



The FTSE 250 and their pension disclosures
An Annual Report from Pension Capital Strategies
September 2009

In association with [CAZENOVE](#)



- The total deficit in FTSE 250 pension schemes at 30 June 2009 is estimated to be £12 billion. This is a deterioration of £6 billion on the position 12 months ago.
- Only 92 FTSE 250 companies are still providing more than a handful of current employees with DB benefits (i.e. ignoring companies who are incurring ongoing DB service costs of less than 1% of total payroll). Of these, only 20 companies (i.e. less than 10% of the FTSE 250) are still providing DB benefits to a significant number of employees (defined as incurring ongoing DB service cost of more than 5% of total payroll).
- Pension schemes' flight out of equities into bonds continues and may be accelerating. The average pension scheme asset allocation to bonds has increased to 49% from 42%.
- Within the overall general shift from equities into bonds, there are a large number of companies reporting very significant individual changes to investment strategies. 38 FTSE 250 companies increased their bond allocations by more than 10%.
- There has been a noticeable growth in the number of FTSE 250 companies where the pension scheme now represents a material risk to the business. 27 FTSE 250 companies have total disclosed pension liabilities greater than their equity market value. For GKN, total disclosed pension liabilities are more than treble their equity market value.
- 23 companies disclosed a pension surplus in their most recent annual report and accounts; 117 companies disclosed pension deficits. However, we estimate that only around 10 companies would disclose a surplus if they had a year-end of 30 June 2009.
- In the last 12 months, the total disclosed pension liabilities of the FTSE 250 companies have fallen slightly from £57 billion to £55 billion. 15 companies have disclosed pension liabilities of more than £1 billion, the largest of which is GKN with disclosed pension liabilities of £2.8 billion. 109 FTSE 250 companies have no defined benefit pension liabilities.
- If pension liabilities were measured on a risk-free basis rather than using a AA bond discount rate, the total disclosed pension liabilities of the FTSE 250 would increase from £55 billion to over £80 billion, and the total deficit at 30 June 2009 would be over £30 billion.
- In total, the amount contributed to FTSE 250 company pension schemes in their last financial year was £1.9 billion, down from £2.1 billion in the previous year. This is still more than the £0.8 billion cost of benefits accrued during the year. It therefore represents £1.1 billion of funding towards reducing pension scheme deficits.

The appendix at the end of this report contains a full list of all the FTSE 250 companies with DB pension schemes analysed and their relevant pension disclosures.

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Cazenove combines outstanding research with highly competitive sales and execution services for institutional investors worldwide. It has been consistently voted number one for UK sales and UK country analysis in the Thomson Extel Survey. It has also been voted first for UK research for the fourth year running in the Institutional Investor 2008 All Europe Research Team Survey.

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Funding Position

The overall funding position of pension schemes of FTSE 250 companies has deteriorated significantly over the year covered by their latest annual report and accounts.

Including all pension arrangements, both UK and overseas, whether funded or unfunded, the FTSE 250 companies with the best-funded pension schemes overall were as follows:

Name	Rank	Assets £m	Liabilities £m	Surplus/(Deficit) £m	Funding Level
Henderson Group	1	404	257	148	158%
Dignity	2	69	56	13	124%
WH Smith	3	797	666	131	120%
Euromoney Institutional Investors	4	20	17	3	115%
Rentokil Initial	5	1,049	914	135	115%
Provident Financial	6	411	360	51	114%
Berkeley Group Holdings	7	9	8	1	114%
Hiscox	8	115	102	14	113%
Derwent London	9	9	8	1	113%
Ladbrokes	10	217	197	21	111%

The FTSE 250 companies with the worst funded pension schemes overall were as follows:

Name	Rank	Assets £m	Liabilities £m	Surplus/(Deficit) £m	Funding Level
Mondi	241	223	332	(108)	67%
Keller	242	26	40	(14)	66%
Meggitt	243	452	693	(241)	65%
Greene King	244	160	251	(92)	64%
Ultra Electronics Holdings	245	101	160	(59)	63%
Morgan Sindall	246	5	8	(3)	63%
Chloride Group	247	20	33	(13)	62%
Aegis Group	248	8	17	(9)	47%
Ferrexpo	249	1	17	(16)	6%
Rank Group	250	0	3	(3)	0%

In 2007, IFRIC14* provided new guidance on irrecoverable surpluses. 18 FTSE 250 companies have reported an irrecoverable surplus. The total reported irrecoverable surplus for FTSE 250 companies is now £319 million. For WH Smith, the irrecoverable pension surplus is equivalent to 20% of the market value of the company. The largest reported irrecoverable surpluses in the FTSE 250 were as follows:

Name	Rank	Irrecoverable surplus £m
WH Smith	1	131
Inchcape	2	44
National Express Group	3	34
Punch Taverns	4	29
Mondi	5	17
Tomkins	6	17
United Business Media	7	16
Melrose PLC	8	14
BBA Aviation	9	5
Genus	10	3

Commentary

Adjusting these figures up to the quarter-end, we estimate that the total pension deficit in the FTSE 250 as at 30 June 2009 was £12 billion. This is an estimated deterioration of £6 billion on the position 12 months ago.

