
**United Kingdom Atomic Energy Authority
Pension Schemes**

**Combined Annual Accounts
2014-15**

United Kingdom Atomic Energy Authority Pension Schemes

Combined Annual Accounts 2014-15

(For the year ended 31 March 2015)

Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000

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HC 235



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Report

Introduction

This Combined Account for the United Kingdom Atomic Energy Authority's (the Authority) defined benefit Public Service Pensions Schemes (PSPS) for the year to 31 March 2015 covers the payment of pensions and other benefits to retired members or their dependants, transfer values for members transferring to other schemes and repayments of contributions under the Authority's Pension Schemes.

The business, its objectives and strategy

The Authority Pension Schemes are statutory schemes as defined under Section 26(1) of the Finance Act 1970 and are registered schemes under the Finance Act 2004. There are no trustees.

The Schemes are contracted out under the Pension Schemes Act 1993 and subsequent legislation.

The Authority's Public Service Pension Schemes comprise the Combined Pension Scheme (CPS), the Principal Non-Industrial Superannuation Scheme (PNISS) and the Protected Persons Superannuation Scheme (PPSS). They relate to the employees of the Authority and until 31 October 2009 UKAEA Ltd, Dounreay Site Restoration Limited (DSRL) and Research Sites Restoration Limited (RSRL). In addition the Schemes relate to former employees of British Nuclear Fuels plc (BNFL), employees of the National Nuclear Laboratory and International Nuclear Services Limited, the Civil Nuclear Police Authority (CNPA) and the Health Protection Agency (HPA) (in respect of members who prior to 1 April 2005 were employed by the National Radiological Protection Board), together with some employees of the Engineering and Physical Sciences Research Council (EPSRC), the Science and Technology Facilities Council (STFC), (former employees of the Council for the Central Laboratory of the Research Councils (CCLRC), the Particle Physics and Astronomy Research Council (PPARC) and the Science and Engineering Research Council (SERC), the RCUK Shared Services Centre Limited and former Authority employees who transferred to the Ministry of Defence (Atomic Weapons Establishment).

The funding of payments from the Authority's Pension Schemes is provided by a Parliamentary Supply Estimate, supplied to the Department for Business, Innovation and Skills (BIS). It should be noted that any contributions made to the Schemes are used to meet the payment of Scheme benefits, but any surplus of such contributions over payments is surrendered to the Consolidated Fund. Similarly, any deficit is met by Parliamentary Supply with payment from the Consolidated Fund.

The Authority is a body corporate by virtue of the Atomic Energy Authority Act 1954.

Management of the Schemes

The Schemes are managed by the Authority. The respective responsibilities of the Authority and BIS for the Schemes are set out in a Management Framework.

The Schemes are contributory and were established and became operational on 1 August 1954. The Schemes are constituted by Rules determined by the Authority and amended from time to time as approved by Ministers.

Operating review

There is no fund of investments. In line with other unfunded public service pension schemes, the Authority Schemes, with effect from 1 April 2006, introduced a revised method to determine the employer's contributions, known as Superannuation Contributions Adjusted for Past Experience (SCAPE). This resulted in an increase in the contributions received from all employers.

Actuary's valuation and statement

The last completed full actuarial (funding) review of the Authority Pension Schemes was completed as at 31 March 2006. A full actuarial (funding) review as at 31 March 2009 was started but not completed. Formal actuarial valuations for unfunded public service pension schemes were suspended by HM Treasury while consideration was given to recent changes to public service pensions and while future

scheme terms were developed as part of the reforms to public service pension provision. The Authority has submitted its preferred solution for reform to comply with the provisions of the Public Service Pensions Act 2013 and await Treasury agreement. The amounts recognised in these financial statements have been prepared using full membership data as at 31 March 2012, such as would have been provided for a formal valuation and updating this to 31 March 2015 to reflect known changes.

The Government Actuary's Department's report on the 2014-15 Accounts, based on the position as at 31 March 2015, confirmed that the Schemes' liabilities were £6,811 million discounted at a real rate of 1.3% under the Rules at the date of the valuation. The actuarial statement is reproduced on page 11. The actuary has advised that no changes to his report need to be made as a result of events since the end of the financial year.

Further information is provided in the Report of the Managers and the Report of the Actuary.

Changes in scheme rules

The rules of the CPS and PNISS have been amended in the following areas:

- Members can accrue benefits whilst in employment up to the age of 75;
- Members may accrue 45 years' service in total without a restriction of only being limited to accruing 40 years by age normal pension age;.
- Members can increase the value of their lump sum to the maximum HMRC limit for tax free cash by reducing pension at retirement;
- Members who return to scheme employment who have earlier scheme service will have their final award for the subsequent period of service treated separately from earlier awards;
- The scheme has been amended to allow members to partially retire without the need to resign and be reemployed.
- The earliest age a member can apply for a pension in cases of financial hardship has increased to age 55.

Contributions

All contributions have been collected in accordance with the Rules.

Future plans

The Authority has submitted its preferred solution for reform to comply with the provisions of the Public Service Pensions Act 2013 and await Treasury agreement.

Financial review

The pension cost for the year was £40 million (2013-14: £33 million) an increase of £7 million. The overall pension expenditure for the year was £307 million (2013-14: £270 million) a movement of £37 million. The value of benefits payable increased by £4 million to £222 million. The increase was mainly due to the annual increase in the value of benefits, and to changes in the profile of the pensioners. The number of pensioners, deferred pensioners, and dependents decreased during the year by 330 to 32,269 as at 31 March 2015.

The value of contributions receivable increased by £1 million to £28 million. There was an increase in the number of contributing members, which increased by 164 to 3,142 as at 31 March 2015. The value of transfers in to the Schemes decreased in 2014-15 by £2 million to £2 million.

Overall, the net outgoings for the year were £277 million (2013-14: 240 million). On the Net Cash Requirement, outturn compared with the Estimate shows a £69 million saving this is due mainly to a £50 million transfer out not taking place in 2014-15, which is now scheduled to take place in 2015-16.

The overall Scheme liability of £6,811 million; increased by £636 million from last year. The main factor underlying the increase in the actuarial liability is the changes to the financial assumptions (which are largely prescribed by HM Treasury).

The financial statements and accompanying notes on pages 22 to 41 provide an overview of the Schemes' income and expenditure.

Reporting of Personal Data Related Incidents

The Authority reported no incidents of the loss of any "Protected Personal Data" to the Information Commissioners Office in 2014-15 (or prior years). There were no "Other Protected Personal Data" incidents in 2014-15 (or prior years) such as the loss of inadequately protected or insecure disposal of electronic equipment, devices or paper documents from secured Government premises, or any other unauthorised disclosure.

The Authority will continue to monitor and assess its information risks, in order to identify and address any weaknesses and ensure continuous improvement of its systems.

Benefits

Under the rules of the scheme, benefits are increased in line with increases in the cost of living to the extent corresponding to and upon like terms and conditions as apply in relation to official pensions in accordance with the Pensions Act 1995. The increase for 2014-15 was 1.2%. (2013-14 – 2.2%). Further information is given in the Report of the Managers on page 6.

Auditors

These Financial Statements have been audited by the Comptroller and Auditor General (C&AG) whose opinion is expressed on pages 20 to 21. The notional cost of the audit is £14,000, and is classified as an administration cost and is therefore borne on the BIS Vote. This notional fee reflects only those costs that are directly associated with the audit of the Combined Accounts and excludes the National Audit Office's audit fees that are recovered from the Authority in respect of the underlying pension scheme accounts.

Disclosure of Audit Information

As far as I am aware, there is no relevant audit information of which the Schemes auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Schemes auditors are aware of that information.

Report of the Managers

1 Constitution of the Schemes

The three Authority Public Service Pension Schemes, (the Combined Pension Scheme, the Principal Non-Industrial Superannuation Scheme and the Protected Persons Superannuation Scheme) are unusual in their constitution. Contributions made to the Schemes are used to meet the payment of Scheme benefits. Any surplus of contributions over payments is surrendered to the Consolidated Fund. Any deficit is met by Parliamentary Vote with payment from the Consolidated Fund. The Government does not maintain a separate fund to provide for the Schemes' future liabilities and future benefits will be paid out of the Consolidated Fund to the extent that, at the time of payment, benefits exceed contributions and Parliament votes the necessary funds. There is no fund of investments.

Following the introduction of Superannuation Contributions Adjusted for Past Experience (SCAPE) on 1 April 2006, the participating employers pay contributions are based on the expected cost of the members' benefits as they accrue. These contributions are set by the Scheme Actuary at each regular valuation of the Scheme, based on the expected demographic and financial experience of the Scheme at the time of the valuation.

