

**NEW CHARTER PROPERTY SERVICES  
LIMITED**

**(Company Number 4351144)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2007**

**NEW CHARTER PROPERTY SERVICES LIMITED**

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## **NEW CHARTER PROPERTY SERVICES LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2007**

The Directors present herewith the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2007.

#### **PRINCIPAL ACTIVITIES**

The principal activity is to act as a general commercial company and specifically, in terms of the Group, to provide a management facility in relation to the Group's property assets. New Charter Property Services Limited is a Company limited by guarantee. The Company does not employ staff directly.

#### **FUTURE DEVELOPMENT**

As an integral element of the New Charter Group the Company provides a management facility in respect of the Group's property assets. Further to a restructure within the group it has been decided to dissolve the company, therefore with effect from 3<sup>rd</sup> July 2007 the company will no longer be trading.

#### **REVIEW OF THE YEAR**

The Company is responsible for the efficient management of the Group's non-residential assets, principally its headquarters building and town centre shops. The cost of this activity is fully met by other Companies within the Group. The company moved into the headquarters building in April 2004.

#### **DIRECTORS**

The Directors of the Company who served during the period were:

	<b><u>Appointed</u></b>	<b><u>Resigned</u></b>
Gerald Cooney – Chair	25 <sup>th</sup> June 2002	
James Burns – Vice-Chair	25 <sup>th</sup> June 2002	
Danny McLoughlin	10 <sup>th</sup> January 2002	
Julie Hardman	25 <sup>th</sup> June 2002	
Ian Munro	25 <sup>th</sup> June 2002	
Andrew Broadhurst	10 <sup>th</sup> December 2002	

## **AUDITORS**

At the Board meeting of New Charter Housing Trust Ltd on 25<sup>th</sup> April 2000 the Directors appointed KPMG to act as Auditors for the Group and for each of the Companies therein. In May 2002 KPMG converted to a limited liability partnership, KPMG LLP, with the successor organisation taking the business as Auditors for the Group.

The Auditors, KPMG LLP, are willing to continue in office however a resolution will be to appoint auditors following the outcome of the tender process at the next Annual General Meeting.

## **STATEMENT OF DIRECTORS RESPONSIBILITIES**

Company Law requires the Directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimate's that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

## **Disclosure of information to auditors**

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Internal Financial Controls**

The Board acknowledges its ultimate responsibility for ensuring that the Company has in place a system of controls that is appropriate to the various business environments within which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Company or for publication;
- The maintenance of proper accounting records
- The safeguarding of assets against unauthorized use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable assurance but not absolute assurance against material financial mis-statement or loss.

In undertaking this responsibility the Board should ensure that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorized use of the Company's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated, as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant Committees comprising Board members;

- The Audit Committee reviews reports from management, from the internal auditors and from the external auditors, to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Company. The Audit Committee makes regular reports to the Board;
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

On behalf of the Board, the Audit Committee has reviewed the effectiveness of the system of internal control in existence in the Company for the year ended 31<sup>st</sup> March 2007, and has approved the following statement of the Group Chief Executive.

### **Internal Control**

No system of internal control can possibly seek to eliminate all risks. The system adopted at New Charter is designed to manage risk insofar as possible given the present understanding of the internal and external risks faced by the Group.

The system is based around a thorough understanding of New Charter's business and operational environment and management of the risk which arises.

I can report that there have been no significant changes in levels of risk during the course of the year nor have there been any significant failings during the period. There has been no evidence of substantial fraudulent activity.

Board Members have been actively engaged in understanding and prioritising risk.

### **Mechanisms to provide effective internal control**

I have reviewed the systems & policies designed to deliver internal control and I am satisfied that these have remained in place throughout the financial year 2006/07. They can be summarised as follows: -

- The Group has a well-designed and robust business planning process, which clearly sets out business aims and objectives and has outcomes against which progress can be demonstrated. Non-Executives staff and tenants are closely involved in formulation and approval of the Business Plan.
- Boards and Committees have a clear understanding of risk and risk management and have demonstrated a desire to ensure risk management features in all deliberations.
- The Group Loan Facility provides for a formal annual approval by Funders of the Business Plan.
- Monitoring of control systems by Audit Committee, Internal Audit & GMT.
- All Board reports are required to show a Risk Evaluation in terms of Financial & Legal/Governance implications.
- Management information & performance control systems are in place to regularly report financial results and other performance indicators to Group management team and to Boards
- Contract Standing Orders, Financial Regulations and Scheme of Delegations are in place and were reviewed during 2006/7.
- The fraud-register and whistle blowing policy are in place. The fraud register is considered at every Audit Committee.
- All policies & procedures are programmed for regular review including Health & Safety and IT Disaster Recovery.
- There is on-going development of continual improvement culture across the Group.
- Culture of risk awareness developed through individual Key Work Objectives, with performance managed through regular review process.