* For more information on IFRIC14, see PCS publication – IAS19: A Quarterly Guide for Finance Directors, at 30 June 2009.

Investment Mismatching

Legislation over a number of years has clarified that pension liabilities are a form of corporate debt. Despite the fact that there is an increasing weight of opinion from academics and analysts that mismatched investment strategies in pension schemes reduce shareholder value, many companies are still running very large mismatched equity positions in their pension schemes. This has the impact of creating balance sheet volatility which some academic evidence might suggest flows through to share price volatility. Inevitably, analysis of mismatching is limited to the information disclosed in the annual report and accounts. Given the bond-like nature of pension liabilities, the allocation of pension assets to bonds gives an indication of the level of investment mismatching that exists.

The FTSE 250 companies with the highest allocation to bonds were:

Name	Rank	Assets £m	% of Assets in Bonds
Morgan Sindall	1	5	100%
Hunting	2	183	97%
WH Smith	3	797	96%
Misys	4	42	88%
Logica	5	444	83%
Henderson Group	6	404	79%
Spirent Communications	7	129	78%
Weir Group	8	545	77%
Euromoney Institutional Investors	9	20	77%
BBA Aviation	10	364	75%

The FTSE 250 companies with the lowest allocation to bonds were:

Name	Rank	Assets £m	% of Assets in Bonds
Caledonia Investments	241	47	20%
McBride	242	64	19%
Wood Group (John)	243	71	17%
Tullett Prebon	244	107	14%
Chaucer Holdings	245	33	13%
Northumbrian Water Group	246	479	11%
BSS Group	247	107	9%
RIT Capital Partners	248	11	4%
Renishaw	249	85	3%
Homeserve	250	10	0%

The FTSE 250 companies with the greatest change in equity-to-bonds allocation were:

Name	Rank	Current bond allocation	Previous bond allocation	Switch to bonds
Melrose PLC	1	58%	3%	+55%
Informa	2	53%	23%	+30%
William Hill	3	52%	23%	+28%
Premier Farnell	4	42%	14%	+27%
Bodycote	5	54%	29%	+25%
Jardine Lloyd Thompson	6	72%	48%	+24%
Aegis Group	7	46%	24%	+22%
ITV	8	67%	48%	+19%
Victrex	9	42%	23%	+19%
Misys	10	88%	71%	+18%

Commentary

The pace at which companies and trustees are switching pension assets out of equities into bonds is accelerating. The largest switch was from Melrose PLC, which increased its bond allocation by 55%, from just 3% the previous year. Misys has increased its bond allocation by 69% in two years, from just 19% two years ago to 88% now. 52 FTSE 250 companies now have more than 50% of assets in bonds. Moreover, company disclosures reveal little of the extensive activity there has been by a number of companies to reduce mismatching risk by LDI (liability-driven investment) strategies, which frequently make use of derivatives and other financial instruments. Overall, the average pension scheme asset allocation to bonds has increased to 49%, from 42% in the previous year's accounts.

We can also expect IFRIC14 to impact on pension scheme investment strategies. If shareholders see none of the upside of pension scheme investment in equities and all of the downside, there will inevitably be further pressure on company management to encourage moves towards lower risk investments in pension schemes.

Size of Pension Scheme

In recent years, pension schemes have grown significantly. Attempts by many companies to stem the growth of their pension liabilities by closing defined benefit pension schemes to new entrants have had little impact. Changes in economic conditions and increasing life expectancy have contributed to the spiralling growth in pension liabilities. More recently, persistent problems in the credit markets have maintained a high spread on corporate bonds. This has countered the effects of rising inflation and increasing life expectancy, stifling the growth in pension liabilities over the last year.

The FTSE 250 companies with the largest pension scheme liabilities (all those over £1 billion) are as follows:

Name	Rank	Total Pension Liabilities £m	Equity Market Value* £m
GKN	1	2,843	873
FirstGroup	2	2,634	1,723
Premier Foods	3	2,540	881
ITV	4	2,339	1,361
Carillion	5	1,684	996
Babcock International Group	6	1,652	1,100
Daily Mail & General Trust	7	1,621	1,086
Taylor Wimpey	8	1,558	1,068
Whitbread	9	1,340	1,435
Stagecoach Group	10	1,339	903
Go-Ahead Group	11	1,306	508
Mitchells & Butlers	12	1,234	998
Tate & Lyle	13	1,186	1,455
IMI	14	1,078	998
Atkins (WS)	15	1,003	599

* as at 30 June 2009

Commentary

In the last 12 months, the total disclosed pension liabilities of the FTSE 250 companies have fallen slightly from £57 billion to £55 billion. 15 companies have disclosed pension liabilities of more than £1 billion, whilst 109 companies have no defined benefit pension scheme at all.

