

Sample Pension Fund

(123) Example Academy Trust

FRS102 report as at 31 August 2026

Introduction

We have been instructed by Sample County Council, the administering authority to the Sample Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS). These benefits are provided to employees of Example Academy Trust (the Employer) as at 31 August 2026. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report should be read in conjunction with the 31 August 2026 accounting briefing note. The figures contained in this report are in respect of the Employer's pension obligations under the LGPS as at 31 August 2026. FRS102 also requires the disclosure of any other employer provided pension benefits which are not paid from the Fund itself. We have only valued such additional liabilities, which would not be covered in the formal LGPS valuation, to the extent that they have been notified to us and are as disclosed in the data section of this report.

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations and summarised on the LGPS website.

This report is addressed to the Fund, and is provided in our capacity as Fund Actuary to the Fund. The report may be shared with the Employer, provided that it is shared in its entirety, but it does not constitute advice to them. The Employer may also share the information contained in this report with their auditor. Howden nor Barnett Waddingham LLP neither assumes nor owes any duty or responsibility to any third party who relies on that information. Any liability to any third party is expressly disclaimed to the fullest extent permitted by law.

Neither Howden nor Barnett Waddingham LLP provide, and shall not be responsible for, accounting or audit advice. From time to time, we may comment or otherwise give an opinion on any information, documentation, and/or guidance provided to us by or on behalf of the Fund. The Fund shall not rely on any such comment or opinion to make (or refrain from making) any decision or take (or refrain from taking) any action.

This report reflects our understanding of the relevant accounting and audit standards in force at the date of this report. It complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) as issued by the Financial Reporting Council (FRC).

Please note that we have incorporated an asset ceiling into the Employer's balance sheet. Further details of the approach taken are given later in this report.

This report supersedes previous versions of this report and has been updated to reflect new cashflow information.

We would be pleased to answer any questions arising from this report.

A. N. Actuary
Consulting Actuary

Data used

We have used the following items of data which we received from the administering authority and the Employer via the use of MS Forms:

Data item	Data
Results of the latest valuation as at	31 March 2025
Results of the previous FRS102 report (v1) as at	31 August 2025
Actual Fund returns to	n/a
Fund asset statement as at	31 August 2026
Fund income and expenditure items to	31 March 2026
Employer income and expenditure items to	31 August 2026
Details of any new unreduced early retirement payments to	31 August 2026
Details of any settlements to/from the Employer for the period to	31 August 2026

The data has been checked for reasonableness, including consistency with previous valuation data where relevant, and the data is within tolerances for the purposes of this report. Although some estimation of the data to the accounting date may be required, we do not believe it is likely to be significant to the results in this report. We have not been notified of any significant changes or events since we received the data.

Employer membership statistics

The table below summarises the membership data at 31 March 2025 from the latest valuation for members receiving funded benefits, and as at 31 July 2025 for any members receiving unfunded benefits.

Member data summary	Number	Salaries/Pensions £000s	Average age (salary/pension weighted)
Actives	1,888	54,460	44
Deferred pensioners	3,124	5,445	50
Pensioners	1,411	9,015	73
Unfunded pensioners	111	467	86

Employer payroll

The total pensionable payroll and projected payroll for the Employer is set out below and is based on information provided to us by the administering authority. This has been used to calculate the service cost and projected service cost respectively.

Estimated payroll for the year to 31 August 2026	£53,831,000
Projected payroll for the year to 31 August 2027	£53,831,000

Please note that the payroll figure above includes the members who are the outright responsibility of the entity and the payroll of any associated admission agreements in the Fund which were let on a Pass-through basis. Payroll from Pass-through admissions over the accounting period was £66,000 .

Scheduled contributions

The table below summarises the minimum employer contributions due from the Employer to the Fund over this inter-valuation period. The Employer may pay further amounts at any time. Future contributions may be adjusted on a basis approved by us.

	Primary rate	Secondary rate for period beginning:			Minimum employer contributions due for the period beginning:		
		1 Apr 2026	1 Apr 2027	1 Apr 2028	1 Apr 2026	1 Apr 2027	1 Apr 2028
Total percent of payroll	18.0%	0.0%	0.0%	0.0%	18.0%	18.0%	18.0%
plus monetary amount (£000s)		-	-	-	-	-	-

Funding approach

The employer participates in a funding pool with other academies within the Sample Pension Fund.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 August 2026 is 3.9%

The Employer's share of the assets of the Fund is approximately 5.43%.

