

## Wiltshire Pension Fund

The Wiltshire Pension Fund ('the fund') is part of the Local Government Pension Scheme (LGPS) ("the scheme") and is administered by Wiltshire Council for local authorities within Wiltshire and other local government associated organisations. It meets the cost of pension benefits due to current and former employees of these organisations.

### General

The scheme is governed by the [Public Service Pensions Act 2013](#). The fund is administered in accordance with the following secondary legislation:

- the [Local Government Pension Scheme Regulations 2013](#) (as amended)
- the [Local Government Pension Scheme \(Transitional Provisions, Savings and Amendment\) Regulations 2014](#) (as amended)
- the [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#).

It is a contributory defined benefit pension scheme administered by Wiltshire Council to provide pensions and other benefits for pensionable employees of Wiltshire Council, the town and parish councils in Wiltshire and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by the Wiltshire Pension Fund Committee, which is a committee of Wiltshire Council.

### Membership

Membership of the scheme is voluntary and employees are free to choose whether to join, remain or make their own personal arrangements outside the scheme.

Organisations participating in the Wiltshire Pension Fund include the following:

- Scheduled bodies, which are automatically entitled to be members of the fund.
- Admitted bodies, which participate in the fund under the terms of an admission agreement between the fund and the employer. Admitted bodies include voluntary, charitable and similar not-for-profit organisations, or private contractors undertaking a local authority function following outsourcing to the private sector

Membership details are set out as below:

Membership	31 March 23	31 March 22
Active	23,549	23,324
Deferred	40,669	40,826
Pensioners	21,240	20,288
<b>Total number of members in the pension scheme</b>	<b>85,458</b>	<b>84,438</b>

### Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the [Local Government Pension Scheme Regulations 2013](#) and ranged from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2021. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2019.

## Benefits

Prior to 1 April 2014, pension benefits under the scheme were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uprated annually in line with the Consumer Prices Index.

A range of other benefits are also provided including early retirement, disability pensions and death benefits, as explained on [the LGPS website](#).

## Responsibility for the Report

### Wiltshire Council

The Council must arrange for the proper administration of the Wiltshire Pension Fund. It needs to ensure an economic, efficient and effective use of resources in carrying out this administration and that the fund's investments are safeguarded.

The Council has delegated this responsibility to the Wiltshire Pension Fund Committee. It also, however, must ensure that one of its officers has responsibility for the financial aspects of that administration, this being the Corporate Director Resources & Deputy Chief Executive (S.151 Officer).

### Wiltshire Pension Fund Committee

There are seven elected members of the Committee, comprising five Wiltshire Councillors and two Swindon Borough Council members. In addition, there are two representatives of the admitted bodies and two observers representing staff interests. Details of the membership of the Committee in 2021/22 are shown in the Wiltshire Pension Fund Annual Report.

Included amongst the powers delegated by the Council to the Committee are requirements to:

- arrange and keep under review the investments of the fund through one or more properly authorised investment managers, and to
- appoint investment managers and external advisers as necessary to support the work of the Committee.

### Local Pensions Board

The Local Pension Board was established in April 2015 to assist the Administering Authority in securing compliance with the scheme regulations and the effective and efficient governance and administration of the Fund. It is made up of 3 scheme members' representatives and 3 scheme employers' representatives along with a non-voting independent chairman. The LPB has an oversight function to ensure the Fund is compliant with the Pensions Regulator.

The Fund will liaise closely with the Local Pension Board, so they can fulfil their duties providing support and advice to the Administering Authority.

### Chief Finance Officer

The Chief Finance Officer is responsible for preparing the financial statements of the Wiltshire Pension Fund, which must show the financial position of the Fund at the accounting date and its income and expenditure for the year.

In preparing the statements, suitable accounting policies must be selected and applied consistently, and judgements and estimates made where necessary that are reasonable and prudent and comply with the appropriate accounting Code of Practice.

Proper accounting records must be maintained and kept up to date and all reasonable steps must be taken to prevent and detect fraud and other irregularities. An anti-fraud and corruption and whistle blowing policy has been implemented for the Fund.