The possibility of measuring pension liabilities on a risk-free basis (i.e. using gilt-based discount rates rather than AA bond discount rates) has been debated at length, including in the detailed discussion paper from the Accounting Standards Board last year.

In the UK, a company can no longer default on its promises to pension scheme members unless it goes into liquidation (in which case it is likely there is no value left for shareholders). It is therefore difficult to see that shareholders get any value out of their (very limited) ability to default on pension promises, and so applying a discount rate which allows for a probability of default is illogical.

If pension liabilities were to be measured on a risk-free basis, we estimate that it would add around 50% of the total pension liabilities, i.e. increasing the total disclosed pension liabilities from £55 billion to over £80 billion.

Significance of the Pension Scheme in the Boardroom

The impact of the pension liabilities on corporate decision-making and its importance in the boardroom depends on the relative size of the pension scheme. In the analysis below, the pension scheme deficit and liabilities are expressed as a percentage of the equity market value of the company.

The FTSE 250 companies with the most significant pension scheme liabilities are as follows:

Name	Rank	Equity Market Value* £m	Surplus / (Deficit) as a % of MV	Liabilities as a % of Equity Market Value
GKN	1	873	(95%)	325%
Northern Foods	2	244	(28%)	289%
Premier Foods	3	881	(1%)	288%
Smith (DS)	4	261	(73%)	286%
Go-Ahead Group	5	508	(12%)	257%
Galiform	6	223	(55%)	255%
Interserve	7	219	(70%)	244%
Kier Group	8	339	(14%)	211%
Melrose PLC	9	458	(28%)	205%
National Express Group	10	472	(17%)	197%
Morgan Crucible Co	11	257	(40%)	174%
ITV	12	1,361	(13%)	172%
Carillion	13	996	(9%)	169%
Atkins (WS)	14	599	(50%)	168%
Mouchel Group	15	185	(19%)	167%

* as at 30 June 2009

A further sign of the significance of pensions in the boardroom is the extent of continuing DB provision to employees. This can be measured by looking at the ongoing spend on DB pensions (the service cost) before any allowance for deficit spending. The FTSE 250 companies with the highest ongoing spending is shown in the table below, together with the previous year's spend for comparison.

Name	Rank	Current DB Service Cost	Previous DB Service Cost
FirstGroup	1	70	75
Go-Ahead Group	2	45	39
Stagecoach Group	3	42	33
Daily Mail & General Trust	4	39	45
GKN	5	35	32
National Express Group	6	28	37
Qinetiq Group	7	27	39
Babcock International Group	8	27	27
Arriva	9	24	23
Carillion	10	24	27

Commentary

27 FTSE 250 companies have disclosed pension liabilities greater than the total equity value of the company, and nine FTSE 250 companies now have disclosed pension liabilities valued at over double the company equity value. In addition, Galiform, GKN, Interserve and Smith (DS) have pension deficits bigger than 50% of the equity value of the company. For GKN, their pension deficit is almost as large as the company's market value.

Companies are reacting to the combination of difficult economic conditions, rising pension costs and increasingly aggressive pension regulations by closing pension schemes to future and even current employees. Already, nearly half of all FTSE 250 companies do not have a DB pension scheme. The decline in DB pension provision is reflected in the total service cost in the latest FTSE 250 accounts of £844 million, which compares to £938 million in the previous year. Only 92 FTSE 250 companies are still providing more than a handful of current employees with DB benefits (i.e. ignoring companies who are incurring ongoing DB service costs of less than 1% of total payroll). Of these, only 20 companies (i.e. less than 10% of the FTSE 250) are still providing DB benefits to a significant number of employees (defined as incurring ongoing DB service cost of more than 5% of total payroll).

Impact of the Pension Scheme on the Company's Share Price

As already mentioned, there is some evidence that balance sheet volatility caused by pension schemes flows through to share price volatility. Changes in the balance sheet position resulting from pensions can be separated into expected changes and unexpected changes. Expected balance sheet changes arise largely from the contributions paid by the company and the costs shown in the company's income statement. Unexpected balance sheet changes arise largely from actuarial gains and losses (due to stock market volatility) and changes to actuarial assumptions.

In the analysis below, the unexpected change in balance sheet position (net of change in irrecoverable surplus) is expressed as a percentage of the equity market value of the company. We are not suggesting that the balance sheet impact will translate into a £ for £ impact on a company's share price (not least because of the impact of deferred tax), but this analysis gives a good indication of those companies most positively (and negatively) affected by their pension schemes in their last financial year.

