

Fund Account for the year ended 31 March

	Notes	2011-12 £000's	2010-11 £000's
Contributions and Benefits			
Contributions Receivable:			
From employers	3	167,318	180,822
From employees	3	46,719	48,866
Transfers In	4	11,561	13,929
		225,598	243,617
Benefits Payable			
Pensions	5	(136,263)	(126,220)
Lump Sums	5	(51,640)	(40,803)
Payments to and on account of leavers			
Refunds of contributions		(59)	(24)
Transfers Out	6	(8,031)	(10,595)
Administrative & other expenses borne by the scheme	7	(2,954)	(2,868)
		(198,947)	(180,510)
Net additions from dealings with Members		26,651	63,107
Returns on Investments			
Investment Income	8,9	76,835	62,993
Taxes on Income		(2,897)	(2,865)
Change in Market Value of Investments	11	19,038	203,838
Loss on Icelandic Investment			
		92,976	263,966
Investment Management Expenses	10	(11,481)	(10,094)
Net Return on Investments		81,495	253,872
Net increase in Fund during the year		108,146	316,979
Opening Net Assets of the Scheme at 1 April		3,202,442	2,885,463
Closing Net Assets of the Scheme at 31 March		3,310,588	3,202,442

Net Asset Statement as at 31 March

	Notes	2012 £000's	2011 Restated £000's
Investments at Market Value	11		
Index-Linked Securities		34,990	34,731
Equities		1,057,570	1,062,652
Pooled Investments		1,720,756	1,680,490
Private Equity / Infrastructure		45,360	26,296
Property		222,576	190,955
Pooled Property Investments		88,074	89,615
Cash Deposits		98,850	72,972
Other Investments		6,694	5,089
		3,274,870	3,162,800
Investment Liabilities	11	(173)	0
		3,274,697	3,162,800
Current Assets	19	45,890	48,200
Current Liabilities	20	(9,999)	(8,558)
Net Assets		3,310,588	3,202,442

Notes to the Accounts**1. Basis of preparation**

The Statement of Accounts summarises the fund's transactions for the 2011-12 financial year and its position at 31 March 2012

The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 which is based upon International Financial Reporting Standards, as amended for the UK public sector. The accounts are prepared on a going concern basis.

The accounts summarise the transactions of the fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard 19 basis is disclosed at note 18 of these accounts.

2. Summary of Significant Accounting Policies**a) Contribution income**

Normal contributions, both from the members and from the employers, are accounted for on an accruals basis at the percentage rate recommended by the fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Bulk transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

Dividends, interest and rental income have been accounted for on an accruals basis and where appropriate from the date quoted as ex-dividend (XD). Changes in the net market value of investments are recognised as income and comprise all realised profits/losses during the year.

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the year end. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

e) Taxation

The Fund has been accepted by the Inland Revenue as a registered pension scheme in accordance with paragraph 1(1) of Schedule 36 to the Finance Act 2004 and, as such, qualifies for exemption from tax on interest income and gains on selling transactions. Income arising from overseas investments is subject to deduction of withholding tax unless exemption is permitted by and obtained from the country of origin. Investment income is shown net of non-recoverable tax, and any recoverable tax at the end of the year is included in accrued investment income.

By virtue of Kent County Council being the administering authority, VAT input tax is recoverable on all Fund activities including investment and property expenses.

f) Investment management and administrative expenses

All expenses are accounted for on an accruals basis.

Notes to the Accounts**g) Financial assets**

Quoted investments are stated at market value based on the closing bid price quoted on the relevant stock exchange on 31 March 2012. Unquoted investments are valued by the fund managers at fair value.

The industrial and commercial properties were valued at open market prices in accordance with the valuation principles laid down by the Royal Institution of Chartered Surveyors. The last valuation had been undertaken by Colliers CRE, as at 31 December 2011.

The results of the valuation have then been indexed in line with the Investment Property Databank Monthly Index movement to 31 March 2012.

h) Derivatives

Derivatives with an initial purchase price are included in the accounts as purchases. Those that do not have an initial purchase price but require a deposit such as an initial margin to be placed with the broker are recorded at cost on purchase. Derivative contracts are included in the net asset statements at fair value.

i) Foreign currency transactions

Assets and liabilities in foreign currency are translated into sterling at exchange rates ruling at the year-end. Differences arising on the translation of investments are included in investment gains. All foreign currency transactions are translated into sterling at exchange rates ruling at the transaction date. Foreign income has been translated into sterling at the rate ruling at the date of the transaction.

j) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

Cash held as demand deposits and all cash equivalents whether managed by KCC or other fund managers are included in investments. All other cash is included in Current Assets

k) Financial Liabilities

The fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the fund.

l) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 18).

Notes to the Accounts

3. Contributions Receivable

		2011-12 £000's	2010-11 £000's
From Employers	Normal	93,657	110,877
	Early Retirements recoverable costs	12,107	9,173
	Deficit Funding	61,554	60,772
		167,318	180,822
Analysis of Employers' Contributions	Kent County Council	70,948	80,525
	Scheduled Bodies	87,350	89,668
	Admitted Bodies	9,020	10,629
		167,318	180,822
		2011-12 £000's	2010-11 £000's
From Employees	Kent County Council	19,926	21,473
	Scheduled Bodies	23,908	24,362
	Admitted Bodies	2,703	2,729
	Lump Sum Contributions	182	302
		46,719	48,866
Note:	As at 31 March the comparative numbers of members were:	2012	2011
	Kent County Council	21,752	21,956
	Scheduled Bodies	17,905	19,540
	Admitted Bodies	1,766	1,912
		41,423	43,408

4. Transfers In

		2011-12 £000's	2010-11 £000's
Individual		9,680	13,929
Bulk		1,881	
		11,561	13,929

