

Reading Transport Limited

Annual report for the year ended 31 March 1995

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Directors' report for the year ended 31 March 1995

The directors present their report and the audited financial statements for the year ended 31 March 1995.

Principal activities

The main activities of the company are:

- (a) the provision of local bus services within the greater Reading area;
- (b) the operation of the London Line express service between Reading, Newbury and London;
- (c) the sale of coach holidays and operation of an excursion programme;
- (d) the provision of vehicles and drivers for private hire contracts.

Review of business and future developments

Trading conditions in the company's mainstream business and the year end financial position were satisfactory, reflecting the Board's policy of continuous improvement.

The company has concluded the first year of its three year Strategic Plan, approved by the Board in February 1994. All the financial targets were met during this period, despite the launch of a competitive bus service operated by Reading Mainline. This was achieved by accelerating a number of cost reduction programmes and raising service frequencies. As a result, the high quality of the company's services was maintained and this led to almost no decline in customers in 1994/95.

It is the Board's policy to work with both Reading Borough Council and Berkshire County Council to encourage an integrated public transport policy within Reading. This work has included both ticketing and environmental initiatives. In April 1994, the company became Britain's first company to use Berkshire County Council's Transcard (both selling and accepting), which is a stored value swipe card for use in car parks and to purchase tickets on buses. The aim of the system is to avoid the need for customers to offer loose change when buying tickets and positions the bus as a viable alternative to travelling by car.

The company is conscious of its responsibilities to the environment and is trialing two fuels as alternatives to ordinary diesel. In Reading, we are operating five vehicles fuelled with Greenergy, a cleaner diesel with a low sulphur content. This trial will last until January 1997. At that stage the effect on engine wear and running costs will be assessed. In Newbury, the company is operating the Country's first CNG powered bus and has plans to introduce three more in the next 12 months.

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The revival of Newbury Buses continued during the last year and customers continue to rise. The support provided by Berkshire County Council to fund a two year long low fares experiment has been targeted to reduce traffic congestion with some success. In August 1994, the company acquired its Newbury depot from the landlord.

During the Summer of 1995, the company intends to submit an application for detailed planning permission for a new depot at Great Knolly's Street, Reading. This relocation is part of the Oracle project to develop a shopping and office complex in central Reading.

Results and dividends

The profit and loss account for the year is set out on page 6.

An interim dividend of £240,000 was paid during March 1995 at the request of the shareholder (1994: £210,400). After payment of this dividend, £194,000 of the profit for the financial year will be transferred to the company's reserves. The directors do not recommend the payment of a final dividend for the year.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 12 to the financial statements.

Directors

The directors of the company at 31 March 1995, all of whom served throughout the year, were:-

A W Page	(Chairman)
R C Wilson	(Managing Director. Resigned 1 May 1995)
J Carney	(Financial Director and Company Secretary)
C Thompson	(Traffic Operations Director. Managing Director from 1 May 1995)
Mrs J E Orton	
M D Price	(Resigned 18 May 1995)
R C Taylor	
C R Chandler	
D Downes	

The following directors served for part of the year:-

G H Ford	Deceased June 1994
J Griffiths	Resigned June 1994
J Cook	Appointed July 1994
I M Fenwick	Appointed July 1994

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The following directors were appointed on 22 May 1995:-

R Hughes
P Shepherd (Engineering Director)

We regret to record that G H Ford died in June 1994, we would like to express our sincere condolences to his family.

Directors' interests in shares of the company

None of the directors had any interest in the shares of the company.

Charitable and political contributions

Contributions made by the company during the year for charitable purposes amounted to £1,177 (1994: £2,268). No political contributions were made during the year.

Employees

The company through its management team has an uncompromising commitment to customer service, to involve, develop and reward our employees and to developing a culture within the company to be competitive, modern and outward looking. In the summer of 1995 the company will be assessed for an investor in people award.

In order to achieve these objectives the company is continually evolving a comprehensive communications system to ensure that employees fully understand what is happening in the company, both in general and financial terms and that the views of our employees are taken into account when decisions are made.

The company believes that, in order to secure the future, a substantial investment is needed in training. The company won a National Training Award in 1993 and it will continue to run training programmes covering Management and Supervisory skills and Customer Care competences. The company employs engineering apprentices at a time when many companies have reduced and even disbanded such schemes.

It has always been company policy to treat both job applicants and employees in the same fair way regardless of their sex, race, ethnic origin or disability, and we are keen to ensure that a positive caring approach to good equal opportunities practice is being adopted.