The FTSE 250 companies most positively affected by their pension schemes were:

Name	Rank	Equity Market Value* £m	Unexpected Balance Sheet Gain (£m)	Impact as a % of Equity Value
Henderson Group	1	732	65	9%
Premier Foods	2	881	47	5%
Barratt Developments	3	511	20	4%
Logica	4	1,263	38	3%
Kesa Electricals	5	588	17	3%
Rentokil Initial	6	1,620	44	3%
PZ Cussons	7	848	20	2%
Dignity	8	380	6	1%
Electrocomponents	9	611	6	1%
Euromoney Institutional Investors	10	227	2	1%

* as at 30 June 2009

And the FTSE 250 companies most negatively affected by their pension schemes were:

Name	Rank	Equity Market Value* £m	Unexpected Balance Sheet Gain (£m)	Impact as a % of Equity Value
Atkins (WS)	241	599	-123	-21%
Morgan Crucible Co	242	257	-61	-24%
Dairy Crest Group	243	425	-118	-28%
Melrose PLC	244	458	-131	-29%
Galiform	245	223	-66	-30%
Interserve	246	219	-81	-37%
Smith (DS)	247	261	-123	-47%
Rank Group	248	249	-135	-54%
GKN	249	873	-499	-57%
Northern Foods	250	244	-144	-59%

* as at 30 June 2009

Commentary

Over the year covered by their latest report and accounts, 19 companies felt the benefit of an unexpected gain to their balance sheet as a result of their pension schemes, whilst 122 companies suffered an unexpected loss to their balance sheet as a result of their pension schemes.

Three companies felt an unexpected balance sheet loss of more than half the company market value. This emphasises the volatility that can be caused by pension schemes.

Contributions Paid Into Pension Schemes

This analysis compares the pension scheme contributions actually paid by companies with the cost of pension benefits accrued during the year. Surplus pension contributions paid in excess of the cost of benefits will reduce pension scheme deficits. But where the contributions paid are less than the cost of benefits, this will increase pension scheme deficits (or reduce pension scheme surpluses).

The increases in pension scheme contributions seen in recent years seem to be slowing, with the amount contributed in the most recent accounting year being £0.2 billion lower than the amount contributed the previous year.

Only contributions actually paid in the relevant accounting year are included in the analysis below.

The FTSE 250 companies who have made the largest surplus contributions to their pension schemes were as follows:

Name	Rank	Pension Contributions £m	Cost of Benefits £m	Surplus Contributions £m
Carillion	1	79	24	55
Whitbread	2	55	5	50
Taylor Wimpey	3	51	6	45
Atkins (WS)	4	53	9	44
Babcock International Group	5	69	27	42
Premier Foods	6	61	20	41
ITV	7	52	12	40
Cookson Group	8	42	7	35
Rentokil Initial	9	35	2	33
Arriva	10	54	24	30

The FTSE 250 companies who made the lowest surplus contributions were as follows:

Name	Rank	Pension Contributions £m	Cost of Benefits £m	Surplus Contributions £m
Provident Financial	241	5	6	-0
GKN	242	37	38	-1
Wood Group (John)	243	3	4	-1
Misys	244	1	2	-1
Go-Ahead Group	245	42	45	-3
Yell group	246	19	23	-4
Mondi	247	2	7	-6
Ferrexpo	248	0	6	-6
Northumbrian Water Group	249	2	10	-8
Daily Mail & General Trust	250	2	40	-38

Commentary

In total, the amount contributed to FTSE 250 company pension schemes was £1.9 billion, down from £2.1 billion in the previous accounting year. This is still more than the £0.8 billion cost of benefits accrued during the year. It therefore represents £1.1 billion of funding towards reducing pension scheme deficits.

Widening deficits and perhaps weaker perceived sponsor covenants will inevitably lead to trustees requesting larger deficit-correcting contributions from sponsoring employers. This year we expect to see a trend towards companies looking at alternative sources to fund their pension schemes. Recently, Tesco and Whitbread have utilised prime properties to create £500 million and £150 million worth of contingent assets respectively.

