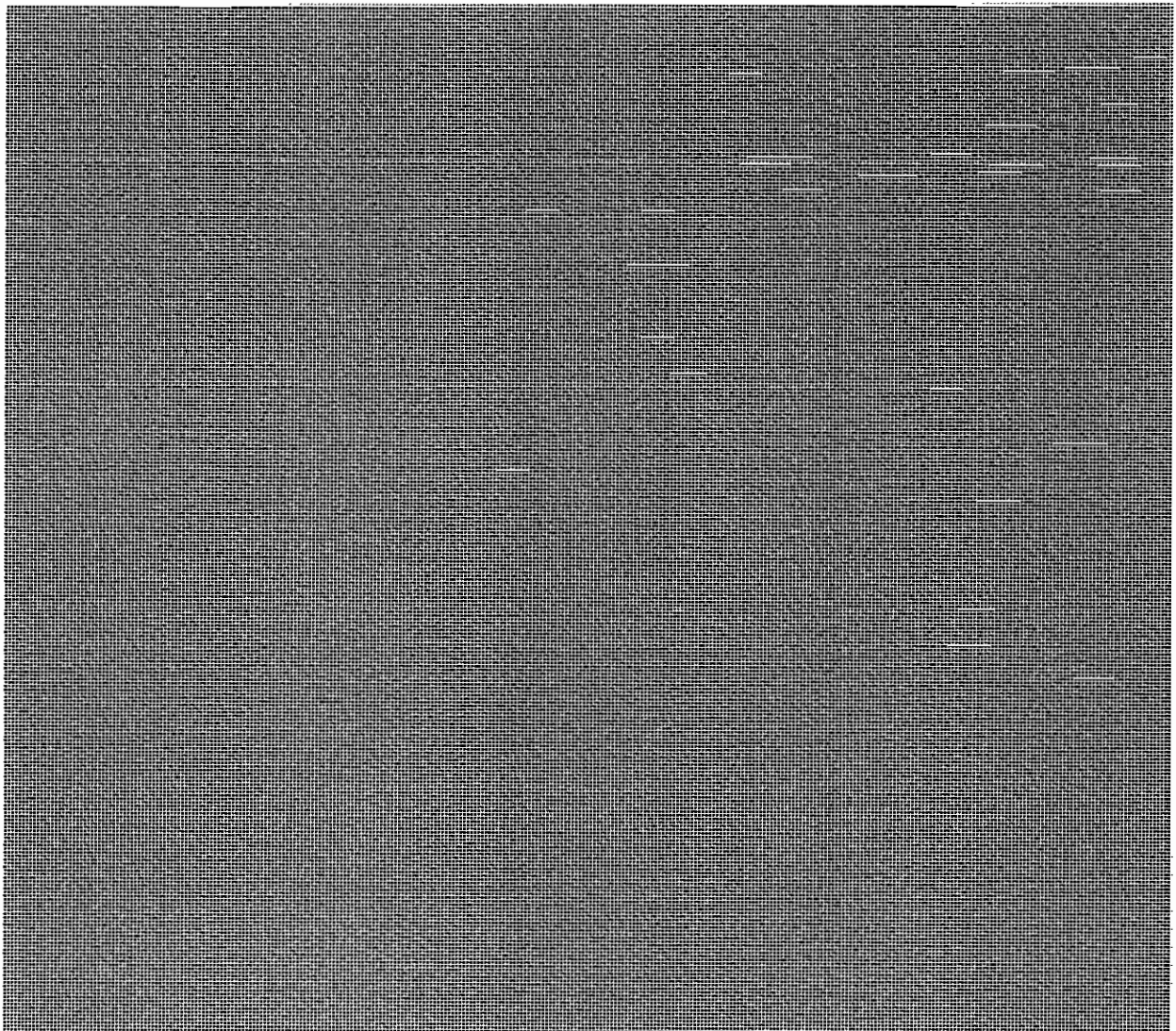


# Comet Pension Scheme

## Report and Financial Accounts

Year ended 31 March 2008

Registrar of Occupational and Personal Pension Schemes Registration Number 1/269876



# Coronet Pension Scheme

## Contents

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|  | Page    |
|--|---------|
| <b>Trustee advisers</b>                            | 2       |
| <b>Trustee's report</b>                            | 3 - 14  |
| <b>Statement of Trustee's responsibilities</b>     | 15      |
| <b>Investment report</b>                           | 16 - 17 |
| <b>Summary of contributions</b>                    | 18      |
| <b>Statement about contributions</b>               | 19      |
| <b>Independent Auditors' report to the Trustee</b> | 20 - 21 |
| <b>Fund account</b>                                | 22      |
| <b>Net assets statement</b>                        | 23      |
| <b>Notes to the financial statements</b>           | 24 - 30 |
| <b>Actuarial statements</b>                        | 31 - 32 |
| <b>Compliance statement</b>                        | 33 - 34 |

**TRUSTEE AND ITS ADVISERS**  
**Year ended 31 March 2008**

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**Trustee**

Comet Trustee Company Limited

**Secretary to the Trustee**

Wayne Phelan, PS Independent Trustees Ltd (PSITL), Albion, Fishponds Road, Wokingham, RG41 2QE  
Secretarial Services are provided by PS Secretarial Services, a division of PSITL.

**Administrative details:**

**Scheme Actuary**

Steve Leake, Punter Southall Ltd, Tempus Court, Onslow Street, Guildford, Surrey, GU1 4SS

**Solicitors**

Eversheds LLP, Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES

**Auditors**

KPMG LLP, One Canada Square, London, E14 5AG

**Scheme Administrators**

MNPA Limited, Station Road, Leatherhead House, Leatherhead, Surrey, KT22 7ET

**Medical Adviser**

Dr R Willcox, InterHealth Limited, 157 Waterloo Road, London, SE1 8US

**Group Risk Benefit and Financial Services Consultants**

Punter Southall Financial Management Limited, Tempus Court, Onslow Street, Guildford, Surrey, GU1 4SS

**Insurer (for Death-In-Service benefits)**

Norwich Union, 2 Rougier Street, York, YO91UU (to 30/09/07)

**AVC providers**

The Prudential Assurance Company (to 30/09/07)

Abbey National (to 30/09/07)

The Standard Life Assurance Company (to 30/09/07)

**Investment managers**

Western Asset Management Limited (formerly known as Citigroup)

UBS Global Asset Management Limited

Legal & General Investment Management Limited

Morgan Stanley Investment Management Limited

Tremont (Bermuda) Limited (disinvested September 2008)

Baring Asset Management (appointed September 2008)

**Principal Employer**

Comet Group plc, George House, George Street, Hull, HU1 3AU

**Bankers**

National Westminster Bank plc, PO Box 34, 15 Bishopsgate, London, EC2P 2AP

**Contact address**

Comet Pension Scheme, MNPA Limited, Station Road, Leatherhead House, Leatherhead, Surrey KT22 7ET,  
Comet helpline 01372 200378, email [comet.pensions@mnpa.co.uk](mailto:comet.pensions@mnpa.co.uk). Further information can also be obtained  
from the Comet Pension Scheme website [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

**Trustee's report  
Year ended 31 March 2008**

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**Introduction**

The Trustee of the Comet Pension Scheme (the 'Scheme') is pleased to present the annual report together with the audited financial statements for the year ended 31 March 2008. The Scheme is a defined benefit scheme and is administered by MNPA Limited in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The primary business of the Trustee during the year under review has been: -

- i. continuing to develop the Scheme's investment strategy and the strategic investment of surplus cash following receipt of the monthly Contributions and after payment of known expenses and benefit outgoings;
- ii. finalising the Actuarial Valuation of the Scheme as at 31 March 2007; and
- iii. agreeing the new Schedule of Contributions following completion of the 31 March 2007 valuation;
- iv. implementing and finalising the changes to Scheme design following cessation of future service defined benefit accrual with effect from 1 October 2007.