Should an employee become disabled it is our policy to continue the current employment when possible, or to offer alternatives where feasible, giving re-training as necessary.

Insurance of directors

The directors are insured in respect of the performance of their duties as directors.

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Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

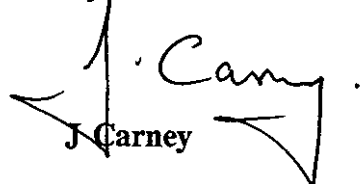
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board


J Carney

Secretary

Date: 1 - August 1995.

Report of the auditors to the members of Reading Transport Limited

We have audited the financial statements on pages 6 to 22.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 the financial statements give a true and fair view of the state of the company's affairs at 31 March 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Reading

Date: 2nd August 1995

**Profit and loss account
for the year ended 31 March 1995**

	Notes	1995 £'000	1994 £'000
Turnover	2	15,248	14,775
Operating costs	3	14,682	13,878
		<hr/>	<hr/>
Operating profit		566	897
Interest receivable		191	202
		<hr/>	<hr/>
		757	1,099
Interest payable and similar charges	7	140	162
		<hr/>	<hr/>
Profit on ordinary activities before taxation	8	617	937
Taxation	9	183	229
		<hr/>	<hr/>
Profit on ordinary activities after taxation		434	708
Dividends paid	10	240	210
		<hr/>	<hr/>
Retained profit for the year	20	194	498
		<hr/>	<hr/>

The above amounts all relate to continuing operations of the company.

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

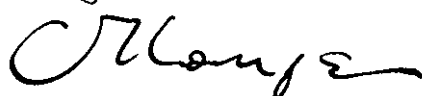
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Balance sheet at 31 March 1995

	Notes	1995 £'000	1994 £'000
Fixed assets			
Tangible assets	12	6,318	5,200
Current assets			
Stocks	13	254	227
Debtors	14	991	789
Deferred taxation	18	120	120
Cash at bank and in hand		2,347	3,068
		<u>3,712</u>	<u>4,204</u>
Creditors: amounts falling due within one year	15	<u>2,040</u>	<u>1,706</u>
Net current assets		<u>1,672</u>	<u>2,498</u>
Total assets less current liabilities		<u>7,990</u>	<u>7,698</u>
Creditors: amounts falling due after more than one year	16	<u>1,190</u>	<u>1,214</u>
Provisions for liabilities and charges	17	<u>868</u>	<u>746</u>
		<u>2,058</u>	<u>1,960</u>
Net assets		<u>5,932</u>	<u>5,738</u>
Capital and reserves			
Called up share capital	19	3,974	3,974
Profit and loss account	20	1,958	1,764
Equity shareholders' funds	21	<u>5,932</u>	<u>5,738</u>

The financial statements on pages 6 to 22 were approved by the board of directors on 1 August 1995 and were signed on its behalf by:



C Thompson
Director

Cash flow statement for the year ended 31 March 1995

	Notes	1995 £'000	1994 £'000
Net cash inflow from continuing operating activities	22	<u>1,880</u>	<u>2,084</u>
Returns on investments and servicing of finance			
Interest received		191	206
Interest paid		(128)	(128)
Interest paid on finance leases		(12)	(34)
Dividends paid		<u>(240)</u>	<u>(210)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(189)</u>	<u>(166)</u>
Taxation			
UK corporation tax paid		<u>(249)</u>	<u>(374)</u>
Investing activities			
Purchase of fixed assets		(2,234)	(1,806)
Sale of fixed assets		<u>134</u>	<u>60</u>
Net cash outflow from investing activities		<u>(2,100)</u>	<u>(1,746)</u>
Net cash outflow before financing		(658)	(202)
Financing			
Payment of principal under finance leases	23	<u>(63)</u>	<u>(215)</u>
Decrease in cash and cash equivalents	24	<u><u>(721)</u></u>	<u><u>(417)</u></u>

Notes to the financial statements for the year ended 31 March 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition. The purchase price of assets taken over at 20 October 1986 was established by a valuation in accordance with guidelines issued by the Department of Transport. Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets on a systematic basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

Freehold buildings	2.5% - 4% straight line
Plant and machinery	10 - 20% straight line
Buses	25% reducing balance
Other vehicles	9.5% - 33% straight line

No depreciation is charged on freehold land.

