</b>	<b>4,671,934</b>

\*Note: The change in market value of investments during the year comprises all realised and unrealised appreciation and depreciation.

The North American mandate is now separated out into "Equities" for the segregated Canadian holdings (some 8%) and "Managed and Unitised Funds" (some 92%) as at both March 2009 and March 2010.

	2010 £'000	2009 £'000
<b>Equities (segregated holdings)</b>		
UK Quoted	802,580	550,034
Overseas Quoted	1,100,433	727,141
	<b>1,903,013</b>	1,277,175
<b>Managed* and Unitised Funds</b>		
	<b>2010 £'000</b>	<b>2009 £'000</b>
UK Fixed Interest	0	172,351
UK Corporate Bonds	0	156,438
Overseas Fixed Interest	0	0
Unconstrained Bonds	359,907	0
Index-Linked Securities	477,650	442,823
UK Equities	644,224	417,468
Overseas Equities	365,421	250,760
Unlisted Securities (Private Equity)	191,905	145,314
Property Unit Trusts	87,839	58,954
	<b>2,126,946</b>	1,644,108

\*All fixed interest/band holdings are in managed and unitised funds. Other than Corporate Bonds, other fixed interest holdings are public sector securities.

	<b>2010</b>	2009
	<b>£'000</b>	£'000
<b>Derivative Contracts</b>	<b>33</b>	130

#### Type of Derivative

Futures	Expiration	Economic Exposure	Market Value
DJ Euro STOXX			
50 Index Futures	June 2010	<b>330</b>	33

A Futures contract is the obligation under a legal arrangement to make or take delivery of a specified instrument at a fixed future date, at a price determined at the time of dealing. Merseyside Pension Fund's index futures contracts are externally managed and their objective is to hedge overseas investment positions against adverse index movements. Futures dealing requires the posting of margin. Initial margin which must be posted before you can trade and variation margin, the mark-to-market value of the futures contracts you have. Variation margin is exchanged daily and exists to reduce counterparty credit exposure. Collateral is held in Euro currency and the Sterling equivalent amount is £33,092.

	<b>2010</b>	2009
	<b>£'000</b>	£'000
<b>Other Investments</b>	<b>318,224</b>	264,580

#### UK Properties

Freehold	<b>190,574</b>	182,038
Leasehold	<b>19,651</b>	17,497
	<b>210,225</b>	199,535

<b>Short Term Deposits</b>	<b>56,207</b>	74,089
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Short-term deposits only cover cash balances held by the Fund. Cash held by investment managers awaiting

	<b>2010</b>	2009
	<b>£'000</b>	£000

#### Other Investment Balances

Amounts due from brokers	<b>33</b>	858
Amounts due to stockbrokers	<b>-5,607</b>	-22,413
Amounts due from stockbrokers	<b>6,636</b>	19,171
Outstanding dividend entitlements and recoverable withholding tax	<b>12,796</b>	6,110
Cash deposits	<b>43,428</b>	37,727
	<b>57,286</b>	41,453

'Other Investment Balances' include amounts due to and from stockbrokers and also cash with managers awaiting investment.

#### Disclosure Note Re: Transaction Costs

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, transfer taxes and duties. They have been added to purchases and netted against sales proceeds as appropriate. Transaction costs during the year amounted to £1.966m. In addition to these costs, indirect costs are incurred through the bid-offer spread on investments in pooled vehicles. The amount of indirect costs is not provided directly to the Fund.

## Disclosure Note Re: Icelandic Deposits

Early in October 2008, the Icelandic banks collapsed and their UK subsidiaries went into administration. The Fund had £5m deposited with Glitnir Bank at an interest rate of 6.30% which was due to mature 15 October 2008 and £2.5m deposited with Heritable Bank at an interest rate of 5.94% which was due to mature 10 December 2008.

All monies within these institutions are currently subject to the respective administration and receivership processes. The amounts and timing of payments to depositors such as the Fund will be determined by the administrators/receivers.