On the basis of the recommendations made by the GAD, and having regard to whether each employer's participation in the Authority Pension Scheme is open or closed to new members, the following employer contribution rates are applicable in respect of active membership from 1 April 2007:

The Authority	16.2%
Civil Nuclear Constabulary	16.2%
Ex BNFL	15.0%
HPA (formerly NRPB)	17.3%
SERC	15.8%
Ministry of Defence	14.8%

2 Managers, Advisers and Employers

Managers

UK Atomic Energy Authority Responsible Officer	Catherine Pridham, UK Atomic Energy Authority, Culham Science Centre, Abingdon, Oxfordshire OX14 3DB
Scheme Administration Manager	Richard Stoneham, UK Atomic Energy Authority, Culham Science Centre, Abingdon, Oxfordshire OX14 3DB
Address for correspondence	Aon Hewitt, Brims House, Forss Business & Technology Park, By Thurso, Caithness KW14 7UZ

Advisers

Scheme Actuary	The Government Actuary's Department, Finlaison House, 15-17 Furnival Street, London EC4A 1AB
Principal Bankers	Royal Bank of Scotland plc, Orlig Street, Thurso, Caithness, KW14 7BL
Legal advisers	UK Atomic Energy Authority, Legal Branch, K2, Culham Science Centre, Abingdon, Oxfordshire OX14 3DB
Auditor	The Comptroller and Auditor General, National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP

Employers**The following employers participate in the Schemes:**

- United Kingdom Atomic Energy Authority (the Authority)
- Former British Nuclear Fuels plc (BNFL)
- National Nuclear Laboratory (NNL)
- International Nuclear Services Limited (INSL)
- Civil Nuclear Police Authority (CNC)
- Health Protection Agency (HPA)
- Ministry of Defence (MOD)
- Engineering and Physical Science Research Council (EPSRC)
- Science and Technology Facilities Council (STFC)
- RCUK Shared Services Centre Limited

On 1 April 1994 EPSRC took over those employees previously employed by the Science and Engineering Research Council (SERC) who were members of the Principal Non-Industrial Superannuation Scheme. On 1 April 1995 the Central Laboratory of the Research Councils (CCLRC) was created out of EPSRC. On 1 April 2007 the Particle Physics and Astronomy Research Council (PPARC) and CCLRC merged to form the STFC with some employees joining the RCUK Shared Services Centre Limited in subsequent years. In these accounts, the acronym SERC is used to refer to the sub-scheme relating to the research councils.

The Civil Nuclear Police Authority was formed on 1 April 2005. Members of the Civil Nuclear Constabulary may continue in membership of the CPS in accordance with the terms of the Energy Act 2004.

Under the Health Protection Agency Act 2004, the National Radiological Protection Board became part of the Health Protection Agency with effect from 1 April 2005. With effect from 1 April 2013 the Public Health England (PHE) subsumed the responsibilities of the Health Protection Agency. Members employed by PHE were no longer able to accrue benefits in the Authority schemes from 1 October 2013.

Due to restructuring of the nuclear estate over recent years, BNFL no longer exists as an entity. Most of the BNFL estate has transferred out of the Authority Schemes, with the exception of two areas which have become the National Nuclear Laboratory (NNL) and International Nuclear Services Limited (INS Ltd). In these accounts, these two companies are referred to as 'former BNFL companies'.

3 Membership Statistics

Contributing Members	The Authority ¹	CNC	EX BNFL	PHE	MOD	SERC	Total
At 1 April 2014	609	1,448	885	-	5	31	2,978
New Entrants	92	230	109	-	-	-	431
Retirements	(17)	(20)	(18)	-	-	(3)	(58)
Deaths	-	-	(2)	-	-	-	(2)
Leavers	(27)	(151)	(29)	-	-	-	(207)
At 31 March 2015	657	1,507	945	-	5	28	3,142

¹ The research council members are included in the Authority figures as they are part of the Authority sub-fund.

Deferred Pensioners	The Authority	CNC	EX BNFL	PHE	MOD	SERC	Total
At 1 April 2014	3,769	148	6,274	350	27	43	10,611
New	39	77	101	-	-	-	217
Retirements	(175)	(2)	(231)	(15)	(5)	(8)	(436)
Deaths	(3)	(1)	(8)	-	-	-	(12)
Leavers	(17)	(6)	(51)	(2)	-	-	(76)
At 31 March 2015	3,613	216	6,085	333	22	35	10,304

Active deferred ²	The Authority	CNC	EX BNFL	PHE	MOD	SERC	Total
At 1 April 2014	1,031	-	7,857	-	-	-	8,888
New	-	-	-	-	-	-	-
Retirements	(24)	-	(145)	-	-	-	(169)
Deaths	(2)	-	(12)	-	-	-	(14)
Leavers	(22)	-	(77)	-	-	-	(99)
At 31 March 2015	983	-	7,623	-	-	-	8,606

Pensioners	The Authority	CNC	EX BNFL	PHE	MOD	SERC	Total
At 1 April 2014	6,686	190	7,764	200	769	589	16,198
New Retirements	217	22	400	15	5	11	670
Deaths	(314)	(4)	(272)	(4)	(53)	(26)	(673)
At 31 March 2015	6,589	208	7,892	211	721	574	16,195

Dependants' Pensions	The Authority	CNC	EX BNFL	PHE	MOD	SERC	Total
At 1 April 2014	2,646	11	2,345	34	578	176	5,790
New Retirements	136	2	151	2	19	17	327
Deaths	(182)	(1)	(120)	(2)	(39)	(3)	(347)
At 31 March 2015	2,600	12	2,376	34	558	190	5,770

4 Scheme records

Records are maintained in separate parts for the Authority (including CNC and the Research Councils), Ex-BNFL (including INSL and>NNL), PHE and MOD to enable the Scheme Actuary to advise on the contributions to be made by the participating employers to the Schemes.

² **Active Deferred** – The Nuclear Decommissioning Authority (NDA), established with effect from 1 April 2005, has set up a new scheme, the Combined Nuclear Pension Plan (CNPP). The CNPP will be the vehicle for future pension provision for eligible members in the nuclear industry who are currently members of the CPS. As eligibility for membership to the CPS ceases individuals will be invited to join the CNPP and following a decision by HM Treasury, will have the opportunity to preserve their accrued benefits in the CPS but not transferred to the CNPP. Instead, the CPS benefits will be calculated using the same pensionable final earnings as applies to the calculation of the CNPP benefits, hence the new category of members which have been called active deferred.

5 Additional voluntary contributions

In addition to allowing members to pay additional contributions to purchase added years of service within the schemes, there exists facilities for additional contributions to be made to two defined contribution schemes (the Additional Voluntary Contribution (AVC) scheme and the Shift Pay Pension Savings Plan (the Plan)). These are fully insured schemes administered by the Prudential Assurance Company Limited to whom contributions are paid.

The AVC scheme is open to members of the Public Service Pension Schemes who have opted to pay additional voluntary contributions. No employer contributions are made to this scheme. The Plan is open to shift workers who are members of the Public Service Pension Schemes. Contributions to this scheme are directly linked to shift pay earnings with the employers contributing a percentage of pensionable shift pay salary equal to the percentage payable by them to the CPS.

The transactions relating to the AVC scheme and the Plan are not included in these Accounts as separate accounts are prepared for these defined contribution arrangements.

6 Rule amendments

The rules of the CPS and PNISS have been amended in the following areas:

- Members can accrue benefits whilst in employment up to the age of 75;
- Members may accrue 45 years' service in total without a restriction of only being limited to accruing 40 years by age normal pension age;
- Members can increase the value of their lump sum to the maximum HMRC limit for tax free cash by reducing pension at retirement;
- Members who return to scheme employment who have earlier scheme service will have their final award for the subsequent period of service treated separately from earlier awards;
- The scheme has been amended to allow members to partially retire without the need to resign and be reemployed;
- The earliest age a member can apply for a pension in cases of financial hardship has increased to age 55.

7 Pensions review

Under the Rules of the Schemes, benefits are increased in line with increases in the cost of living to the extent corresponding to and upon like terms and conditions as apply in relation to official pensions in accordance with the Pension Schemes Act 1995. The increase for 2014-15 was 2.7% (2013-14: 2.2%).

8 Transfer values paid

Individual transfer values paid have been calculated using either "a cash equivalent method", in accordance with the Pension Schemes Act 1995 or, for eligible members, a "mixed transfer" method, in accordance with the Rules, where this was more favourable. Where there has been a compulsory transfer of employment, group transfer values paid have been calculated with HM Treasury agreement using a "past service reserve" method. Under these arrangements, which are generally more favourable than "cash equivalent" transfers, account is taken of potential salary increases to Normal Retirement Age rather than price increases over the same period.