Finance and operating leases

Assets held under finance leases are capitalised at an amount equal to the fair value of the asset at the inception of the lease and depreciated on a systematic basis over the shorter of the lease term and its useful life. In the case of finance leases taken over on 20 October 1986, the value of the assets has been written down to fair value at that date. Finance charges are allocated to accounting periods so as to produce a constant periodic rate of charge on the remaining balance of the obligation. Costs in respect of operating leases are charged on a straight line basis over the lease term.

1 Principal accounting policies (continued)

Stocks

Stocks are stated at the lower of actual cost, including transport and handling costs, and net realisable value. In some cases the cost of components is the part exchange value net of allowances for returned, defective parts. Net realisable value is determined by a review of forecast future use. Provision is made where necessary for obsolete, slow moving and defective stocks.

Turnover

Turnover, which excludes value added tax, represents amounts receivable by the company for services provided in the ordinary course of business.

Taxation

The charge for taxation is based on the profit for the period as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise. Where this is not known the latest estimate of the long term tax rate applicable has been adopted. The amount of unprovided deferred tax is calculated at the best estimate of corporation tax rates in the longer term and is analysed into its major components.

Unconsolidated subsidiaries

In accordance with Section 229(2) of the Companies Act 1985, consolidated accounts have not been prepared because the inclusion of the net assets of the company's dormant subsidiaries would not be material to the financial statements.

Pension costs

Employees of the company are eligible to join one of the two defined benefit schemes to which the company contributes, depending upon date of appointment as follows:-

- (a) Employees at 20 October 1986 have been deemed to be employees of Reading Borough Council for pension purposes and are members of the local government superannuation scheme, to which the company contributes in accordance with the Local Government Superannuation Regulations.

1 Principal accounting policies (continued)

- (b) Employees who joined the company since 20 October 1986, together with any employees who are eligible for the local government scheme who wish to leave that scheme, are eligible to join the Reading Transport Staff Retirement Scheme.

The cost of providing future benefits is estimated by independent qualified actuaries. Any difference between the cost charged and the amounts paid by the company is treated as a prepayment or accrual as appropriate. Variations in pension cost are spread over the expected service lives of current employees.

Accident claims

The company maintains insurance cover against third party liability claims for the amount on each claim that exceeds £25,000 (1994: £25,000). Any claims below £25,000 or those disputed by the insurers are charged to the profit and loss account in the year in which they arise subject to an annual aggregated maximum charge.

2 Turnover

All turnover is generated within the United Kingdom.

3 Operating costs

	1995 £'000	1994 £'000
Raw materials and consumables	2,372	2,274
Other external charges	1,974	1,909
Staff costs (see note 5)	8,956	8,459
Depreciation	1,206	1,062
	<hr/>	<hr/>
	14,508	13,704
Exceptional costs (see note 6)	174	174
	<hr/>	<hr/>
Operating costs	<u>14,682</u>	<u>13,878</u>

4 Directors' emoluments

The remuneration paid to the directors of Reading Transport Limited was:

	1995 £'000	1994 £'000
Fees	9	4
Other emoluments (including pension contributions and benefits in kind)	184	183
	<u> </u>	<u> </u>
Aggregate emoluments	193	187
	<u> </u>	<u> </u>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1995 £'000	1994 £'000
The chairman	Nil	Nil
	<u> </u>	<u> </u>
The highest-paid director	69	67
	<u> </u>	<u> </u>

The number of directors (including the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£0 to £5,000	9	7
£15,001 to £20,000	1	1
£40,001 to £45,000	1	1
£45,001 to £50,000	-	1
£50,001 to £55,000	1	-
£65,001 to £70,000	1	1

5 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	1995 Number	1994 Number
By product group		
Traffic	365	352
Engineering	104	109
Administration	33	35
	<u>502</u>	<u>496</u>

	1995 £'000	1994 £'000
Staff costs (for the above persons):		
Wages and salaries	7,991	7,563
Social security costs	729	668
Other pension costs (see note 27)	236	228
	<u>8,956</u>	<u>8,459</u>

6 Exceptional operating costs

	1995 £'000	1994 £'000
Provision for reorganisation	249	104
Accelerated depreciation	-	70
Exceptional profit on disposal of Buses	(75)	-
	<u>174</u>	<u>174</u>

7 Interest payable and similar charges

	1995 £'000	1994 £'000
On loan repayable wholly or partly in more than 5 years	128	128
On finance leases	12	29
Other	-	5
	<u>140</u>	<u>162</u>

8 Profit on ordinary activities before taxation

	1995 £'000	1994 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	1,155	992
Tangible fixed assets held under finance leases	51	70
Auditors' remuneration for audit	17	16
Hire of plant and machinery - including operating leases	8	24
Exceptional operating costs (see note 6)	174	174
	<u> </u>	<u> </u>
And after crediting:		
Net profit on disposal of fixed assets (includes exceptional profits on disposal (see note 6))	21	37
	<u> </u>	<u> </u>

Remuneration of the company's auditors for the provision of non-audit services was £16,536. This includes taxation compliance and advisory fees of £11,050.