**The Principal Employer**

The Principal Employer of the Scheme is Comet Group plc, whose registered address is: George House, George Street, Hull, HU1 3AU.

The Scheme is provided for all eligible employees of the Principal Employer. The other Participating Employer is Kesa Electricals plc, the ultimate parent company of Comet Group plc, whose employees are entitled to be Members of the Scheme provided that they satisfy the eligibility requirements of the Scheme. The Scheme has been closed to new Members since 1 April 2004.

**Trustee's report  
Year ended 31 March 2008**

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**Appointment and removal of Trustee and management of the Scheme**

The Scheme is managed by the Trustee, Comet Trustee Company Limited, a company whose function is to act as the Trustee of any fund or of any trust or trusts which may be established by Comet Group plc and in particular, to act as Trustee of the Scheme. The Rules, the legal document that governs the Scheme, provides for the appointment and removal of Trustee Directors. The board of the Trustee at the year-end comprised of 9 Directors. All Directors are formally appointed by the Principal Employer, but now include 3 Directors where the appointment is the consequence of the Member Nominated Director requirements.

At the end of the year under review the Directors of Comet Trustee Company Limited were:

**Company Appointed**

Ian Edwards (Chairman)  
Andrew Dobson  
Simon Enoch  
Jon Herzberg  
Victoria Moore  
Michael Walters (with effect from 17 March 2008)

**Member Nominated**

Graham McDonald - Pensioner representative  
Jeff Rowland - Head Office and Support departments representative  
Paul Underwood - Operations representative

The 3 Member Nominated Directors were formally appointed with effect from 14 June 2006 for a four-year period. In accordance with the process agreed by the original Trustee Directors, Jeff Rowland and Paul Underwood will be required to resign their position as a Trustee Director should they leave the employment of any Participating Employer prior to the end of their four-year period of appointment.

During the year under review, Brian Venters resigned as a Director. His resignation became effective from 17 March 2008.

**Trustee's report  
Year ended 31 March 2008**

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**Management of the Scheme**

The intention of the Trustee is to meet formally three times each year. However, a number of Sub-Committees have been established to meet on a more regular basis. The purpose of these Sub-Committees, and the primary members of each group, are as follows: -

**Investment**

Ian Edwards chairs the Investment Sub-Committee. All of the Directors are automatically included as members. However, the Directors have delegated the investment matters to a smaller group: Simon Enoch, Jon Herzberg, Jeff Rowland, Paul Underwood and Michael Walters. In addition, the Company is invited to send a representative to each meeting.

This Sub-Committee is responsible for all aspects of the Scheme's investments, including setting the investment strategy, producing, reviewing and amending as necessary the Statement of Investment Principles, recommending the appointment of fund managers to deliver that strategy, and monitoring of investment performance.

**Audit**

The Audit Sub-Committee is chaired by Graham McDonald and includes Ian Edwards and Michael Walters. All other Directors may choose to attend meetings of the Audit Sub-Committee if they so choose. The Company Pensions Manager is also invited to attend these meetings.

This Sub-Committee is responsible for the production of the annual Trustee Report and Financial Statements, reviewing the security and accuracy of the investment of all surplus cash payments from the Trustee Bank Account and any other adjustments to the Scheme's asset allocation, approving the Scheme's annual budget and reviewing all other aspects of the Scheme's operation as considered necessary. It reviews the risk register in conjunction with the Scheme Auditor and monitors Conflicts of Interest.

**Discretionary benefits**

The Discretionary Benefits Sub Committee is chaired by Victoria Moore and includes Jeff Rowland and Andrew Dobson. The Company Pensions Manager is also invited to attend.

This Sub-Committee is responsible for all decisions requiring the Trustee to exercise its discretion. This is primarily focused on the distribution of the return of contribution, plus interest, payable on death before retirement, the payments of pensions to those considered as Dependants and the review of applications for ill-health early retirement.

**Governance**

The Governance Committee is chaired by Simon Enoch and includes Graham McDonald, Victoria Moore, Andrew Dobson and Paul Underwood.

This Committee is responsible for managing the Risk to the Scheme by monitoring the actions and decisions of the other sub-committees, wherever possible ensuring effective decision making by using defined processes and procedures and adopting pension industry best practices wherever these are appropriate for the Scheme.

# Comet Pension Scheme

## Trustee's report Year ended 31 March 2008

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### Pension increases

In accordance with Paragraph 16 of the Scheme's Rules, pensions in payment at 1 April 2007 were reviewed for cost of living purposes.

Guarantee Minimum Pensions (GMP) accruing prior to 6 April 1997 receive increases in payment in line with statutory requirements. The Trustee is responsible for meeting the first 3% per annum of any increase required on that part of the GMP accrued between 6 April 1988 and 5 April 1997. Increases to GMP accruing between 6 April 1978 and 5 April 1988, and any increase on 'Post 1988' GMP above 3% per annum are payable to the individual in addition to the Member's Basic State Pension. That part of the pension in payment as at 1 April 2007 that included GMP accrued between 6 April 1988 and 5 April 1997 was increased by 3%.

Paragraph 16.3 of the Rules requires that any part of the pension in payment in excess of the GMP is also reviewed annually at each 1 April, with the increase required determined by the annual rise in the Retail Price Index ('RPI') as declared for the previous December. The Rules require that such 'excess' pensions are increased in the following manner:

- i. for Pensionable Service prior to 6 April 2005: by the rise in RPI, subject to a maximum of 5% per annum; and
- ii. for Pensionable Service after 5 April 2005: by the rise in RPI, subject to a maximum of 2.5% per annum.

The increases applied as at 1 April 2007 to any 'excess pension' were:

- i. for Pensionable Service prior to 6 April 2005: 4.4%
- ii. for Pensionable Service after 5 April 2005: 2.5%

Paragraph 16.5 of the Trust Deed and Rules requires the Principal Employer to consider granting increases to pensions in payment in excess of that required under Paragraphs 16.1 to 16.4 inclusive. Comet Group plc confirmed their decision not to provide such an additional increase at 1 April 2007.

