

## 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	<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>