9 Taxation

The tax charge, based on the profit on ordinary activities for the year, comprises:

	1995 £'000	1994 £'000
United Kingdom corporation tax at 33%	195	259
(Over)/under provision in respect of prior years:		
Current	(12)	3
Deferred	-	(33)
	<u> </u>	<u> </u>
	183	229
	<u> </u>	<u> </u>

10 Dividends

	1995 £'000	1994 £'000
Ordinary:		
Interim paid of 6.0p per share (1994: 5.3p per share)	240	210
	<u> </u>	<u> </u>

11 Fixed asset investments

On 31 January 1992 the company acquired the whole of the issued share capital of the following dormant companies from its shareholder for no consideration;

Reading Rovers Limited
 Reading Minibuses Limited
 Reading Buses Limited
 Newbury Buses limited
 Reading Goldline Limited

All of these companies are registered in England and Wales.

At 31 March 1995 these companies had combined net assets of £500.

12 Tangible fixed assets

	Freehold land and buildings £'000	Buses and coaches £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 April 1994	1,344	7,842	1,427	10,613
Additions	435	1,652	350	2,437
Disposals	-	(191)	(266)	(457)
At 31 March 1995	1,779	9,303	1,511	12,593
Depreciation				
At 1 April 1994	208	4,328	877	5,413
Charge for year	36	1,034	136	1,206
Eliminated in respect of disposals	-	(153)	(191)	(344)
At 31 March 1995	244	5,209	822	6,275
Net book value				
At 31 March 1995	1,535	4,094	689	6,318
Net book value				
At 31 March 1994	1,136	3,514	550	5,200

The net book value of tangible fixed assets includes an amount of £136,000 (1994: £187,000) in respect of assets held under finance leases.

12 Tangible fixed assets (continued)

Included in plant and machinery additions is £203,000 in respect of ticket machines gifted to the company by BCC. Related costs of installation and maintenance have been incurred this year and will be in future years. These assets have a net book value of £162,000 at the year end.

13 Stocks

	1995 £'000	1994 £'000
Spare parts and consumables	252	225
Work in progress	2	2
	<u>254</u>	<u>227</u>

14 Debtors

	1995 £'000	1994 £'000
Amounts falling due within one year:		
Trade debtors	343	280
Amounts owed by Reading Borough Council	10	28
Other debtors	409	296
Prepayments and accrued income	229	185
	<u>991</u>	<u>789</u>

Other debtors at 31 March 1995 includes a loan to a director, Mr J Carney, of £2,613 (1994: £nil). The loan attracts interest at 4.6% p.a. and was £3,920, its maximum value, at its inception during the year.

15 Creditors: amounts falling due within one year

	1995 £'000	1994 £'000
Trade creditors	658	402
Obligations under finance leases	48	63
Corporation tax	135	201
Other taxation and social security	235	222
Other creditors	334	302
Accruals and deferred income	630	516
	<u>2,040</u>	<u>1,706</u>

16 Creditors: amounts falling due after one year

	1995 £'000	1994 £'000
Long term loan due to Reading Borough Council (see note below)	1,165	1,165
Obligations under finance leases:		
Payable in two to five years	-	48
Accruals and deferred income	25	1
	<u>1,190</u>	<u>1,214</u>

The long term loan which is repayable in the year 2011 or earlier at the company's discretion, carries interest at 11% per annum.

The long term loan is secured by a floating charge over the assets of Reading Transport Limited.

17 Provisions for liabilities and charges

	Provision for reorganisation costs £'000	Provision for uninsured claims £'000	Total £'000
At 1 April 1994	373	373	746
Profit and loss account	249	112	361
Utilised	(124)	(115)	(239)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1995	<u>498</u>	<u>370</u>	<u>868</u>

18 Deferred taxation

	Deferred taxation (see below) £'000
At 1 April 1994 and 31 March 1995	(120)
	<u> </u>

The deferred taxation asset included in the financial statements, and the amount unprovided are as follows:

	Amount recognised		Amount unprovided	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	66	-	237	287
Other	(186)	(120)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>(120)</u>	<u>(120)</u>	<u>237</u>	<u>287</u>