Appendix

Name	Year End	Equity Market Value	Pension Assets	Pension Liabilities	Surplus/ (Deficit)	Funding Level	Bonds	% Surplus/ (Deficit) as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact	Balance Sheet Impact as % of Market Value	Current Funding	Previous Funding	Surplus Funding
		£m	£m	£m	£m	£m				£m	£m	£m	£m	£m
Aberdeen Asset Management	30-Sep-2008	986	94	106	(12)	89%	46%	(1%)	11%	(2)	(0%)	9	4	9
Aegis Group	31-Dec-2008	1,065	8	17	(9)	47%	46%	(1%)	2%	(1)	(0%)	1	1	0
Aggreko	31-Dec-2008	1,404	33	41	(8)	80%	47%	(1%)	3%	(4)	(0%)	6	7	4
Amlin	31-Dec-2008	1,485	256	260	(4)	98%	69%	(0%)	18%	(8)	(1%)	2	6	2
Arriva	31-Dec-2008	803	769	909	(140)	85%	21%	(17%)	113%	(99)	(12%)	54	48	30
Ashtead Group	30-Apr-2009	286	44	44	0	101%	36%	0%	15%	(7)	(3%)	2	1	1
Atkins (WS)	31-Mar-2009	599	705	1,003	(298)	70%	40%	(50%)	168%	(123)	(21%)	53	49	44
Aveva Group	31-Mar-2009	483	29	36	(8)	79%	36%	(2%)	8%	(8)	(2%)	2	1	1
Babcock International Group	31-Mar-2009	1,100	1,703	1,652	51	103%	56%	5%	150%	(144)	(13%)	69	31	42
Barr (A.G.)	31-Jan-2009	242	57	62	(5)	92%	43%	(2%)	26%	(0)	(0%)	4	4	3
Barratt Developments	30-Jun-2008	511	172	209	(37)	82%	49%	(7%)	41%	20	4%	14	18	9
BBA Aviation	31-Dec-2008	480	364	382	(18)	95%	31%	(0%)	80%	(19)	(4%)	8	22	4
Beazley Group	31-Dec-2008	519	10	10	(0)	97%	31%	(0%)	2%	2	0%	1	0	1
Bellway	31-Jul-2008	697	35	47	(13)	73%	45%	(2%)	7%	(13)	(2%)	4	7	2
Berkeley Group Holdings	30-Apr-2009	1,015	9	8	1	114%	66%	0%	1%	(1)	(0%)	1	1	1
Bodycote	31-Dec-2008	239	71	86	(15)	83%	54%	(6%)	36%	(13)	(5%)	25	4	23
Bovis Homes Group	31-Dec-2008	447	59	66	(7)	90%	37%	(2%)	15%	(9)	(2%)	1	3	(0)
Brewin Dolphin Holdings	28-Sep-2008	281	40	48	(8)	83%	31%	(3%)	17%	(4)	(1%)	6	5	5
Brit Insurance Holdings	31-Dec-2008	595	83	84	(1)	98%	43%	(0%)	14%	(10)	(2%)	15	7	13
Britvic	28-Sep-2008	599	425	448	(24)	95%	45%	(4%)	75%	(31)	(5%)	19	19	8
Brown (N.) Group	28-Feb-2009	583	47	51	(4)	92%	59%	(1%)	9%	(2)	(0%)	6	17	4
BSS Group	31-Mar-2009	317	107	138	(31)	78%	9%	(10%)	43%	(19)	(6%)	4	3	1
BTG	31-Mar-2009	371	75	75	0	100%	75%	0%	20%	1	0%	5	3	5
Caledonia Investments	31-Mar-2009	911	47	57	(9)	84%	20%	(1%)	6%	(10)	(1%)	2	1	1
Carillion	31-Dec-2008	996	1,595	1,684	(89)	95%	53%	(9%)	169%	(132)	(13%)	79	76	55
Carpetright	02-May-2009	380	12	15	(2)	84%	43%	(1%)	4%	(1)	(0%)	1	1	0
Catlin Group	31-Dec-2008	1,138	15	14	1	108%	50%	0%	1%	0	0%	1	1	0
Charter International	31-Dec-2008	715	518	635	(118)	81%	57%	(16%)	89%	(75)	(10%)	17	19	15
Chaucer Holdings	31-Dec-2008	237	33	43	(9)	78%	13%	(4%)	18%	(9)	(4%)	2	5	0
Chemring Group	31-Oct-2008	766	28	42	(14)	68%	30%	(2%)	5%	(0)	(0%)	1	2	1
Chloride Group	31-Mar-2009	394	20	33	(13)	62%	49%	(3%)	8%	(5)	(1%)	0	1	(0)
Close Brothers Group	31-Jul-2008	946	23	24	(2)	94%	34%	(0%)	3%	(3)	(0%)	1	1	0
COLT Telecom Group	31-Dec-2008	967	16	21	(5)	76%	70%	(1%)	2%	(3)	(0%)	1	0	0
Cookson Group	31-Dec-2008	721	526	593	(66)	89%	56%	(9%)	82%	(24)	(3%)	42	43	35
Croda International	31-Dec-2008	727	521	609	(89)	85%	25%	(12%)	84%	(46)	(6%)	18	81	10
Daily Mail & General Trust	28-Sep-2008	1,086	1,583	1,621	(38)	98%	29%	(4%)	149%	(118)	(11%)	2	53	(38)
Dairy Crest Group	31-Mar-2009	425	513	576	(63)	89%	43%	(15%)	136%	(118)	(28%)	29	29	16
Davis Service Group	31-Dec-2008	567	180	203	(24)	88%	61%	(4%)	36%	(20)	(4%)	3	15	(0)
De La Rue	28-Mar-2009	885	428	498	(70)	86%	46%	(8%)	56%	(72)	(8%)	35	20	29
Debenhams	30-Aug-2008	1,036	526	501	25	105%	43%	2%	48%	(80)	(8%)	8	7	8
Derwent London	31-Dec-2008	940	9	8	1	113%	23%	0%	1%	(2)	(0%)	0	0	0
Dignity	26-Dec-2008	380	69	56	13	124%	55%	3%	15%	6	1%	1	1	0
Drax	31-Dec-2008	1,605	94	114	(21)	82%	52%	(1%)	7%	(13)	(1%)	10	5	6
DSG International	02-May-2009	834	545	693	(149)	79%	40%	(18%)	83%	(114)	(14%)	22	13	16
Electrocomponents	31-Mar-2009	611	242	259	(17)	93%	28%	(3%)	42%	6	1%	7	9	6
Enterprise Inns	30-Sep-2008	634	16	17	(1)	94%	38%	(0%)	3%	(3)	(0%)	0	1	0
Euromoney Institutional Investors	30-Sep-2008	227	20	17	3	115%	77%	1%	7%	2	1%	1	1	1
F&C Asset Management	31-Dec-2008	342	146	168	(22)	87%	41%	(6%)	49%	1	0%	7	13	4
Ferrexpo	31-Dec-2008	790	1	17	(16)	6%	65%	(2%)	2%	1	0%	0	0	(6)
Filtrona	31-Dec-2008	251	132	169	(37)	78%	40%	(15%)	67%	(22)	(9%)	10	5	7
FirstGroup	31-Mar-2009	1,723	2,465	2,634	(169)	94%	28%	(10%)	153%	(308)	(18%)	81	75	14
Fisher (James) & Sons	31-Dec-2008	203	39	55	(16)	71%	32%	(8%)	27%	(6)	(3%)	1	1	1
Forth Ports	31-Dec-2008	433	173	178	(5)	97%	47%	(1%)	41%	(11)	(3%)	10	10	5
Galiform	27-Dec-2008	223	446	569	(122)	79%	33%	(55%)	255%	(66)	(30%)	32	27	24

