

## FRS102 as at 31 August 2023 - Results Schedule

**Employer :** Academy School

**Local Government Pension Scheme Fund :** ABC Pension Fund

**Terms of Engagement Signed :** 1 January 2023

**Date report prepared :** 31 August 2023

### Summary information from this schedule:

#### (a) Balance sheet

	31 August 2023	31 August 2022
	£(000)	£(000)
Assets <b>FVATOT</b>	3,036	2,908
Obligations <b>DBOTOT</b>	2,985	2,869
<b>Net asset / (liability)</b>	<b>51</b>	<b>39</b>

Please contact us if you wish to request additional calculations in respect of the accounting surplus. See the accompanying Accounting Covering Report for additional information.

#### (b) Profit & Loss account for the period ending 31 August 2023

	£(000)
Service cost	
Current Service Cost	(195)
Past Service Cost (including curtailments)	(18)
Effect of settlements	-
<b>Total Service Cost</b>	<b>(213)</b>

	£(000)
<b>Total net interest</b>	-
<b>Total defined benefit cost recognised in Profit or (loss)</b>	<b>(213)</b>

AN Actuary FFA

For and on behalf of Hymans Robertson LLP

**(c) Key elements**

Has the employer instructed bespoke assumptions?	No
Bulk transfer(s) included?	No
Unfunded Pensioner(s) included?	No

**(d) General Information for auditor and Employer**

**The results in the Schedule report should be read in conjunction with the accompanying report entitled 'Actuarial Valuation as at 31 August 2023 for Accounting Purposes'. The method, assumptions, reliances and limitations are described in that document. The restrictions set out in the reports on the disclosure to any third party apply equally to this Results Schedule.**

If there are any queries on the approach taken to derive the figures in the Results Schedule please first consider the accompanying report as it will often answer these. In particular, see the sections on recent court cases (such as the Lloyds' judgement on GMP, McCloud, Goodwin etc) and other key topics which will detail the approach taken to allow for these issues or otherwise.

Contents in the remainder of this schedule:

1. Data (including early retirements, investment returns, asset split & unfunded pensions)
2. Assumptions
3. Balance sheet, P&L, OCI disclosures as at 31 August 2023 (and prior year if relevant)
4. Projected defined benefit cost for the period to 31 August 2024
5. Sensitivity analysis

## Section 1 - Data

### Employer membership statistics

	Number of Records	Total Salaries/ Pensions p.a. (£000)	Average Age
	31 Mar 2022	31 Mar 2022	31 Mar 2022
Actives	61	780	49
Deferred Pensioners	84	43	45
Pensioners	9	12	67

The membership data summarised in the table above is as at the most recent funding valuation date of 31 March 2022. Salaries are actual, not full-time equivalent. Deferred pensioners include undecided leavers and frozen refunds. Pensioners include dependants.

### Payroll

Period	Assumed Total Pensionable Payroll based on Information Provided
1 September 2022 to 31 August 2023	£770,000

### LGPS early retirements

New Early Retirements 1 September 2022 to 31 August 2023	Number	Total Pension Accrued (£)	Total Pension Actual (£)
Redundancy	3	8,844	8,844
Efficiency	-	-	-
Other	-	-	-

### Teachers' early retirements

New Early Retirements 1 September 2022 to 31 August 2023	Number	Recharged Accrued Pension (£)	Total Actual Recharged Pension (£)
Redundancy	-	-	-
Efficiency	-	-	-
Other	-	-	-

### Investment returns

The return on the Fund in market value terms for the period to 31 August 2023 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are given below:

Actual Returns from 1 October 2022 to 31 March 2023	3.0%
<b>Total Returns from 1 September 2022 to 31 August 2023</b>	<b>(5.7%)</b>

## The major categories of plan assets as a percentage of total plan assets

We have used the most recent asset split provided to us and allowed for index returns, where required, on each asset category to determine the estimated split of assets as at 31 August 2023.

Period Ended	31 Aug 2023	31 Aug 2022
Equities	64% A	67%
Bonds	26% B	23%
Property	9% C	10%
Cash	1% D	0%

## Unfunded benefits

A summary of the membership data in respect of unfunded benefits is shown below.

LGPS Unfunded Pensions	Number at 31 August 2023	Annual Unfunded Pension £(000)
Male	-	-
Female	-	-
Dependants	-	-
<b>Total</b>	-	-

Teacher Unfunded Pensions	Number at 31 August 2023	Annual Unfunded Pension £(000)
Male	-	-
Female	-	-
Dependants	-	-
<b>Total</b>	-	-

The annual unfunded pensions include the 2023 pension increase.

