

PENSIONS INVESTMENT COMMITTEE

REPORT TITLE	Draft Pension Fund accounts – Year Ending 31 March 2015		
KEY DECISION	No	Item No:	
WARD	N/A		
CONTRIBUTORS	Executive Director for Resources & Regeneration		
CLASS	Part 1	Date:	11 June 2015

1. PURPOSE

- 1.1 This report sets out the draft Pension Fund accounts for the financial year ending 31 March 2015.
- 1.2 Members are asked in accordance with best practice to note the draft accounts prior to them being signed off by the Chief Financial Officer as being available for external audit.

2. RECOMMENDATION

- 2.1 Members are recommended to note the draft Pension Fund accounts for the year ended 31 March 2015, as set out at Appendix 1.

3. DRAFT PENSION FUND ACCOUNTS

- 3.1 The Council as an administering authority under the Local Government Pension Scheme Regulations, is required to produce a separate set of accounts for the schemes financial activities and assets and liabilities.
- 3.2 The contents and format of the accounts are determined by statutory requirements and mandatory professional standards as established by the Chartered Institute of Public Finance (CIPFA) in their Statement of Recommended Practice (SORP).
- 3.3 The Pension Fund Accounts will be subject to a separate audit by the Council's external auditors Grant Thornton which must be completed by the 30 September 2015.
- 3.4 There is a related requirement for Councils to publish an annual report which incorporates elements of the financial accounts, before the 1 December 2015. This document will be the subject of a further report to this Committee when the audit is substantially complete.

- 3.5 The accounts comprise two main statements with supporting notes. The main statements are:
- Dealings with Members Employers and Others which is essentially the Fund's revenue account
 - The Net assets Statement which can be considered as the Fund's balance sheet

- 3.6 The 'Dealings with Members Employers and Other' sets out the movement in the net worth of the Fund in the year by analysing the relevant financial transactions and movements in the market value of the investment portfolio.

The statement has two main sections:

- The financial transactions relating to administration of the Fund.
 - The transactions relating to its role as an investor.
- 3.7 The administration section principally relates to the receipt of contributions from employers and active members and the payment of pensions. This section indicates that the Fund is cash negative, in that the benefits payable, exceed the contributions receivable by £5.4m.
- 3.8 The investment section details the income received from the investment portfolio and the impact of managers activities and investment markets on the value of investments.
- 3.9 The section indicates that the value of investments has increased by £137m as a result of improved conditions in investment markets, and the overall value of the Fund has increased by £141m.
- 3.10 The net asset statement represents the net worth of the Fund as the 31 March 2015. The statement reflects how the transactions outlined in the other statement have impacted on the value of the Fund's assets.
- 3.11 Members should note that these accounts are draft and may be subject to change between now and the final sign off by the Chief Financial Officer. Any such changes will be detailed in working papers for presentation to external audit.

4. FINANCIAL IMPLICATIONS

- 4.1 This entire report relates to the draft Pension Fund accounts for 2014/15, the details of which have been attached at Appendix 1.

5. LEGAL IMPLICATIONS

- 5.1 The Accounts and Audit Regulations (England) 2011 as amended, specify the process by which the Authority's accounts are initially approved and then examined by the external auditor. This process and the dates by which the various stages have to be achieved are set out in Regulations and are binding on the Authority.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications directly arising from this report.

7. EQUALITIES IMPLICATIONS

7.1 There are no equalities implications directly arising from this report.

8. ENVIRONMENTAL IMPLICATIONS

8.1 There are no environmental implications directly arising from this report.

BACKGROUND PAPERS

None

APPENDIX

Appendix 1 – Draft Pension Fund Accounts 2014/15.

FURTHER INFORMATION

If there are any queries on this report or you require further information, please contact either:

David Austin, Head of Corporate Resources on 020 8314 4119 or

Adeola Odeneye, Principal Accountant, Strategic Finance on 020 8314 6147