9 Premature retirements

The Rules of the Schemes provide for certain benefits to be paid to members retiring early. These benefits may include a lump sum and annual payments until normal retirement age. The payments are not chargeable to the Schemes' Accounts and are fully funded by the appropriate participating employer.

The extent of activity for the Schemes under the above arrangements, for all participating employers, is shown in the following table:

	2014-15	2013-14
	£000	£000
Amount due to/(from) employers at 1 April	(52)	196
Received from employers during year	13,536	13,742
Paid to members during year	(13,255)	(12,968)
Repaid to employers during year	(525)	(1,022)
Amount due (from)/to employers at 31 March	(296)	(52)

Other benefits, paid directly by participating employers to members retiring early, are excluded.

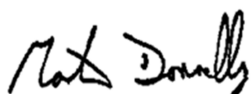
10 Actuarial position

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal actuarial valuations shall be four years, with approximate assessments in intervening years".

The last approved triennial actuarial valuation of the Authority Pension Schemes was completed in respect of the Schemes' positions as at 31 March 2006, when the SCAPE methodology was introduced. The next triennial valuation would have been due as at 31 March 2009. However, formal actuarial valuations for unfunded public service pension schemes were suspended by HM Treasury on value for money grounds while consideration was given to recent changes to public service pensions and while future scheme terms are developed as part of the reforms to public service pension provision. The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates and these are currently being determined under the new scheme design. Discussions are continuing with the Treasury to establish the timing of the next valuation of the Authority schemes.

Approximate actuarial assessments in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal actuarial valuation now exceeds four years, the amounts recognised in these financial statements have been prepared using full membership data as at 31 March 2012, such as would have been provided for a formal valuation. In undertaking this valuation, the methodology prescribed in IAS19, relevant FReM interpretations and the discount rate prescribed by HM Treasury have also been used.

During the year the Authority and its advisors met with HM Treasury, cabinet office and other scheme employers to discuss the future plans for the Authority Schemes and the transfer to a career average scheme at a date to be agreed. These changes are required following the publication of the Public Service Pension Act 2013. During 2014-15, the Authority submitted to HM Treasury its preferred solution for reform to comply with the provisions of the Public Service Pensions Act 2013 and are awaiting Treasury agreement. The changes will not affect pensioners, deferred members, or active members who were within 10 years of pension age at 1st April 2012.



Martin Donnelly
Principal Accounting Officer and Permanent Secretary

7 July 2015

Report of the Actuary

United Kingdom Atomic Energy Authority (“The Authority”)

- Combined Pension Scheme
- Principal Non-Industrial Superannuation Scheme
- Protected Persons Superannuation Scheme

Accounts for the year ended 31 March 2015

Introduction

- I. This statement has been prepared by the Government Actuary’s Department at the request of the United Kingdom Atomic Energy Authority (‘the Authority’). It summarises the pensions disclosures required for the 2014-15 Resource Accounts of the United Kingdom Atomic Energy Authority’s pension schemes (‘the Schemes’).
- II. The CPS and PNIS are final salary defined benefit schemes. The PPSS consists only of pensions in payment. Full details of the benefits payable can be found in the Schemes’ Rules¹. The Schemes are wholly unfunded. I am not aware of any informal practices operated within the scheme which lead to a constructive obligation (under IAS19 constructive obligations should be included in the measurement of the actuarial liability).
- III. The statement is based on an assessment of the liabilities as at 31 March 2012, with an approximate update to 31 March 2015 to reflect known changes.

Membership data

- IV. Tables A to C summarise the principal membership data as at 31 March 2012 used to prepare this statement.

Table A1 – Active members

Number	31 March 2012	
	Total salaries in membership data (pa) (£ million)	Total accrued pensions (£ million)
2,806	106.9	20.5

Table A2 – Active deferred members

Number	31 March 2012	
	Total salaries in membership data (pa) (£ million)	Total accrued pensions (£ million)
9,597	377.2	70.6

¹ <http://www.ukaeapensions.org.uk/files/downloads/download1069.pdf>

Table B – Deferred members

31 March 2012	
Number	Total deferred pension (pa) (£ million)
10,675	46.7

Table C – Pensions in payment

31 March 2012	
Number	Total pension (pa) (£ million)
22,132	198.7

Methodology

- V. The present value of the liabilities has been determined using the Projected Unit Credit Method (PUCM), with allowance for expected future pay increases in respect of active members, and the principal financial assumptions applying to the 2014-15 Resource Accounts. The contribution rate for accruing costs in the year ended 31 March 2015 was determined using the PUCM and the principal financial assumptions applying to the 2013-14 Resource Accounts.
- VI. This statement takes into account the benefits normally provided under the scheme, including age retirement benefits, ill-health retirement benefits and benefits applicable following the death of the member. It does not include the cost of injury benefits (in excess of ill-health benefits). It does not include premature retirement and redundancy benefits in respect of current active members.

Principal financial assumptions

- VII. The principal financial assumptions adopted to prepare this statement are shown in Table D.

Table D – Principal financial assumptions

Assumption	31 March 2015 % a year	31 March 2014 % a year
Rate of return (discount rate)	3.55%	4.35%
Rate of earnings increases	4.20%	4.50%
Rate of future pension increases	2.20%	2.50%
Rate of return in excess of:		
Earnings increases	-0.65%	-0.15%
Pension increases	1.30%	1.80%
Expected return on assets:	n/a	n/a

- VIII. The pension increase assumption as at 31 March 2015 is based on the Consumer Price Index (CPI) expectation of inflation.

Demographic assumptions

- IX. The demographic assumptions adopted to prepare this statement were derived from experience analysis of the scheme membership (performed as part of the 2009 actuarial review of the Schemes). These assumptions are the same as those adopted to prepare the 2013-14 Resource Accounts with an additional assumption in respect of commutation of pension for cash. From March 2015 retiring members are able to exchange a specified amount of their pension for the maximum tax-free cash lump sum. It is assumed that members do not commute any material amount of pension on average.
- X. The standard mortality tables known as the 'S1' series, prepared by the Continuous Mortality Investigation (part of the Actuarial Profession), are used (but for non-BNFL male members an age rating of -1 applies, that is they are assumed to experience mortality rates in the standard tables but at ages one year younger than their actual age). Mortality improvements are in accordance with those incorporated in the 2012-based principal population projections for the United Kingdom (prepared by ONS).
- XI. Whilst some public sector schemes this year will make an allowance for the impact of later normal pension ages in the post-2015 schemes on age retirement patterns in the existing schemes, the Authority has decided not to make such an allowance for the UKAEA schemes because of two main differences with the larger schemes:
- It is not yet known what the new pension scheme arrangements for the UKAEA schemes employers will be.
 - The uncertainty described under (a) has meant that it has not been possible to move forward with the UKAEA schemes 2012 valuation and thus there has been no formal process of analysing experience and proposing an updated assumption to reflect the effect of future pension arrangements on retirement ages.
- XII. The contribution rate used to determine the accruing cost in 2014-15 was based on the demographic and financial assumptions applicable at the start of the year: that is, those adopted for the 2013-14 Resource Accounts.

Liabilities

- XIII. Table E summarises the assessed value as at 31 March 2015 of benefits accrued under the schemes prior to 31 March 2015 based on the data, methodology and assumptions described in paragraphs 4 to 12. The corresponding figures for the previous four year ends are also included in the table.

Table E – Statement of Financial Position

£ million

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Total market value of assets	Nil	Nil	Nil	Nil	Nil
Value of liabilities	6,811.1	6,174.6	5,766.3	5,267.0	5,127.3
Surplus/(Deficit)	(6,811.1)	(6,174.6)	(5,766.3)	(5,267.0)	(5,127.3)
of which recoverable by employers	n/a	n/a	n/a	n/a	n/a

Pension cost

- XIV. The cost of benefits accruing in the year ended 31 March 2015 (the Current Service Cost) is based on an average standard contribution rate of 34.4% of pensionable pay. Table F shows the employers' share of the contribution rate used to determine the Current Service Cost (expressed as an average across schemes). This takes into account an estimated average rate of contributions paid by members. Individual Member contribution rates are 8.20% and 10.70% in the CPS and PNISS respectively. The corresponding figures for 2013-14 are also included in the table.