## Bulk transfers

I have not been asked to value any bulk transfers of membership this period.

### Major categories of plan assets

MCA010 = A x FVATOT

MCA030 = B x FVATOT

MCA040 = C x FVATOT

MCA050 = D x FVATOT

May also include

MCA020 Gilts/Government bonds

MCA060 Derivatives

MCA070 Investment funds (Hedge funds, Diversified Growth Fund, LLPs)

MCA080 = Asset backed securities

## Section 2 - Assumptions

### Financial assumptions

The financial assumptions, as described in the accompanying covering report, are summarised below:

Period Ended		31 Aug 2023	31 Aug 2022
		% p.a.	% p.a.
Pension Increase Rate (CPI) <a href="#">MAP010</a> <a href="#">MAP030</a>		3.00%	3.10%
Salary Increase Rate <a href="#">MAP020</a>		3.50%	3.85%
Discount Rate <a href="#">MAP040</a>		4.50%	4.25%

As at the date of the most recent valuation, the duration of the Employer's funded obligations is 24 years.

### Demographic assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with X

		Males	Females	
Current Pensioners <a href="#">ALE010</a>		20.0 years	21.0 years	<a href="#">ALE020</a>
Future Pensioners* <a href="#">ALE030</a>		22.0 years	23.0 years	<a href="#">ALE040</a>

\* Figures assume members aged 45 as at the last formal valuation date.

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are shown below:

Current Pensioners	Future Pensioners
improvements in line with Y	improvements in line with Y

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position.

A commutation allowance is included for future retirements to elect to take 60% of the maximum additional tax-free cash up to HMRC limits.

All other demographic assumptions are as per the latest funding valuation of the Employer.

## Section 3 - Balance sheet, P&L, OCI disclosures as at 31 August 2023

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 August 2023

Period ended 31 August 2023	Assets £(000)	Obligations £(000)	Net asset / (liability) £(000)
Fair value of plan assets	2,908		2,908
Present value of funded obligations		2,869	(2,869)
Present value of unfunded obligations		-	-
<b>Opening Position as at 31 August 2022</b>	<b>2,908 FVA010</b>	<b>2,869 DBO010</b>	<b>39</b> <span style="color: blue;">includes DBO120</span>
Service cost			
Current service cost*		195 DBO050	(195)
Past service cost (including curtailments)		18 DBO130	(18)
Effect of settlements	- FVA120	- DBO150	-
<b>Total Service Cost</b>	<b>-</b>	<b>213</b>	<b>(213)</b>
Net interest			
Interest income on plan assets	127 FVA050		127
Interest cost on defined benefit obligation		127 DBO060	(127)
<b>Total net interest</b>	<b>127</b>	<b>127</b>	<b>-</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>127</b>	<b>340</b>	<b>(213)</b>
Cashflows			
Participants' contributions	45 FVA100	45 DBO100	-
Employer contributions	160 FVA090		160
Benefits paid	(20) FVA110	(20) DBO110	-
Unfunded benefits paid	-	- DBO140	-
Contributions in respect of unfunded benefits paid	FVA130/FVA1400 -		-
Effect of business combinations and disposals	-	- DBO0160/DBO170	-
<b>Expected closing position</b>	<b>3,220</b>	<b>3,234</b>	<b>(14)</b>
Remeasurements			
Changes in financial assumptions		(257) DBO070	257
Changes in demographic assumptions		- DBO080	-
Other experience †	95	8 DBO090	107
Return on assets excluding amounts included in net interest	(279) FVA080		(299)
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>(184)</b>	<b>(249)</b>	<b>65</b>
Fair value of plan assets	3,036		3,036
Present value of funded obligations		2,985	(2,985)
Present value of unfunded obligations**		-	-
<b>Closing position as at 31 August 2023</b>	<b>3,036 FVATOT</b>	<b>2,985 DBOTOT</b>	<b>51</b>

Please note the Employer's fair value of plan assets is less than 1% of the Fund's total.

I estimate that the present value of funded obligations comprises of approximately £1,599,000, £797,000 and £589,000 in respect of employee members, deferred pensioners and pensioners respectively as at 31 August 2023.

\* The current service cost includes an allowance for administration expenses of 0.5% of payroll.

\*\* The unfunded obligations comprise of £0 in respect of LGPS unfunded pensions and £0 in respect of Teachers' unfunded pensions.

† The other experience on obligations includes an allowance for the pension increase order applied to the funded obligations at April 2023 being different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period. Within this other experience item, the funded obligations have increased by £133,000 as a result of the pension increase order being different to the previous assumption.