At the Meeting held on 17 March 2008, the Trustee approved the pension increase to be granted with effect from 1 April 2008. The agreed increases were:

- GMP accrued between 6 April 1988 and 5 April 1997: 3%
- Excess pension accrued prior to 6 April 2005: 4%
- Excess pension accrued post 5 April 2005: 2.5%

The Principal Employer again confirmed that it would not be requesting for any discretionary pension increases to be granted with effect from April 2008 in accordance with Paragraph 16.5 of the Scheme Rules.

## Trustee's report Year ended 31 March 2008

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### Deferred benefits

Deferred benefits held for Members who have left service or ceased to contribute to the Scheme are increased over the period from the date of leaving service as follows:

#### Guaranteed Minimum Pension

The Guaranteed Minimum Pension (GMP) part of members' deferred benefits is increased annually at a fixed rate, the value of which is determined by the date on which Pensionable Service ceased. The applicable rates are:

|  |               |
|--|---------------|
| Pensionable Service ceasing on or after 6 April 2007:              | 4% per annum  |
| Pensionable Service ceasing between 6 April 2002 and 5 April 2007: | 4½% per annum |
| Pensionable Service ceasing between 6 April 1997 and 5 April 2002: | 6¼% per annum |
| Pensionable Service ceasing between 6 April 1993 and 5 April 1997: | 7% per annum  |
| Pensionable Service ceasing between 6 April 1988 and 5 April 1993: | 7½% per annum |
| Pensionable Service ceasing between 6 April 1978 and 5 April 1988: | 8½% per annum |

#### 'Excess Pension'

The part of the deferred benefit in excess of the GMP is increased each year in line with the increase in the RPI applying at the prior December (subject to overriding legislation) and in line with the policy of increasing pensions in payment as detailed above.

### Transfer values

The Rules of the Scheme permit transfers both to and from other occupational and personal pension arrangements. If a transfer payment out of the Scheme is made, the Trustee receives a statutory discharge from the receiving scheme trustee of any further liability once the transfer has been effected.

The Trustee confirms that having received actuarial advice, all transfer values are calculated and verified in accordance with the statutory cash equivalent requirements of the Pension Schemes Act 1993. The transfer calculation basis meets the legal requirements of the Act and makes no allowance for any discretionary benefits which might be payable under the Scheme.

The Trustee's stated intention is to continue to review the cash equivalent transfer value basis of the Scheme and following receipt of the results of the formal Actuarial Valuation as at 31 March 2007 and at each subsequent annual funding review of the Scheme.

The Trustee has made a policy decision not to accept transfers into the Scheme, although consideration is given to individual requests made in exceptional circumstances.



**Trustee's report  
Year ended 31 March 2008**

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**Contributions**

The Principal Employer, after seeking actuarial advice, is currently responsible under Paragraphs 2 and 3 of the Rules to set the rate of contributions payable to the Scheme by the Participating Employers and Members. The required contributions payable, excluding Additional Voluntary Contributions ('AVCs') by both the Members and the Participating Employers are stated within a Schedule of Contributions, which the Trustee is required to prepare and maintain.

The rate of contributions payable by the Members until 30 September 2007 was 6.5% of Pensionable Salary.

Once again, the Trustee made a payment to the Pension Protection Fund under the risk-based levy calculation. Whilst the responsibility for payment of the Levy falls to the Trustee, the Schedule of Contributions requires the Principal Employer to make a special annual contribution equal to the amount of the annual levy to the Pension Protection Fund and within 30 days of the date of the invoice from the Pension Protection Fund. It is confirmed that the special contribution required in respect of the 2007 levy payment of £172,026 was made to the Trustee Bank Account on 27 February 2008 and, therefore, within the specified 30 day period.

Following completion of the 31 March 2007 Actuarial Valuation, the Principal Employer and the Trustee agreed to amend the Schedule of Contributions in respect of the Past Service Deficit Contribution. It was agreed that the Principal Employer would make equal monthly contributions of £508,333 from 1 April 2008 to 31 May 2016.

**Summary Funding Statement**

Trustees of defined benefit pension schemes are now required to issue an annual 'Summary Funding Statement' to all scheme members. The intention of the Statement is to provide all members of such schemes an illustration of the financial position of the applicable arrangement and confirmation of the level of funding applying against the value of liabilities built up by all participants in that scheme.

The Comet Pension Scheme's Summary Funding Statement was distributed to all categories of Member in September 2008. That Statement confirmed that as at the last funding review (31 March 2007), the Trustee held total assets of £220.4m compared to total accrued liabilities of £273.5m. As such, the Scheme had a funding shortfall at that date of £53.1m, or could be considered as 81% funded.

Copies of the 2008 Summary Funding Statement are freely available for download from the 'useful documents' section of the Company's pension website, [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

**Employer-related investments**

There was no employer-related investment at any time during the year, except within passively managed funds that seek to track an index and which requires an appropriate holding in Kesa Electricals plc to achieve that tracking requirement.

## Trustee's report Year ended 31 March 2008

### Scheme changes

In July 2006, the Principal Employer presented to the Trustee their proposal to amend the benefit design of the Scheme with the intention of the cessation of accrual for future service under a defined benefit basis.

After lengthy negotiation, the Principal Employer chose to amend its proposals for future pension benefits so that: -

- future defined benefit accrual for future service ceased with effect from 30 September 2007;
- the entitlement derived from accrued Pensionable Service to 30 September 2007, including any additional entitlement secured from a transfer in of earlier pension benefits, be determined with reference to the Member's ultimate Final Pensionable Salary applying at the date that the individual chooses to retire or leave the employment of a Participating Employer;
- the pension derived from membership of the Comet Pension Scheme carries an underpin of entitlement at least equal to the deferred pension that would otherwise have been granted based on total Pensionable Service and Final Pensionable Salary calculated as if active membership had ceased on 30 September 2007, plus statutory deferred revaluation applied to that entitlement from 1 October 2007 to the assumed retirement date or the date on which the Member leaves the Scheme under any other circumstances;
- future pension benefits are provided on a money purchase basis using the Stakeholder Pension Plan product provided by the Standard Life Assurance Company and are outside of the current trust arrangement;
- the proposals included the requirement to contract in to the State Second Pension, thereby allowing for a continued link to future earnings under the terms of that part of the State Retirement Scheme;
- the employer's aggregate contribution to pension benefits under the new proposals, including increased National Insurance Contributions to recognise the participation in the State Second Pension under these new proposals, were designed to equate to the current aggregate Company costs for future service benefits applying as at 30 September 2007;
- contribution rates for the replacement pension arrangement were provided on a grade related basis to mirror all other elements of Comet's reward policy;
- future provision for ill-health benefits were removed from pension management and were to be included within a general review of overall reward that would be announced in due course; and
- life assurance cover will be maintained at four times salary for all active participants in the Stakeholder Pension Plan, recognising that this is an increase in the position for the active participants in the Comet Stakeholder Pension Plan where such cover is currently at twice salary.

After due consideration of these amended proposals, the Trustee reluctantly accepted the Principal Employer's ability to implement the changes. Therefore, the Trustee agreed to amend the Rules to bring into effect the proposed changes by amending the Rules as appropriate once the Principal Employer had successfully concluded the required 60-day consultation process as required under legislation.