Table F –Contribution rate: All Schemes

	Percentage of pensionable pay	
	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Standard contribution rate	34.4%	29.9%
Members' estimated average contribution rate	8.2%	7.6%
Employers' estimated share of standard contribution rate	26.2%	22.3%

- XV. For the avoidance of doubt the employers' share of the standard contribution rate determined for the purposes of the Resource Accounts is not the same as the actual rate of contributions payable by employers, which was determined based on the methodology and the financial and demographic assumptions adopted for the funding of the scheme. The actual rate paid differs for different employers. Actual rates paid by employers vary between 14.8% and 17.3% of pensionable pay. The most significant difference between the actuarial assessments for Resource Accounts and for scheme funding purposes is the discount rate net of pension increases, which is 1.80% a year for the 2014-15 Current Service Cost. A funding rate of 3.5% was used to calculate the contribution rates that currently remain in payment. (Note that the discount rate for scheme funding purposes has been reviewed and reduced to 3% a year but this is not yet reflected in the current rate of contributions.) A higher discount rate for scheme funding purposes results in a lower assessed cost of benefit accrual. The discount rate for scheme funding is set by HM Treasury and is expected to stay the same for an extended period so as to provide a stable budgeting mechanism for pension accrual within government. The discount rate for Resource Accounts is set each year by HM Treasury to reflect the requirements of IAS19.
- XVI. The pensionable payroll for the financial year 2014-15 was £115.0 million (derived from contributions payable by employers over the year). Based on this information, the accruing cost of pensions in 2014-15 (at 34.4% of pay) is assessed to be £39.6 million. There is no past service cost and so this is the total pension cost for 2014-15.

Sensitivity analysis

- XVII. The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. In recognition of this uncertainty I have been asked to indicate the approximate effects on the actuarial liability as at 31 March 2015 of changes to the significant actuarial assumptions.
- XVIII. The principal financial assumptions are the future increases in pensionable salary due to general earnings increases, pension increases (both in payment and deferment), and the rate of interest (or discount rate) used to calculate the value of the benefits and contributions. A key demographic assumption is pensioner mortality.

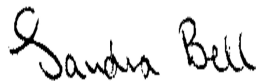
- XIX. As a result of the scheme reform, there is significant uncertainty regarding when members are expected to retire. The assumed age retirement rates will have a significant impact on the scheme liabilities and therefore we have included an indication of the approximate effect (on the total past service liability) of all active members (excluding active deferred members) retiring one year later than assumed in the main liability calculations.
- XX. Table G shows the indicative effects on the total liability as at 31 March 2015 of changes to these assumptions.

Table G: Sensitivity to main assumptions

Change in assumption		Approximate effect on total liability*	
Rate of return			
(i) discount rate year	+½% a	- 8.5%	- £580 million
(ii) earnings increases year	+½% a	+ 2.0%	+ £135 million
(iii) pension increases year	+½% a	+ 7.0%	+ £475 million
Pensioner mortality			
(iv) one year increase to life expectancy at retirement		+ 3.0%	+ £205 million
Age Retirement			
(v) all actives retiring (on average) 1 year later **		-0%	-£0 million

* Approximate effect rounded to the nearest ½%.

** The approximate effect on the total liability is a reduction of around 0.25%



Sandra Bell
Government Actuary's Department
19 May 2015

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Department for Business, Innovation and Skills (BIS) to prepare for each financial year a statement of accounts for the United Kingdom Atomic Energy Authority Pension Schemes in the form and on the basis set out in the Accounts Direction.

With the exception of certain transactions (which are accounted for on a cash basis), the combined financial statements are prepared on an accruals basis and must give a true and fair view of the financial transactions of the United Kingdom Atomic Energy Authority Pension Schemes during the year and the disposition, at the end of the financial year, of the combined net liabilities. Note 2 "Statement of Accounting Policies" to the financial statements describes those transactions which are accounted for on a cash basis, the use of which has no material effect on the net outgoings for the year nor on the combined net liabilities at the year end.

In preparing the financial statements, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual (FReM)* and in particular to:

- Observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

HM Treasury has appointed the Permanent Secretary of BIS as Accounting Officer for the United Kingdom Atomic Energy Authority Pension Schemes. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Pension Schemes are set out in *Managing Public Money* published by HM Treasury.

GOVERNANCE STATEMENT FOR THE UNITED KINGDOM ATOMIC ENERGY AUTHORITY PENSION SCHEMES 2014-15

Scope of responsibility

As Accounting Officer for the Department for Business, Innovation and Skills (“the Department”), I have responsibility for maintaining a sound system of governance, risk management and internal control that supports the achievement of the policies, aims, and objectives for the United Kingdom Atomic Energy Authority (“the Authority”) Pension Schemes (“the Schemes”), whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in “Managing Public Money”.

The Chief Executive and Accounting Officer of the Authority (a partner organisation of the Department) is responsible for the management and administration of the Schemes on my behalf under the terms of a Management Framework, between the Authority and the Department, and for the maintenance and operation of the governance framework in that body.

The administration of the schemes is carried out by Aon Hewitt under contract to the Authority. The Authority disburses pensions and other payments and collects pension contributions and other income with the approval of the Department, which in turn ensures that funds are provided to meet the net cash outflow on pensions. The Authority prepares separate audited Accounts for the three Authority Schemes and the Department prepares this Resource Account which consolidates those three accounts. Thus the governance framework over the schemes in operation in the Authority and the Department are relevant to this Account.

The Governance Framework

The Department

The Departmental Board provides collective strategic leadership of the Department with responsibility for performance, risk and delivery including appropriate oversight of partner organisations.

The Departmental Board delegates some responsibilities to the Executive Board whose remit is to ensure effective management of the Department and Partner Organisations, and shaping the strategic direction of the Department. The decisions of the Executive Board were reviewed regularly by the Departmental Board. The Executive Board delegated more decision-making and running of the Department to three Committees chaired by Directors General, and drew their membership from Departmental Directors.

- The People Committee ensures the delivery of people, change and communication strategies
- The Operations Committee ensures the effective management of the Department’s operations in BIS and across its Partner Organisations
- Performance, Finance and Risk Committee ensures effective management and control of the Department and Partner Organisations’ performance, finance and risks.

The Nominations and Governance Committee ensures there are effective governance arrangements in place within the Department, and that senior appointments and remuneration arrangements are transparent, fair and support Departmental objectives.

The Audit and Risk Committee provides assurance on the quality of the Department’s Accounts, governance, risk management and internal control arrangements. The Committee’s meetings are attended by the Department’s Director of Internal Audit and representatives of the National Audit Office.

The Departmental Board and the Audit and Risk Committee maintain oversight of the annual Resource Account for the Pension Schemes.

More details on the Department’s governance framework can be found in the Departmental Annual Report.

The Authority

The Authority Board and the Authority Audit Committee maintain oversight of the annual report and accounts for the three Authority Schemes.

More details on the Authority’s governance framework can be found in the Authority Annual Report.

The Schemes

A Management Framework between the Department and the Authority sets out the responsibilities that each have in respect of the funding and management of the Schemes and incorporates a framework for the management of risks and maintaining a sound system of internal control. The Management Framework was reviewed and updated during the course of 2014-15. Governance responsibilities for the Schemes reside with a sponsor team in the Department's Knowledge and Innovation Group. In addition, the Department / Authority Pension Schemes "Finance Meeting" meets on a quarterly basis. The objectives of these meetings are:

- to ensure that those representatives responsible for the management and reporting of financial data for the Authority Pension Schemes have a good understanding of all the financial aspects of the Schemes;
- to ensure that future changes to the Pension Schemes are identified and the implications understood and communicated to each of the representative areas;
- to ensure that changes in personnel are managed in such a way that there is no loss of understanding and that there is continuity of financial management; and
- to manage the risks to the effective financial control of the Authority Pension Schemes.

Participants at the "Finance Meeting" include representatives from the Department's Group Finance/Sponsor Team, Corporate Finance (Accounts Preparation and Advice team, Budgeting and Estimates team), Internal Audit, the Government Actuary Department (GAD), the Authority and Aon Hewitt pensions administration team. The NAO attends as observers.

The Department / Authority Pension Schemes "Finance Meeting" met on the following dates: 2nd June 2014, 28th October 2014, and 19th January 2015. During the year, The "Finance Meeting" considered the following issues:

- Valuation of the Scheme;
- Changes to Scheme terms including same sex marriages and other changes that fall under "modernisation" such as partial retirement);
- Staff transfers affecting the current year in terms of timing and potential size of pensions costs to be funded;
- Pension Scheme Reform arising from the Public Services Pensions Act 2013; and

An Annual Report has been produced documenting the work of the "Finance Meeting during 2014-15 and evaluating its performance over the course of the year. This was discussed by members of the "Finance Meeting" on the 13th May 2015. Members agreed with the report's conclusion that the "Finance Meeting" was working well in meeting its objectives and that significant progress has been made in improving understanding across all the parties involved and we are actively managing down the risks to qualified accounts or excess votes.

