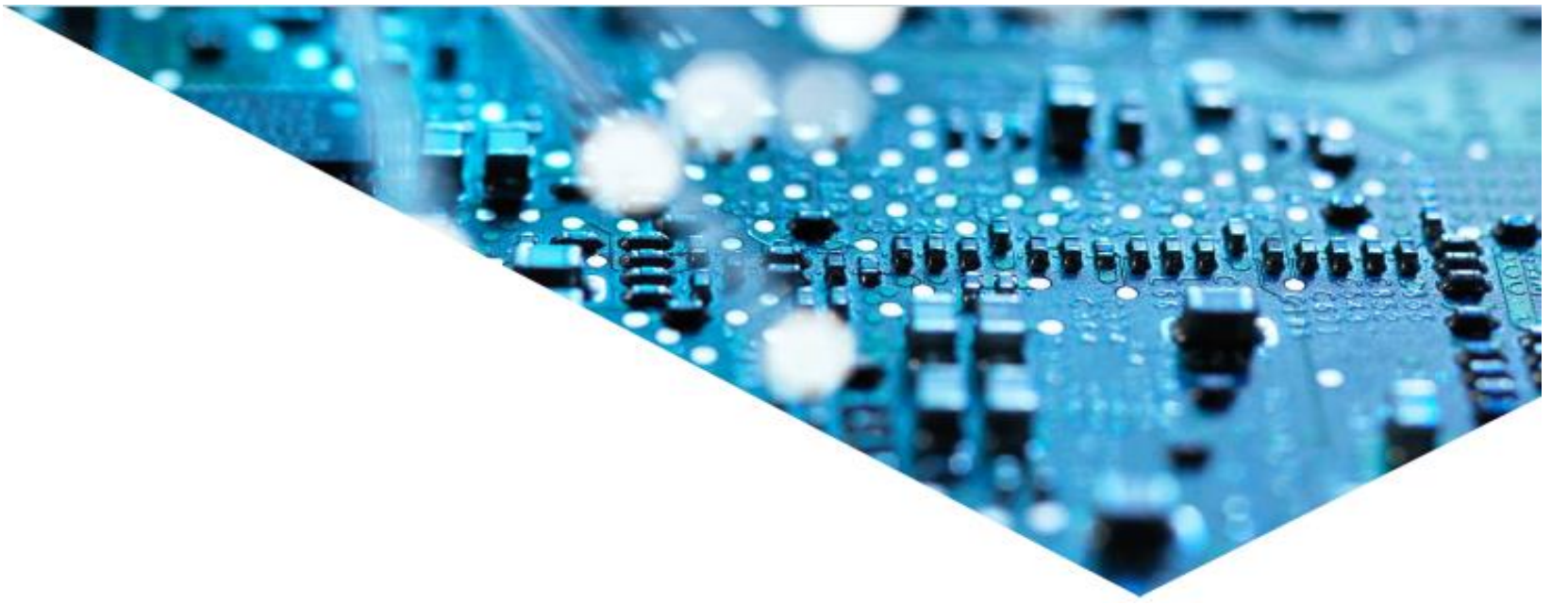

# FRS 102 Accounting Results Schedule
# 31 August 2024

| | |
|---|---|
| **Employer:** | XYZ Academy |
| **Fund:** | XYZ Pension Fund |
| **Fund Administering Authority:** | XYZ Council |
| **Prepared by:** | Aon |
| **Prepared for:** | XYZ Council |

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## Additional Information

These results should be read in conjunction with the following documents:

| Shorthand | Document title |
|---|---|
| Terms of Reference | Terms of Reference - Accounting for pensions under IAS 19 / FRS 102 in 2024 |
| Assumptions Advice | Assumptions Advice - Accounting for pensions under IAS 19 / FRS 102 as at 31 August 2024 |
| Covering Report | Covering Report - IAS 19 and FRS 102 disclosures as at 31 August 2024 |

In addition, we refer to the Report on the 31 March 2022 actuarial valuation.

**The disclaimer set out in the Covering Report also applies to these results.**


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## General Comments

## Comments specific to the Employer

# 1 Results under FRS 102 (LGPS funded benefits)

The results below relate to the funded liabilities within the Fund which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.

| | | |
|---|---|---|
| Date of the last full actuarial valuation of the Employer's LGPS funded benefits | 31 March 2022 | |
| Expected employer contributions next year (£M) | X.XXX | A |
| Duration of liabilities | XX.X years | |

## Key assumptions

| | | 31 August 2024 % p.a. | 31 August 2023 % p.a. |
|---|---|---|---|
| Discount rate | MAP040 | X.XX% | X.XX% |
| CPI inflation | MAP010 | X.XX% | X.XX% |
| Pension increases | MAP030 | X.XX% | X.XX% |
| Pension accounts revaluation rate | | X.XX% | X.XX% |
| Salary increases | MAP020 | X.XX% | X.XX% |