Notes to the Accounts

5. Benefits Payable

	KCC	Scheduled	Admitted	2011-12	2010-11
	£000's	Bodies	Bodies	Total	Total
		£000's	£000's	£000's	£000's
Pensions					
Retirement pensions	43,264	44,975	4,529	92,768	85,512
Widows' pensions	2,476	3,119	260	5,855	5,592
Children's allowances	97	140	5	242	218
Pensions increase	19,315	21,225	1,325	41,865	39,376
Less benefits recovered directly from employing authorities	0	(4,346)	(121)	(4,467)	(4,478)
	65,152	65,113	5,998	136,263	126,220
Lump Sums					
Retirement (Lump Sums)	21,252	24,633	1,843	47,728	37,379
Death gratuities	1,146	2,430	336	3,912	3,424
	22,398	27,063	2,179	51,640	40,803

The amount stated as pensions increase represents the year on year cumulative increase on the nominal retirement pension received at the start date of retirement.

6. Transfers Out

	2011-12	2010-11
	£000's	£000's
Individual	8,031	10,595

7. Administrative and other Expenses borne by the Scheme

	2011-12	2010-11
	£000's	£000's
Internal Administration	2,455	2,423
Actuarial Fees	240	205
Audit Fee	45	50
Legal and Other Professional Fees	157	108
Other miscellaneous expenses	57	82
	2,954	2,868

Notes to the Accounts

8. Summary of Income from Investments

	Notes	2011-12		2010-11	
		£000's	%	£000's	%
Index Linked		685	0.89	253	0.40
Equities		37,161	48.36	31,008	49.22
Pooled Investments		15,350	19.99	15,086	23.95
Private Equity / Infrastructure		3,014	3.92	479	0.76
Property	13	11,345	14.77	10,379	16.48
Pooled Property Investments		3,959	5.15	4,919	7.81
Total Income From Investments		71,514	93.08	62,124	98.62
Cash Deposits		5,103	6.64	538	0.85
Other Sub-Underwriting Commission / other				79	0.13
Stock Lending		218	0.28	252	0.40
Total		76,835	100.00	62,993	100.00

9. Property Income and Expenditure

	2011-12	2010-11
	£000's	£000's
Rental Income from Investment Properties	11,345	10,379
Management Fees	(686)	(635)
Direct Operating Expenses on investment properties generating rental income (note 10)	(864)	(843)
	9,795	8,901

10. Investment Management Expenses

	2011-12		2010-11	
	£000's	£000's	£000's	£000's
Investment Managers		10,354		8,904
Custody fees		114		177
Actuarial (Investment Consultancy)		97		115
Performance Measurement		52		55
		10,617		9,251
Property Management Expenses				
- Miscellaneous property expenses	818		533	
- Insurance recoverable received	126		68	
- Disbursements paid	630		570	
- Recoverable Expenses	(711)	864	(328)	843
		11,481		10,094

Notes to the Accounts

11. Analysis of Change in Market Value of Investments

	Market Value as at 31 March 11 £000's	Purchases at Cost £000's	Sales Proceeds £000's	Change in Market Value £000's	Market Value as at 31 March 12 £000's
Index Linked	34,731	26,172	(31,985)	6,072	34,990
Equities	1,062,652	220,942	(188,753)	(37,271)	1,057,570
Pooled Investments	1,680,490	89,478	(101,295)	52,083	1,720,756
Private Equity / Infrastructure	26,296	20,536	0	(1,472)	45,360
Property	190,955	31,268	0	353	222,576
Pooled Property Investments	89,615	108	(922)	(727)	88,074
	3,084,739	388,504	(322,955)	19,038	3,169,326
Cash Deposits	72,972				98,850
Other Investments					
- Debtors - Outstanding Sales	656				40
- Creditors - Outstanding Purchases	0				(173)
- Investment Income Accruals	4,433				6,654
Total	3,162,800			19,037	3,274,697

Notes to the Accounts

	Market Value as at 31 March 10	Purchases at Cost	Sales Proceeds	Change in Market Value	Market Value as at 31 March 11 Restated
	£000's	£000's	£000's	£000's	£000's
Index Linked	30,540	8,100	(4,594)	685	34,731
Equities	1,186,584	286,264	(483,819)	73,623	1,062,652
Pooled Investments	1,287,411	484,747	(211,431)	119,763	1,680,490
Private Equity / Infrastructure	8,004	16,549	0	1,743	26,296
Property	168,178	15,709		7,068	190,955
Pooled Property Investments	64,333	22,899	0	2,383	89,615
Derivatives	151	789	(940)	0	0
	2,745,201	835,057	(700,784)	205,265	3,084,739
Cash Deposits	63,706			(1,427)	72,972
Other Investments					
- Debtors - Outstanding Sales	2,213				656
- Creditors - Outstanding Purchases	(3,682)				0
- Profit/Loss on Forward Currency	(21)				0
- Investment Income Accruals	3,502				4,433
Total	2,810,919			203,838	3,162,800

During 2010-11 the Alliance Bernstein mandate was terminated and all derivatives were closed out. The fund no longer holds any derivatives.

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Pension Fund such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £880,221 (2010-11 £884,068). In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Pension Fund.