The estimated asset allocation for the Employer at 31 August 2026 and 31 August 2025 is as follows (noting that due to rounding they may not total 100%):

Asset breakdown		31 Aug 2026		31 Aug 2025	
		£000s	%	£000s	%
Equities	MCA010	230,347	60%	227,793	60%
Bonds	MCA010	92,267	24%	86,277	23%
Property	MCA040	52,875	14%	56,418	15%
Cash	MCA050	9,212	2%	10,159	3%
Total		384,701	100%	380,647	100%

Major Categories of Plan Assets

[Gilts/Governments bonds - MCA020](#)

[Corporate bonds - MCA030](#)

[Derivatives - MCA060](#)

[Investment funds - MCA070](#)

[Asset backed securities - MCA080](#)

[Other - MCA090](#)

Financial Assumptions

Details of the actuarial methods and derivation of the assumptions used can be found in the 31 August 2026 briefing note issued alongside this report unless noted otherwise below. The key assumptions used are set out below.

The salary increase assumption has been requested by the Employer and is not our standard assumption.

Financial assumptions (p.a.)	31 Aug 2026	31 Aug 2025	31 Aug 2024
Discount rate MAP040	6.35%	5.75%	5.00%
Pension increases (CPI) MAP010 & MAP030	2.80%	2.80%	2.75%
RPI inflation	3.15%	3.10%	3.75%
Salary increases MAP020	3.10%	3.10%	3.05%

Projected unit method is used in our calculations.

In addition, we have allowed for actual ONS CPI inflation observed between July 2025 and June 2026. This is reflected in the Experience loss/(gain) on defined benefit obligation figure in the results.

Employer duration

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 17 years.

Demographic Assumptions

Post retirement mortality	31 Aug 2026	31 Aug 2025
Base table	S4PA	S4PA
Multiplier (M/F)	90% / 95%	0.9 / 0.95
Future improvements model	CMI_2025	CMI_2024
Long-term rate of improvement	1.50%	1.50%
Smoothing parameter	7.0	7.0
Initial addition parameter	0.0% p.a.	0.00 p.a.
2020 weight parameter	n/a	n/a
2021 weight parameter	n/a	n/a
2022 weight parameter	n/a	n/a
2023 weight parameter	n/a	n/a
Half life parameter	1.0	1.0

The assumed life expectancies, based on the assumptions set out above, are set out in the table below:

Life expectancy from age 65 (years)		31 Aug 2026	31 Aug 2025
Retiring today	Males	22.8 ALE010	22.6
	Females	24.7 ALE020	24.5
Retiring in 20 years	Males	24.4 ALE030	24.2
	Females	26.4 ALE040	26.2

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2025, except for an update of the CMI projection model. Details of the post retirement mortality assumption are set out above; further details of the demographic assumptions adopted can be found in the briefing note corresponding to this report, and the Fund's actuarial valuation report.

Past service costs

Past service costs arise if member benefits are introduced, withdrawn or changed. For example, an award of additional discretionary benefits such as added years by a member would be considered a past service cost. We are not aware of any additional benefits which were granted over the year ending 31 August 2026.

Curtailments

Over the year, we understand that no former employees became entitled to unreduced early retirement benefits.

Settlements

As a result of some members transferring into / out of the Employer over the year liabilities have been settled at a cost different to the accounting reserve. The capitalised gain of this settlement is £309,000. This figure has been included within service cost in the statement of profit and loss.

The table below sets out the settlement events allowed for in this disclosure.

Settlements in/(out)	Transfer date	Event Type	Assets transferred	Liabilities transferred	Treated as a special event	Report date
Employer			£000s	£000s		
Sample District Council	1 Dec 2025	Academy Conversion	425	358	No	1 Jan 2026
Sample County Council	1 Jan 2026	Academy Conversion	674	569	No	1 Feb 2026
Former MAT	31 Mar 2026	Trust Transfer/Merger	1519	1382	No	26 May 2026
Total			2618	2309		

Results

Balance sheet	31 Aug 2026	31 Aug 2025	31 Aug 2024
Net pension liability in the statement of financial position	£000s	£000s	£000s
Present value of the defined benefit obligation	282,112	291,128	306,493
Fair value of Fund assets (bid value)	384,701	380,647	359,145
Deficit / (Surplus)	(102,589)	(89,519)	(52,652)
Impact of asset ceiling	102,589	89,519	52,652
Unrecognised past service cost	-	-	-
Present value of unfunded obligation	3,391	3,292	3,929
Net defined benefit liability / (asset)	3,391	3,292	3,929

	31 Aug 2026	31 Aug 2025
The amounts recognised in the profit and loss statement	£000s	£000s
Service cost	6,131	9,310
Net interest on the defined benefit liability / (asset)	(101)	(52)
Administration expenses	458	-
Total loss / (profit)	6,488	9,258

For the purposes of our calculations, we distribute Fund administration expenses amongst the employers in the Fund in proportion to their individual asset shares.