This consultation process was completed on 31 August 2007 and the changes were implemented as noted above with effect from 1 October 2007.

**Trustee's report  
Year ended 31 March 2008**

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**Group risk benefits**

Following the implementation of the changes for future pension arrangements from 1 October 2007, the Principal Employer established an approved 'life cover only scheme' outside of the current trust arrangement that provides for all life assurance cover as a multiple of salary. The Trustee recognises, however, that its discretion is still required in those instances where a return of personal contributions, plus interest, is required in accordance with Paragraph 9 of the Rules.

**Pension sharing on divorce**

The Trustee considered the Regulations introduced to facilitate Pension Sharing on Divorce. It decided that the default option would, where possible, be to transfer benefits out of the Scheme without consent. However, because of conflicts in legislation it was agreed to allow 'internal transfers' where necessary. This requires a separate 'deferred pension' to be established for the Member's former spouse, with that resulting entitlement being subject to the annual increase and early retirement provisions as applying for 'ordinary' deferred pensions. The value of the pension to be allocated to the Member's former spouse will be determined by the Court. Members and their ex-spouses will be responsible for the costs of providing information and implementing a pension sharing order in accordance with the Scheme administrator's standard basis.

**Management of investments**

The Scheme has adopted a Statement of Investment Principles ("SIP") as required under the Pensions Act 1995, which sets out the Trustee's investment decisions and processes. This was reviewed during the year and an amended SIP prepared in May 2006 and signed in May 2007.

A copy of the SIP is available on request from the Scheme Administrator, the contact details of whom are given on page 2 of the Trustee Report. A copy is also freely available to view or download from the Company's pension website, [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

The SIP sets out the investment objectives of the Scheme, which are:

- (a) to ensure that sufficient assets are available to pay out current and future members benefits as and when they arise.
- (b) to maximise the funding level on an on-going basis, in particular, ensuring that the Scheme reaches a 100% funding level by 2016.

**Basis of investment manager fees**

The investment managers are remunerated in accordance with the value of securities under their control.

**Trustee's report  
Year ended 31 March 2008**

**Membership**

Details of the membership of the Scheme as at 31 March 2008 are given below:-

|   | <b>Total<br/>2008</b> | Total<br>2007 |
|---|-----------------------|---------------|
| <b>ACTIVE MEMBERS</b>   |                       |               |
| At start of the year  | 2,090                 | 2,385         |
| Transferred pending members   | (17)                  | (2)           |
| New entrants in the year  | -                     | 2             |
| Retirements   | (41)                  | (50)          |
| Death in service  | (2)                   | (1)           |
| Members leaving with contribution refunds                           | -                     | (1)           |
| Members leaving with preserved benefits                             | (41)                  | (243)         |
| Members becoming deferred   | (1,989)               | -             |
|   | <hr/>                 | <hr/>         |
| Active members at the end of the year                               | -                     | 2,090         |
| <b>PENSIONERS</b>   |                       |               |
| At start of the year  | 786                   | 686           |
| Members retiring during the year (from Active and Deferred)         | 89                    | 95            |
| Members retiring during the year (from Pending)                     | 9                     | -             |
| Spouses and dependants  | 13                    | 16            |
| Pensions ceased   | (12)                  | (11)          |
|   | <hr/>                 | <hr/>         |
| Pensioners at the end of the year                                   | 885                   | 786           |
| <b>MEMBERS WITH PRESERVED AND DEFERRED BENEFITS</b>                 |                       |               |
| At start of the year  | 2,811                 | 2,637         |
| Leavers during the year with preserved benefits (from Pending)      | 1                     | -             |
| Leavers during the year with preserved benefits (from Active)       | 41                    | 243           |
| Deferred pensioners becoming pensioners                             | (48)                  | (45)          |
| Transfers out during the year                                       | (8)                   | (14)          |
| Members with preserved and deferred benefits transferred            | (2)                   | -             |
| Deaths  | -                     | (7)           |
| Full trivial commutation  | -                     | (3)           |
| Decision Pending  | 9                     | 2             |
| Active members becoming deferred (see Note 3)                       | 1,989                 | -             |
|   | <hr/>                 | <hr/>         |
| Members with preserved and deferred benefits at the end of the year | 4,793                 | 2,813         |
|   | <hr/>                 | <hr/>         |
| <b>TOTAL MEMBERSHIP AT THE END OF THE YEAR</b>                      | <b>5,678</b>          | <b>5,689</b>  |

Note

1) Members with preserved and deferred benefits at 31 March 2008 include 9 (2007: 2) members whose decision on whether to opt for retirement benefits is still pending.

2) Pensioners include individuals receiving a pension upon the death of their spouse.

3) Members with preserved and deferred benefits who transferred from active membership on 30 September 2007 when the right to future service accrual ceased, and who remained in employment with the Company at 31 March 2008 total 1,888 (2007: N/A).

**Trustee's report  
Year ended 31 March 2008**

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**Financial development of the Scheme**

The financial statements on pages 22 and 23 show that the value of the Scheme's assets decreased by £4,954,000 to £220,786,000 as at 31 March 2008. The decrease was comprised of net additions from dealings with Members (i.e. contributions payable by, and in respect of Members, less the value of benefits paid) of £1,872,000 together with a net reduction in the value of investments of £6,826,000.

The financial statements have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

Further details of the financial developments of the Scheme may be found in the notes to the audited financial statements on pages 24 to 30.

**Actuarial Valuation**

The formal Actuarial Valuation of the Scheme was undertaken as at 31 March 2007. The final report of the Scheme Actuary and the appropriate Actuarial Certificates were signed in March 2008.

The actuarial Statements relating to that Valuation as required by law are set out on page 32.

The Valuation at 31 March 2007 identified a deficit of assets held against accrued liabilities. Following discussions between the Principal Employer and the Trustees, a 'Recovery Plan' was put into place. The Recovery Plan seeks to rectify the deficit position as at 31 March 2007, calculated on an ongoing basis, by 31 May 2016. The Recovery Plan requires a payment of a Past Service Deficit Contribution of £6.1m per annum, payable in monthly instalments, commencing 1 April 2008. It is subject to annual review to ensure that the assumptions used in calculating the appropriate contribution, together with the level of contribution itself, remain adequate to meet the stated objective.

The Trustees reviewed the position of the Scheme as at 31 March 2008 and felt that no immediate revisions were necessary. A further review will be carried out as at 31 March 2009.

The next formal Valuation is to be undertaken no later than 31 March 2010.

**Life Assurance**

On 30 September 2007 life assurance cover that was previously provided to those colleagues whose Terms and Conditions of employment warranted it, was ceased. This cover is now provided under the Comet Group Life Assurance Scheme and is outside this Trust. The number of Life Cover Only members as at 31 March 2008 was NIL (2007: 1,972)

**Trustee's report  
Year ended 31 March 2008**

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**Further information**

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (the Trust Deed and Rules) and the Actuary's report. A number of these documents are freely available to view on the Company's pension website, [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

The documents available from the website are: -

- i. a full copy of the Definitive Trust Deed & Rules and, where appropriate, any subsequent Deeds of Amendment;
- ii. the most recent Trustee Report & Financial Statements;
- iii. the current Statement of Investment Principles;
- iv. A copy of the latest Summary Funding Statement; and
- v. the relevant approval certificates for HR Revenue & Customs approval, Contracting-Out Certificate and the Data Protection Register.