Notes to the Accounts

12. Analysis of Investments (excluding derivative contracts) 2011-12

	Market Value as at 31 March 12 £000's	Market Value as at 31 March 11 £000's
FIXED INTEREST SECURITIES		
UK		
Public Sector Quoted	34,990	34,731
	34,990	34,731
EQUITIES		
UK		
Quoted	555,603	556,262
OVERSEAS		
Quoted	501,967	506,390
	1,057,570	1,062,652
POOLED FUNDS - Additional Analysis		
UK		
Fixed Income Unit Trusts	343,487	325,127
Unit Trusts	612,887	623,024
OVERSEAS		
Fixed Income Unit Trusts	76,790	71,288
Unit Trusts	687,592	661,051
	1,720,756	1,680,490
PROPERTY, PRIVATE EQUITY AND INFRASTRUCTURE		
Property		
UK		
	222,576	190,955
Property Unit Trusts		
UK		
	72,111	71,875
Overseas		
	15,963	17,740
	88,074	89,615
Private Equity Funds		
UK		
	3,574	2,091
Overseas		
	5,334	1,147
Infrastructure		
UK		
	8,441	8,130
Overseas		
	28,011	14,928
	45,360	26,296
TOTAL	3,169,326	3,084,739

Notes to the Accounts

13. Investments analysed by Fund Manager

	2012		2011	
	£000's	%	£000's	%
Baillie Gifford	582,653	17.8	574,355	18.2
DTZ	310,651	9.5	280,887	8.9
GMO	192,010	5.9	191,489	6.0
Goldman Sachs	270,503	8.3	244,713	7.7
HarbourVest	5,334	0.2	1,147	0.0
Henderson	8,441	0.3	8,130	0.3
Impax	23,517	0.7	26,877	0.9
Invesco	398,911	12.2	355,861	11.3
Partners Group	28,011	0.8	14,928	0.5
Pyrford	80,354	2.4	0	0.0
Schroders	874,007	26.8	883,517	28.0
State Street Global Advisors	441,211	13.5	537,701	17.0
YFM	3,574	0.1	2,091	0.1
Kent County Council Investment team	49,000	1.5	36,734	1.1
	3,268,177	100.00	3,158,430	100.00

The investment manager totals exclude investment debtors and creditors

14. Stock Lending

The amount of securities on loan at year end, analysed by asset class and a description of the collateral is set out in the table

Loan Type	Market Value £000's	Collateral Value £000's	Collateral type
Equities	47,296	51,479	Securities
Sovereigns - Euro	4,953	5,201	Securities
	52,249	56,680	

Notes to the Accounts

15. Financial Instruments

15a. Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

	31 March 2012			31 March 2011		
	Designated as fair value through profit and loss £000's	Loans and receivables £000's	Financial liabilities at amortised cost £000's	Designated as fair value through profit and loss £000's	Loans and receivables £000's	Financial liabilities at amortised cost £000's
Financial Assets						
Index Linked Securities	34,990			34,731		
Equities	1,057,570			1,062,652		
Pooled Investments	1,720,756			1,680,490		
Property Pooled Investments	88,074			89,615		
Private Equity/Infrastructure	45,360			26,296		
Cash		104,307			73,983	
Other Investment Balances		6,694			5,089	
Debtors/ Receivables		40,433			47,189	
	2,946,750	151,434	0	2,893,784	126,261	0
Financial Liabilities						
Derivative Contracts						
Other Investment balances		(173)				
Creditors			(9,999)			(8,558)
Borrowings						
	0	(173)	(9,999)	0	0	(8,558)
	2,946,750	151,261	(9,999)	2,893,784	126,261	(8,558)

15b. Net Gains and Losses on Financial Instruments

	31 March 2012	31 March 2011
	£000's	£000's
Financial assets		
Fair value through profit and loss	18,684	196,770
Loans and receivables	0	0
Financial assets measured at amortised cost	0	0
Financial Liabilities		
Fair value through profit and loss	0	0
Loans and receivables	0	0
Financial liabilities measured at amortised cost	0	0
Total	18,684	196,770

Notes to the Accounts

15c. Fair Value of Financial Instruments and Liabilities

The following table summarises the carrying values of the financial assets and financial liabilities by class of instrument compared with their fair values.

	31 March 2012		31 March 2011	
	Carrying value £000's	Fair Value £000's	Carrying value £000's	Fair Value £000's
Financial assets				
Fair value through profit and loss	2,946,750	2,946,750	2,893,784	2,893,784
Loans and receivables	151,434	151,434	126,261	126,261
Total financial assets	3,098,184	3,098,184	3,020,045	3,020,045
Financial liabilities				
Loans and receivables	(173)	(173)	0	0
financial liabilities at amortised cost	(9,999)	(9,999)	(8,558)	(8,558)
Total financial liabilities	(10,172)	(10,172)	(8,558)	(8,558)

15d. Valuation of Financial Instruments carried at Fair Value

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Investments include quoted equities, quoted index linked securities and unit trusts.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available or where valuation techniques are used to determine fair value.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. They include private equity and infrastructure investments the values of which are based on valuations provided by the General Partners to the funds in which the Pension Fund has invested.

The following tables provide an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

	Quoted	Using	With	Total
	market price	observable	significant	
Values at 31 March 2012	Level 1	Level 2	Level 3	
	£000's	£000's	£000's	£000's
Financial Assets				
Financial assets at fair value through profit and loss	2,901,390		45,360	2,946,750
Loans and receivables	151,434			151,434
Total financial assets	3,052,824	0	45,360	3,098,184
Financial Liabilities				
Loans and receivables	(173)			(173)
Financial liabilities at amortised cost	(9,999)			(9,999)
Total financial liabilities	(10,172)	0	0	(10,172)
Net financial assets	3,042,652	0	45,360	3,088,012

Notes to the Accounts

Values at 31 March 2011	Quoted	Using	With	Total
	market price	observable	significant	
	Level 1	Level 2	unobservable	
	£000's	£000's	Level 3	£000's
			inputs	
Financial Assets				
Financial assets at fair value through profit and loss	2,867,488		26,296	2,893,784
Loans and receivables	126,261			126,261
Total Financial assets	2,993,749	0	26,296	3,020,045
Financial Liabilities				
Financial liabilities at fair value through profit and loss				
Financial liabilities at amortised cost	(8,558)			(8,558)
Total financial liabilities	(8,558)	0	0	(8,558)
Net financial assets	2,985,191	0	26,296	3,011,487

16. Nature and extent of Risks Arising From Financial Instruments

Risk and risk management

The fund's primary long-term risk is that the fund's assets will fall short of its liabilities (ie promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. The council manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the fund's risk management strategy rests with the Superannuation Fund committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the council and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund has a high allocation to Equities at around 70% and this is typical of local authority funds. It does mean that returns are highly correlated with equity markets.