## Mortality assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation, and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

| | | 31 August 2024 | 31 August 2023 |
|---|---|---|---|
| **Males** | | | |
| Pensioner member aged 65 at accounting date | ALE010 | XX.X | XX.X |
| Active member aged 45 at accounting date | ALE030 | XX.X | XX.X |
| **Females** | | | |
| Pensioner member aged 65 at accounting date | ALE020 | XX.X | XX.X |
| Active member aged 45 at accounting date | ALE040 | XX.X | XX.X |

## Asset allocation

| | | Value at 31 August 2024 | | Value at 31 August 2023 | |
|---|---|---|---|---|---|
| | | % | (£M) | % | (£M) |
| Equities | MCA010 | XX.X% | X.XX | XX.X% | X.XX |
| Property | MCA040 | XX.X% | X.XX | XX.X% | X.XX |
| Government bonds | MCA020 | XX.X% | X.XX | XX.X% | X.XX |
| Corporate bonds | MCA030 | XX.X% | X.XX | XX.X% | X.XX |
| Multi Asset Credit | | XX.X% | X.XX | XX.X% | X.XX |
| Cash | MCA050 | XX.X% | X.XX | XX.X% | X.XX |
| Other | MCA090 | XX.X% | X.XX | XX.X% | X.XX |
| **Total** | | **XX.X%** | **X.XX** | **XX.X%** | **X.XX** |

## Reconciliation of funded status to balance sheet

| | | Value at 31 August 2024 (£M) | Value at 31 August 2023 (£M) |
|---|---|---|---|
| Fair value of assets | FVATOT | X.XXX | X.XXX |
| Present value of funded defined benefit obligation | DBOTOT | X.XXX | X.XXX |
| **Funded status** | | **X.XXX** | **X.XXX** |
| Unrecognised asset | | X.XXX | X.XXX |
| **Asset / (liability) recognised on the balance sheet** | | **X.XXX** | **X.XXX** |

The split of the liabilities at the last valuation between the various categories of members is as follows:

| | |
|---|---|
| Active members | XX% |
| Deferred Pensioners | XX% |
| Pensioners | XX% |

## Amounts recognised in income statement

| | | Period ending 31 August 2024 (£M) |
|---|---|---|
| **Operating cost** | | |
| Current service cost | | X.XXX |
| Past service cost | | X.XXX |
| Curtailment cost | | X.XXX |
| Settlement cost | | X.XXX |
| | | |
| **Financing cost** | | |
| Interest on net defined benefit liability / (asset), before asset restriction | | X.XXX |
| Interest on unrecognised asset | | X.XXX |
| | | |
| **Pension expense recognised in profit and loss** | BPCTOT | **X.XXX** |
| Allowance for administration expenses included in Current Service Cost (£M) | | X.XXX |

## Amounts recognised in comprehensive income

| | Period ending 31 August 2024 (£M) |
|---|---|
| Asset gains/(losses) arising during the period | X.XXX |
| Actuarial gains/(losses) due to changes in financial assumptions | X.XXX |
| Actuarial gains/(losses) due to changes in demographic assumptions | X.XXX |
| Actuarial gains/(losses) due to liability experience | X.XXX |
| Adjustment gain (loss) due to restriction of surplus | X.XXX |
| **Total amount recognised in other comprehensive income** | **X.XXX** |

## Changes to the present value of the defined benefit obligation

| | | Period ending 31 August 2024 (£M) | |
|---|---|---|---|
| **Opening defined benefit obligation** | | **X.XXX** | DBO010 |
| Current service cost | | X.XXX | DBO050 |
| Interest expense on defined benefit obligation | | X.XXX | DBO060 |
| Contributions by participants | | X.XXX | DBO100 |
| Actuarial (gains)/losses due to changes in financial assumptions | | X.XXX | DBO070 |
| Actuarial (gains)/losses due to changes in demographic assumptions | | X.XXX | DBO080 |
| Actuarial (gains)/losses due to liability experience | | X.XXX | DBO090 |
| Net benefits paid out | | X.XXX | DBO110 |
| Past service cost | | X.XXX | DBO130 |
| Curtailment cost | | X.XXX | DBO120 |
| Net increase in liabilities from disposals/acquisitions | DBO160/170 | X.XXX | |
| Settlements | | X.XXX | DBO150 |
| **Closing defined benefit obligation** | | **X.XXX** | DBOTOT |