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 August 2022

Period ended 31 August 2022	Assets £(000)	Obligations £(000)	Net asset / (liability) £(000)
Fair value of plan assets	2,754		2,754
Present value of obligations		5,092	(5,092)
<b>Opening Position as at 31 August 2021</b>	<b>2,754</b>	<b>5,092</b>	<b>(2,338)</b>
Service cost			
Current service cost*		509	(509)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>509</b>	<b>(509)</b>
Net interest			
Interest income on plan assets	47		47
Interest cost on defined benefit obligation		88	(88)
<b>Total net interest</b>	<b>47</b>	<b>88</b>	<b>(41)</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>47</b>	<b>597</b>	<b>(550)</b>
Cashflows			
Participants' contributions	43	43	-
Employer contributions	155		155
Benefits paid	(20)	(20)	-
Unfunded benefits paid	-	-	-
Contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
<b>Expected closing position</b>	<b>2,979</b>	<b>5,712</b>	<b>(2,733)</b>
Remeasurements			
Changes in financial assumptions		(2,838)	2,838
Changes in demographic assumptions		(14)	14
Other experience	-	9	(9)
Return on assets excluding amounts included in net interest	(71)		(71)
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>(71)</b>	<b>(2,843)</b>	<b>2,772</b>
Fair value of plan assets	2,908		2,908
Present value of funded obligations		2,869	(2,869)
Present value of unfunded obligations		-	-
<b>Closing position as at 31 August 2022</b>	<b>2,908</b>	<b>2,869</b>	<b>39</b>

\* The current service cost includes an allowance for administration expenses of 0.5% of payroll.

Please note that I have only shown a one year history of results and if further information is required please see the previous years' reports.

## Section 4 - Projected defined benefit cost for the period to 31 August 2024

Analysis of projected amount to be charged to operating profit for the period to 31 August 2024

Period Ended 31 August 2024	Assets	Obligations	Net asset / (liability)	
	£(000)	£(000)	£(000)	% of pay
Projected Current service cost *		175	(175)	(23.0%)
Past service cost including curtailments		-	-	-
Effect of settlements	-	-	-	-
<b>Total Service Cost</b>	-	<b>175</b>	<b>(175)</b>	<b>(22.7%)</b>
Interest income on plan assets	141		141	18.3%
Interest cost on defined benefit obligation		139	(139)	(18.1%)
<b>Total Net Interest Cost</b>	<b>141</b>	<b>139</b>	<b>2</b>	<b>0.2%</b>
<b>Total Included in Profit and Loss</b>	<b>141</b>	<b>314</b>	<b>(173)</b>	<b>(22.5%)</b>

\* The current service cost includes an allowance for administration expenses of 0.5% of payroll. The monetary value is based on a projected payroll of £770,000. F

The contributions paid by the Employer are set by the Fund following an actuarial valuation. For further details on the approach adopted to set contribution rates for the Employer, please refer to the latest formal valuation report and Funding Strategy Statement.

I estimate the Employer's contributions for the period to 31 August 2024 will be approximately £155,000.E

Notes:

The above figures should be treated as estimates and may need to be adjusted to take account of:

- any material events, such as curtailments, settlements or the discontinuance of the Employer's participation in the Fund;
- any changes to accounting practices;
- any changes to the Scheme benefit or member contribution rates; and/or
- any full funding valuation that may have been carried out on the Employer's behalf.

The monetary amount of the projected service cost for the period to 31 August 2024 will be adjusted to take account of the actual pensionable payroll for the period.

Employer contributions  
 $ERC010 (\%) = E \div F \times 100$

## Section 5 - Sensitivity Analysis

### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme obligations are set out below:

Change in assumptions at 31 August 2023:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	78 <span style="color: green;">G</span>
1 year increase in member life expectancy	4%	119 <span style="color: blue;">H</span>
0.1% increase in the Salary Increase Rate	0%	7
0.1% increase in the Pension Increase Rate (CPI)	2%	73 <span style="color: blue;">I</span>

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

The provided sensitivity figures can be used to estimate the impact of adopting different financial assumptions (e.g. an Employer considering alternative accounting assumptions or to help an Employer complete an ESFA accounts return). For further details on this, please refer to the accompanying accounting covering report.

In order to quantify the impact of a change in the financial assumptions used, we have calculated and compared the value of the scheme obligations at the accounting date on varying bases. The approach taken is consistent with that adopted to derive the accounting figures provided in this report, based on the profile (average member ages, retirement ages etc) of the Employer as at the date of the most recent valuation.

### Sensitivity analysis

- SAP010 = where provided
- SAP020 = G
- SAP030 = H
- SAP040 = where provided
- SAP050 = I
- SAP060 = where provided