Notes to the Accounts

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The fund is exposed to share and derivative price risks. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short is unlimited.

The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the council to ensure it is within limits specified in the fund investment strategy

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2012/13 reporting period.

Asset Type	Potential Market Movements (+/-)
UK Equities	13.30%
Overseas Equities	15.25%
Global Pooled inc UK	15.01%
UK Index Linked securities	3.90%
Cash	0.00%
Alternatives	17.09%

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisor's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. Had the market price of the fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below):

Other price risk - sensitivity analysis

Asset Type	Value as at 31	Percentage	Value on	Value on
	March 2012	change	increase	decrease
	£000's	%	£000's	£000's
Cash and cash equivalents	98,850	0.00	98,850	98,850
Investment portfolio assets:				
UK Equities	555,603	13.30	629,498	481,709
Overseas Equities	501,967	15.25	578,517	425,418
Global Pooled inc UK	1,808,830	15.01	2,080,336	1,537,325
UK Index Linked securities	34,990	3.90	36,355	33,625
Private Equity	8,908	17.09	10,431	7,386
Infrastructure Funds	36,452	17.09	44,681	30,222
Investment income due	6,654	0.00	6,654	6,654
Amounts receivable for sales	40	0.00	40	40
Amounts payable for purchases	(173)	0.00	(173)	(173)
Total assets available to pay benefits	3,052,121		3,485,189	2,621,056

Asset Type	Value as at 31	Percentage	Value on	Value on
	March 2011	change	increase	decrease
	£000's	%	£000's	£000's
Cash and cash equivalents	72,972	0.00	72,972	72,972
Investment portfolio assets:				
UK Equities	556,262	13.30	630,245	482,279
Overseas Equities	506,390	15.25	583,615	429,166
Global Pooled inc UK	1,770,104	15.01	2,035,796	1,504,411
UK Index Linked securities	34,731	3.90	36,085	33,376
Private Equity	3,238	17.09	3,792	2,685
Infrastructure Funds	23,058	17.09	26,999	19,118
Investment income due	4,433	0.00	4,433	4,433
Amounts receivable for sales	656	0.00	656	656
Amounts payable for purchases	0	0.00	0	0
Total assets available to pay benefits	2,971,844		3,394,593	2,549,096

Notes to the Accounts

Interest Rate Risk

The fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The fund's interest rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The fund's direct exposures to interest rate movements as at 31 March 2012 and 31 March 2011 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Asset Type	As at 31 March 2012	As at 31 March 2011
	£000's	£000's
Cash and cash equivalents	98,850	72,972
Fixed Interest Securities	367,045	362,499
Total	465,895	435,471

Interest rate risk - sensitivity analysis

The council recognises that interest rates can vary and can affect both income to the fund and the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy. The fund's investment advisor has advised that long-term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates:

Asset Type	Carrying amount as at 31 March 2012	Change in year in the net assets available to pay benefits	
		+100bps	-100bps
		£000's	£000's
Cash and cash equivalents	98,850	99,838	97,862
Fixed Interest Securities	367,045	370,715	363,374
Total change in assets available	465,895	470,553	461,235

Notes to the Accounts

Asset Type	Carrying amount as at 31 March 2012	Change in year in the net assets available to pay benefits	
		+100bps	-100bps
		£000's	£000's
Cash and cash equivalents	72,972	73,702	72,242
Fixed Interest Securities	362,499	366,124	358,874
Total change in assets available	435,471	439,826	431,116

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (£UK). The fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The fund's currency rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the range of exposure to current fluctuations.

The following table summarises the fund's currency exposure as at 31 March 2012 and as at the previous period end:

Currency exposure - asset type	Asset value as at 31 March 2012	Asset value as at 31 March 2011
	£000's	£000's
	Overseas Equities	501,967
Global Pooled Funds	780,345	702,397
Global Private Equity and Infrastructure	33,345	16,075
Non Sterling Cash	38,873	22,139
Total overseas assets	1,354,530	1,247,001

Notes to the Accounts

Currency risk - sensitivity analysis

Following analysis of historical data and expected currency movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in the values of financial assets denominated in foreign currency are reasonably possible for the 2012/13 reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

A relevant strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Currency exposure - asset type	Asset value as	Percentage	Change to net assets	
	at 31 March		change	available to pay benefits
	2012		£000's	£000's
	£000's	%		
Overseas Equities	501,967	8.32	543,747	460,187
Global Pooled Funds	780,345	6.67	832,355	728,334
Global Private Equity and Infrastructure	33,345	6.55	35,528	31,162
Non Sterling Cash	38,873	9.62	42,613	35,133
Total change in assets available	1,354,530		1,454,243	1,254,816

Currency exposure - asset type	Asset value as	Percentage	Change to net assets	
	at 31 March		change	available to pay benefits
	2012		£000's	£000's
	£000's	%		
Overseas Equities	506,390	8.32	548,415	464,366
Global Pooled Funds	702,397	6.67	749,301	655,493
Global Private Equity and Infrastructure	16,075	6.55	17,128	15,023
Non Sterling Cash	22,139	9.62	24,293	19,985
Total change in assets available	1,247,001		1,339,137	1,154,867

b) Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.