Appendix (continued)

Name	Year End	Equity Market Value		Pension Assets		Pension Liabilities		Surplus / (Deficit)		Funding Level	Bonds	% Surplus / (Deficit) as % of Market Value		Liabilities as % of Market Value		Unexpected Balance Sheet Impact		Balance Sheet Impact as % of Market Value		Current Funding	Previous Funding	Surplus Funding
		£m	£m	£m	£m	£m	£m	£m	£m	Level		Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Genus	30-Jun-2008	298	126	145	(18)	87%	57%	(6%)	49%	(10)	(3%)	6	4	5								
GKN	31-Dec-2008	873	2,009	2,843	(834)	71%	53%	(95%)	325%	(499)	(57%)	37	37	(1)								
Go-Ahead Group	28-Jun-2008	508	1,247	1,306	(59)	95%	29%	(12%)	257%	(43)	(8%)	42	26	(3)								
Great Portland Estates	31-Mar-2009	688	14	13	1	104%	60%	0%	2%	(2)	(0%)	0	1	0								
Greene King	03-May-2009	831	160	251	(92)	64%	24%	(11%)	30%	(25)	(3%)	7	7	2								
Grepps	27-Dec-2008	388	64	70	(6)	92%	31%	(1%)	18%	(6)	(1%)	0	2	(0)								
Halma	28-Mar-2009	741	90	132	(43)	68%	32%	(6%)	18%	(12)	(2%)	9	9	6								
Hays	30-Jun-2008	1,191	387	475	(88)	81%	45%	(7%)	40%	(71)	(6%)	7	5	24								
Henderson Group	31-Dec-2008	732	404	257	148	158%	79%	20%	35%	65	9%	26	25	22								
Hiscox	31-Dec-2008	1,065	115	102	14	113%	62%	1%	10%	(9)	(1%)	0	0	(0)								
HMV Group	25-Apr-2009	478	79	100	(21)	79%	50%	(4%)	21%	(11)	(2%)	5	3	7								
Homeserve	31-Mar-2009	978	10	12	(2)	84%	0%	(0%)	1%	(2)	(0%)	1	1	0								
Hunting	31-Dec-2008	593	183	175	8	104%	97%	1%	30%	(17)	(3%)	2	9	(0)								
IMI	31-Dec-2008	998	958	1,078	(120)	89%	48%	(12%)	108%	(89)	(9%)	27	27	14								
Inchcape	31-Dec-2008	873	727	677	50	107%	68%	6%	78%	(45)	(5%)	23	23	16								
Informa	31-Dec-2008	1,304	53	63	(10)	84%	53%	(1%)	5%	(4)	(0%)	3	2	1								
Interserve	31-Dec-2008	219	381	534	(153)	71%	39%	(70%)	244%	(81)	(37%)	25	24	11								
Investec	31-Mar-2009	1,393	98	88	9	110%	67%	1%	6%	(14)	(1%)	4	4	4								
ITV	31-Dec-2008	1,361	2,161	2,339	(178)	92%	67%	(13%)	172%	(122)	(9%)	52	59	40								
Jardine Lloyd Thompson	31-Dec-2008	861	415	444	(29)	93%	72%	(3%)	52%	(15)	(2%)	12	34	11								
Keller	31-Dec-2008	355	26	40	(14)	66%	38%	(4%)	11%	(0)	(0%)	1	1	1								
Kesa Electricals	30-Apr-2009	588	200	257	(57)	78%	40%	(10%)	44%	17	3%	8	16	6								
Kier Group	30-Jun-2008	339	669	716	(47)	93%	33%	(14%)	211%	(39)	(11%)	18	26	3								
Ladbroke	31-Dec-2008	1,107	217	197	21	111%	61%	2%	18%	(17)	(1%)	6	6	2								
Law Debenture Corp	31-Dec-2008	270	24	29	(5)	81%	37%	(2%)	11%	(6)	(2%)	1	1	1								