Risk Management

The risk management process for the Schemes operates through the initial identification of risks against the scheme's objectives. These risks are then evaluated in terms of impact and probability to determine the key risks inherent to the Schemes. Consideration is then given to the controls in place to manage each risk and how effective they are in mitigating the risk. This establishes the level of residual risk and enables management to determine what further action is required to manage the risk. Ownership for each risk is then assigned to named individuals who will report on progress in managing the risk when the risk register is reviewed. Assurance is obtained through regular management reviews and periodic Internal Audits of the Schemes. During the year, the Authority carried out an internal audit of the data handling and protection of the personal data held by the Aon Hewitt Administration team on behalf of the Schemes. This audit reviewed progress made since the last investigation of the Aon Hewitt systems and provided substantial assurance of the processes and procedures in place at Aon Hewitt. There were no significant lapses of data security during this financial year to report in this statement. In addition an Authority internal audit of financial processes including bank account and other reconciliations was also completed during 2014 15. The audit provided substantial assurance of the financial processes in place at Aon Hewitt. A number of areas for improvement were identified, to be implemented during 2015 16. UKAEA has raised issues regarding the adequacy of staffing of the Accounts activity at Aon Hewitt Forss following the departure of key staff and will be meeting the administrators in order to ensure that appropriate support is provided. Separately UKAEA is working with Aon Hewitt to complete the reconciliation of employer charges arising from the retirement of scheme members before normal pension age. BIS has obtained a governance statement from the Authority for each of the 3 schemes, providing assurance as to the robustness of risk management and controls over the schemes.

A risk register for the Schemes operated throughout the year and contains both the key strategic and operational risks. The register was updated following a risk workshop in December which BIS, the Authority and GAD

attended. Each of the teams involved in operating the Schemes also maintain their own local risk register. Key strategic risks relate to:

- Engaging effectively with HM Treasury over the unique issues around the Authority Scheme in helping to develop optimum arrangements for the future;
- Implementing appropriate governance arrangements for existing schemes that reflect best practice
- Ensuring bulk transfers of members have sufficient funding provision, authorised through Parliamentary Estimates, before being finalised; and
- The next valuation of the Scheme and its potential impact on contribution rate for employers.
- Ensuring employers recognise their ownership of existing liabilities where no active members remain in their organisation.

A number of mitigating actions have been put in place to manage the above risks and progress on these will be monitored during the course of 2015-16.

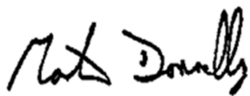
During the year, the Authority, BIS and HM Treasury have discussed the reform of the Authority Pension arrangement arising from the Public Services Pensions Act 2013. These discussions have led to a potential solution in respect of the introduction of a Career Average Revalued Earnings scheme, required under the Act, and the development of the existing UKAEA final salary schemes.

The Authority has resolved an issue of the ownership of legacy liability where there are no active contributing members with a particular employer. This has been a key issue as the membership of the final salary scheme closes to new entrants and existing contributors leave the scheme with potential deficits that must be provided for by the appropriate employer or sponsor department.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control. My review of the effectiveness is informed by the work of the internal auditors and the executive managers within the Department and the Authority who have responsibility for the development and maintenance of the risk management and internal control framework for the Schemes; and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Departmental Board, the Audit & Risk Committee and mechanisms are in place to ensure continuous improvement of the system is in place. The effectiveness of the governance frameworks in operation more generally in the Authority and the Department are reflected in the respective Governance Statements of these organisations.

My review has provided me with assurance that the system of governance, risk management and internal control in operation for the Schemes has operated satisfactorily during 2014-15. There were no significant control issues.



Martin Donnelly
Principal Accounting Officer and Permanent Secretary

7 July 2015

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the United Kingdom Atomic Energy Authority Pension Schemes for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. These comprise the Combined Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the United Kingdom Atomic Energy Authority Pension Schemes' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Report, the Report of the Managers, the Report of the Actuary and the Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary presents the outturn against Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects,

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Schemes' affairs as at 31 March 2015, and of their net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the information given in the Report of the Managers and the Report of the Actuary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters for which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas CE Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
13 July 2015

Statement of Parliamentary Supply

Summary of Resource and Capital Outturn 2014-15

							2014-15 £000	2013-14 £000	
	SoPS Note	Voted	Non-Voted	Estimate Total	Voted	Non-Voted	Outturn Total	Voted outturn compared with Estimate: saving/ (excess)	Outturn Total
Departmental Expenditure Limit									
- Resource		-	-	-	-	-	-	-	-
- Capital									
Annually Managed Expenditure									
- Resource	2.1	329,569	-	329,569	276,563	-	276,563	53,006	239,947
- Capital									-
Total Budget		329,569	-	329,569	276,563	-	276,563	53,006	239,947
Non-Budget									
- Resource									-
Total		329,569	-	329,569	276,563	-	276,563	53,006	239,947

Net Cash Requirement 2014-15

				2014-15 £000	2013-14 £000
	SoPS Note	Estimate	Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
Net cash requirement	4	266,000	197,052	68,948	192,066

(i) Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary control.

(ii) All resources are classified as Annually Managed Expenditure (AME), they are all classified as Programme costs and there is no Administration Costs limit.

(iii) Explanations of variances between Estimate and outturn are given in SoPS Note 2 and in the Management Commentary.

Notes to the Departmental Resource Accounts (Statement of Parliamentary Supply)

SOPS1. Statement of accounting policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014-15 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and related notes, have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOPS1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts. In these financial statements there are no significant differences in the department's outturn as recorded in the SoPS compared to the IFRS-based SoCNE.

SOPS2. Net outturn**SOPS2.1 Analysis of net resource outturn by section**

	2014 - 2015										2013 – 2014 Outturn
	Outturn							Estimate			
	Administration			Programme			Total	Net Total	Net total compared to Estimate	Net total compared to Estimate, adjusted for virements	
	Gross	Income	Net	Gross	Income	Net					
Annually Managed Expenditure											
Voted											
Pensions, transfer values, repayment of contributions	-	-	-	307,091	(30,528)	276,563	276,563	329,569	53,006		239,947
Total	-	-	-	307,091	(30,528)	276,563	276,563	329,569	53,006		239,947

SOPS2.2 Analysis of net capital outturn by section

(i) There is no Departmental Expenditure Limit (DEL), Capital or Non-voted Annually Managed Expenditure (AME).

SOPS3. Reconciliation of outturn to net expenditure and against Administration Budget

SOPS3.1 Reconciliation of net resource outturn to net expenditure

			2014-15 £000	2013-14 £000
	Note	Outturn	Estimate	Outturn compared with Estimate
Total Resource Outturn in Statement of Parliamentary Supply		276,563	329,569	53,006
Combined net expenditure/income in Statement of Comprehensive Net Expenditure		276,563	329,569	53,006
				Outturn
				239,947

SOPS3.2 Outturn against final Administration Budget

The Scheme does not have an administration budget in the SoPS.

SOPS4. Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/ (excess) £000
Resource Outturn		329,569	276,563	53,006
Accruals to cash adjustments:				
Adjustments to remove non-cash items:		(347,814)	(307,091)	(40,723)
Adjustments to reflect movements in working balances:		-	(154)	154
Use of provision		284,245	227,734	56,511
Net cash requirement		266,000	197,052	68,948

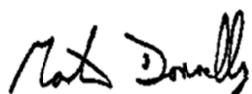
Combined Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2014-15 £000	2013-14 £000
Principal Arrangements – The Authority Pension Schemes			
Income			
Contributions receivable	3	(28,035)	(26,696)
Transfers in	4	(2,493)	(3,830)
		(30,528)	(30,526)
Expenditure			
Service Cost	5	39,593	33,497
Enhancements	6	403	473
Transfers in	7	2,493	3,830
Pension financing cost	8	264,602	232,673
		307,091	270,473
Net Expenditure		276,563	239,947
Other Comprehensive Net Expenditure			
Pension re-measurements:			
- Actuarial loss	13.7	557,226	360,139
Total Comprehensive Net Expenditure for the year ended 31 March 2015		833,789	600,086

Notes 1 to 18 form part of these Accounts.