In essence the fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment of a receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Notes to the Accounts

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. The council has also set limits as to the maximum amount may be placed with any one financial institution. In addition, the council invests its cash in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency.

The council believes it has managed its exposure to credit risk. Pension Fund cash was invested with other Council money with Icelandic Banks in 2008. The fund's cash holding under its treasury management arrangements at 31 March 2012 was £47.18m (31 March 2011: £34.5m). This was held with the following institutions:

Summary	Rating	Balances as at	Balances as at
		31 March 2012	31 March 2011
		£000's	£000's
Funds managed under internal treasury arrangements			
Money Market funds			
JP Morgan Sterling Liquidity Fund - GBP	AAA	17,088	1,206
JP Morgan US Dollar Liquidity Fund	AAA	20,230	21,769
Blackrock Sterling Government Liquidity Fund	AAA	3,100	
Goldman Sachs Sterling Government Fund	AAA	2,952	
		43,370	22,975
Bank Deposit Accounts			
NatWest SIBA	A	3,809	11,520
		47,179	34,495
Bank Current Accounts			
Natwest Current Account - GBP	A	84	324
Natwest Current Account - Euro	A	2,767	370
Barclays - DTZ client monies account	A	2,606	317
		5,457	1,011
Total		52,636	35,506
Funds Managed by Fund Managers			
Money Market funds			
JP Morgan Sterling Liquidity Fund - GBP	AAA	47,674	27,048
Bank Current Accounts			
JPMorgan Chase- Current Account- GBP	A+	3,996	11,429
Total		51,670	38,477

c) Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The council therefore takes steps to ensure that the pension fund has adequate cash resources to meet its commitments. This will particularly be the case for cash from the cash flow matching mandates from the main investment strategy to meet the pensioner payroll costs; and also cash to meet investment commitments.

The council has immediate access to its pension fund cash holdings.

Management prepares periodic cash flow forecasts to understand and manage the timing of the fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the fund investment strategy.

All financial liabilities at 31 March 2012 are due within one year.

Refinancing risk

The key risk is that the council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The council does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

Notes to the Accounts

17. Funding Arrangements

As required by Regulation 36 of The Local Government Pension Scheme (Administration) Regulations 2008 ("the Regulations") as amended, an actuarial valuation of the Fund was carried out as at 31 March 2010. The next valuation will take place as at March 2013

The market value of the Fund's assets at the valuation date was £2,780m and the liabilities were £3,623m. The assets therefore, represent 77% (2007- 73%) of the Fund's accrued liabilities, allowing for future pay increases. The main actuarial assumptions used were as follows:

Valuation of assets:-	assets have been valued at a 6 month smoothed market value
Rate of return on investments	6.6% p.a.
Rate of general pay increases	5.0% p.a.
Rate of increases to pensions in payment (in excess of guaranteed minimum pension):-	3.0% p.a.

The actuarial valuation has been undertaken on the projected unit valuation method where there is an expectation that new employees will be allowed to join an employer and the attained age valuation method for employers who were closed to new entrants

These methods assess the costs of benefits accruing to existing members during the year following valuation and the remaining working lifetime respectively, allowing for future salary increases. The resulting contribution rate is adjusted to allow for any difference in the value of accrued liabilities and the market value of assets.

18. Actuarial Present Value of Promised Retirements Benefit

In addition to the triennial funding valuation, the fund's actuary undertakes a valuation of the fund's liabilities on an IAS19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

The actuary has calculated that as at 31 March 2012 based on the actual Fund Value, the Pension Fund had a net liability of £2,180m as follows:

	31 March 2012	31 March 2011	31 March 2010
	£000's	£000's	£000's
Present Value of Funded Obligation	5,490,539	4,523,250	5,137,091
Fair Value of Scheme Assets (bid value)	3,310,588	3,202,442	2,885,463
Net Liability	2,179,951	1,320,808	2,251,628

Note, the Present Value of Funded Obligation consists of £4,496.696m in respect of Vested Obligation and £993.843m in respect of Non-Vested Obligation.

The liability above is calculated on an IAS19 basis and therefore differs from the results of the 2010 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Notes to the Accounts

19. Current Assets

	31 March 2012		31 March 2011	
	£000's	£000's	£000's	Restated £000's
Debtors				
- Contributions due -Employees	3,530		3,818	
- Contributions due -Employers	26,142		27,846	
- Sundry Debtors	738	30,409	863	32,527
Amounts due from KCC		10,024		14,662
Cash		5,457		1,011
		45,890		48,200

Analysis of debtors

Central Government Bodies		262		332
Other Local Authorities		27,268		29,285
Other Entities and individuals		2,879		2,910
		30,409		32,527

20. Current Liabilities

	31 March 2012		31 March 2011	
	£000's	£000's	£000's	Restated £000's
Unpaid Benefits		(4,291)		(4,386)
Other current liabilities		(5,708)		(4,172)
Total		(9,999)		(8,558)

Analysis of creditors

Central Government Bodies		0		0
Other Local Authorities		(2,976)		(2,531)
Public Corporations		(11)		(12)
Other Entities and individuals		(7,012)		(6,015)
		(9,999)		(8,558)

Notes to the Accounts

21. Loss on Icelandic Investment

At 31 March 2012 the Pension Fund is carrying a provision of £229,861 in respect of cash investments in the Icelandic banks which collapsed in 2008, based on the assumption that KCC has priority creditor status. This is included in other current liabilities per Note 20.

22. Additional Voluntary Contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. In accordance with regulation 4(2)(b) of the LGPS (Management and Investment of Funds) Regulations 2009, these AVC contributions are not included within the Pension Fund Accounts. These contributions are invested separately from the Pension Fund, with either Equitable Life Assurance Company, Prudential Assurance Company or Standard Life Assurance Company. The AVC provides secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. The sum deducted from KCC members and paid over to the AVC providers was: £811,233 (£753,300 in 2010-11). These amounts are included within the disclosure note figures below.

