

### 3 Gross and net rental income

	2007 £m	2006 £m
Rent receivable	551	571
Spreading of tenant incentives and guaranteed rent increases	37	54
Surrender premiums	9	10
<b>Gross rental income</b>	<b>597</b>	<b>635</b>
Service charge income	52	55
<b>Gross rental and related income</b>	<b>649</b>	<b>690</b>
Service charge expenses	(52)	(57)
Property operating expenses	(36)	(44)
<b>Net rental and related income</b>	<b>561</b>	<b>589</b>

Net rental income for the year ended 31 March 2007 from properties which were subject to a security interest or held by non recourse companies was £409m (2006: £388m). Property operating expenses relating to investment properties that did not generate any rental income were £3m (2006: £1m).

### 4 Fees and other income

	2007 £m	2006 £m
Performance and management fees	30	29
Dividend received from Songbird Estates PLC	18	16
Other fees and commission	2	5
Underlying	50	50
Capital dividend received from Songbird Estates PLC	33	
	<b>83</b>	<b>50</b>

The £30m (2006: £29m) performance and management fees comprise £17m (2006: £20m) performance fees and £13m (2006: £9m) management fees from funds and joint ventures.

The performance fee receivable from HUT is £27m and £48m for the years ended 31 December 2006 and 31 December 2005 respectively, of which the third party element available to the Group is £17m and £31m. In total, £16m of the net fee has been recognised in the current year, £19m in 2006 and the remaining £13m is deferred to later years as it is subject to potential clawback, depending on performance. If there is no clawback, 50% of the undistributed performance fee is payable in each subsequent year.

The net performance fee receivable from HIF for the year ended 31 December 2006 is £1m (2006: £1m), all of which has been recognised in the current year.

Following the capital restructuring of Songbird Estates PLC a capital dividend of £33m was received in the year.

### 5 Other income statement disclosures

	Note	2007 £m	2006 £m
(i) Total revenue			
Gross rental and related income	3	649	690
Fees and other income	4	83	50
Proceeds on sale of trading properties (including appropriations)		94	14
<b>Total revenue in the year</b>		<b>826</b>	<b>754</b>
(ii) Auditors' remuneration – Deloitte & Touche LLP		2007 £m	2006 £m
Fees payable to the Company's auditors for the audit of the Company's annual accounts		0.5	0.5
Fees payable to the Company's auditors and its associates for other services:			
Audit of the Company's subsidiaries pursuant to legislation		0.4	0.4
Other services pursuant to legislation		0.2	0.1
		<b>1.1</b>	<b>1.0</b>
Tax services		1.4	1.4
All other services		0.4	0.2
		<b>2.9</b>	<b>2.6</b>

(iii) Depreciation of property, plant and equipment £1m (2006: £1m).