**Audit**

Deloitte LLP act as the external auditor of the Council, and therefore the pension fund.

**Investment Management Policy**

Overall responsibility for investment policy lies with the Wiltshire Pension Fund Committee, which reports directly to Wiltshire Council.

The Investment Strategy is reviewed regularly by the Fund, at least once every three years in line with the Government guidance.

The current strategy has the dual aim of increasing returns and reducing risk by increasing diversification and alternative approaches. Details of the strategy are provided in the Investment Strategy Statement (ISS) which can be supplied upon request or viewed at [www.wiltshirepensionfund.org.uk](http://www.wiltshirepensionfund.org.uk).

Safe custody of all investments is the responsibility of State Street Global Advisors and as such, they are registered in the name of, and are held by, its nominee companies or, alternatively, by overseas agents.

## The Wiltshire Pension Fund

## Fund Account

For the year ended 31 March 2023

	Notes	2022/23 £'000	2021/22 £'000
<b>Dealings with members, employers and others directly involved in the Fund</b>			
Contributions	5a	132,956	124,513
Transfers in from other pension funds	5b	8,887	8,291
		<b>141,843</b>	<b>132,804</b>
Benefits	6	(99,203)	(101,860)
Payments to and on account of leavers	7	(7,731)	(8,323)
		<b>(106,934)</b>	<b>(110,183)</b>
<b>Net additions from dealings with members</b>		<b>34,909</b>	<b>22,621</b>
Management Expenses	8 & 9	(37,506)	(33,016)
Net additions inc. Fund management expenses		<b>(2,597)</b>	<b>(10,395)</b>
<b>Returns on investments</b>			
Investment income	10	28,559	13,594
Profits and losses on disposal of investments and changes in market value of investments	12a	(185,650)	267,203
<b>Net return on investments</b>		<b>(157,091)</b>	<b>280,797</b>
<b>Net (increase)/decrease in the net assets available for benefits during the year</b>		<b>(159,688)</b>	<b>270,402</b>
Opening net assets of the scheme		3,230,387	2,959,985
<b>Closing net assets of the scheme</b>		<b>3,070,699</b>	<b>3,230,387</b>

The following notes on pages 6 to 32 form an integral part of these financial statements

## The Wiltshire Pension Fund

**Net Asset Statement**  
**At 31 March 2023**

	<i>Notes</i>	<b>31 March 2023</b> <b>£'000</b>	<b>31 March 2022</b> <b>£'000</b>
<b>Long Term Investments</b>			
Brunel Pension Partnership		707	838
		<b>707</b>	<b>838</b>
<b>Investment assets</b>			
Pooled funds		2,322,305	2,628,984
Other investments		718,020	566,348
Cash deposits		9,708	10,755
		<b>3,050,033</b>	<b>3,206,087</b>
<b>Total Investment Assets</b>		<b>3,050,740</b>	<b>3,206,925</b>
<b>Total net investments</b>	12	<b>3,050,740</b>	<b>3,206,925</b>
Current assets	17	25,946	38,317
Current liabilities	18	(5,977)	(14,087)
Long term liabilities	18a	(10)	(768)
<b>Net assets of the scheme available to fund benefits at the end of the reporting period</b>		<b>3,070,699</b>	<b>3,230,387</b>

## Notes

### Related notes form an integral part of these financial statements

#### 1. Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2022/23 financial year and its financial position at 31 March 2023. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2020/21* (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Paragraph 3.3.1.2 of the Code requires disclosure of any accounting standards issued but not yet adopted. IFRS 16, introduced on 1 January 2019, is due to be adopted by the Code for accounting periods commencing on or after 1 April 2024. This new accounting standard largely removes the distinction between operating and finance leases by introducing an accounting model that requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. This will bring assets formerly off-Balance Sheet onto the Balance Sheet of lessees. Implementation of IFRS 16 is not expected to have a material impact on the pension fund because it does not hold any assets as a lessee.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. IAS26 requires the actuarial present value of promised benefits to be disclosed. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. A separate report has been prepared by Hymans Robertson and is enclosed below in note 24.