Combined Statement of Financial Position as at 31 March 2015

	31 March 2015	31 March 2014
Note	£000	£000
Principal Arrangements – The Authority Pension Schemes		
Current assets:		
Receivables	10 2,254	2,053
Cash and cash equivalents	11 9,532	6,884
Total current assets	11,786	8,937
Current liabilities:		
Payables (within 12 months)	12 (13,763)	(10,760)
Total current liabilities	(13,763)	(10,760)
Net current assets/(liabilities), excluding pension liability	(1,977)	(1,823)
Pension liability	13.4 (6,811,141)	(6,174,558)
Net liabilities, including pension liabilities	(6,813,118)	(6,176,381)
Taxpayers' equity:		
General fund	(6,813,118)	(6,176,381)
	(6,813,118)	(6,176,381)



Martin Donnelly
Principal Accounting Officer and Permanent Secretary

7 July 2015

Notes 1 to 18 form part of these Accounts.

Combined Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	31 March 2015	31 March 2014
Note	£000	£000
Balance at 1 April 2014	(6,176,381)	(5,768,361)
Net Parliamentary Funding – drawn down	199,700	188,181
Net Parliamentary Funding – deemed	6,884	10,769
Supply (payable) adjustment – current year	(9,532)	(6,884)
Net Expenditure for the Year	(276,563)	(239,947)
Actuarial (loss)	13.7 (557,226)	(360,139)
Balance at 31 March 2015	(6,813,118)	(6,176,381)

Notes 1 to 18 form part of these Accounts.

Combined Statement of Cash Flows for the year ended 31 March 2015

	2014-15	2013-14
Note	£000	£000
Cash flows from operating activities		
Net expenditure for the year	(276,563)	(239,947)
Adjustments for non-cash transactions	-	-
(Increase) in receivables	(201)	(119)
Increase/(Decrease) in payables: pensions	3,003	(4,004)
Short-term payables	-	-
<i>less movements in payables relating to items not passing through the Combined Statement of Comprehensive Net Expenditure</i>	(2,648)	3,885
Movement in pension liability – service and finance costs	13.4 304,195	266,170
Movement in pension liability – enhancements and transfers in	13.4 2,896	4,303
Movement in pension liability – benefits paid	13.5 (221,462)	(217,482)
Movement in pension liability – refunds and transfers	13.6 (5,324)	(4,073)
Movement in pension liability – death in service	13.5 (948)	(799)
Net cash Outflow from Operating Activities	<u>(197,052)</u>	<u>(192,066)</u>
Cash flows from financing activities		
From the Consolidated Fund (Supply) – current year	199,700	188,181
Net Parliamentary financing	<u>199,700</u>	<u>188,181</u>
Adjustments for payments and receipts not related to Supply	-	-
Net Financing	<u>199,700</u>	<u>188,181</u>
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	<u>2,648</u>	<u>(3,885)</u>
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	<u>2,648</u>	<u>(3,885)</u>
Cash and cash equivalents at the beginning of the period	11 6,884	10,769
Cash and cash equivalents at the end of the period	11 <u>9,532</u>	<u>6,884</u>

Notes 1 to 18 form part of these Accounts.

Notes to the Schemes Statements

1. Basis of preparation of the Scheme financial statements

The financial statements of the combined Schemes have been prepared in accordance with the relevant provisions of the 2014-15 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector. IAS 19 *Employee Benefits* and IAS 26 *Accounting and Reporting by Retirement Benefit Plans* are of particular relevance to these statements.

In addition to the primary statements prepared under International Financial Reporting Standards, the FReM also requires the Scheme to prepare an additional statement – a *Statement of Parliamentary Supply*. This statement, and its supporting notes, show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.1 UKAEA Pension Schemes

The UKAEA Pension Schemes is a contracted out, unfunded, defined benefit pay-as-you-go occupational pension scheme operated by the United Kingdom Atomic Energy Authority Pension Schemes on behalf of its members who satisfy the membership criteria.

Contributions to the Scheme by employers and employees are set at rates determined by the Scheme's Actuary and approved by the governing body. The contributions partially fund payments made by the Scheme, the balance of funding being provided by Parliament through the annual Supply Estimates process.

The financial statements of the Scheme show the financial position of the UKAEA Pension Schemes at the year end and the income and expenditure during the year. The Statement of Financial Position shows the unfunded net liabilities of the Scheme; the Statement of Comprehensive Net Expenditure shows, amongst other things, factors contributing to the change in the net liability analysed between the pension cost, enhancements and transfers in, and the interest on the Scheme liability. Further information about the actuarial position of the Scheme is dealt with in the Report of the Actuary, and the Scheme financial statements should be read in conjunction with that Report.

2 Statement of accounting policies

The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate in the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Scheme for the purpose of giving a true and fair view has been selected. The accounting policies adopted have been applied consistently in dealing with items considered material in relation to the accounts.

2.1 Pension contributions receivable

- 2.1.1 Employers' normal pension contributions are accounted for on an accruals basis.
- 2.1.2 Employers' special pension contributions are accounted for in accordance with the agreement under which they are paid.
- 2.1.3 Employees' pension contributions are accounted for on an accruals basis.
- 2.1.4 Employees' contributions include amounts paid in respect of the purchase of added years but exclude contributions to the Additional Voluntary Contribution scheme (AVC) and the Shift Pay Pension Plan scheme (SPPP). The transactions relating to the AVC scheme and the SPPP are not included in these Accounts as separate accounts are prepared for these defined contribution arrangements.

2.2 Transfers in and out

- 2.2.1 Transfers in are normally accounted for as income and expenditure (representing the associated increase in the Scheme liability) on a cash basis, although group transfers in may be accounted for on an accruals basis where the Scheme has formally accepted or transferred a liability. Transfers out are normally accounted for as use of provision.

2.3 Income received in respect of enhancements

- 2.3.1 Amounts receivable in respect of bringing forward the payment of accrued pension lump sums, and in respect of the capitalised costs of pension enhancement either at departure or at retirement, are accounted for as income and expenditure (representing the associated increase in the Scheme liability) on a cash basis.

2.4 Other income

- 2.4.1 Other income, including refunds of gratuities, and overpayments recovered other than by deduction from future benefits, are accounted for on an accruals basis. To the extent that this income also represents an increase in the Scheme liability, it is also reflected in expenditure.

2.5 Current service cost

- 2.5.1 The current service cost is the increase in the present value of the Scheme liabilities arising from current member's service in the current period and is recognised in the Combined Statement of Comprehensive Net Expenditure. The cost is based on a discount rate at the start of the year of 1.80% real (i.e. 4.35% including CPI inflation).

2.6 Past service costs

- 2.6.1 Past service costs are increases in the present value of the Scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.
- 2.6.2 Past service costs are recognised in the Combined Statement of Comprehensive Net Expenditure on a straight line basis over the period in which increase in benefits vest.

2.7 Interest on scheme liabilities

- 2.7.1 The interest cost is the increase during the period in the present value of the Scheme liabilities because the benefits are one period closer to settlement and is recognised in the Combined Statement of Comprehensive Net Expenditure. The interest cost is based on a discount rate (including inflation) at start of the year, i.e. 4.35%.

2.8 Other payments

- 2.8.1 Other payments are accounted for on an accruals basis.

2.9 Scheme liability

- 2.9.1 Provision is made for liabilities to pay pensions and other benefits in the future. The Scheme liability is measured on an actuarial basis using the projected unit method and is discounted at 1.30% (2013-14: 1.80%) real (i.e. 3.55% after inflation).
- 2.9.2 Full actuarial valuations by a professionally qualified actuary are usually obtained at intervals not exceeding four years. However, the interval since the last formal valuation now exceeds four years because HM Treasury had suspended formal actuarial valuations on value for money grounds while consideration was given to the changes resulting from reforms to public service pension provision. The Authority has now submitted its preferred solution for reform to comply with the provisions of the Public Service Pensions Act 2013 and await Treasury agreement. The valuation at the Combined Statement of Financial Position date has been prepared using full membership data, such as would have been provided for a formal valuation.

2.10 Pension benefits payable

- 2.10.1 Pension benefits payable are accounted for as a decrease in the Scheme liability on an accruals basis.

2.11 Pension payments to those retiring at their normal retirement age

- 2.11.1 Where a retiring member of a pension scheme has no choice over the allocation of benefits receivable between the value of the lump sum and the annual pension, the transaction is accounted for as a decrease in the Scheme liability on an accruals basis.

- 2.11.2 Where a retiring member of a pension scheme has a choice over the allocation of benefits receivable between the value of the lump sum and the annual pension, the transaction is accounted for as a decrease in the Scheme liability on a cash basis.