## Changes to the fair value of assets

| | | Period ending 31 August 2024 (£M) | |
|---|---|---|---|
| **Opening fair value of assets** | | **X.XXX** | FVA010 |
| Interest income on assets | | X.XXX | FVA050 |
| Remeasurement gains/(losses) on assets | | X.XXX | FVA080 |
| Contributions by the employer | | X.XXX | FVA090 |
| Contributions by participants | | X.XXX | FVA100 |
| Net benefits paid out | | X.XXX | FVA110 |
| Net increase in assets from disposals/acquisitions | FVA130/140 | X.XXX | |
| Settlements | | X.XXX | FVA120 |
| **Closing fair value of assets** | | **X.XXX** | FVATOT |

## Actual return on assets

| | Period ending 31 August 2024 (£M) |
|---|---|
| Interest income on assets | X.XXX |
| Gain/(loss) on assets | X.XXX |
| **Actual return on assets** | **X.XXX** |

# 2 Estimated pension expense in future periods

We provide an estimate of the charges to the profit and loss account in future periods, based on the assumptions as at 31 August 2024 set out in Section 1. Comments on these approximate figures are set out in the Covering Report.

| Funded Benefits | Period ending 31 August 2025 (£M) | |
|---|---|---|
| Current service cost | X.XXX | |
| Interest on net defined benefit liability | X.XXX | |
| **Total estimated pension expense** | **X.XXX** | |
| | | |
| Allowance for administration expenses included in Current Service Cost (£M) | X.XXX | |
| Estimated pensionable payroll over the period (£M) | X.XXX | B |

Employer Contributions
ERC010 (%): A (Pg 3) / B

# 3 Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2024 and the projected service cost for the period ending 31 August 2025 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are summarised in Section 1.

We have not included sensitivity of unfunded benefits (where applicable) on materiality grounds.

## Discount rate assumption

| Adjustment to discount rate | +0.1% p.a. | Base figure | -0.1% p.a. |
|---|---|---|---|
| Present value of total obligation (£M) | X.XXX | X.XXX | X.XXX |
| Change in present value of total obligation (£M) | (X.XXX) SAP010 | | X.XXX SAP020 |
| % change in present value of total obligation | (X.X%) | | X.X% |
| | | | |
| Projected service cost (£M) | X.XXX | X.XXX | X.XXX |
| Approximate % change in projected service cost | (X.X%) | | X.X% |

## Rate of general increase in salaries

| Adjustment to salary increase rate | +0.1% p.a. | Base figure | -0.1% p.a. |
|---|---|---|---|
| Present value of total obligation (£M) | X.XXX | X.XXX | X.XXX |
| Change in present value of total obligation (£M) | X.XXX | | (X.XXX) |
| % change in present value of total obligation | X.X% | | (X.X%) |
| | | | |
| Projected service cost (£M) | X.XXX | X.XXX | X.XXX |
| Approximate % change in projected service cost | 0.0% | | 0.0% |

## Rate of increase to pensions and rate of revaluation of pension accounts

| Adjustment to pension increase rate | +0.1% p.a. | Base figure | -0.1% p.a. |
|---|---|---|---|
| Present value of total obligation (£M) | X.XXX | X.XXX | X.XXX |
| Change in present value of total obligation (£M) | X.XXX SAP050 | | (X.XXX) SAP060 |
| % change in present value of total obligation | X.X% | | (X.X%) |
| | | | |
| Projected service cost (£M) | X.XXX | X.XXX | X.XXX |
| Approximate % change in projected service cost | X.X% | | (X.X%) |

## Post retirement mortality assumption

| Adjustment to mortality age rating assumption * | -1 year | Base figure | +1 year |
|---|---|---|---|
| Present value of total obligation (£M) | X.XXX | X.XXX | X.XXX |
| Change in present value of total obligation (£M) | X.XXX SAP040 | | (X.XXX) SAP030 |
| % change in present value of total obligation | X.X% | | (X.X%) |
| | | | |
| Projected service cost (£M) | X.XXX | X.XXX | X.XXX |
| Approximate % change in projected service cost | X.X% | | (X.X%) |

** A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them*

# 4 Data summary

## Funded benefits

The following data was provided by the Fund Administering Authority and / or the Employer and has been used to produce the results in this report. Details of the split of assets between the various asset classes were also provided by the Fund Administering Authority and are shown in Section 1. We have also shown some of the intermediate calculations used in evaluating the figures in this report.