The accounts have been prepared on an accruals basis except where otherwise stated, i.e. income and expenditure are accounted for as it is earned or incurred, rather than as it is received and paid.

The accounts have been prepared on a going concern basis.

#### 2. Summary of Significant Accounting Policies

The principal accounting policies of the Fund are as follows:

##### Fund account – revenue recognition

###### a) Contributions

Contributions are received from employer bodies in respect of their own and their pensionable employees' contributions.

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with Local Government Pension Scheme regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

Employer augmentation contributions are accounted for in accordance with the agreement under which they are being paid.

**b) Transfers to and from other schemes**

Transfers in and out relate to members who have either joined or left the fund.

Individual transfers in/out, i.e. those sums paid to, or received from, other pension schemes relating to previous periods of employment, have been brought into account on a cash basis. Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (Note 5b).

Bulk (group) transfers are accounted for on an accruals basis at the point when the members are transferred in accordance with the terms of the transfer agreement.

**c) Investment Income**

- Dividends, interest and coupon receipts have been accounted for on an accruals basis. Income on pooled investments is accumulated and reflected in the valuation of units.
- Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- Changes in the value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

**Fund account – expense items****d) Benefits payable**

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Refunds of contributions have been brought into account on the basis of all valid claims approved during the year.

**e) Taxation**

The fund is a registered public service scheme under Section 1(1) of Schedule 36 of the [Finance Act 2004](#) and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. As Wiltshire Council is the administering authority, VAT input tax is recoverable on all expenditure.

Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

#### f) Management expenses

The fund discloses its pension fund management expenses in accordance with the CIPFA guidance [Accounting for Local Government Pension Scheme Management Expenses \(2016\)](#) as shown below. All items of expenditure are charged to the fund on an accruals basis as follows:

<b>Administrative expenses</b>	All staff costs relating to the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
<b>Oversight and governance</b>	All costs associated with governance and oversight are separately identified, apportioned to this activity and charged as expenses to the fund.
<b>Investment management expenses</b>	Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are invoiced directly these are included on an accruals basis. Where fees are netted off valuations by investment managers, these expenses are shown separately in Note 12 and the change in value of investments is grossed up to account for this. Transactions costs which have been passed through the investment portfolios (which include costs directly attributable to the Fund's investment portfolios, such as fees, commissions, stamp duty and other fees) are identified via year end transparency reporting provided by the managers, and are accounted for and disclosed separately in Note 9. Fees and costs associated with the underlying funds in multi-manager portfolios are also accounted for and disclosed separately in Note 9. The costs of the investment team are charged to the Fund, as well as a proportion of the time spent by officers on investment management activity.

#### Net Asset Statement

##### g) Financial assets

Wiltshire Pension Fund and nine other shareholders each hold a 10% share in Brunel Pension Partnership Ltd (company number 10429110) so no fund is deemed to have a significant influence. This long-term investment has been included in the accounts at the Fund's share of the total equity in Brunel Pension Partnership as taken from the latest audited accounts.

All other financial assets are included in the accounts on a fair value basis in line with the SORP as at the reporting date using the valuations for the Fund's assets based on the figures provided by the Fund's custodian, State Street Global Advisors. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. Any amounts due or payable in respect of trades entered into but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 14a. Any gains or losses on investment sales arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13. For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

#### Valuation of Investments

Investments are shown in the accounts at market value, determined on the following basis:

- (i) **Unquoted securities**  
Unquoted securities have been valued according to the latest trades, professional valuation, asset values or other appropriate financial information.
- (ii) **Pooled investment vehicles**  
Pooled investments are stated at bid price for funds with bid/offer spreads, or single price/net asset value where there are no bid/offer spreads, as provided by the investment manager.



**(iii) Foreign Currency Transactions**

All investments held in foreign currencies are shown at market value translated into sterling using the WM 4PM rate on 31 March 2023.

