Cloaca Maxima Retirement Benefit Scheme28 February 20072007[insert]LondonDeloitte & Touche LLP1 March 200628 February 20061 March 20061 March28 February

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| **Cloaca Maxima Retirement Benefit Scheme** |

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| **Report and Accounts**  **28 February 2009** |

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Trustees

The Lord Stevenson of Coddenham

P Stevenson

C S Stevenson

Sunlife Ltd (Special trustee)

**Actuary**

AXA Sun Life Services Plc

PO Box 64

Bristol BS99 3EG

Independent auditors

|  |
| --- |
| BG Partnership  16 Maddox Street  London  W1S 1PH |

Advisers

Arbuthnot Latham & Co. Ltd

Arbuthnot House

20 Ropemaker Street

London

EC2Y 9AR

Legal advisers

Jones Day

21 Tudor Street

London

EC4Y 0DJ

Bankers

Bank of Scotland

14-16 Cockspur Street

London

SW1Y 5BL

The Trustees are pleased to present their report on the Scheme for the year ended 28 February 2009.

The financial statements have been prepared within the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (revised May 2007).

The Scheme is a small self-administered scheme and provides benefits for the members.

The Scheme is governed by the trust deed and rules and received approval by the Inland Revenue as an "exempt approved scheme" under the terms of the Income and Corporation Taxes Act 1988 up to 5 April 2006. The Scheme is now a registered scheme under the Finance Act 2004.

In accordance with the trust deed, the Trustees are appointed and may be dismissed by the Principal Employer, Cloaca Maxima Limited.

Changes in basic scheme information

There have been no changes to the trust rules during the year.

Membership

The membership of the Scheme can be analysed as follows:

|  |  |  |
| --- | --- | --- |
| Active members at 29 February 2008 |  | 5 |
| New members |  | - |
| Leavers |  | - |
|  |  |  |
| Active member at 28 February 2009 |  | 5 |
|  |  |  |

Financial developments and actuarial position

During the year no contributions (2008 – £nil) were paid into the Scheme. A decrease of £218,732 (2008 - £243,201 decrease) arose from investments and deposits. During the year the outgoings and administrative expenses of the scheme were borne by Cloaca Maxima Limited.

The Net Assets Statement on page 7 shows that the value of the Scheme was £1,836,120.             (2008 ‑ £2,054,852) as at 28 February 2009.

There were no employer related investments during the year except as shown in note 6.

Contributions

No contributions have been paid during the year to 28 February 2009 (2008 ‑ £nil) in accordance with actuarial advice and the rules set out in the trust deed.

Future prospects

The Scheme will continue to operate as it has done to date.

Further information

Any enquiries about the Scheme, including requests from members for information about their benefits should be sent to:

The Trustees of the Cloaca Maxima Retirement Benefit Scheme.

Care of:

Cloaca Maxima Limited  
Little Tufton House  
3 Dean Trench Street  
London  
SW1P 3HB

Signed on behalf of the Trustees

……………………….

Trustee

……………………….

Trustee

……………………….

Trustee

30th July 2009

The financial statements are the responsibility of the Trustees and are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trust deed and Pension scheme regulations require the Trustees to make available to scheme members and certain other parties, audited financial statements for each scheme year which:

1. show a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the scheme during the scheme year ended 28 February 2009 and the amount and disposition of its assets and of its liabilities as at that date, other than liabilities to pay pensions and benefits after the Scheme year end and
2. 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.

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

The Trustees are responsible for keeping records of contributions received in respect of any active member of the Scheme and for procuring that contributions are made to the Scheme in accordance with the Scheme rules.

The Trustees have general responsibility for ensuring that adequate accounting records are kept, for the system of internal control, for safeguarding the assets of the Scheme and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**Independent auditors’ report to the Trustees of  
Cloaca Maxima Retirement Benefit Scheme**

We have audited the financial statements of for the year ended 28 February 2009 which comprise the fund account, the net assets statement and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of Trustees and auditors**

As described in the statement of Trustees’ responsibilities, the scheme’s Trustees are responsible for the preparation of 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 United Kingdom 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 show information. We also report to you, if in our opinion, we have not received all the information and explanations that we require for our audit.

We read the Trustees’ Report and other information contained in the annual report for the above year and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**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 judgements made by the Trustees 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.

**Opinion**

In our opinion:

1. 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 scheme year ended 28 February 2009 and the amount and disposition of its assets and of its liabilities as at that date, other than the liabilities to pay pensions and benefits after the Scheme year end; and
2. the financial statements contain the information specified in the schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and Statement from Auditor) Regulations 1996.

