

23. Other liabilities

At 31 December	Group		Company	
	2007 £m	2006 £m	2007 £m	2006 £m
Income tax	56.0	42.5	54.6	41.3
Surplus conversion shares	25.7	26.2	25.7	26.2
Other creditors	59.5	46.9	47.8	40.4
	141.2	115.6	128.1	107.9

The income tax liability comprises taxes deducted at source from interest paid to investors and from remuneration of employees and Directors.

24. Accruals and deferred income

At 31 December	Group		Company	
	2007 £m	2006 £m	2007 £m	2006 £m
Accrued interest on subordinated liabilities	32.1	19.6	37.7	25.8
Accrued interest on other capital instruments	5.6	6.1	-	-
Deferred income	2.1	2.8	2.1	2.8
Other	44.3	55.9	45.6	55.5
	84.1	84.4	85.4	84.1

25. Post-retirement benefit obligations**(a) Pension schemes**

The Group operates a closed defined benefit staff pension scheme, the Bradford & Bingley Staff Pension Scheme ('the principal scheme'), which is administered by trustees. The funds are independent from those of the Group. The normal pension age of employees in the scheme is 65.

The Group also operates a defined contribution scheme, the Bradford & Bingley Group Pension Plan. The funds of this scheme are independent from those of the Group. The Group and Company had no liabilities or prepayments associated with the defined contribution scheme at 31 December 2007 (2006: £nil). The cost in the year to the Group of the defined contribution scheme was £1.4m (2006: £1.2m) and the cost to the Company was £1.0m (2006: £0.9m).

(b) Other post-retirement benefits

The Group provides healthcare benefits to some of its pensioners. The healthcare benefits are provided through a post-retirement medical scheme into which the Company contributes 100% towards the cost of providing medical expense benefits for members who retired before 1 January 1996 and 50% for members who retired after this date. The total number of members of the scheme as at 31 December 2007 was 515 (2006: 557). Private medical costs are assessed in accordance with the advice of a qualified actuary.

(c) Accounting treatment

The Group accounts for post-retirement benefit costs in accordance with IAS 19. The full net actuarial deficit is carried on the Group and Company Balance Sheets, and actuarial gains and losses are taken to Group and Company retained earnings rather than being charged or credited in the Income Statement. The actuarial gain recognised in the Group and Company retained earnings during the year was £53.3m (2006: £20.1m).

More than one employing Group entity contributes to the post-retirement benefit schemes. As there is no contractual agreement or stated policy for charging the net defined benefit cost to individual Group entities the net defined benefit cost is recognised in the Financial Statements of the Company (being the sponsoring entity) while other individual Group entities, in their individual Financial Statements, recognise a cost equal to their contributions payable for the period.

(d) Employee benefit obligations

The amounts carried in the Group and Company Balance Sheets are as follows:

	Defined benefit pension plans		Post-retirement medical benefits		Total	
	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m
Present value of funded obligations	586.8	621.9	11.0	10.6	597.8	632.5
Fair value of plan assets	(575.8)	(549.3)	-	-	(575.8)	(549.3)
Net liability	11.0	72.6	11.0	10.6	22.0	83.2
Amounts carried in the Balance Sheet:						
- Liabilities	11.0	72.6	11.0	10.6	22.0	83.2