The current situation with regards to recovery of the sums deposited varies between each institution. Based on the latest information available the Fund has given consideration to an impairment adjustment for the deposits, and has taken the action outlined below. As the available information is not definitive as to the amounts and timings of payments to be made by the administrators/receivers, it is likely that further adjustments will be made to the accounts in future years.

### Glitnir Bank hf

Glitnir Bank hf is an Icelandic entity. Following steps taken by the Icelandic Government in early October 2008 its domestic assets and liabilities were transferred to a new bank (New Glitnir) with the management of the affairs of Old Glitnir being placed in the hands of a resolution committee. Old Glitnir's affairs are being administered under Icelandic law. The Glitnir Winding-Up Board has expressed the view that local authority deposits do not have priority status. However, legal advice to local authorities' remains that deposits do have priority status under Icelandic law and decisions on priority status of local authority deposits will be made by the Icelandic courts.

The expected recovery rate for claims that have priority status is 100%. Full recovery is subject to the following uncertainties and risks:

- Confirmation that local authority deposits enjoy preferential creditor status, which is to be tested through the Icelandic Courts.
  - The impact of exchange rate fluctuations on the value of assets recovered by the resolution committee and on the settlement of the Fund's claim, which may be denominated wholly or partly in currencies other than sterling.
- Therefore the Fund has followed the latest Local Authority Accounting Panel recommendation that the estimated recoverable amount is based on the assumption that local authority deposits will enjoy priority status. The Fund therefore continues to assume the future recovery on the full amount of principal and interest up to 22 April 2009. However, an impairment is now made to reflect the loss of interest to the Fund until the funds are repaid.

Failure to secure preferential creditor status would have a significant impact upon the amount of the deposit that is recoverable. Therefore, if preferential creditor status is not achieved the recoverable amount is approximately 29%. No payment is expected to be received prior to the court cases and any appeals in respect of priority status being heard. In calculating the impairment the Fund has assumed that the repayment of priority deposits will be made by June 2011. Recoveries are expressed as a percentage of the Fund's claim in the administration, which it is expected may validly include interest accrued up to 22 April 2009.

### Heritable

Heritable Bank is a UK registered bank under English law. The company was placed in administration on 7 October 2008. The creditor progress report issued by the administrators Ernst and Young, dated 17 April 2009 outlined that the return to creditors was projected to be 80p in the £. To date the Fund has received three dividend payments totalling 34.98 pence in the £ which have exceeded the levels originally projected. The latest creditor progress report, dated January 2010 outlined that the return to creditors was projected to be 85p in the £. The Fund has therefore decided to decrease the impairment loss based on it recovering 85p in the £. In calculating the impairment the Fund has made the following assumptions re timing and recoveries:

June 2010	5%	September 2011	5%
September 2010	5%	December 2011	5%
December 2010	5%	March 2011	5%
March 2011	5%	June 2011	5%
June 2011	5%	September 2011	5%

Recoveries are expressed as a percentage of the Fund's claim in the administration, which includes interest accrued up to 6 October 2008.

The impairment loss recognised in the Fund Account in 2009/10, £475,532 has been calculated by discounting the assumed cash flows at the effective interest rate of the original deposit in order to recognise the anticipated loss of interest to the Fund until monies are recovered.

Adjustments to the assumptions will be made in future accounts as more information becomes available.

## 8. Investment Management Expenses

Fees paid to the eleven major investment managers amount to £8.2m, and constitute the bulk of the figure of £9.7m investment management expenses. Charges vary between fund managers and between markets and types of security. Charges are calculated as a percentage of the value of the investments. Internal investment management expenses are also included here.

## 9. Current Assets and Liabilities

	2010 £'000	2009 £'000
<b>Assets</b>		
Contributions due	33,357	20,885
Accrued and outstanding investment income	234	847
Transfer values receivable	1,700	2,357
Cash at bank	724	725
Retirement Grants paid in advance	1,726	0
Sundries	9,039	6,071
Provision for bad debts	-149	-473
	<b>46,631</b>	<b>30,412</b>
<b>Liabilities</b>		
Transfer values payable	0	0
Retirement Grants due	1,647	4,080
Provisions	596	541
Miscellaneous	10,673	5,365
	<b>12,916</b>	<b>9,986</b>
<b>Total Other Assets and Liabilities</b>	<b>33,715</b>	<b>20,426</b>

"Sundries" mainly covers general debtors, property arrears due, agent's balances and recoverable taxation.

