

## Appendix B – Estimates Key Assumptions

Estimate	Key Assumptions Involved
Property Plant & Equipment (PPE)	<p>This is completed by a RICS qualified valuer.</p> <ul style="list-style-type: none"> <li>• Useful lives i.e. how long asset likely to remain in service</li> <li>• Levels of repairs and maintenance</li> <li>• Market prices i.e. based on comparable prices or expected returns</li> <li>• Appropriate buildings cost indices (BCIS)</li> </ul>
Fair Value of Loans	<ul style="list-style-type: none"> <li>• Quoted prices in active markets for identical liabilities</li> <li>• Interest rates or yields for similar instruments e.g. AA corporate bond yields</li> <li>• Estimated creditworthiness</li> </ul>
Pension Liability/Asset	<p>This is completed by an actuary.</p> <p>Financial Assumptions</p> <ul style="list-style-type: none"> <li>• Using appropriate discount rates to account for the time value of money</li> <li>• Inflation forecasts</li> <li>• Salary increases</li> </ul> <p>Demographic Assumptions</p> <ul style="list-style-type: none"> <li>• Mortality assumptions i.e. life expectancies</li> <li>• Ill health retirements</li> <li>• Withdrawals e.g. how many people take lump sum</li> </ul>