Remeasurement of the net assets / (defined benefit liability) in other comprehensive income	31 Aug 2026	31 Aug 2025
	£000s	£000s
Return on Fund assets in excess of interest	(7,051)	655
Other actuarial gains / (losses) on assets	(15,204)	-
Change in financial assumptions	28,860	40,664
Change in demographic assumptions	(933)	(7,222)
Experience gain / (loss) on defined benefit obligation	(1,207)	(73)
Changes in impact of asset ceiling	(7,923)	(34,234)
Remeasurement of the net assets / (defined benefit liability)	(3,458)	(210)

Investment expenses are included in return on Fund assets in excess of interest.

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	31 Aug 2026 £000s	31 Aug 2025 £000s
Opening defined benefit obligation	294,420	310,422
Current service cost DBO050	6,440	9,282
Interest cost DBO060	16,779	15,342
Change in financial assumptions DBO070	(28,860)	(40,664)
Change in demographic assumptions DBO080	933	7,222
Experience loss/(gain) on defined benefit obligation DBO090	1,207	73
Liabilities assumed / (extinguished) on settlements DBO150	2,309	-
Estimated benefits paid net of transfers in DBO110	(11,485)	(10,570)
Past service costs, including curtailments DBO120 and/or DBO130	-	28
Contributions by Scheme participants and other employers DBO100	3,760	3,752
Unfunded pension payments DBO140	-	(467)
Closing defined benefit obligation	285,503	294,420

The experience loss/(gain) on the defined benefit obligation includes (£150,000) in respect of the allowance for actual CPI inflation over the accounting period.

Reconciliation of opening & closing balances of the fair value of Fund assets	31 Aug 2026 £000s	31 Aug 2025 £000s
Opening fair value of Fund assets	380,647	359,145
Interest on assets FVA050	22,027	18,027
Return on assets less interest FVA080	(7,051)	655
Other actuarial gains/(losses) FVA080	(15,204)	-
Administration expenses FVA150	(458)	-
Contributions by employer including unfunded FVA090	9,847	10,105
Contributions by Scheme participants and other employers FVA100	3,760	3,752
Estimated benefits paid including unfunded net of transfers in FVA110	(11,485)	(11,037)
Settlement prices received / (paid) FVA120	2,618	-
Closing fair value of Fund assets	384,701	380,647

Investment expenses are included in actual return on assets in excess of interest.

No input required for [FVA060](#) and [FVA070](#)

	31 Aug 2026	31 Aug 2025
Reconciliation of change in impact of asset ceiling	£000s	£000s
Opening impact of asset ceiling	89,519	52,652
Interest on impact of asset ceiling	5,147	2,633
Actuarial losses / (gains)	7,923	34,234
Closing impact of asset ceiling	102,589	89,519

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Our calculation of the asset ceiling has followed our interpretation of IFRIC14.

Our calculations assume that:

- The Employer does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- We have relied upon information provided by the Fund that the employer is both open to new joiners and has no formal participation end date. Therefore we have assumed the employer will participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, our best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, and also the lack of any other readily available figure.

In broad terms our analysis shows that:

- The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £102,589k, the initial impact of the asset ceiling is £102,589k.
- Under FRS102, there is no additional liability from an onerous funding commitment.
- The unadjusted funded surplus is £102,589k. There is an impact from an asset ceiling of £102,589k. The final funded surplus to be recognised is nil.
- In addition, there is an unfunded liability of £3,391k. The final deficit to be recognised is £3,391k.

Sensitivity analysis	£000s	£000s	£000s	£000s	£000s
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation SAP010 & SAP020 - See below	264,622	281,113	285,503	290,008	309,250
Projected service cost	3,927	4,741	4,961	5,190	6,185
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	286,682	285,736	285,503	285,272	284,364
Projected service cost	4,961	4,961	4,961	4,961	4,961
Adjustment to CPI inflation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation SAP050 & SAP060 - See below	307,362	290,060	285,503	282,090	267,371
Projected service cost	6,279	5,207	4,961	4,724	3,853
Adjustment to life expectancy assumptions	+1 Year		None		- 1 Year
Present value of total obligation SAP030 & SAP040 - See below	294,403		285,503		276,914
Projected service cost	5,148		4,961		4,779

Projected pension expense

	31 Aug 2027
	£000s
Service cost	4,961
Net interest on the defined liability / (asset)	(87)
Administration expenses	446
Total loss / (profit)	5,320
Employer contributions	9,678

Sensitivity analysis (£000s)

SAP010 = 281,113 - 285,503 = -4,390
 SAP020 = 290,008 - 285,503 = 4,505
 SAP030 = 294,403 - 285,503 = 8,900
 SAP040 = 276,914 - 285,503 = -8,589
 SAP050 = 290,060 - 285,503 = 4,557
 SAP060 = 282,090 - 285,503 = -3,413

These projections are based on the assumptions as at 31 August 2026. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 August 2026.

The projected Employer contributions above relate entirely to the entity and do not consider any contributions from associated Pass-through agreements.