## Funded membership data summary

### Data as at 31 March 2022

| | Number | Average age (liability weighted) | Average retirement age (liability weighted) | Total pay (£M) |
|---|---|---|---|---|
| Active members | XX | XX.X | XX.X | X.XXX |

| | Number | Average age (liability weighted) | Average retirement age (liability weighted) | Total pension (£M) |
|---|---|---|---|---|
| Deferred members | XX | XX.X | XX.X | X.XXX |
| Pensioners and dependants | XX | XX.X | na | X.XXX |

## Funded cash-flow data provided

| | Months Provided | Amount Provided (£M) | Amount Used (£M) |
|---|---|---|---|
| Employer – Normal contributions | XX | X.XXX | |
| Employer – Additional capital contributions | XX | X.XXX | |
| Employer – Early retirement strain on fund payments | XX | X.XXX | |
| **Total contributions by the Employer** | XX | X.XXX | **X.XXX** |
| | | | |
| Employee - Normal contributions | XX | X.XXX | |
| Employee - Added years contributions | XX | X.XXX | |
| **Total contributions by participants** | XX | X.XXX | **X.XXX** |
| | | | |
| Transfers in | XX | X.XXX | |
| Other income | XX | X.XXX | |
| Transfers out | XX | X.XXX | |
| Retirement lump sums | XX | X.XXX | |
| Other outgo | XX | X.XXX | |
| Death in service lump sums * | XX | X.XXX | |
| Benefits paid (i.e. pension paid) | XX | X.XXX | |
| **Net benefits paid out **** | XX | X.XXX | **X.XXX** |

| | |
|---|---|
| * We have calculated the expected death in service lump sums over the year to be (£M) | X.XXX |
| ** The 'Net benefits paid out' figure includes an allowance for expenses of (£M) | X.XXX |

Any other approximations applied in deriving the "Amount Used" are set out in the Covering Report.

### Capital cost

| | Amount (£M) |
|---|---|
| The capital cost of early retirement occurring in the accounting period is | X.XXX |

### Annualised pensionable payroll over the accounting period

| | (£M) * |
|---|---|
| Period ending 31 August 2024 | X.XXX |
| Period ending 31 August 2023 | X.XXX |

* The annualised pensionable payroll has been derived from the contributions paid over the relevant accounting period.

## Fund return

The gross Fund return has been calculated using the method set out in the Covering Report.

We have made an allowance for investment management expenses by reducing the provided Fund returns by X.X% p.a. based on the Fund's experience.

The overall Fund return over the accounting period has been calculated as X.X%. This includes any adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate.

We have used known Fund returns for the period ending DD MMMM YYYY and index returns for the remainder of the accounting period. The index returns between DD MMMM YYYY and DD MMMM YYYY have been calculated as X.X%.

# 5 Surplus recognition

The Employer has a net pensions asset at the accounting date. If the Employer has instructed us to recognise the asset in full (or not at all) we have reflected this within the Results Schedule. Otherwise, we have calculated the maximum economic benefit the Employer could recognise in the accounts (referred to as the asset ceiling) calculated in accordance with IFRIC 14. If the asset ceiling is below the net pension asset we have restricted the net pension asset to the asset ceiling within this Results Schedule.

The table below sets out the data we have used and the results of our calculations.

| **Data used** | | | |
|---|---|---|---|
| | | | |
| Employer's surplus recognition policy (where notified to us) | | In accordance with accounting guidance | |
| Open or Closed to new entrants | | | Open |
| Future service contribution rate from the last valuation (% of Pay) | | | XX.X% |
| Projected current service cost (% of Pay) | | | XX.X% |
| Recovery period used in the last valuation (years from 1 April 2023) | | | XX.X |
| Period used to calculate the current service costs and future service contribution rates (employer funding cost of future accrual) in the calculation of the asset ceiling | | | Infinite |
| Period used to calculate the past service adjustment contributions for recovery of deficits in the calculation of the additional liability | | | Recovery Period |
| | | | |
| **Certified employer contribution rates:** | **With effect from:** | **% of Pay** | **(£M)** |
| | 01/04/2024 | XX.X% | X.XXX |
| | 01/04/2025 | XX.X% | X.XXX |
| | | | |

**Results**

| | **(£M)** |
|---|---|
| Asset ceiling | X.XXX |

**Comments**

**Phasing / stepping of contribution rates**

We have assumed the employer contribution rates will continue beyond the last year shown in the table above as follows:

1) The % of Pay rate will continue at the % rate shown for the last year. If the % of Pay rate includes past service adjustment contributions, these are assumed to cease at the end of the Recovery Period.

2) Any contributions certified as £ amounts are assumed to continue at the £ rate shown for the last year, but increasing annually in line with the pay increase assumption used at the last valuation, of X.XX% p.a.. These contributions are assumed to cease at the end of the Recovery Period.

Therefore, our calculations do not allow for any bespoke phasing / stepping arrangements beyond the latest date of the table shown above. If the Employer's contributions are due to phase up (or down) beyond the rates shown in the above table we recommend they commission updated calculations of the asset ceiling and additional liability (where relevant) to reflect the agreed funding plan.