### **Process for assessing and managing risk during 2006/7**

- The Audit Committee has continued to meet on a regular basis to consider reports from Officers and Auditors.
- Membership of the Audit Committee is drawn from across the Boards of the Group, includes co-opted members and is chaired by an independent Director of the Trust Board.
- Internal and External Auditors have unfettered access to Audit Committee members.
- In line with best practice, Audit Committee members hold an annual meeting with Internal and External Auditors in the absence of officers.
- Audit Committee have agreed and monitored an annual audit programme, which has been determined against an analysis of known and anticipated risk.
- All Internal Audit reports are presented to Audit Committee who take responsibility for ensuring recommendations are implemented. Internal audit also undertake follow up assignments to ensure compliance, as appropriate.
- Audit Committee kept informed of developing best practice including Housing Corporations Risk Management Topic Papers.
- Internal Audit remains a contracted out service.
- Audit Committee has taken control and ownership of the recruitment process for the replacement of internal and external auditors by October 2007.
- Risk register produced to identify, evaluate & manage risks to organizational objectives. Presented to & monitored by Audit Committee.
- Work with external auditors both before and during closure of accounts meant an unqualified opinion was offered.
- KPMG LLP presented their Audit Strategy Memorandum to the February 2007 Audit Committee. The Audit Committee considered their Audit Highlights Memorandum in August 2007.
- The Housing Corporation Assessment for the Group places all factors at “green”.
- The Housing Corporation’s Annual Viability Statement makes clear that the Group “complies with the Regulatory code. The Group has satisfactory financial condition and exposures are mitigated to an acceptable degree”

- A number of weaknesses and threats were identified which must be addressed. within the Business Planning process:
  - Management cost savings are to be achieved
  - There is a need to tightly control responsive repairs expenditure
  - The investment programme is at risk of cost inflation pressures
- Management reports on operational and financial matters have continued to be provided to all relevant Boards and Committees.
- There has continued to be timely and regular reporting of key business information and performance indicators at Management and Board meetings.
- Insurance risk remains well managed.
- There has been no instance of substantial fraud during the year; indeed there are no entries in the fraud register for the year 2006/7.
- No Regulatory or Supervisory action by the Housing Corporation has been taken during the year, beyond normal, planned, regulatory engagement.

The very few significant control weaknesses identified by, Internal Auditors, during the course of the year, were either promptly attended to or clear plans developed to minimise risk.

My conclusion is that systems of internal control provide assurance that risk is understood and managed.

There are no areas of exceptional or undue concern within the business.

A handwritten signature in black ink, appearing to read 'I H Munro', with a long horizontal line extending to the right.

**I H MUNRO**

**1<sup>st</sup> August 2007**

GROUP CHIEF EXECUTIVE

NEW CHARTER HOUSING TRUST Ltd

The report of the Board of Management was approved on 25<sup>th</sup> September 2007 and signed on its behalf by:

Mr. DO McLoughlin  
Group Company Secretary  
New Charter Housing Trust Limited  
Cavendish 249  
Cavendish Street  
Ashton-under-Lyne  
OL6 7AT



St James' Square  
Manchester  
M2 6DS

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW CHARTER PROPERTY SERVICES LIMITED**

We have audited the financial statements of New Charter Property Services Limited for the year ended 31<sup>st</sup> March 2007 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31<sup>st</sup> March 2007 and of its performance for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

### **KPMG LLP**

*Chartered Accountants*

*Registered Auditor*

**NEW CHARTER PROPERTY SERVICES LTD**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDING 31 MARCH 2007**

		<b>2007</b>	<b>2006</b>
		<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	<b>2</b>	270	233
Operating costs	<b>2</b>	(270)	(233)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		-	-
Interest receivable and other income		-	-
Interest payable and similar charges		-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
<b>TAXATION</b>			
Taxation on ordinary activities		-	-
<b>REVENUE RESERVE CARRIED FORWARD</b>		-	-

All of the above results derive from continuing operations.

NB: There are no recognised surpluses or deficits other than those stated above and therefore, no separate statement of total recognised gains and losses has been presented.

The notes on pages 15 to 20 form an integral part of the financial statements.