Foreign currency transactions are accounted for on the basis of the equivalent sterling value of the underlying transactions, by applying the relevant exchange rate ruling at the time. Any profit or loss arising on currency transactions either realised or unrealised, will be reflected in the Net Asset Statement.

**(iv) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

**h) Financial liabilities**

A financial liability is recognised in the net assets statement on the date the fund becomes legally responsible for that liability. The fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the Change in Value of Investments.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

**i) Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of International Accounting Standard (IAS) 19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a separate report which has been prepared by the fund's actuary Hymans Robertson and is enclosed below after note 23.

**j) Additional Voluntary Contributions (AVCs)**

The Wiltshire Pension Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the [Local Government Pension Scheme \(Management and Investment of funds\) Regulations 2016](#) but are disclosed for information in note 19.

**k) Contingent assets and contingent liabilities**

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events.

Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes.

### 3. Critical Judgements in Applying Accounting Policies

#### Pension Fund Liability

The net pension fund liability is re-calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS19.

Assumptions underpinning the valuations are agreed with the actuary and are summarised in the actuarial position statement. This estimate is subject to significant variances based on changes to the underlying assumptions.

Actuarial re-valuations are used to set future contribution rates and underpin the fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

### 4. Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates are made considering historical experience, current trends and future expectations. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates made.

The items in the net asset statement at 31 March 2023 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pooled Property Investment	Valuation techniques are used to determine the carrying values of directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data, otherwise the best available data is used.	Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property-based investments by up to 10% ie an increase or decrease of £39m on carrying values of £392m.

**5a. Contributions receivable**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>Employers' contributions</b>		
- Normal	99,710	86,957
- Augmentation	2,123	1,192
- Deficit recovery contributions*	3,954	11,223
	<b>105,787</b>	<b>99,372</b>
<b>Employees' contributions</b>		
- Normal	26,985	25,061
- Additional contributions	184	80
	<b>27,169</b>	<b>25,141</b>
	<b>132,956</b>	<b>124,513</b>
<b>Analysis of contributions by type of employer</b>		
	<b>2022/23</b>	2021/22
	<b>£000</b>	<b>£000</b>
<i>Contributions from employees (Including Additional Contributions)</i>		
- Wiltshire Council	10,094	8,837
- Other scheduled bodies	16,007	15,226
- Admitted bodies	1,068	1,078
	<b>27,169</b>	<b>25,141</b>
<i>Contributions from employers (Including Augmentations)</i>		
- Wiltshire Council	40,195	36,231
- Other scheduled bodies	61,208	56,551
- Admitted bodies	4,384	6,590
	<b>105,787</b>	<b>99,372</b>
<b>Total contributions receivable</b>	<b>132,956</b>	<b>124,513</b>

\* Deficit funding contributions are paid relevant employers for the three years commencing from 1 April 2019 with a minimum specified in the Rates and Adjustment Certificate to improve the Fund's funding position. The recovery period at the last valuation over which the deficit funding is recovered is mainly 20 years for scheduled bodies and 14 years or the length of the employer's contract (whichever is the shorter) for admitted bodies.

**5b. Transfers in from other pension funds**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Group transfers	0	1,069
Individual transfers	8,887	7,222
	<b>8,887</b>	<b>8,291</b>

**6. Benefits Payable**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>By category</b>		
Pensions	83,007	83,955
Commutation and lump sum retirement benefits	13,072	15,683
Lump sum death benefits	3,124	2,222
	<b>99,203</b>	<b>101,860</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>By type of employer</b>		
Wiltshire Council	49,288	48,053
Other scheduled bodies	44,296	42,394
Admitted bodies	11,135	11,413
Provision for Underpayment	(5,516)	-
	<b>99,203</b>	<b>101,860</b>

**7. Payments to and on account of leavers**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Individual transfers	7,256	7,862
Refunds to members leaving service	483	462
State Scheme Premiums	(8)	(1)
	<b>7,731</b>	<b>8,323</b>

**8. Management expenses**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Administration costs	2,475	1,854
Investment Management expenses (Note 9)	33,860	30,247
Oversight & Governance costs	1,171	915
	<b>37,506</b>	<b>33,016</b>

The fund discloses its pension fund management expenses in accordance with the CIPFA guidance [Accounting for Local Government Pension Scheme Management Expenses \(2016\)](#).