	Prudential		Standard Life		Equitable Life	
	2011-12 £000's	2010-11 £000's	2011-12 £000's	2010-11 £000's	2011-12 £000's	2010-11 £000's
Value at 1 April	4,390	3,906	2,058	2,082	1,136	1,222
Income						
Contributions Received	1,309	1,198	188	183	7	10
Transfer Values Received	136	65	0	0	0	0
Interest & bonuses	36	46	0	0	22	58
Total	1,481	1,309	188	183	29	68
Expenditure						
Retirement Benefits Paid	(781)	(762)	(290)	(357)	(186)	(143)
Transfer Values Paid	(151)	(16)	0	0	(4)	(11)
Refund of Contributions	(10)	(37)	0	0	0	0
Total	(942)	(815)	(290)	(357)	(190)	(154)
Change in Market Value	99	(10)	79	150	0	0
Value at 31 March	5,028	4,390	2,035	2,058	975	1,136

Notes to the Accounts

23. Related Party Transactions

The Kent Pension Fund is administered by Kent County Council. Consequently there is a strong relationship between the Council and the Pension Fund.

	2011-12 £000's	2010-11 £000's
Transactions between the KCC Pension Fund and Kent County Council, in respect of Pensions administration costs, investment monitoring, legal and other services.	2,612	2,531
Year end balance due from KCC arising out of transactions between KCC and Pension Fund	3,312	1,580
- In respect of interest received on cash deposits	0	89

There were no related party transactions with members or senior officers.

24. Contingent Liabilities and Contractual Commitments

As at 31 March 2012 the Pension Fund has a future commitment to invest in the following Funds:

Fund	Total Commitment		Invested		Outstanding
	Base Currency	£	Base Currency	£	£
YFM Private Equity	£6m	6m	£4m	4m	2m
Partners Group	€ 83m	69m	€34m	29m	40m
HarbourVest	\$67.5m	42m	\$4m	2m	40m
HarbourVest	€37m	31m	€5m	4m	27m

For investments made in non-sterling currencies, the value of commitments and investments are based on exchange rates prevailing as on 31 March 2012

25. Contingent Assets

22 admitted body employers in the Kent Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default.

26. Prior Period Adjustments

Cash and Cash Equivalents

In previous years, amounts owed to/by KCC arising out of joint banking arrangements, were treated as cash assets or liabilities under Current Assets. Currently with the operation of a separate bank account of the Pension Fund, these amounts are now shown as Debtors/Creditors under Current Assets.

In the previous Financial year, Cash Equivalents managed by KCC were included in Current Assets and those managed by External Fund Managers were included in Investments. In the current financial year, all cash equivalents are included under investments to accurately reflect the nature and purpose of these investments.

Notes to the Accounts

Scheduled Bodies

Local Authority and District Councils

Ashford Borough Council
 Canterbury City Council
 Dartford Borough Council
 Dover District Council
 Gravesham Borough Council
 Kent County Council
 Maidstone Borough Council

Medway Council
 Sevenoaks District Council
 Shepway District Council
 Swale Borough Council
 Thanet District Council
 Tonbridge & Malling Borough Council
 Tunbridge Wells Borough Council

Schools

Allington Primary School
 All Souls County Primary School
 Angley School
 Archbishops CE School
 Astor College of Arts
 Astor of Hever School
 Aycliffe CEP
 Aylesford School
 Barton Court Grammar School
 Barton Junior School
 Birchington CEP School
 Borden Grammar School
 Borough Green Primary School
 Bredgar School
 Brockhill Park School
 Brookfield Junior School
 Charles Dickens High School
 Chatham Grammar School for Girls
 Chatham Grammar School for Boys
 Chaucer Technology School
 Crockenhill Primary
 Cranbrook School
 Dartford Grammar School for Girls
 Ditton Infant School
 Ditton CE Junior School
 Dover Grammar School for Boys
 Dover Grammar school for Girls
 Downsview Infants School
 East Borough Primary School
 Five Acre Wood School
 Folkestone School for Girls
 Gateway Community Primary School
 Gravesend Grammar School for Boys
 Gravesend Grammar School for Girls
 Greatstone County Primary School
 Halfway House County Primary School
 Harcourt County Primary School
 Herne Bay Junior School
 Hextable School
 High Firs Primary School
 Highsted Grammar School
 Hillview School for Girls
 Holy Family RC Primary
 Holy Trinity County Primary School, Dartford
 Holy Trinity County Primary School, Gravesend

Maplesden Noakes School, Maidstone
 Mascalls School
 Northfleet Technical College
 Northfleet School for Girls
 Oakwood Park Grammar School
 Our Lady of Hartley RC Primary School
 Parkway Primary
 Pent Valley Secondary School
 Rainham Mark Grammar School
 Riverview Infants School
 Riverview Junior School
 Robert Napier School
 Roseacre Junior School
 Sandling CP
 Shatter Locks Infants
 Simon Langton Grammar School for Boys
 Skimmers School
 Snodland County Primary School
 St Anselm's RC Comprehensive School
 St Bartholomew County Primary School
 St Botolphs County Primary School
 St Edmund of Canterbury Comprehensive
 St Francis County Primary School
 St George's School, Broadstairs
 St George's School, Gravesend
 St Gregory's Catholic Comprehensive
 St Johns CEP School
 St John RC Comprehensive
 St Joseph RC Primary School
 St Mary's CEP
 St Peter's Aylesford
 St Simon Stock School
 Staplehurst School
 Stella Maris RC Primary School
 Sutton at Hone County Primary School
 Thamesview School
 The Norton Knatchbull
 Thomas Aveling School
 Tunbridge Wells Girls Grammar School
 Valence Special School
 West Minster CP Sheppey
 White Cliffs Primary
 Whitehill Primary School
 Willesborough County Primary Junior School
 Wilmington County Primary School