19 Called up share capital

	1995 £'000	1994 £'000
Authorised		
3,974,000 ordinary shares of £1 each	<u>3,974</u>	<u>3,974</u>
Allotted, called up and fully paid:		
3,974,000 ordinary shares of £1 each	<u>3,974</u>	<u>3,974</u>

20 Profit and loss account

	£'000
At 1 April 1994	1,764
Retained profit for the year	194
	<hr/>
At 31 March 1995	1,958
	<hr/>

21 Reconciliation of movements in shareholders' funds

	1995 £'000	1994 £'000
Profit for the financial year	434	708
Dividends	(240)	(210)
	<hr/>	<hr/>
Net additions to shareholders' funds	194	498
Opening shareholders' funds	5,738	5,240
	<hr/>	<hr/>
Closing shareholders' funds	5,932	5,738
	<hr/>	<hr/>

22 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £'000	1994 £'000
Operating profit	566	897
Depreciation on tangible fixed assets - ordinary	1,206	1,062
- accelerated	-	70
Profit on sale of fixed assets	(21)	(37)
(Increase) in stocks	(27)	(2)
(Increase)/decrease in trade debtors	(63)	25
(Increase) in other debtors	(113)	(88)
Decrease/(increase) in amounts owed by RBC	18	(9)
(Increase)/decrease in prepayments and accrued income	(44)	44
Increase/(decrease) in trade creditors	256	(3)
(Decrease) in other creditors	(171)	(200)
Increase in other tax and social security creditors	13	3
Increase in provision for liabilities and charges	122	189
Increase in accruals and deferred income	138	133
	<hr/>	<hr/>
Net cash inflow from continuing operating activities	1,880	2,084
	<hr/>	<hr/>

23 Analysis of changes in financing during the year

	Finance lease obligations	
	1995	1994
	£'000	£'000
At 1 April	111	326
Repayments of principal	(63)	(215)
	<u> </u>	<u> </u>
At 31 March	48	111
	<u> </u>	<u> </u>

24 Cash and cash equivalents

	1995	1994
	£'000	£'000
Changes during the year: cash at bank and in hand		
At 1 April	3,068	3,485
Net cash flow from operating activities	(721)	(417)
	<u> </u>	<u> </u>
At 31 March	2,347	3,068
	<u> </u>	<u> </u>

25 Capital commitments

	1995	1994
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	1,387
Capital expenditure that has been approved by the directors but has not yet been contracted for	1,455	214
	<u> </u>	<u> </u>
Approved expenditure outstanding	1,455	1,601
	<u> </u>	<u> </u>

26 Financial commitments

At 31 March 1995 the company had annual commitments under non-cancellable operating leases as follows:

	1995		1994	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Expiring between one and five years inclusive	-	25	-	25
Expiring in over five years	145	-	145	-
	<u>145</u>	<u>25</u>	<u>145</u>	<u>25</u>
	<u><u>145</u></u>	<u><u>25</u></u>	<u><u>145</u></u>	<u><u>25</u></u>

27 Pension and similar obligations

The company operates two defined benefit pension schemes funded by both employer's and employees' contributions with assets held in separate, trustee administered funds. These schemes are referred to in note 1.

(a) Reading Transport Staff Retirement Scheme

The latest formal actuarial valuation of the scheme was carried out as at 1 July 1994 using the "Projected Unit" method. The main actuarial assumptions used were:

Rate of return on investments	9.0% per annum
Salary inflation	8.0% per annum
Pension increases	3.0% per annum

At the date of the actuarial valuation the market value of the assets was £1,728,000. The actuarial value of these assets represented 101% of the value of benefits accrued to the valuation date after allowing for future salary and pension increases.

27 Pension and pension obligations (continued)**(b) Local Government Superannuation Scheme**

The latest formal actuarial valuation of the scheme was carried out as at 31 March 1992. For the purposes of determining the pension cost in respect of the company the Attained Age Method was used. The main actuarial assumptions used were:

Rate of return on investments	9.0% per annum
Salary inflation	6.5% per annum plus an allowance for promotion increases
Rate of pension increases	4.5% per annum
Rate of dividend growth	4.5% per annum

At the date of the actuarial valuation the market value of the assets held for all members of all the participating employers was £406 million. The actuarial value of the assets of the scheme was approximately 19% higher than the actuarial value of the benefits accrued after allowing for expected future salary and pension increases.

The pension charge for the year was £235,700 (1994: £228,300).

28 Ownership of company

The company is wholly owned by Reading Borough Council.