**8a. External Audit Costs**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Payable in respect of external audit	19	19
	<b>19</b>	<b>19</b>

External audit costs are also included in oversight and governance costs in note 8 above.

## 9. Investment management expenses

<b>2022/23</b>					
<b>£000</b>					
	<b>Total</b>	<b>Management fees</b>	<b>Performance fees</b>	<b>Transaction Costs (Explicit)</b>	<b>Transaction Costs (Implicit)</b>
Pooled funds equity	<b>4,075</b>	2,883	-	916	275
Fixed income unit trusts	<b>4,756</b>	2,076	-	2,284	396
Infrastructure funds	<b>7,284</b>	2,999	3,068	1,218	-
Private Debt	<b>515</b>	192	-	323	-
Private Equity	<b>2,271</b>	1,298	-	973	-
Emerging market multi-asset	<b>3,673</b>	1,354	-	777	1,541
Pooled property Investments	<b>11,397</b>	3,409	-	7,962	25
	<b>33,970</b>	<b>14,211</b>	<b>3,068</b>	<b>14,453</b>	<b>2,238</b>
Custody fees	30				
Costs associated with investment pooling	326				
Indirect costs incurred in managing investment portfolios	(466)				
	<b>33,859</b>				
<b>2021/22</b>					
<b>£000</b>					
	<b>Total</b>	<b>Management fees</b>	<b>Performance fees</b>	<b>Transaction Costs (Explicit)</b>	<b>Transaction Costs (Implicit)</b>
Pooled funds equity	<b>3,716</b>	3,218	-	185	313
Fixed income unit trusts	<b>4,753</b>	1,879	-	1,386	1,488
Infrastructure funds	<b>5,518</b>	2,102	2,463	953	-
Private Debt	<b>1,176</b>	714	-	462	-
Private Equity	<b>558</b>	279	-	279	-
Emerging market multi-asset	<b>2,874</b>	1,339	-	808	727
Pooled property Investments	<b>5,065</b>	4,025	-	1,040	-
	<b>23,660</b>	<b>13,556</b>	<b>2,463</b>	<b>5,113</b>	<b>2,528</b>
Custody fees	62				
Transition costs	3,283				
Costs associated with investment pooling	1,143				
Indirect costs incurred in managing investment portfolios	2,099				
	<b>30,247</b>				

**10. Investment income**

	<b>2022/23</b> <b>£'000</b>	<b>2021/22</b> <b>£'000</b>
Income from equities	136	177
Pooled property investments	10,967	8,728
Pooled investments - unit trusts & other managed funds	14,642	3,427
Interest on cash deposits	1,260	18
Stock lending income	33	42
Other	1,522	1,202
<b>Total before taxes</b>	<b>28,559</b>	<b>13,594</b>

**11. Stock lending**

During 2022/23, the Pension Fund participated in a securities lending programme administered by Brunel Pension Partnership, for the Pension Fund's active global equities portfolio. Securities in the beneficial ownership of the Council to a value of £4.5m (0.13% of the total fund value) were on loan at 31 March 2023. Collateral held for these securities had a market value of £4.7m, which represents 105% of the value of the shares on loan. Income earned from this programme amounted to £0.03m in the year.

	<b>2022/23</b> <b>£m</b>	<b>2021/22</b> <b>£m</b>
Market value of securities on loan	4.5	8.2
<i>(percentage of total Fund value)</i>	<b>0.13%</b>	<b>0.3%</b>
Market value of collateral	4.7	9.0
Collateral %	<b>105%</b>	<b>110%</b>
Income earned in year	<b>0.033</b>	<b>0.042</b>