"Provision for Bad Debt" relates to property rental income.

The main components of "Miscellaneous Liabilities" are the outstanding charges for investment management fees, payable quarterly in arrears, custodial and actuarial fees, plus income tax due, pre-paid rent and administering authority re-imburement.

## 10. Commitments

Commitments for investments amounted to £194.017m as at 31 March 2010.

## 11. Related Party Transactions

Administration and investment management costs include charges by Wirral Council in providing services in its role as administering authority to the Fund, which amount to £3.838m (2009 £3.511m). Such charges principally relate to staffing required to maintain the pension service.

A specific declaration has been received from Pension Committee Members and principal officers regarding membership of, and transactions with, such persons or their related parties. A number of Members act as Councillors or Board members of particular scheme employers, listed below, who maintain a conventional employer relationship with the Fund:

Liverpool City Council, Knowsley Council, Sefton Council and St Helens Borough Council, all of whose Councillors may become scheme members, Wirral Council, Liverpool John Moores University, CDS Housing, and Wirral Partnership Homes. The value of the transactions with each of these related parties, namely the routine monthly payments to the Fund of employers' and employees' contributions, is determined by the Local Government Pension Scheme Regulations, and as such no related party transactions have been declared.

The Fund invested £20.1m in Bramdean Alternatives in periods between its initial placing in July 2007 and November 2008. Following a change of management, the company is now known as Aberdeen Private Equity Fund (APEF). As at 31 March 2010, the Fund's holding in APEF, which represented 15.1% of the issued share capital of the company, was valued at £10.9m. Philip Hebson, Senior UK Investment Manager at the Fund, was appointed a non-executive Director of Aberdeen Private Equity Fund on 23 December 2009, for which he received a fee.

Patrick Dowdall, Investment Manager - Alternatives, acts in an un-remunerated advisory capacity on 5 investment bodies in which the Fund has an interest, Standard Life (£6.3m), F&C (£3.6m) and Zeus (£3.1m), by whom travel expenses and accommodation were paid, plus Key Capital (£1.5m) and Enterprise (£0.3m). As such no related party transactions have been declared.

## 12. Summary of Managers Portfolio Values as at 31 March 2010

	2010 £'m	%
<b>Externally Managed</b>		
JP Morgan	177	3.8
UBS	381	8.2
Nomura	647	13.9
Schroders	177	3.8
Legal & General (Pooled Assets)	941	20.2
Legal & General (Bonds)	183	3.9
Unigestion	138	3.0
M&G	146	3.1
TT International	139	3.0
Blackrock	143	3.1
Newton	122	2.6
	<b>3,194</b>	68.6
<b>Internally Managed</b>	1,477	31.4
	<b>4,671</b>	100.0

## 13. Additional Voluntary Contribution Investments

The Committee holds assets invested separately from the main fund. In accordance with regulation 5 (2) (c) of the Pensions Schemes (Management and Investment of Funds) Regulations 1998, these assets are excluded from the Pension Fund accounts.

The Scheme providers are Equitable Life, Standard Life and Prudential. Individual members participating in this arrangement each receive an annual statement confirming the amounts held on their account and the movements in the year. As requested by the Local Authority Statement of Recommended Practice an aggregate breakdown between contributions, repayments and change in market value is also shown.

	2010 £000	2009 £000
<b>The aggregate amount of AVC investments is as follows :</b>		
Equitable Life	3,010	3,076
Standard Life	6,834	5,833
Prudential	4,400	3,864
	<b>14,244</b>	12,773
<b>Changes during the year were as follows:</b>		
Contributions	1,575	
Repayments	1,879	
Change in market values	1,775	

## 14. Financial Performance

The Pension Fund is administered under a budget that is approved by Pensions Committee each January. That budget is reviewed and, if appropriate, revised the following January, based on the known and anticipated pattern of expenditure and market movements. In January 2009 a budget of £11.7m was approved for the financial year 2009/10. This was revised in January 2010 to £12.4m.