Logica	31-Dec-2008	1,263	444	431	13	103%	83%	1%	34%	38	3%	14	16	4								
Marston	04-Oct-2008	322	274	312	(38)	88%	43%	(12%)	97%	(17)	(5%)	20	10	16								
McBride	30-Jun-2008	261	64	72	(8)	89%	19%	(3%)	27%	(2)	(1%)	2	2	1								
Meggitt	31-Dec-2008	1,078	452	693	(241)	65%	46%	(22%)	64%	(106)	(10%)	36	15	23								
Meirose PLC	31-Dec-2008	458	811	940	(129)	86%	58%	(28%)	205%	(131)	(29%)	20	27	15								
Millennium & Copthorne Hotels	31-Dec-2008	715	28	41	(13)	69%	55%	(2%)	6%	(1)	(0%)	3	4	1								
Misys	31-May-2009	943	42	41	1	102%	88%	0%	4%	1	0%	1	0	(1)								
Mitchells & Butlers	27-Sep-2008	998	1,211	1,234	(23)	98%	67%	(2%)	124%	(35)	(4%)	40	50	27								
MITIE Group	31-Mar-2009	692	123	126	(3)	98%	35%	(0%)	18%	(19)	(3%)	6	5	2								
Mondi	31-Dec-2008	760	223	332	(108)	67%	62%	(14%)	44%	(27)	(4%)	2	14	(6)								
Morgan Crucible Co	04-Jan-2009	257	345	446	(102)	77%	61%	(40%)	174%	(61)	(24%)	14	11	7								
Morgan Sindall	31-Dec-2008	294	5	8	(3)	63%	100%	(1%)	3%	(0)	(0%)	1	0	1								
Mothercare	28-Mar-2009	419	150	176	(25)	86%	34%	(6%)	42%	(31)	(7%)	5	4	2								
Mouchel Group	31-Jul-2008	185	274	308	(35)	89%	28%	(19%)	167%	(37)	(20%)	25	7	17								
National Express Group	31-Dec-2008	472	850	929	(79)	91%	32%	(17%)	197%	(75)	(16%)	29	35	1								
Northern Foods	28-Mar-2009	244	637	705	(68)	90%	47%	(28%)	289%	(144)	(59%)	7	30	1								
Northumbrian Water Group	31-Mar-2009	1,284	479	598	(119)	80%	11%	(9%)	47%	(208)	(16%)	2	23	(8)								
Persimmon	31-Dec-2008	1,058	229	324	(95)	71%	40%	(9%)	31%	(42)	(4%)	12	13	7								
Premier Farnell	01-Feb-2009	459	169	192	(23)	88%	42%	(5%)	42%	(69)	(15%)	3	3	0								
Premier Foods	31-Dec-2008	881	2,528	2,540	(12)	100%	71%	(1%)	288%	47	5%	61	75	41								
Premier Oil	31-Dec-2008	1,252	14	16	(2)	88%	68%	(0%)	1%	(2)	(0%)	2	2	2								
Provident Financial	31-Dec-2008	1,043	411	360	51	114%	57%	5%	35%	(17)	(2%)	5	4	(0)								
Punch Taverns	23-Aug-2008	269	377	342	34	110%	35%	13%	127%	(20)	(7%)	14	3	13								
PV Crystalox Solar	31-Dec-2008	346	1	1	(0)	75%	50%	(0%)	0%	(0)	(0%)	0	0	0								
PZ Cussons	31-May-2009	848	192	196	(4)	98%	50%	(1%)	23%	20	2%	3	7	3								
Qinetiq Group	31-Mar-2009	939	647	753	(105)	86%	27%	(11%)	80%	(96)	(10%)	37	32	11								
Rathbone Brothers	31-Dec-2008	349	59	65	(6)	91%	38%	(2%)	19%	(0)	(0%)	3	7	0								
Redrow	30-Jun-2008	314	72	72	(0)	100%	50%	(0%)	23%	(8)	(3%)	2	3	1								
Renishaw	30-Jun-2008	248	85	96	(11)	89%	3%	(4%)	39%	(19)	(8%)	0	5	0								

Appendix (continued)