Any query about the Scheme, including requests from individuals for information about their benefits, should be addressed to:

The Trustee of the Comet Pension Scheme (the 'Scheme') c/o MNPA Limited, Leatherhead House, Leatherhead, Surrey, KT22 7ET.

**Internal dispute resolution (IDR) procedures**

Since 6 April 1997, all trustees of occupational pension schemes must have internal dispute resolution (IDR) procedures in place, for dealing with any disputes between Trustee and Scheme beneficiaries.

Detailed information regarding the Scheme's IDR procedures can be obtained from the Secretary to the Trustee. A brief description of the agreed procedure is given within the Member Guide and on the Company's pension website, [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

Alternatively, Members and their beneficiaries can obtain free advice through the Pensions Advisory Service (tPAS) who can be reached at 11 Belgrave Road, London SW1V 1RB. If a member has a complaint which tPAS is unable to resolve then they can ask for a ruling from the Pensions Ombudsman who can be reached at the same address.

**Trustee's report  
Year ended 31 March 2008**

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**Additional Voluntary Contributions**

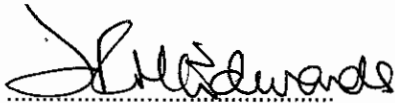
Following the implementation of the changes for future pension arrangements from 1 October 2007, members were no longer allowed to make Additional Voluntary Contributions (AVCs) under the Scheme.

Members who had paid contributions to either the Prudential or Standard Life had the option to leave their AVCs with those providers or transfer them to a suitably approved arrangement.

In establishing these AVC providers, the Trustee undertook a thorough review of, and continues to review, the AVC market in conjunction with Punter Southall Financial Management ('PSFM') Limited. The latest review on the continued appropriateness of both The Prudential Assurance Society and The Standard Life Assurance Society for this purpose was undertaken in March 2006.

As part of its continued service to the Trustee and Members, PSFM Limited provide general advice on the advantages of making additional provision through the Comet Stakeholder Pension Plan. PSFM may be contacted by calling 0845-402-4112, or by e-mail to [comet@psfm.com](mailto:comet@psfm.com).

This report, including the Compliance Statement, was approved by the Trustee and signed on its behalf by:



I R M Edwards  
Chairman of the Trustee

Date: 7 October 2008

### Statement of Trustee's responsibilities

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The Annual Report (including the financial statements) is the responsibility of the Trustee. Pension scheme regulations requires the Trustee to make available to Scheme members, beneficiaries and certain other parties, an Annual Report for each scheme year which contain:

Audited financial statements that comply with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year, and contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (Revised November 2002).

The other information specified in Schedule 3 to the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions, certified by the Scheme Actuary, showing the rates of contributions payable to the Scheme by or on behalf of the employer and the active Members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether the contributions are made to the Scheme in accordance with the schedule of contributions. Where breaches of the schedule occur the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the Members.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.



**Investment report**

In general terms, the Trustee's qualitative objective for the Scheme is:

- (i) to ensure that sufficient assets are available to pay out current and future members benefits as and when they arise; and
- (ii) to maximise the funding level on an on-going basis, in particular, ensuring that the Scheme reaches a 100% funding level by 2016.

Secondly, the Trustee aims to minimise the risk of additional cash contribution requirements from the Participating Employers in meeting the balance of the costs required to provide the benefits required under the Rules. To achieve this secondary aim, a diversified strategy was agreed that permits investment in a wide range of differing investment opportunities as a solution to the potential volatility risk apparent in investing in a smaller number of asset classes.

The agreed investment strategy comprises of:

- 1. A 'Matching Fund', which invests in assets that produce an income stream derived from investment in 'monetary assets' to enable the benefits to be paid as they fall due. The measurement used for this part of the investment strategy is to achieve a return equal to Gilts + 0.75% per annum; and
- 2. An 'Investment Fund', that generally invests in 'real assets' that provide a match against final salary benefits as they fall due. Its strategy aims to achieve an investment return of Gilts + 3% per annum.

The asset allocation within the agreed strategy and the Specialist Investment Manager appointed for that mandate at 31 March 2008 was as follows:

| Asset Class                    | Manager                                       | Allocation |
|--------------------------------|---|------------|
| <b>Investment Fund</b>         |   | <b>70%</b> |
| UK Equities                    | Legal & General Investment Management Limited | 15%        |
| Overseas Equities              | Legal & General Investment Management Limited |            |
| US                             |   | 5%         |
| Europe (Excluding UK)          |   | 5%         |
| Asia Pacific (including Japan) |   | 5%         |
| Property                       | UBS Global Asset Management Limited           | 15%        |
| Active Global Equities         | Morgan Stanley Investment Management Limited  | 10%        |
| Active Global Bonds            | Western Asset Management Limited              | 10%        |
| Absolute Return Funds          | Tremont (Bermuda) Limited                     | 5%         |
|                                |   |            |
| <b>Matching Fund</b>           |   | <b>30%</b> |
|                                |   |            |
| Fixed interest Corporate Bonds | UBS Global Asset Management Limited           | 10%        |
| Index Linked Gilts             | UBS Global Asset Management Limited           | 20%        |

The Trustee recognises that with the movement of markets generally, and differing asset classes specifically, allowance must be given to permit the allocation to each part of the agreed strategy to operate around this core allocation. Investments are permitted to be within a range of +/-5% of the core allocation.

Details of each individual Investment Managers investment objectives and technique, together with any restrictions placed upon the Manager by the Trustee, are detailed in the Statement of Investment Principles. The Statement is available on request from the administrator or freely available to download from [www.comet-pensions.co.uk](http://www.comet-pensions.co.uk).

**Investment report**

During the year under review, the Trustee has continued to manage the investments in accordance with the agreed investment strategy set out in the Statement of Investment Principles.

The Trustee continued to implement a monthly process that identifies surplus cash held in the Trustee Bank account. The availability of these surplus monies, generally of c£400k per month, allows the Trustee to further develop the Scheme's investment strategy in line with the change in liabilities without the need to disinvest other assets. Additionally, this allows for the flexibility to consider new investment opportunities as they arise from time to time.

In this respect, the Trustee has been discussing with the Company the possibility of Liability Hedging and Dynamic Asset Allocation (DAA) in order to address the question of further diversification and risk control.

Since the year end, it has been decided to disinvest the funds currently managed by Tremont, following their continued poor performance.

Agreement was reached with the Company to appoint Barings as a DAA manager and the proceeds of the Tremont disinvestment will be moved to Barings once available. Together with available cash funds, this would bring the strategic allocation to DAA to 20% of the total assets.

It has also been agreed that the economic reality of the Scheme's exposure to interest rates and inflation would be hedged but that the total value of the hedge would be scaled back to c.80% of the value of the liability (calculated on an actuarial basis), based on grouping the liability cash flows into 5 year buckets.