## 12. Details of investments held at year end

	31 March 2023 £'000	31 March 2022 £'000
<b>INVESTMENT ASSETS</b>		
Pooled funds		
- Fixed income unit trusts	683,270	941,068
- Infrastructure funds	251,990	215,711
- Global equity	1,101,932	1,180,214
- Emerging market multi-asset	285,113	291,990
	<b>2,322,305</b>	<b>2,628,984</b>
Other investments		
- Pooled property investments	569,823	506,464
- Private debt	97,765	31,381
- Private equity	50,433	28,503
	<b>718,020</b>	<b>566,348</b>
- Cash deposits	9,708	10,642
- Recoverable tax	0	113
	<b>9,708</b>	<b>10,755</b>
<b>Total investment assets</b>	<b>3,050,033</b>	<b>3,206,087</b>
<b>LONG TERM INVESTMENTS</b>		
UK unquoted equity - shares in Brunel Pension Partnership	707	838
<b>Net investment assets</b>	<b>3,050,740</b>	<b>3,206,925</b>

## 12a. Reconciliation of movements in investments

	Value at 1 April 2022	Purchases at cost and derivative payments	Sales Proceeds and derivative receipts	Change in Market Value	Value at 31 March 2023
Pooled funds					
- Fixed income unit trusts	941,068	665	(124,773)	(133,690)	683,270
- Infrastructure funds	215,711	39,128	(38,811)	35,962	251,990
- Global equity	1,180,214	20,625	(71,546)	(27,361)	1,101,932
- Emerging market multi-asset	291,990	0	(2,408)	(4,468)	285,113
Other investments					
- Pooled property investments	506,464	1,248,464	(1,129,102)	(56,004)	569,823
- Private debt	31,381	68,872	(836)	(1,653)	97,765
- Private equity	28,503	23,635	(2,972)	1,267	50,433
Long term investments					
- Brunel Pension Partnership	838	0	0	(131)	707
	<b>3,196,170</b>	<b>1,401,389</b>	<b>(1,370,448)</b>	<b>(186,079)</b>	<b>3,041,032</b>
- Cash deposits	10,642			427	9,708
- Recoverable tax	113			2	0
<b>Net investment assets</b>	<b>3,206,925</b>			<b>(185,650)</b>	<b>3,050,740</b>



## 12a. Reconciliation of movements in investments (cont'd)

	Value at 1 April 2021	Purchases at cost and derivative payments	Sales Proceeds and derivative receipts	Change in Market Value	Value at 31 March 2022
Pooled funds					
- Fixed income unit trusts	842,333	2,650,489	(2,585,755)	34,001	941,068
- Infrastructure funds	84,651	118,905	(7,867)	20,022	215,711
- Global equity	1,308,053	2,555,304	(2,829,628)	146,485	1,180,214
- Emerging market multi-asset	301,359	-	(1,535)	(7,834)	291,990
Other investments					
- Pooled property investments	392,126	65,088	(19,091)	68,341	506,464
- Private debt	-	31,219	(1,176)	1,338	31,381
- Private equity	1,493	22,677	(559)	4,892	28,503
Long term investments					
- Brunel Pension Partnership	768	-	-	70	838
	<b>2,930,784</b>	<b>5,443,682</b>	<b>(5,445,610)</b>	<b>267,314</b>	<b>3,196,170</b>
- Cash deposits	32,291			(112)	10,642
- Recoverable tax	216			1	113
<b>Net investment assets</b>	<b>2,963,291</b>			<b>267,203</b>	<b>3,206,925</b>