**NEW CHARTER PROPERTY SERVICES LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2007**

		2007		2006
		£'000		£'000
<b>CURRENT ASSETS</b>				
Debtors	4	0		196
<b>CREDITORS</b>				
Amounts falling due within one year	5	<u>0</u>		<u>(196)</u>
<b>NET CURRENT ASSETS</b>		-		-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>-</u>		<u>-</u>
<b>CREDITORS</b>				
Amounts falling due after more than one year		-		-
<b>NET ASSETS</b>		<u>-</u>		<u>-</u>
<b>CAPITAL AND RESERVES</b>				
Revenue reserve		-		-
		<u>-</u>		<u>-</u>

The financial statements on pages 13 to 20 were approved on behalf of the Board on the 23rd August 2007 and were signed by:

G Cooney (Chair)

D O McLoughlin (Group Company Secretary)

The notes on pages 15 to 20 form an integral part of the financial statements.

**NEW CHARTER PROPERTY SERVICES LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below.

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention and comply with the Companies Act 1985.

**Recent Accounting Standards**

The Association operates a pension scheme providing benefits based on final pensionable pay. The asset of the scheme are held separately from those of the company. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currently to the liability.

The pension scheme surplus ( to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Financial Reporting Standard 18 (FRS18) Accounting Policies has been adopted.

After careful review the directors are satisfied that the current Accounting Policies are the most appropriate and therefore no changes in Accounting Policies are required.

**Pension Costs**

The company operates a defined benefit pension scheme based on final pensionable salary. Details of the scheme are set out in note 7. Contributions from the Group and participating employees are paid into an independently administered fund. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries. In the intervening years, the actuary reviews the continuing appropriateness of the rates of contributions.

**Provisions**

Provisions are made to the extent that the Company has no discretion to avoid the expenditure provided for.

**NEW CHARTER PROPERTY SERVICES LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

**2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	<b>2007</b>			<b>2006</b>		
	<b>Turnover</b>	<b>Operating costs</b>	<b>Operating surplus</b>	<b>Turnover</b>	<b>Operating costs</b>	<b>Operating surplus</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>TURNOVER</b>						
Intercompany recharges	236			196		
Other income	34			37		
	<u>270</u>			<u>233</u>		
<b>OPERATING COSTS</b>						
Management overheads						
Employee costs		270			233	
Employee related expenses		0			0	
Supplies & services		0			0	
Overheads		<u>270</u>			<u>233</u>	
Operating surplus			<u><u>-</u></u>			<u><u>-</u></u>

**NEW CHARTER PROPERTY SERVICES LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

<b>COMPANY</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>4 SURPLUS/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Is stated after charging:		
Depreciation	0	0
Auditors remuneration (inc VAT)		
- in their capacity as auditors	0	
Other Audit services	0	0

<b>COMPANY</b>	<b>2007</b>	<b>2006</b>
<b>5 EMPLOYEE INFORMATION</b>		
The average number of persons employed during the year		
Corporate & administrative services	12	10
	<u>12</u>	<u>10</u>
Full time	11	9
Part time	1	1
	<u>12</u>	<u>10</u>

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs for the above persons were:		
Wages and salaries	218	191
Social security costs	16	14
Other pension costs	35	27
	<u>269</u>	<u>232</u>

**NEW CHARTER PROPERTY SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>4 DEBTORS</b>		
Amount due from subsidiary undertakings	0	196
	<u>0</u>	<u>196</u>

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>5 CREDITORS - Amounts falling due within one year</b>		
Amount due to fellow subsidiary undertakings	0	196
	<u>0</u>	<u>196</u>

**6 ULTIMATE PARENT UNDERTAKING**

The company is a subsidiary undertaking of New Charter Housing Trust Ltd, which was incorporated in the United Kingdom at the 31st March 2001. The Company's principal address is:

Cavendish 249  
Cavendish Street  
Ashton - under - Lyne  
OL6 7AT

**NEW CHARTER PROPERTY SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

**7 PENSIONS**

The Trust participates as a contributing member of the Greater Manchester Pension Fund, (administered by Tameside MBC in accordance with the Local Government Pension Fund Regulations). The scheme is a defined benefit scheme providing benefits on final pensionable pay. The pension cost is assessed in accordance with the advice of an independent professionally qualified actuary using the projected unit method of Assets and liabilities have been identified on a group basis but the split between each individual Company is not available.

The results and assumptions for the Group as at 31st March 2007 are as follows :

Valuation date	31st March 2007
Valuation Method	Projected unit
Value of assets	£61,426 million
Investment Return per annum	7.20%
Salary scale increases per annum	4.70%
Pension increases per annum	3.20%

The Pension contributions made by the Trust in the year to 31st March 2007 totalled £2,585m covering 806 employees (2006 - £2,212m, 788 employees). The employers contribution rate was 16.4% of pensionable salary. From 1st April 2007 the level of employer's contribution will increase to 18.7% of pensionable salary.