KAS Bank will be used as the custodian for the liability hedge and collateral postings. UBS gilts and cash from Legal & General will be transferred to KAS Bank when appropriate.

**Performance Summary**

| Manager                               | 12 months to 31 March 2008 |             | Relative     |           |
|---------------------------------------|----------------------------|-------------|--------------|-----------|
|                                       | Scheme                     | Benchmark   | vs BM        | vs Target |
|                                       | %                          | %           | %            | %         |
| Legal & General Investment Management | -4.8                       | -4.8        | 0            | 0         |
| Morgan Stanley                        | -4.7                       | -4.5        | -0.2         | -0.2      |
| UBS Triton Fund                       | -10.9                      | -10.7       | -0.2         | -0.2      |
| Western Asset Management              | -2.5                       | 5.1         | -7.6         | -9.6      |
| Tremont                               | -6.0                       | 10          | -16.0        | -16.0     |
| UBS Global Asset Management (Bonds)   | 3.8                        | 7.13        | -3.33        | -4.13     |
| <b>Total*</b>                         | <b>-2.3</b>                | <b>12.7</b> | <b>-15.0</b> |           |

\*Total Scheme benchmark taken as the agreed investment Objective

Total Fund Liability Benchmark Portfolio

65% FTSE Index Linked Gilts >5Yrs  
35% FTSE Fixed Interest Gilts >15Yrs

Investment Objective

Liability Benchmark Portfolio+2.2%

## Camel Pension Scheme

### Summary of contributions For the year ended 31 March 2008


#### Summary of contributions payable during the Scheme year ended 31 March 2008

Contributions payable to the Scheme by the employer under the Schedule of Contributions in respect of the year ended 31 March 2008 were as follows:

|   | Financial<br>statements<br>£000 | Schedule<br>£000 | Difference<br>£000 |
|---|---------------------------------|------------------|--------------------|
| <b>Defined Benefits Section</b>                       |                                 |                  |                    |
| Normal contributions                                  | 3,545                           | 3,545            | -                  |
| Annual lump sums as per the Schedule of Contributions | 1,525                           | 1,525            | -                  |
| Employer SMART contributions                          | 1,478                           | 1,478            | -                  |
| PPF Levy contribution                                 | 172                             | -                | 172                |
| Employer contributions                                | <u>6,720</u>                    | <u>6,548</u>     | <u>172</u>         |
| Normal contributions                                  | 58                              | 58               | -                  |
| Additional voluntary contributions                    | 162                             | -                | 162                |
| Employee contributions                                | <u>220</u>                      | <u>58</u>        | <u>162</u>         |
| Total contributions                                   | <u>6,940</u>                    | <u>6,606</u>     | <u>334</u>         |

Signed for and on behalf of the Trustee:

Date:

  
7 October 2008

**Statement about contributions  
For the year ended 31 March 2008**

**Independent Auditors' Statement about Contributions made under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the trustees of the Comet Pension Scheme.**

We have examined the summary of contributions payable to the Scheme, for the scheme year ended 31 March 2008 on page 18. The contributions are as set out in the Trustee's report on page 8.

This report is made solely to the Scheme's Trustee, as a body, in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditors' statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustee and auditors**

As described on page 15 the Scheme's Trustee is responsible, under the Pensions Act 2004, for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the scheme by or on behalf of the employer and the active members of the scheme. The Trustee has a general responsibility to procuring that contributions are made to the scheme in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

We read the Trustee's report and other information contained in the annual report and consider whether it is consistent with the summary of contributions. We consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary of contributions.

**Basis of statement about contributions**

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have been paid in accordance with the relevant requirements. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions paid to the scheme and the timing of those payments under the Schedule of Contributions. Our statement about contributions is required to refer to those breaches of the Schedule of Contributions which come to our attention in the course of our work.

**Statement about contributions**

In our opinion contributions for the Scheme year ended 31 March 2008 as reported in the summary of contributions and payable under the schedule have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the scheme actuary on 24 February 2006.

*KPMG LLP*  
KPMG LLP  
Registered Auditors  
One Canada Square  
London  
E14 5AG  
Date: 7 October 2008

## Independent Auditors' report to the Trustee

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We have audited the financial statements of the Scheme for the year ended 31 March 2008 which comprise the fund account, the net assets statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Scheme's Trustee in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditors' report on the financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustee and auditors

As described in the Statement of Trustee's responsibilities, the scheme's Trustee is responsible for obtaining an annual report, including audited financial statements prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements show a true and fair view and contain the information specified in the schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if the information specified by law is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Trustee's report, Investment Report, Actuarial Statement and Compliance Statement.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Scheme's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Camel Pension Scheme

### Independent Auditors' report to the Trustee

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#### Opinion

In our opinion:

- the financial statements show a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the Scheme during the year ended 31 March 2008, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; and
- the financial statements contain the information specified in Regulation 3 of and the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

KPMG LLP

KPMG LLP

Registered Auditors

One Canada Square  
London  
E14 5AG

Date: 7 October 2008

## Canal Pension Scheme

### Fund account For the year ended 31 March 2008

|  | Note | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|--|------|---|---|
| <b>CONTRIBUTIONS AND BENEFITS</b>                          |      |   |   |
| Contributions  | 3    | 6,940   | 22,001  |
| Transfers in   | 4    | 24  | -   |
| Other income   | 5    | 105   | 168   |
|  |      | <u>7,069</u>                                      | <u>22,169</u>                                     |
| Benefits   | 6    | (4,314)   | (3,913)   |
| Payments to and on account of leavers                      | 7    | (253)   | (816)   |
| Other payments   | 8    | (114)   | (221)   |
| Administrative expenses                                    | 9    | (516)   | (849)   |
|  |      | <u>(5,197)</u>                                    | <u>(5,799)</u>                                    |
| <b>Net additions from dealings with members</b>            |      | <u>1,872</u>                                      | <u>16,370</u>                                     |
| <b>Returns on investments</b>                              |      |   |   |
| Investment income  | 10   | 723   | 785   |
| Investment management expenses                             | 11   | (133)   | (174)   |
| Change in market value of investments                      | 12   | (7,416)   | 10,682  |
|  |      | <u>(6,826)</u>                                    | <u>11,293</u>                                     |
| <b>Net returns on investments</b>                          |      | <u>(6,826)</u>                                    | <u>11,293</u>                                     |
| <b>Net (decrease) increase in the fund during the year</b> |      | <u>(4,954)</u>                                    | <u>27,663</u>                                     |
| <b>Net assets of the scheme at 1 April 2007</b>            |      | <u>225,740</u>                                    | <u>198,077</u>                                    |
| <b>Net assets of the scheme at 31 March 2008</b>           |      | <u><u>220,786</u></u>                             | <u><u>225,740</u></u>                             |

## Comet Pension Scheme

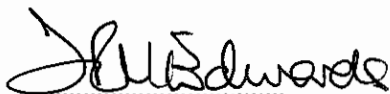
### Net assets statement As at 31 March 2008

|                                    | Note | 31 March<br>2008<br>£000 | 31 March<br>2007<br>£000 |
|------------------------------------|------|--------------------------|--------------------------|
| <b>TOTAL INVESTMENTS</b>           |      |                          |                          |
| Investment assets                  | 12   | 219,554                  | 224,270                  |
| Current assets                     | 13   | 1,508                    | 2,131                    |
| <b>Total assets</b>                |      | <b>221,062</b>           | <b>226,401</b>           |
| Current liabilities                | 13   | (276)                    | (661)                    |
| <b>NET ASSETS AT 31 MARCH 2008</b> |      | <b>220,786</b>           | <b>225,740</b>           |

The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year. The actuarial position of the scheme, which does take account of such obligations, is dealt with in the Summary Funding Statement included in the Trustees report and these financial statements should be read in conjunction with it.