2.12 Pension payments to and on account of leavers before their normal retirement age

- 2.12.1 Where a member of a pension scheme is entitled only to a refund of contributions, the transaction is accounted for as a decrease in the Scheme liability on an accruals basis.
- 2.12.2 Where a member of a pension scheme has the option of receiving a refund of contributions or a deferred pension, the transaction is accounted for as a decrease in the Scheme liability on a cash basis.

2.13 Injury benefits

- 2.13.1 Injury benefits are accounted for on an accruals basis. They are not funded through the normal pension contributions (accruing pension liability contributions) and are in respect of injuries sustained. The amounts payable are a charge on a pension scheme and shown in the Combined Statement of Comprehensive Net Expenditure. Those payable after that date are recoverable from employers.

2.14 Lump sums payable on death in service

- 2.14.1 Lump sum payments payable on death in service are accounted for on an accruals basis. They are a direct charge to a pension scheme as they are not funded through the normal pension contributions.

2.15 Actuarial gains / losses

- 2.15.1 Actuarial gains and losses arising from any new valuation and from updating the latest actuarial valuation to reflect conditions at the Statement of Financial Position date are recognised in the Combined Statement of Other Comprehensive Net Expenditure.

2.16 Additional Voluntary Contributions

- 2.16.1 Additional Voluntary Contributions ('AVCs') are deducted from employees' salaries and are paid over directly by the employing departments to the approved AVC providers.

2.17 Significant estimates and judgements

- 2.17.1 The key estimates and judgements relate to the valuation of the pensions liability and these have been documented in full in the report of the Actuary and Note 13.

2.18 Administration costs

- 2.18.1 Administration costs are borne by the Authority and BIS and are accounted for in their financial statements.

3 Pension contributions receivable (see also Note 6)

	2014-15	2013-14
	£000	£000
Employers:		
Normal	(18,134)	(17,706)
Employees:		
Normal	(9,498)	(8,517)
Purchase of added years	(403)	(473)
	(28,035)	(26,696)

4 Pension transfers-in (see also Note 7)

	2014-15	2013-14
	£000	£000
Individual transfers in from other schemes	(2,493)	(3,830)
	(2,493)	(3,830)

5 Service cost (see also Note 13.4)

	2014-15	2013-14
	£000	£000
Current service cost	39,593	33,497
	39,593	33,497

6 Enhancements (see also Note 3 and 13.4)

	2014-15	2013-14
	£000	£000
Employers:		
Augmentations	-	-
Employees:		
Purchase of added years	403	473
	403	473

7 Transfers in (see also Note 4 and 13.4)

	2014-15	2013-14
	£000	£000
Group transfers in from other schemes	-	-
Individual transfers in from other schemes	2,493	3,830
	2,493	3,830

Amounts receivable in respect of inward transfers increase the pension liability to the same extent. This increase is reflected in the Combined Statement of Comprehensive Net Expenditure as expenditure as part of the movements in the provision during the year.

8 Pension financing cost (see also Note 13.4)

	2014-15	2013-14
	£000	£000
Net Interest on defined benefit liability	264,602	232,673
	264,602	232,673

9 Additional Voluntary Contributions

9.1 The Authority's pension schemes provide for employees to make Additional Voluntary Contributions (AVCs) to increase their pension entitlements or to increase life assurance cover. Employees may arrange to have agreed sums deducted from their salaries for onward payment to one of the approved providers or may choose to make their own arrangements by making periodic payments to an insurance company or scheme institution. The Managers of the Combined Pension Scheme, the Principal Non-Industrial Superannuation Scheme and the Protected Persons Superannuation Scheme are responsible for payments made to the Schemes' approved provider. These AVCs are not brought to account in this Combined Resource Account. Members participating in this arrangement receive an annual statement from the approved provider confirming the amounts held on their account and the movements in the year.

9.2 The aggregate amounts of AVC investments are as follows:

	2014-15	2013-14
	£000	£000
Movements in the year		
Balance at 1 April	55,236	56,857
Adjustment to balances as at 1 April	4	3
New investments	211	269
Sales of investments to provide pension benefits	(3,468)	(3,937)
Changes in market value of investments	2,120	2,044
Balance at 31 March	54,103	55,236

During the year, £211,000 (2013-14: £269,000) was paid to the approved providers.

In the unlikely event of a default by the approved AVC provider, the Department has no liability to guarantee pension payments. Under the United Kingdom Atomic Energy Authority arrangement with Prudential Assurance Company Ltd, the Schemes are classified as "insured" for the purposes of the Policyholders Protection Act 1975, which requires 90% of the value of the policy payable to the policy holders as determined by the Insurance Companies (Winding-Up) Rules 1985.

10 Receivables – contributions due in respect of pensions

10(a) Analysis by type

	2014-15 £000	2013-14 £000
Amounts falling due within one year:		
Pension contributions due from employers	1,467	1,369
Employees' normal contributions	787	684
Balance at 31 March	2,254	2,053

10(b) Analysis by organisation

	Amounts falling due within one year	
	2014-15 £000	2013-14 £000
Balances with other Central Government bodies	1,467	1,369
Balances with Public Corporations and Trading Funds	-	-
Balances with bodies external to Government	787	684
As at 31 March	2,254	2,053

11 Cash and Cash Equivalents

	2014-15 £000	2013-14 £000
Balance at 1 April	6,884	10,769
Net change in cash balances	2,648	(3,885)
Balance at 31 March	9,532	6,884

The following balances at 31 March were held at:

Government Banking Service (GBS)	8,085	4,545
Commercial Banks and cash in hand	1,447	2,339
Balance at 31 March	9,532	6,884

12 Payables – in respect of pensions

12(a) Analysis by type

	2014-15 £000	2013-14 £000
Amounts falling due within one year		
Pensions	(373)	(294)
Lump sums	(1,364)	(881)
Refund of contribution	(21)	(21)
Individual transfers out to other schemes	-	-
HMRC and voluntary contributions	(2,833)	(2,681)
Overpaid contributions: employers	360	15
Other Payables	-	(14)
Amounts issued from the Consolidated Fund for supply but not spent at year end	(9,532)	(6,884)
Balance at 31 March	(13,763)	(10,760)

12(b) Analysis by organisation

	Amounts falling due within one year	
	2014-15 £000	2013-14 £000
Balances with other Central Government bodies	(12,365)	(9,565)
Balances with Public Corporations and Trading Funds	(1,398)	(1,195)
Balances with bodies external to Government	-	-
Balance at 31 March	(13,763)	(10,760)

13 Provision for pension liabilities

13.1 Provision for pension liability

The United Kingdom Atomic Energy Authority pension scheme is a combination of three unfunded defined benefit public service pension schemes. The most recent completed full actuarial (funding) review of the Schemes was as at 31 March 2006 (see report dated 2 October 2008). A full actuarial (funding) review as at 31 March 2009 is currently suspended. The amounts recognised in these financial statements have been prepared using full membership data as at 31 March 2012, such as would have been provided for a formal valuation and updating this to 31 March 2015 to reflect known changes. The Report of the Actuary on page 11 sets out the scope, methodology and results of the work the actuary has carried out.

The Scheme managers together with the actuary and the auditor have signed a Memorandum of Understanding that identifies, as far as practicable, the range of information that the Scheme managers should make available to the actuary in order to meet the expected requirements of the Scheme auditor. This information includes, but is not limited to, details of:

- Scheme membership, including age and gender profiles, active membership, deferred pensioners and pensioners;
- benefit structure, including details of any discretionary benefits and any proposals to amend the Scheme;

- income and expenditure, including details of expected bulk transfers into or out of the Scheme; and
- following consultation with the actuary, the key assumptions that should be used to value the Scheme liabilities, ensuring that the assumptions are mutually compatible and reflect a best estimate of future experience.

The major assumptions used by the actuary were:

	At 31 March 2015	At 31 March 2014	At 31 March 2013	At 31 March 2012	At 31 March 2011
	%	%	%	%	%
Rate of increase in salaries	4.2	4.5	4.0	4.3	4.9
Rate of increase in pensions in payment and deferred pensions	2.2	2.5	1.7	2.0	2.7
Rate of RPI inflation*	-	-	-	3.0	3.4
Rate of CPI inflation*	1.3	1.8	2.4	2.0	2.7
Discount rate	4.0	4.4	4.1	4.9	5.6

Most pension benefits under the scheme are increased in line with inflation. The Government continues to set pension increases based on the Consumer Price Index (CPI) measure of inflation. In accordance with the Government Financial Reporting Manual, the liability at 31 March 2015 has been discounted at a real rate of 2.2%. The assumption data in the table are disclosed for comparative purposes and are rounded to one decimal place.