B.G. Partnership

Chartered Certified Accountants and Registered Auditors  
16 Maddox Street

London,

W1S 1PH

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Notes |  |  | 2009  £ | 2008 £ |
|  |  |  |  |  |  |
| **Contributions and benefits** |  |  |  |  |  |
| Payments to and on account of leavers | 2 |  |  | - | - |
| Administrative expenses | 3 |  |  | - | - |
|  |  |  |  |  |  |
| **Net withdrawals from dealings with members** |  |  |  | - | - |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Returns on investment** |  |  |  |  |  |
|  |  |  |  |  |  |
| Investment income | 4 |  |  | 71,798 | 66,942 |
| Change in market value of investments | 5 |  |  | (289,656) | (308,437) |
| Investment management fee |  |  |  | (874) | (1,706) |
|  |  |  |  |  |  |
| **Net returns on investment** |  |  |  | (218,732) | (243,201) |
|  |  |  |  |  |  |
| **Net decrease in the fund during the year** |  |  |  | (218,732) | (243,201) |
|  |  |  |  |  |  |
| **Net assets of the scheme** |  |  |  |  |  |
| At 1 March |  |  |  | 2,054,852 | 2,298,053 |
|  |  |  |  |  |  |
| At 28 February |  |  |  | 1,836,120 | 2,054,852 |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Notes |  |  | 2009 £ | 2008 £ |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Investments at market value** | 5 |  |  | 1,334,442 | 1,787,498 |
|  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |
| Cash balances |  |  |  | 433,006 | 198,682 |
| Other current assets and liabilities | 6 |  |  | 68,672 | 68,672 |
|  |  |  |  |  |  |
|  |  |  |  | 501,678 | 267,354 |
|  |  |  |  |  |  |
| **Net assets of the scheme at 28 February** |  |  |  | 1,836,120 | 2,054,852 |
|  |  |  |  |  |  |

The accounts 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.

These financial statements were approved by the Trustees on 30th July 2009.

Signed on behalf of the Trustees

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Trustee

# Accounting policies

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 Schemes (revised May 2007)’.

**Contributions and benefits**

The principal accounting policy is to account for contributions and benefits in the period in which they fall due.

**Transfers**

Transfer values from other pension arrangements are accounted for when received. Transfer values to other pension arrangements are accounted for when the transfers are paid by the Trustees.

**Investments**

Listed investments are stated at closing price.

Pooled investment vehicles are valued at the closing prices provided by the fund manager.

Acquisition costs are included in the purchase cost of the investment.

**Investment income**

Income from equities is accounted for on the date stocks are quoted ex-dividend.

The change in market value of investments during the year comprises all increases and decreases in the market value of the investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value.

# Payments to and on account of leavers

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | 2009 £ | 2008 £ |
|  |  |  |  |  |
| Individual transfers to other schemes |  |  | - | - |
|  |  |  |  |  |

# Fees and expenses

# The fees and expenses are borne by Cloaca Maxima Limited.4. Investment income

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | 2009 £ | 2008 £ |
|  |  |  |  |  |
| Dividends from equities |  |  | 54,017 | 52,871 |
| Interest on cash deposits |  |  | 17,781 | 14,071 |
|  |  |  |  |  |
|  |  |  | 71,798 | 66,942 |
|  |  |  |  |  |

# 5. Investments

Investments purchased by the Scheme are held to provide benefits for the members.

The investments are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | As at 1 March 2008  £ | Purchases at cost  £ | Disposals  £ | Change in value  £ | As at 28 Feb  2009 £ |
|  |  |  |  |  |  |
| UK listed equity investments | 1,406,255 | 59,007 | (275,299) | (265,979) | 923,984 |
| Pooled investment vehicles: |  |  |  |  |  |
| UK managed funds – non-property | 268,755 | 37,323 | (260,779) | (23,677) | 21,622 |
|  |  |  |  |  |  |
|  | 1,675,010 | 96,330 | (536,078) | (289,656) | 945,606 |
|  |  |  |  |  |  |
| Cash deposit | 112,133 |  |  |  | 388,704 |
| Accrued interest on cash deposits | 355 |  |  |  | 132 |
|  |  |  |  |  |  |
|  | 1,787,498 |  |  |  | 1,334,442 |
|  |  |  |  |  |  |

All the companies operating the pooled investment vehicles are registered in the United Kingdom.

The following equity investments have a market value at 28 February 2009 that exceeded 5% of the total value of the net assets of the Scheme:

|  |  |
| --- | --- |
| Pearson Plc | £705,276 |
| BP | £107,629 |
|  |  |
|  |  |
|  |  |

# 6. Other current assets

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | 2009 £ | 8 £ |
|  |  |  |  |  |
| Amounts due from Cloaca Maxima Ltd |  |  | 68,672 | 68,672 |
|  |  |  |  |  |
|  |  |  | 68,672 | 68,672 |
|  |  |  |  |  |

# 7. Related parties

The Lord Stevenson of Coddenham is Chairman of HBOS Plc for the year to 29 February 2008 and the prior year. Investments held by the Scheme in HBOS Plc were sold during the prior year (sales value £638,430).

The Lord Stevenson of Coddenham and C Stevenson are trustees and members of the Cloaca Maxima Retirement Benefit Scheme.

At the 28 February 2009 Cloaca Maxima Limited owed the scheme £68,672 (2008: £68,672) in respect of administration fees and expenses that are to be borne by the employer.