The two main elements of the budget were salaries and related costs of £2.8m and investment management fees of £6.9m. The final accounts for the year ended 31 March 2010 indicate expenditure levels of £3.96m on administrative costs overall and £10.25m on all investment management expenses. Investment management expenses include, as its main element, external managers' fees, but also cover custodian fees, advisors fees and performance measurement fees. Fees of external managers and the Fund's custodian are on an ad valorem basis, and will therefore vary as the size of each portfolio changes. The overspend on external manager fees reflects the significant increase in the value of the Fund during the year. In addition, in the final accounts, the salaries and related expenses of the internal investment team are, in accordance with the Pensions Statement of Recommended Practice (the SORP), shown within investment management expenses.

There is no budget as such for The Fund itself. The payment of pensions is in accordance with the Regulations. Receipts of employers' contributions are in accordance with the Triennial Valuation. Consequently, basic pensions transactions, eg. income from employers and employees contributions, benefits payable, transfers in and out are only contained in the fund account, and do not form part of the budget. However, the scale and timing of such transactions are taken into account for cash flow management purposes.

The Fund does reserve the right to levy interest charges on late receipt of contributions from employers. In 2009/10 no such charges were levied.



## Background Information

Merseyside Pension Fund operates the Local Government Pensions Scheme (LGPS) which provides for the occupational pensions of employees (other than teachers, police officers and fire fighters) of the local authorities within the Merseyside Area. The current contributing employers are shown below. As at 31 March 2010, there were 50,776 active members, 40,935 pensioners and 28,848 deferred beneficiaries.

The overall responsibility for the management of the Fund rests with the Pensions Committee, which for 2009/10 included 10 councillors from Wirral Council, the Administering authority, plus one councillor from each of the 4 other Borough Councils, and one member representing the other employers in the scheme. Representatives of trade unions also attend. The more detailed consideration of investment strategy and asset allocation of the Fund's portfolios is considered by the Investment Monitoring Working Party, which includes an external adviser and a consultant.

The Pensions Committee annually reviews its Statement of Investment Principles. The principles ensure that the Fund's investments would continue to be determined by all relevant considerations including the Council's fiduciary duty to employing bodies and the Council taxpayer, rate of return, risk, environmental, social and governance considerations rather than a blanket policy of disinvestment from any specific industry or sector. The latest review was in March 2010, and is available on the Fund's website [merseysidepensionfund.org.uk](http://merseysidepensionfund.org.uk).

Under the LGPS Regulations, employer contributions are calculated by the Fund's actuary, having regards to the assumptions and methodology set out in the Fund's Funding Strategy Statement (FSS). The most recent Triennial Valuation by the actuary was as at 31 March 2007, when the funding level was 80% of projected actuarial liabilities. The funding objective is to achieve and then maintain assets equal to the funding target. The funding target is the present value of 100% of projected accrued liabilities, including allowance for projected final pay. The FSS specifies a maximum period for achieving full funding of 25 years.

The funding method adopted is the projected unit method, which implicitly allows for new entrants replacing leavers.

The table below sets out the summary of the market (gilts) yields at the valuation date, together with the yields at the date of the previous valuation:

	31-Mar-07	31-Mar-04
Long-dated gilt yield	4.40%	4.60%
Long-dated index-linked gilt yield	1.30%	1.80%
Market expectation for inflation (long term)	3.10%	2.80%

The assumptions to which the valuation results are particularly sensitive are shown below:

	2007 Funding Target
Investment Return pre-retirement	6.40%
Investment Return post-retirement	5.40%
Salary increases	4.35%
Pension increases in payment	3.10%
Non-retired members mortality	<i>PA92 MC YoB tables + 2 years</i>
Retired members mortality	<i>PA92 MC YoB tables + 2 years</i>

The outcomes of the next Triennial Valuation, as at March 2010 are expected in the Autumn of 2010.