The notes on pages 24 to 30 form an integral part of these financial statements.

These financial statements were approved by the Trustee and were signed on their behalf by:



I R M Edwards  
Chairman of the Trustee

Date: 7 October 2008



**Notes to the financial statements  
For the year ended 31 March 2008**

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**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Scheme" (SORP) (revised May 2007), which have been adopted early.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year.

The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the statements by the Actuary on pages 31 - 32 of the Annual Report and these financial statements should be read in conjunction therewith.

The Trustees have adopted the revised SORP. As a result investments previously valued at mid prices are now valued at bid prices for assets and liabilities respectively where there is a bid offer spread. This is a change in accounting policy but the difference in valuation is considered immaterial to the financial statements and therefore comparatives have not been restated. As a result the comparative figures for investments are reported on a mid price basis and the adjustment in valuation from mid to bid price is included in the current year "Change in market value"

**2. ACCOUNTING POLICIES**

The following principal accounting policies have been adopted in the preparation of the financial statements.

**2.1 Accruals concept**

The financial statements, including administration expenses, have been prepared on an accruals basis with the exception of individual transfers which are recognised when received or paid.

**2.2 Contributions and benefits**

Contributions and benefits are accounted for in the period in which they fall due.

Normal contributions received during the year have been paid in accordance with the schedule of contributions.

Employer special contributions are accounted for in accordance with the agreement under which they are paid.

**2.3 Transfers to and from other schemes**

Transfer values have been included in the financial statements when received and paid. They do not take account of members who have notified the Scheme of their intention to transfer.

Individual transfer values to and from other pension arrangements represent the amounts received and paid during the year for members who either joined or left the Scheme and are accounted for when a member exercises their option to transfer their benefits.

## Camel Pension Scheme

### Notes to the financial statements For the year ended 31 March 2008

#### 2. ACCOUNTING POLICIES (continued)

##### 2.4 Investment income

Investment income on cash deposits is accounted for on an accruals basis.

Income from managed funds is not distributed but is reinvested and included within the closing value of the fund at the year end.

##### 2.5 Valuation of investments

The market value of pooled investment vehicles is based on the bid price operating at the accounting date where there is a bid/offer spread, or single price as advised by the investment managers.

##### 2.6 Additional voluntary contributions (AVCs)

AVCs are accounted for on an accruals basis, and the resulting investments are included within the net assets statements.

#### 3. CONTRIBUTIONS

|  | <b>For the year<br/>ended<br/>31 March<br/>2008<br/>£000</b> | <b>For the year<br/>ended<br/>31 March<br/>2007<br/>£000</b> |
|--|--|--|
| Employer's Contributions                                 |  |  |
| - Normal contributions                                   | 3,545  | 7,503  |
| - Annual lump sums as per the Schedule of Contributions* | 1,525  | 10,675   |
| - Employer SMART contributions                           | 1,478  | 3,121  |
| - PPF Levy contribution                                  | 172  | 249  |
| Members' Contributions                                   |  |  |
| - Normal contributions                                   | 58   | 131  |
| - Additional voluntary contributions                     | 162  | 322  |
|  | <b>6,940</b>   | <b>22,001</b>  |

\*These contributions are funding for past service. An amount of £4,574,997 was paid last year on 20 March 2007 that relates to the period from April to December 2007.

## Garnat Pension Scheme

### Notes to the financial statements For the year ended 31 March 2008

#### 4. TRANSFERS IN

|                            | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|----------------------------|---|---|
| Transfers in - Individuals | 24  | -   |
|                            | 24  | -   |

Although the Trustee has a policy of not accepting transfer payments into the Scheme on an individual basis, pension entitlements accrued by a 'Transferring Member' in the former Kingfisher Pension Scheme were accepted on a discretionary basis, so as not to disadvantage the Member concerned.

#### 5. OTHER INCOME

|                                   | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|-----------------------------------|---|---|
| Claims on term insurance policies | 105   | 165   |
| Sundry Income                     | -   | 3   |
|                                   | 105   | 168   |

#### 6. BENEFITS

|   | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|---|---|---|
| Pension payments                              | 2,809   | 2,446   |
| Commutations and lump sum retirement benefits | 1,359   | 1,215   |
| Lump sums on death in retirement              | 18  | -   |
| Lump sums on death in service                 | 120   | 216   |
| Lump sums on death of deferred member         | 8   | 20  |
| Purchase of annuities                         | -   | 16  |
|   | 4,314   | 3,913   |

## Comet Pension Scheme

### Notes to the financial statements For the year ended 31 March 2008

#### 7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

|   | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|---|---|---|
| Payments for members joining state scheme | (1)   | 4   |
| Individual transfers to other schemes     | 253   | 809   |
| Refunds to members leaving service        | 1   | 3   |
|   | 253   | 816   |
|   | 253   | 816   |

Refunds to members leaving service were AVC contributions refunded

#### 8. OTHER PAYMENTS

|                         | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|-------------------------|---|---|
| Term insurance premiums | 114   | 221   |
|                         | 114   | 221   |
|                         | 114   | 221   |

#### 9. ADMINISTRATIVE EXPENSES

|   | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|---|---|---|
| Administration and processing           | 82  | 234   |
| Actuarial fees                          | 119   | 123   |
| Audit fee                               | 23  | 20  |
| Other consultancy costs                 | 101   | 174   |
| Levy payable to Pension Protection Fund | 172   | 249   |
| Trustee fees and expenses               | -   | 12  |
| Bank charges                            | 1   | -   |
| Non audit fees paid to KPMG             | 13  | 21  |
| Sundry expenses                         | 5   | 16  |
|   | 516   | 849   |
|   | 516   | 849   |

## Camel Pension Scheme

### Notes to the financial statements For the year ended 31 March 2008

#### 10. INVESTMENT INCOME

|  | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|--|---|---|
| Income from pooled investment vehicles | 664   | 672   |
| Interest on cash deposits              | 59  | 113   |
|  | 723   | 785   |
|  | 723   | 785   |

#### 11. INVESTMENT MANAGEMENT EXPENSES

|                                      | For the year<br>ended<br>31 March<br>2008<br>£000 | For the year<br>ended<br>31 March<br>2007<br>£000 |
|--------------------------------------|---|---|
| Administration, management & custody | 102   | 117   |
| Other advisory fees                  | 31  | 57  |
|                                      | 133   | 174   |
|                                      | 133   | 174   |