Notes to the Accounts

Horton Kirby County Primary School
Homewood School, Tenterden
Howard School
Hundred of Hoo School
Hugh Christie School
John Wesley School

Judd School Tonbridge
Malling School
Wilmington Grammar School for Boys
Wilmington Grammar School for Girls
Wilmington Hall
Wrotham School

Further Education Colleges

Canterbury College
Hadlow College
Hilderstone College
K College

Mid Kent College
North West Kent College
Thanet College

Other Scheduled Bodies

Ash Parish Council
Birchington Parish Council
Borough Green Parish Council
Broadstairs and St Peter's Town Council
Chesterfield Parish Council
Cranbrook Parish Council
Darenth Parish Council
Deal Town Council
Ditton Parish Council
Dover Town Council
Downswood Parish Council
Eastry Parish Council
Edenbridge Town Council
EK Arms Length Management Organisation
EK Services (Thanet)
Eynsford Parish Council
Eythorne Parish Council
Farningham Parish Council
Faversham Town Council
Folkestone Town Council
Great Mongeham Parish Council
Hartley Parish Council
Hawkhurst Parish Council
Hawkinge Parish Council
Herne and Broomfield Parish Council
Horton Kirby and South Darenth Parish Council
Hythe Town Council
Kent and Essex Sea Fisheries Committee
Kent and Medway Fire and Rescue Authority
Kent Police Authority
Kent Probation

Kent Valuation Tribunal
Kings Hill Parish Council
Leigh Parish Council
Littlebourne Parish Council
Longfield and New Barn Parish Council
Lower Medway Internal Drainage Board
Margate Charter Trustees
Minster on Sea Parish Council
Offord Parish Council
Otham Parish Council
Pembury Parish Council
Ramsgate Town Council
River Stour Internal Drainage Board
Romney Marsh Levels Internal Drainage Board
Sandwich Town Council
Seal Parish Council
Sevenoaks Town Council
Snodland Town Council
Southborough Town Council
Staplehurst Parish Council
Stone Parish Council
Sturry Parish Council
Swanley Town Council
Swanscombe and Greenhithe Town Council
Temple Ewell Parish Council
Tenterden Town Council
Thanet Joint Computer Committee
Upper Medway Internal Drainage Board
Westerham Parish Council
West Kingsdown Parish Council
Woodnesborough Parish Council

Notes to the Accounts

Academies

Amherst School Academy	Longfield Academy
Barton Court Grammar School (Academy)	Lynsted & Norton Primary School Academy
Bennett Memorial Diocesan School (Academy)	Marlowe Academy
Bishop of Rochester Academy	Marsh Academy
Borden Grammar School (Academy)	Mascalls School (Academy)
Brockhill Park Performing Arts College (Academy)	Mayfield Grammar School (Academy)
Brompton Academy	Meopham Community Academy
Canterbury Academy	Milestead & Frinsted CE Primary
Castle Community College Academy	Milestone Academy
Chatham Grammar School for Girls (Academy)	New Line Learning Academy
Chatham House Grammar School Academy	Oakwood Park Grammar School (Academy)
Chatham Grammar School for Boys	Queen Elizabeth's Grammar School (Academy)
Chiddingstone Primary School Academy	Rainham Mark Grammar School Academy
Clarendon House Grammar School Academy	Regis Manor Community Primary School Academy
Cliffewoods Primary School Academy	Rochester Grammar School for Girls Academy
Cornwallis Academy	Saint George Church of England School
Cranbrook School (Academy)	Sandwich High School Academy
Dane Court Grammar School (Academy)	Selling CE Primary Academy
Dartford Grammar School For Boys Academy	Sheldwich Primary School
Dover Christchurch Academy	Sir Joseph's Williamson Math School Academy
Duke of York Military Academy	Sir Roger Manwood School Academy
Folkestone Academy	Sittingbourne Community College Academy
Folkestone School for Girls (Academy)	Skinnners Academy
Fort Pitt Grammar School Academy Trust	Spires Academy
Fulston Manor School Academy	St Augustine Academy
Graveney Primary School Academy	St John's Primary School Academy
Gravesend Grammar School (Boys) Academy	St Stephens Junior School Academy
Hartsdown Technology College (Academy)	Strood Academy
Hayesbrook High School for Boys Academy	The Maplesden Noakes School (Academy)
Herne Bay High School Academy	The Abbey School Academy
Highstead Grammar School Academy	Thomas Aveling School (Academy)
Highworth Grammar School Academy	Tonbridge Grammar School for Girls Academy
Hillview School for Girls (Academy)	Walderslade Girls School Academy
Homewood School (Academy)	Weald of Kent Grammar School Academy
Hundred of Hoo School (Academy)	Wentworth Primary School Academy
Isle of Sheppey Academy	Westlands Primary School Academy
Joydens Infant School Academy	Westlands School Academy
Joydens Junior School Academy	Wilmington Academy
John Wallis Academy	Wilmington Girls Grammar School (Academy)
Kemnal Academy Trust Horizons Primary School	Wilmington Grammar School for Boys (Academy)
Kemnal Academy Trust: Orchards Academy	Wilmington Primary School (Academy)
Kemnal Academy Trust: Rainham School for Girls	
Kemnal Academy Trust: Smarden Primary School Academy	
King Ethelbert School (Academy)	
Knole Academy	
Leigh Technology Academy	