The Association operates a pension scheme providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 31st March 2004 and was updated for FRS17 purposes to 31st March 2007 by a qualified independent actuary who was not an employee or officer of the company.

It has been agreed that an employer contribution rate of 18.7% of pensionable pay will apply in future years.

The major assumptions used in this valuation were:

	<b>2007</b>	<b>2006</b>	<b>2005</b>
Rate of increase in salaries	4.70%	4.60%	4.40%
Rate of increase in pensions in payment and deferred pensions	3.20%	3.10%	2.90%
Discount rate applied on scheme liabilities	5.40%	4.90%	5.40%
Inflation assumption	3.20%	3.10%	2.90%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which due to the timescale covered may not necessarily be borne out in practice.

**Scheme assets**

The fair value of the scheme's assets which are not intended to be realised in the short term and may be subject to significant change before they are realised and the present value of the scheme's liabilities which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	<b>value at 2007 £000</b>	<b>value at 2006 £000</b>	<b>value at 2005 £000</b>
Equities	41,034	35,685	28,670
Bonds	9,783	8,659	5,960
Other - property	6,053	5,059	4,290
Cash	4,556	5,072	3,430
Total market value of assets	<hr/> 61,426	<hr/> 54,475	<hr/> 42,350
Present value of scheme liabilities	79,708	78,088	60,480
Surplus/deficit in the scheme - pension asset/liability			
Related deferred tax liability asset			
<b>Net pension asset/liability</b>	<hr/> <b>(18,282)</b> <hr/>	<hr/> <b>(23,613)</b> <hr/>	<hr/> <b>(18,130)</b> <hr/>

	<b>Long term rate of return 2007</b>	<b>Long term rate of return 2006</b>	<b>Long term rate of return 2005</b>
Equities	7.80%	7.40%	7.70%
Bonds	4.90%	4.60%	4.80%
Other - property	5.80%	5.50%	5.70%
Cash	4.90%	4.60%	4.80%

**Movement in deficit during the year**

	<b>£'000</b>	<b>£'000</b>
Surplus/deficit in scheme at beginning of year		(18,130)
Current service cost		(2,631)
Contributions paid		2,197
Past service cost		(224)
Other finance income/cost		(367)
Actuarial gain/loss		6,485

Surplus/(deficit) in the scheme at the end of the year	(18,282)	(23,613)
<b>Analysis of other pension costs charged in arriving at operating profit/loss</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	3,488	2,631
Past service cost	100	224
Previously unrecognised surplus deducted from past service cost		
Gains/losses on settlements or curtailments	96	45
Previously unrecognised surplus deducted from the settlement or curtailment losses		
	<u>3,684</u>	<u>2,900</u>

Gains/losses on settlements or curtailments, and previously unrecognised surplus deducted from the losses, recorded as non operating items totalled £120k and £45k respectively.

<b>Analysis of amounts included in other finance income/costs</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on pension scheme assets	3,645	2,980
Interest on pension scheme liabilities	(3,916)	(3,346)
	<u>(271)</u>	<u>(366)</u>

<b>Analysis of amount recognised in statement of total recognised gains and losses</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on scheme assets	370	6,839
Experience gains and losses arising on scheme liabilities	68	122
Changes in assumptions underlying the present value of scheme liabilities	6,047	(11,375)
Actuarial gain recognised in statement of total recognised gains and losses	<u>6,485</u>	<u>(4,414)</u>

**History of experience gains and losses**

	Year ended 31st March 2007 £000	Year ended 31st March 2006 £000	Year ended 31st March 2005 £000	Year ended 31st March 2004 £000
Difference between the expected and actual return on scheme assets:				
Amount	370	6,839	1,900	5,310
Percentage of year end scheme assets	0.60%	12.60%	4.50%	13.90%
Experience gains and losses on scheme liabilities:				
Amount	68	122	(6,580)	(30)
Percentage of year end present value of scheme liabilities	0.10%	0.20%	(10.90%)	(0.10%)
Total amount recognised in statement of total recognised gains and losses:				
Amount	6,485	(4,414)	(6,020)	1,700
Percentage of year end present value of scheme liabilities	8.10%	(5.70%)	(10.00%)	3.50%

**Reconciliation to the balance sheet**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Net assets excluding pension liability	0	117,679
Pension liability	(18,282)	(23,613)
Net assets including pension liability	<u>(18,282)</u>	<u>94,066</u>