These key assumptions are inherently uncertain, since it is impossible to predict with any accuracy future changes in the rate of salary increases, inflation, longevity or the return on corporate bonds. The actuary uses professional expertise in arriving at a view of the most appropriate rates to use in the annual valuation of the Scheme liabilities. However, the Scheme managers acknowledge that the valuation reported in these accounts is not certain, since a change in any one of these assumptions will either increase or reduce the liability. For example, on its own, even a small rise in the assumed rate of inflation will result in an increase in the pension liability.

The assumption that has the biggest impact on the amount of the reported liability is the discount rate net of price inflation. As set out in the FReM, and as required by IAS 19, the discount rate net of price inflation is based on yields on high quality corporate bonds. HM Treasury advise the relevant rate each year, based on the advice of the Government Actuary's Department. The inflation assumption reflects the long-term assumption for the CPI used in Treasury forecasting. The rates are set out in the above table. Any decrease in the discount rate net of inflation leads to a significant increase in the reported liability.

In reality, the complexity and range of assumptions underlying the calculation of the pension liability are such that a change in one financial assumption is likely to have a knock-on effect on other financial assumptions. The Scheme managers do not consider it useful to attempt to reflect the impact of any changes in the range of assumptions, since this would result in giving a range of inherently uncertain figures. In the opinion of the Scheme managers, the actuary has used key assumptions that are the most appropriate for the Scheme in the light of current knowledge.

13.2 Analysis of pension liability

Pension Scheme liabilities accrue over employee's periods of service and are discharged over the period of retirement and, where applicable, the period for which a spouse or eligible partner survives the pensioner. In valuing the Scheme liability, the Actuary must estimate the impact of several inherently uncertain variables into the future. The variables include not only the key financial assumptions noted in the table above, but also assumptions about the changes that will occur in the future in the mortality rate, the age of retirement and the age from which a pension becomes payable.

13.3 Sensitivity analysis

A sensitivity analysis for each significant actuarial assumption as of the end of the reporting period is included below.

- I. The principal financial assumptions are the future increases in pensionable salary due to general earnings increases, pension increases (both in payment and deferment), and the rate of interest (or discount rate) used to calculate the value of the benefits and contributions. A key demographic assumption is pensioner mortality.
- II. As a result of the scheme reform, there is significant uncertainty regarding when members are expected to retire. The assumed age retirement rates will have a significant impact on the scheme liabilities and therefore we have included an indication of the approximate effect (on the total past service liability) of all active members (excluding active deferred members) retiring one year later than assumed in the main liability calculations.
- III. Table G shows the indicative effects on the total liability as at 31 March 2015 of changes to these assumptions (rounded to the nearest ½%).

Table G: Sensitivity to main assumptions

Change in assumption		Approximate effect on total liability*		
Rate of return				
(i)	discount rate	+½% a year	- 8.5%	- £580 million
(ii)	earnings increases	+½% a year	+ 2.0%	+ £135 million
(iii)	pension increases	+½% a year	+ 7.0%	+ £475 million
Pensioner mortality				
(iv)	one year increase to life expectancy at retirement		+ 3.0%	+ £205 million
Age Retirement				
(v)	all actives retiring (on average) 1 year later**		-0%	£0 million

* Approximate effect rounded to the nearest ½%.

** The approximate effect on the total liability is a reduction of around 0.25%

- IV. Variant (i) shows a large change from the central assumptions because the assumed real rates of return (in excess of pensions and earnings) are both changed. The total actuarial liability would decrease by about 8.0%. As well as these effects, some of this change is because GMP benefits are not fully inflation-linked after they come into payment, and so the change in the nominal rate of return (of ½% a year) affects the value of GMP benefits.
- V. Variant (ii) shows the approximate effect of increasing the long term earnings assumption from 4.5% to 5.0% a year, leaving short term earnings assumptions unchanged. Under variant (ii), the total actuarial liability would increase by about 1.5%.
- VI. Variant (iii) shows the approximate effect of increasing the assumed rate of pension increases from 2.5% to 3% a year. This is a substantial effect because this has an impact on all categories of members. The total actuarial liability would increase by about 7.0%.
- VII. Variant (iv) shows the significance of pensioner mortality. If longevity (at retirement for future pensioners and at current age for existing pensioners) were assumed to be a year greater, then this would increase the total actuarial liability by about 3.0%.
- VIII. Variant (v) shows the significance of assumed age retirement rates. If all active members were assumed to retire a year later on average then this would reduce the actuarial liability by up to approximately 0.25%. The choice of one year later is not intended as a plausible alternative assumption allowing for the impact of scheme reform, but only an indication of the sensitivity of the results to this assumption.
- IX. Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability.
- X. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the impacts may offset to some extent.

13.4 Analysis of movements in the scheme liability

		2014-15	2013-14
	Note	£000	£000
Scheme liability at 1 April		(6,174,558)	(5,766,300)
Current service cost	5	(39,593)	(33,497)
Pension financing cost	8	(264,602)	(232,673)
Enhancements	6	(403)	(473)
Pension transfers in	4	(2,493)	(3,830)
Benefits payable	13.5	222,410	218,281
Pension payments to and on account of leavers	13.6	5,324	4,073
Actuarial (loss)	13.7	(557,226)	(360,139)
Scheme liability at 31 March		(6,811,141)	(6,174,558)

13.5 Analysis of benefits paid

	2014-15	2013-14
	£000	£000
Pensions or annuities to retired employees and dependants (net of recoveries or overpayments)	198,962	193,141
Commutations and lump sum benefits on retirement	22,500	24,341
Death in service benefits	948	799
Per cash flow statement	222,410	218,281

13.6 Analysis of payments to and on account of leavers

	2014-15	2013-14
	£000	£000
Refunds to members leaving service	664	592
Group transfers to other schemes	172	2,308
Individual transfers to other schemes	4,488	1,173
Per statement of Cash Flows	5,324	4,073

13.7 Analysis of actuarial gain/(loss)

	2014-15	2013-14
	£000	£000
Experience gains arising on the Scheme liabilities	52,365	28,166
Changes in assumptions underlying the present value of Scheme liabilities	(609,591)	(388,305)
Per Statement of Changes in Taxpayers Equity	(557,226)	(360,139)

13.8 History of Experience gains/(losses)

	2014-15	2013-14	2012-13	2011-12	2010-11
Experience gains and losses on Scheme liabilities:					
Amount (£000)	52,365	28,166	2,100	(51,271)	83,293
Percentage of the present value of the Scheme liabilities	0.8%	0.5%	0%	(1)%	2%
Total amount recognised in statement of Changes in Taxpayers Equity:					
Amount (£000)	(557,226)	(360,139)	(433,687)	(10,576)	389,871
Percentage of the present value of the Scheme liabilities	(8)%	(6)%	(8)%	(0.2)%	8%

14 Financial Instruments

IAS 39 - *Financial Instruments: Recognition and Measurement*, IAS 32 - *Financial Instruments: Presentation* and IFRS 7- *Financial Instruments: Disclosures*, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Due to the largely non-trading nature of its activities and the way in which Government Departments are financed, the Authority Pension Scheme is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial reporting standards mainly applies. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Pension Schemes in undertaking its activities.

The Pension Scheme's financial instruments comprise of cash, receivables, and payables. Details of these can be found in the relevant notes.

Resources voted annually by Parliament finance the Pension Scheme's net revenue resource requirements and its capital expenditure and there is, therefore, no exposure to significant liquidity risks. The Pension Schemes do not access funds from commercial sources and so they are not exposed to significant interest rate risk.

The Pension Schemes have no exposure to exchange rate risk.

There is no material difference between the fair values and carrying values of the Pension Scheme's financial instruments.

15 Contingent liabilities disclosed under IAS 37

There are no Contingent Liabilities at 31 March 2015.

16 Related-party transactions

The Authority Pension Schemes fall within the ambit of the Department for Business, Innovation and Skills, which is regarded as a related party with which the Authority has had various material transactions during the year. In addition, the Schemes have had material transactions with other government departments, and other central government bodies whose employees are members of the Schemes. None of the Managers of the Schemes, key managerial staff or other related parties have undertaken any material transactions with the Scheme during the year.

17 Losses and special payments

There are no losses or special payments, individually or in aggregate in excess of £300,000 which would require separate disclosure during the year to 31 March 2015 (2013-14: nil), or that have been recognised since that date.

18 Events after the Reporting Period

The Accounting Officer of the Department has authorised these Accounts to be issued on the date the Comptroller and auditor General certifies the accounts.

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