Notes to the Accounts**Community Admission Bodies**

Active Life Limited
Ashford's Future Company Ltd
Ashford Leisure Trust Limited
Avante Partnership/Kent Community Housing Housing Trust
The Avenues Trust
Caldecott Community
Canterbury Archaeological Trust
Christchurch College, Canterbury
Connexions Partnership Kent & Medway
Maidstone Housing Trust/Golding Homes
Gravesham Community Leisure
Hope (Kent) Limited
Hyde Housing Association
Invicta Telecare Limited
Kent College, Canterbury
Kent College, Pembury
Kent Music School
Kent University
Knotley Hall School

Medway Housing Society
Orbit South Housing Association
Remade South East
Rochester Bridge Trust
Russet Homes
Sevenoaks Leisure Limited
Sevenoaks School
Thanet Joint Computer Committee
Thanet Leisure Force
Tourism South East
Town & Country Group
West Kent Housing Association
West Kent Water Company

Transferee Admission Bodies

ABM Catering Limited
APCOA Parking Limited
Amicus Group
Avenues Trust Community Support Service
Brenwards Limited
Childrens & Families Limited
Compass Group UK & Ireland
Connexions Partnership
Enterprise (AOL)Limited
Epic Trust
Fusion Lifestyle
Kier Facilities Management
MCCH Society
Mitie PFI Limited

Mitie Cleaning & Support Services
Mytime Active
Northgate Managed Services
Norwest Holst
Orchard Theatre Dartford Limited
Principal Catering Consultants Limited
Project Salas
Quadron Services Limited
Reliance Task Management
Shaw Healthcare (FM Services) Ltd
Sodexo Catering
Superclean
Turner Contemporary
Veolia

The Fund Profile - 5 Year Summary

Financial	2007-08	2008-09	2009-10	2010-11	2011-12
	£000's	£000's	£000's	Restated £000's	£000's
Contributions	200,932	218,955	224,380	229,688	214,037
Investment and other income	81,224	81,807	80,901	74,057	88,396
Sub Total	282,156	300,762	305,281	303,745	302,433
Benefits and other payments	(153,485)	(164,558)	(184,966)	(190,604)	(213,325)
TOTAL	128,671	136,204	120,315	113,141	89,108

	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012
	£000's	£000's	£000's	£000's	£000's
Net Assets	2,489,098	2,075,687	2,885,463	3,202,442	3,310,588
Investments at Valuation	2,334,413	1,895,169	2,745,201	3,084,739	3,169,326

Membership	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012
Contributors	42,513	43,385	44,509	43,408	41,423
Pensioners	26,658	27,898	29,107	30,549	32,258
Deferred Pensioners	26,569	26,607	30,691	32,618	35,430

Appendix 1: Single investments 5% or more by value of their asset class

As at 31 March 2012

Asset Class / Investments	£000's Asset Class / Investments	£000's
FIXED INCOME SECURITIES	PROPERTY UNIT TRUSTS	
UK Govt Index Linked	UNITE	8,827
0.75% 22 MAR 2034 REGS	2,457 L & G LEISURE	7,487
1.125% 22 NOV 2037	4,302 HENDERSON SHOPPING CENTRE	4,234
1.25% 22 NOV 2027	2,253 FALCON	7,068
1.25% 22 NOV 2055	3,419 HERCULES	10,353
1.875% 22 NOV 2022	2,164 QUERCUS	7,384
2.0% 26 JAN 2035	2,569 AIRPORT FUND	9,234
2.5% 16 APR 2020	7,030 LOTHBURY	7,833
2.5% 17 JUL 2024	2,427 WELPUT	9,683
4.125% 22 JUL 2030	2,989 AURORA	15,963
EQUITIES	PRIVATE EQUITY FUNDS	
UK Quoted	UK	
BG GROUP ORD 10P	31,675 Chandos Fund (YFM)	3,574
VODAFONE GROUP	33,636	
GlaxoSmithkline Ord Shares GBP .25	32,773 Overseas	
	HIPEP VI- Caymen	1,454
	Harbourvest Partners IX	3,880
POOLED FUNDS		
UK Fixed Income Unit Trusts		
Goldman Sachs Sterling Credit Portfolio	148,245 INFRASTRUCTURE FUNDS	
Schroder Institutional Stlg Broadmarket 'X' Acc	107,052 UK	
SSSF Sterling Broad BD Libor	88,190 Henderson Secondary PFI Fund I	5,049
	Henderson Secondary PFI Fund II	3,392
Overseas Fixed Income Unit Trusts		
Goldman Sachs Global Corporate Fund1	76,790 Overseas	
	Partners Group Global Infrastructure 2009	24,120
	Partners Group Direct Infrastructure 2011	3,890
UK Unit Trusts		
Invesco Perpetual Income Fund	398,911	
MPF UK Equity Index Sub-Fund	193,998	
Overseas Unit Trusts		
BMO Investments (Ireland PLC) Global Total Re	80,354	
GMO Developed World Equity Investment (U.S.\$	192,009	
MPF International Equity Index Sub-Fund	247,212	
Schroder GAV Unit Trust	144,497	
PROPERTY		
Location	£000's Type of Property	
3-5 Charing Cross Road, London	19,815 Office	
102 - 114 Wardour Street, London	11,146 Retail/Office/Residential	
Drury House, London (new acquisition)	21,000 Office	
14-15 Conduit Street, London W1	18,149 Office	
49/59 Battersea Park Road, London	16,141 Industrial	
Hertsmere Industrial Estate, Borehamwood	13,161 Industrial	
Properties purchased during the year		
	Date of Purchase	Purchase Cost
		£000's
Drury House	29/02/2012	21,448
Greenwich Promenade	10/06/11	5,916
MillBrook House	01/12/11	3,932
Properties sold during the year		
There were no sales of properties during the year		