## SCHEME EMPLOYERS WITH ACTIVE MEMBERS AS AT 31 MARCH 2010

### SCHEDULED BODIES

Academy of St Francis  
Arena & Convention Centre Liverpool  
Belvedere Academy  
Birkenhead Sixth Form College  
Carmel College  
Halewood Parish Council  
Hugh Baird College  
King George V College  
Knowsley Community College  
Knowsley M.B.C.  
Knowsley Parish Council  
Liverpool City Council  
Liverpool Community College  
Liverpool John Moores University  
Merseyside Fire & Rescue Authority  
Merseyside Integrated Transport Authority (MITA)  
Merseyside Passenger Transport Executive (MPTE)  
Merseyside Police Authority  
Merseyside Waste Disposal Authority  
National Probation Service  
North Liverpool Academy Ltd  
Prescot Town Council  
Rainford Parish Council  
Rainhill Parish Council  
Sefton M.B.C.  
Southport College  
St. Helens Community College  
St. Helens M.B.C.  
Valuation Tribunal Service  
Whiston Parish Council  
Wirral Council  
Wirral Metropolitan College

### ADMISSION BODIES

Age UK - Liverpool  
Arriva North West  
Arvato Government Services  
Association of Police Authorities  
Balfour Beatty Workplace Ltd  
Beechwood and Ballantyne Housing Association  
Beechwood Educare Centre  
Berrybridge Housing Ltd  
Birkenhead Citizens Advice Bureau  
Birkenhead Market Services Ltd  
Birkenhead School (2002)  
Blue Coat School  
Burton Manor Residential College  
Capita Symonds (Sefton)  
Catholic Children's Society  
CDS Housing  
Cobalt Housing Ltd  
COLAS  
Care Quality Commission  
Compass (Scolarest) Liverpool Schools  
Compass (Scolarest) Wirral Schools  
Comtechsa Limited  
Enterprise Liverpool Cleansing

Enterprise (Liverpool Highways) Ltd  
Enterprise-Liverpool Limited  
Enterprise Liverpool Neighbourhood Grounds  
Geraud Markets Liverpool Ltd  
Glendale (Liverpool Parks Services) Ltd  
Glenvale Transport Ltd/Stagecoach.  
Greater Hornby Homes  
Greater Merseyside Connexions  
Helena Partnerships Ltd.  
Higher Education European Funding Services Ltd.  
Hochtief Liverpool Schools  
Hochtief Wirral Schools  
Kingswood Colomendy Ltd.  
Knowsley Housing Trust  
LACORS  
Lairdsie Communities Trust  
Lee Valley Housing Association Ltd  
Liberata (UK) Ltd.  
Liverpool Association for the Disabled  
Liverpool Church of England Council for Social Aid  
Liverpool Citizens Advice Bureau  
Liverpool Hope University  
Liverpool Housing Trust  
Liverpool Mutual Homes Ltd.  
Liverpool Vision Limited  
Local Government Association  
Merseyside Lieutenancy  
Merseyside Society for the Deaf  
Merseyside Welfare Rights  
Merseyside Youth Association  
Mott Macdonald (M.I.S.)  
Mouchel (2020 Liverpool/Parkman)  
Mouchel (2020 Knowsley Ltd)  
Netherley Citizens Advice Bureau  
North Huyton New Deal New Future  
North Liverpool Citizens Advice Bureau  
Novas Group  
Nugent Care  
One Vision Housing Ltd.  
Partners Credit Union  
Sefton Education Business Partnership  
Sefton New Directions Ltd.  
South Liverpool Housing Ltd  
Southern Neighbourhood Council  
Taylor Shaw Catering (St Wilfred's RC School)  
Taylor Shaw New Heys School  
The Port Sunlight Village Trust  
University of Liverpool  
Upton Hall Convent  
Vauxhall Neighbourhood Council  
Village Housing Association Ltd  
Wavertree Citizens Advice Bureau  
Welsh Local Government Association  
Wirral Autistic Society  
Wirral Council Voluntary Service  
Wirral Partnership Homes Ltd