#### 12. INVESTMENTS

|                            | Value at<br>01/04/2007<br>£000 | Purchases<br>at cost<br>£000 | Sales<br>proceeds<br>£000 | Change in<br>market value<br>£000 | Value at<br>31/03/2008<br>£000 |
|----------------------------|--------------------------------|------------------------------|---------------------------|-----------------------------------|--------------------------------|
| Pooled investment vehicles | 218,905                        | 32,382                       | (29,573)                  | (7,586)                           | 214,128                        |
| AVC investments            | 5,322                          | 234                          | (300)                     | 170                               | 5,426                          |
| Sub total                  | 224,227                        | 32,616                       | (29,873)                  | (7,416)                           | 219,554                        |
| Cash deposits              | 43                             |                              |                           |                                   | -                              |
|                            | 224,270                        |                              |                           |                                   | 219,554                        |

## Camel Pension Scheme

### Notes to the financial statements For the year ended 31 March 2008

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. The change in market value of investments for the year also includes the cost of the investment management fees of £752k (2007: £723k) which are mainly included in unit prices.

The value of investments brought forward at 1 April 2007 is at mid value prices. The difference in value between mid value and bid value at 1 April 2007 (£700,617) has been included in the change in market value for the year.

The Non property Pooled Investment Vehicles detailed below have the following amounts in underlying types of investments: Absolute return fund (registered overseas) £12,369k, Fixed interest Securities £20,618k, Index Linked Securities £41,008k, UK Equities £44,500k, Overseas Equities £53,878k and Overseas Fixed Interest £17,442k. All registered in the UK except where mentioned otherwise.

#### POOLED INVESTMENT VEHICLES

|   | <b>31 March<br/>2008<br/>£000</b> | <b>31 March<br/>2007<br/>£000</b> |
|---|-----------------------------------|-----------------------------------|
| Property Unit Trust                     | 24,313                            | 28,725                            |
| Non Property pooled Investment vehicles | 189,815                           | 190,180                           |
|   | <b>214,128</b>                    | <b>218,905</b>                    |

#### CASH DEPOSITS

|                        | <b>31 March<br/>2008<br/>£000</b> | <b>31 March<br/>2007<br/>£000</b> |
|------------------------|-----------------------------------|-----------------------------------|
| Sterling cash deposits | -                                 | 43                                |
|                        | <b>-</b>                          | <b>43</b>                         |

## Carroll Pension Scheme

### Notes to the financial statements For the year ended 31 March 2008

#### 13. CURRENT ASSETS AND LIABILITIES

|   | 31 March<br>2008<br>£000 | 31 March<br>2007<br>£000 |
|---|--------------------------|--------------------------|
| <b>CURRENT ASSETS</b>                     |                          |                          |
| Employer contributions due                | 508                      | 854                      |
| Employee contributions due                | -                        | 82                       |
| Other debtors                             | -                        | 1                        |
| Cash balances                             | 1,000                    | 1,194                    |
|   | <u>1,508</u>             | <u>2,131</u>             |
| <b>CURRENT LIABILITIES</b>                |                          |                          |
| Unpaid benefits                           | 133                      | 138                      |
| Taxation                                  | 34                       | 34                       |
| Other creditors                           | 109                      | 489                      |
|   | <u>276</u>               | <u>661</u>               |
| <b>NET CURRENT ASSETS AND LIABILITIES</b> | <u><u>1,232</u></u>      | <u><u>1,470</u></u>      |

## Comet Pension Scheme

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### Actuary's Certificate of the Calculation of Technical Provisions

Effective date of valuation: 31 March 2007  
Name of Scheme: Comet Pension Scheme

#### Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the scheme's Technical Provisions as at 31<sup>st</sup> March 2007 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustees of the scheme and set out in the Statement of Funding Principles dated 17<sup>th</sup> March 2008.

**Signature:** S Leake

**24 April 2008**

**Steve Leake**  
Fellow of the Institute of Actuaries  
Punter Southall Ltd  
Tempus Court  
Onslow Street  
Guildford GU1 4SS



## Comet Pension Scheme

### Actuary's Certificate of the Schedule of Contributions

Effective date of valuation: 31 March 2007  
Name of Scheme: Comet Pension Scheme

#### Adequacy of rates of contributions

1 I certify that, in my opinion, the rates of the contributions shown in this schedule of contributions are such that -

the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 17<sup>th</sup> March 2008.

#### Adherence to statement of funding principles

2 I certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 17<sup>th</sup> March 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the annuities, if the scheme were to be wound-up.

Signature: S Leake

17 March 2008

#### Steve Leake

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Onslow Street  
Guildford GU1 4SS

## Comet Pension Scheme

### Compliance statement For the year ended 31 March 2008

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#### Introduction

The Scheme is a defined benefit scheme and is administered by MNPA Limited in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Schemes is 1/269876.

#### Inland Revenue approval

The Scheme has been Exempt Approved by the Pension Schemes Office, in accordance with Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988. From 6 April 2006 the Scheme has become a Registered Scheme. This means that the contributions paid by both the Participating Employers and the Members qualify for full tax relief, and enables income earned from investments by the Trustee to receive preferential tax treatment.

#### Other information

- (i) The Trustee is required to provide certain information about the scheme to the Registrar of Pension Schemes. This has been forwarded to:

The Registrar of Pension Schemes  
PO Box 1NN  
Newcastle Upon Tyne  
NE99 1NN

- (ii) The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an Occupational Pension scheme. Any such complaints should be addressed in the first instance to the Scheme Adjudicator. Enquiries should be addressed to:

The Pensions Ombudsman  
11 Belgrave Road  
London  
SE1V 1RB

- (iii) TPAS The Pensions Advisory Service exists to assist members and beneficiaries of schemes in connection with difficulties which they have failed to resolve with the Trustees or Administrators of the scheme. TPAS may be contacted at:

The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB

## Central Pension Scheme

### Compliance statement For the year ended 31 March 2008

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- (iv) The Pensions Regulator (TPR) took over from OPRA (the Occupational Pensions Regulatory Authority) on 6th April 2005 and is the UK regulator of work-based pension schemes.

The Pensions Act 2004 gives the Pensions Regulator a set of specific objectives:  
to protect the benefits of members of work-based pension schemes;  
to promote good administration of work-based pension schemes; and  
to reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund.

TPR can be contacted at:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

- (v) The Pensions Compensation Scheme was introduced to protect members' interests in certain circumstances, i.e. to provide compensation where an employer has become insolvent and the scheme assets have been reduced due to fraud, theft or misappropriation. It does not cover losses resulting from adverse investment returns.

The Compensation Scheme is funded by a retrospective levy on occupational pension schemes.

- (vi) The Trust Deed and Rules, the scheme details, and a copy of the payment schedule and Statement of Investment Principles are available for inspection free of charge by contacting the Trustee at the address shown for enquiries in this report.

Any information relating to the members' own pension position, including estimates of transfer values, should also be requested from the administrators of the scheme, MNPA Limited, at the address detailed in this report.