Name	Year End	Equity Market Value	Pension Assets	Pension Liabilities	Surplus / (Deficit)	Funding Level	% Bonds	Surplus / (Deficit) as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact	Balance Sheet Impact as % of Market Value	Current Funding	Previous Funding	Surplus Funding
		£m	£m	£m	£m	Level		Market Value	Market Value	£m	Market Value	£m	£m	£m
Rentokil Initial	31-Dec-2008	1,620	1,049	914	135	115%	62%	8%	56%	44	3%	35	82	33
RIT Capital Partners	31-Mar-2009	1,406	11	12	(1)	96%	4%	(0%)	1%	(2)	(0%)	0	0	(0)
Rotork	31-Dec-2008	714	76	82	(6)	93%	43%	(1%)	11%	1	0%	3	5	1
Savills	31-Dec-2008	377	86	111	(25)	78%	23%	(7%)	29%	(16)	(4%)	4	2	0
Scottish Investment Trust	31-Oct-2008	461	6	6	(0)	94%	61%	(0%)	1%	0	0%	1	0	0
Segro	31-Dec-2008	1,365	110	116	(5)	95%	58%	(0%)	8%	(16)	(1%)	16	4	13
Shanks Group	31-Mar-2009	2,700	86	87	(1)	99%	42%	(0%)	32%	(12)	(4%)	2	2	1
SIG	31-Dec-2008	580	75	94	(19)	80%	46%	(3%)	16%	(12)	(2%)	10	6	8
Smith (DS)	30-Apr-2009	261	555	747	(191)	74%	37%	(73%)	286%	(123)	(47%)	17	17	6
Spectris	31-Dec-2008	636	89	99	(9)	91%	69%	(1%)	15%	(3)	(0%)	5	3	4
Spirax-Sarco Engineering	31-Dec-2008	639	170	244	(74)	70%	21%	(12%)	38%	(57)	(9%)	11	13	3
Spirent Communications	31-Dec-2008	427	129	127	3	102%	78%	1%	30%	(4)	(1%)	0	0	0
Sports Direct International	26-Apr-2009	469	27	40	(12)	69%	45%	(3%)	8%	(2)	(0%)	1	1	1
SSL International	31-Mar-2009	1,094	134	191	(57)	70%	50%	(5%)	17%	(10)	(1%)	10	10	10
Stagecoach Group	30-Apr-2009	903	1,258	1,339	(81)	94%	24%	(9%)	148%	(143)	(16%)	57	76	15
Synergy Health	29-Mar-2009	273	32	42	(9)	78%	52%	(3%)	15%	(7)	(2%)	2	1	1
Tate & Lyle	31-Mar-2009	1,455	975	1,186	(211)	82%	36%	(14%)	81%	(134)	(9%)	31	42	17
Taylor Wimpey	31-Dec-2008	1,068	1,281	1,558	(277)	82%	66%	(26%)	146%	(94)	(9%)	51	30	45
Tomkins	03-Jan-2009	1,298	586	692	(106)	85%	47%	(8%)	53%	(85)	(7%)	24	34	19
Travis Perkins	31-Dec-2008	1,084	421	491	(70)	86%	32%	(6%)	45%	(70)	(6%)	21	21	12
Tullitt Prebon	31-Dec-2008	637	107	115	(9)	93%	14%	(1%)	18%	(10)	(2%)	4	3	4
Ultra Electronics Holdings	31-Dec-2008	742	101	160	(59)	63%	22%	(8%)	22%	(18)	(2%)	6	6	0
United Business Media	31-Dec-2008	973	405	374	31	108%	52%	3%	38%	(12)	(1%)	4	4	0
Victrex	30-Sep-2008	466	18	24	(6)	73%	42%	(1%)	5%	1	0%	1	1	0
VT Group	31-Mar-2009	793	266	326	(61)	81%	22%	(8%)	41%	(61)	(8%)	24	17	7
Weir Group	26-Dec-2008	970	545	553	(8)	98%	77%	(1%)	57%	(59)	(6%)	10	11	7
WH Smith	31-Aug-2008	656	797	666	131	120%	96%	20%	102%	(10)	(2%)	10	39	10
Whitbread	26-Feb-2009	1,435	1,107	1,340	(233)	83%	45%	(16%)	93%	(256)	(18%)	55	56	50
William Hill	30-Dec-2008	1,370	189	215	(26)	88%	52%	(2%)	16%	(31)	(2%)	14	14	8
Wood Group (John)	31-Dec-2008	1,409	71	87	(16)	81%	17%	(1%)	6%	(10)	(1%)	3	6	(1)
Xchanging	31-Dec-2008	421	135	153	(18)	88%	72%	(4%)	36%	(10)	(2%)	4	3	1
Yell group	31-Mar-2009	206	274	296	(22)	93%	57%	(11%)	144%	(32)	(15%)	19	16	(4)

Notes

- All of the analysis contained in this report is based on the IAS19 numbers disclosed in a company's most recently published annual report and accounts.
- No adjustment is made for the fact that companies have applied different interpretations of IAS19 and have used different actuarial assumptions (for example, different mortality assumptions can make a significant difference to a company's pension liabilities).
- No adjustment is made in the individual analysis for the fact that companies have different year-ends. Inevitably, different market conditions applying at different year-ends will affect the comparisons.
- The assets and liabilities shown are the total global pension assets and liabilities, not just the UK figures.
- The figures shown in this report are before adjustment for IFRIC14 (and before adjustment for any other unrecognised pension surpluses), except for Unanticipated Balance Sheet Impact, which is shown net of the change in irrecoverable surplus.

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