

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