

### 30 Retirement benefit liabilities

The Group operates several pension schemes in the UK and overseas.

In the UK, the Group operates the Keller Group Pension Scheme, a defined benefit scheme, which has been closed to new members since 1999 and was closed to all future benefit accrual with effect from 31 March 2006. Under the scheme employees are normally entitled to retirement benefits on attainment of a retirement age of 65.

The Group has two UK defined contribution retirement benefit schemes. There were no contributions outstanding in respect of these schemes at 31 December 2009 (2008: £nil). The total UK defined contribution pension charge for the year was £0.6m (2008: £0.7m).

The Group also has defined benefit retirement obligations in Germany and Austria. These obligations are funded on the Group's balance sheet.

The Group operates a defined contribution scheme for employees in the US, where the Group is required to match employee contributions up to a certain level in accordance with the scheme rules. The total US pension charge for the year was £2.1m (2008: £2.4m).

In Australia there is a defined contribution scheme where the Group is required to ensure that a prescribed level of superannuation support of an employee's notional base earnings is made. This prescribed level of support is currently 9% (2008: 9%). The total Australian pension charge for the year was £1.9m (2008: £1.8m).

Details of the Group's defined benefit schemes are as follows:

	<b>The Keller Group Pension Scheme (UK) Year ended 31 December 2009 £m</b>	The Keller Group Pension Scheme (UK) Year ended 31 December 2008 £m	<b>German and Austrian Schemes Year ended 31 December 2009 £m</b>	German and Austrian Schemes Year ended 31 December 2008 £m
Present value of the scheme liabilities	<b>(36.4)</b>	(28.6)	<b>(11.6)</b>	(11.3)
Present value of assets	<b>27.8</b>	26.3	–	–
Deficit in the scheme	<b>(8.6)</b>	(2.3)	<b>(11.6)</b>	(11.3)

	<b>31 December 2009 %</b>	31 December 2008 %	<b>31 December 2009 %</b>	31 December 2008 %
The value of the scheme liabilities has been determined by the actuary using the following assumptions:				
Discount rate	<b>5.7</b>	6.7	<b>5.3</b>	6.0
Expected return on scheme assets	<b>5.1</b>	5.2	<b>n/a</b>	n/a
Rate of increase in salaries	<b>n/a</b>	n/a	–	–
Rate of increase in pensions in payment	<b>3.5</b>	3.1	<b>1.5</b>	1.5
Rate of increase in pensions in deferment	<b>3.5</b>	3.1	<b>1.5</b>	1.5
Rate of inflation	<b>3.5</b>	3.1	<b>1.5</b>	1.5
Mortality table:				
Pensioners	<b>**</b>	**	<b>*</b>	*
Non-pensioners	<b>**</b>	**	<b>*</b>	*

\* Richttafeln 2005 G.

\*\* 130% PNA00 mc min 1%

	<b>Value as at 31 December 2009 £m</b>	Value as at 31 December 2008 £m	<b>Value as at 31 December 2009 £m</b>	Value as at 31 December 2008 £m
The assets of the schemes were as follows:				
Equities	<b>18.6</b>	16.4	<b>n/a</b>	n/a
Bonds	<b>9.2</b>	9.9	<b>n/a</b>	n/a
	<b>27.8</b>	26.3	<b>n/a</b>	n/a

# Notes to the consolidated financial statements

Continued

	The Keller Group Pension Scheme (UK) Year ended 31 December 2009 £m	The Keller Group Pension Scheme (UK) Year ended 31 December 2008 £m	German and Austrian Schemes Year ended 31 December 2009 £m	German and Austrian Schemes Year ended 31 December 2008 £m
<b>30 Retirement benefit liabilities</b> continued				
<b>Changes in scheme liabilities</b>				
Opening balance	(28.6)	(31.4)	(11.3)	(9.3)
Current service cost	–	–	(0.8)	(0.4)
Interest cost	(1.9)	(1.8)	(0.5)	(0.3)
Benefits paid	1.2	0.9	0.8	0.8
Exchange differences	–	–	0.8	(2.8)
Actuarial (losses)/gains	(7.1)	3.7	(0.6)	0.7
Closing balance	(36.4)	(28.6)	(11.6)	(11.3)
<b>Changes in scheme assets</b>				
Opening balance	26.3	26.8	–	–
Expected return on scheme assets	1.4	1.7	–	–
Employer contributions	1.5	1.4	–	–
Benefits paid	(1.2)	(0.9)	–	–
Actuarial losses	(0.2)	(2.7)	–	–
Closing balance	27.8	26.3	–	–
Actual return on scheme assets	(0.1)	(1.0)	–	–
<b>Statement of comprehensive income (SOCl)</b>				
Actuarial losses from assets	(0.2)	(2.7)	–	–
Actuarial (losses)/gains from liabilities	(7.1)	3.7	(0.6)	0.7
Net actuarial (losses)/gains	(7.3)	1.0	(0.6)	0.7
Cumulative actuarial losses	(12.3)	(5.0)	(0.6)	–
<b>Expense/(income) recognised in the income statement</b>				
Current service cost	–	–	0.8	0.4
Operating costs	–	–	0.8	0.4
Interest cost	1.9	1.8	0.5	0.3
Expected return on assets	(1.4)	(1.7)	–	–
Expense recognised in the income statement	0.5	0.1	1.3	0.7
<b>Movements in the balance sheet liability</b>				
Net liability at start of year	2.3	4.6	11.3	9.3
Expense recognised in the income statement	0.5	0.1	1.3	0.7
Contributions	(1.5)	(1.4)	–	–
Benefits paid	–	–	(0.8)	(0.8)
Exchange differences	–	–	(0.8)	2.8
Actuarial losses/(gains) recognised in SOCl	7.3	(1.0)	0.6	(0.7)
Net liability at end of year	8.6	2.3	11.6	11.3

The expected return on the average value of the assets over the year was calculated using the long-term average rate of return expected over the remaining term of the scheme's liabilities. The contributions expected to be paid during 2010 are £1.5m.

The history of experience adjustments on scheme assets and liabilities for all the Group's defined benefit pension schemes is as follows:

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Present value of defined benefit obligations	(48.0)	(39.9)	(40.7)	(41.4)	(40.3)
Fair value of scheme assets	27.8	26.3	26.8	25.7	19.8
Deficit in the schemes	(20.2)	(13.6)	(13.9)	(15.7)	(20.5)
Experience adjustments on scheme liabilities	(7.7)	4.4	2.8	(0.3)	(7.7)
Experience adjustments on scheme assets	(0.2)	(2.7)	(0.8)	0.2	1.8