**12b. Investments Analysed by Fund Manager**

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
<b>Investments managed by Brunel Pension Partnership asset pool:</b>		
Brunel - Paris Aligned Hedged Passive Equities	458,893	501,100
Brunel - Gilts	236,925	462,211
Brunel - Global High Alpha active global equities	245,549	255,033
Brunel - Global Sustainable Equities active global equities	253,532	256,780
Brunel - secured income	233,738	210,303
Brunel - Multi Asset Credit	148,443	153,720
Brunel - private debt	97,765	31,381
Brunel - private equity	50,433	28,503
Brunel - generalist infrastructure	28,849	14,748
Brunel - renewable infrastructure	19,300	6,211
Brunel - Property	380,540	-
	<b>2,153,966</b>	<b>1,919,990</b>
Long-term investment - Brunel Pension Partnership	707	838
<b>Investments managed outside of Brunel Pension Partnership asset pool:</b>		
CBRE Global Multi Manager - Property	7	408,775
Pinebridge - Bank Loans	297,903	325,135
Ninety One - Emerging Markets	285,113	291,990
Magellan Select Infrastructure Fund	123,737	167,301
Partners Group - Infrastructure	95,624	92,596
Cash held at custodian	9,590	297
M&G - Financing Fund	0	3
Affordable Housing Portfolio	63,873	0
BlackRock - SALAMI Portfolio	20,220	0
	<b>896,067</b>	<b>1,286,097</b>
<b>Total</b>	<b>3,050,740</b>	<b>3,206,925</b>

**12b. Investments Analysed by Fund Manager (cont'd)**

The following investments represent over 5% of the net assets of the fund.

<b>Security</b>	<b>Market value 31 March 2023 £'000</b>	<b>% of total fund</b>
Brunel - Paris Aligned Hedged Passive Equities	458,893	15.04%
Brunel - Gilts	236,925	7.77%
Brunel - Global High Alpha active global equities	245,549	8.05%
Brunel - Global Sustainable Equities active global equities	253,532	8.31%
Brunel - secured income	233,738	7.66%
Brunel - Property	380,540	12.47%
Pinebridge - Bank Loans	297,903	9.76%
Ninety One - Emerging Markets	285,113	9.35%
	<b>2,392,193</b>	<b>78.41%</b>

The following investments represent over 5% of the net assets of the fund.

<b>Security</b>	<b>Market value 31 March 2022 £m</b>	<b>% of total market value</b>
Brunel - Paris Aligned Hedged Passive Equities	501	15.63%
Brunel - Gilts	462	14.41%
Pinebridge - Bank Loans	325	10.14%
Ninety One - Emerging Markets	292	9.10%
Brunel - Global High Alpha active global equities	255	7.95%
Brunel - Global Sustainable Equities active global equities	257	8.01%
Magellan Select Infrastructure Fund	167	5.22%
	<b>2,259</b>	<b>70.46%</b>

**13. Derivative Contracts**

There are no balances to report for the 2022/23 or 2021/22 financial year.

#### 14. Fair value – basis of valuation

All investment assets are valued using fair value techniques based on the characteristics of each instrument, where possible using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

**Level 1** – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds and unit trusts.

**Level 2** – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

**Level 3** – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The valuation basis for each category of investment asset is set out below:

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Unquoted pooled investments - unit trusts	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Pooled investments - property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
UK and Overseas property, private equity and infrastructure partnerships	Level 3	Valued using a number of different market and income valuation methods as well as comparable market transaction prices	Market transactions, market outlook, cash flow projections, last financings and multiple projections	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts
Unquoted equity holding in Brunel pool	Level 3	Valued as share of the company's equity as per the latest available audited financial statements	Earnings and revenue multiples, discount for lack of marketability, control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts

## 14. Fair value – basis of valuation (cont'd)

## Sensitivity of assets valued at level 3

	Assessed valuation range (+/-)	Value at 31 March 2023 £'000	Value on increase £'000	Value on decrease £'000
Pooled property	15.4%	320,396	369,737	271,055
Private Debt	11.3%	97,765	108,812	86,717
Infrastructure	15.5%	251,990	291,048	212,931
Private equity	24.8%	50,433	62,940	37,925
Brunel Pension Partnership	0.0%	707	707	707
		<b>721,290</b>	<b>833,244</b>	<b>609,336</b>

## 14a. Fair value hierarchy

The following table provides an analysis of the assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable. This has been produced from analysis provided by our custodian State Street Global Advisors, which is based on valuations provided by the investment managers.

## 2023

	£'000	£'000	£'000	£'000
	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	Total
- Fixed income unit trusts	-	683,270	-	683,270
- Infrastructure funds	-	-	251,990	251,990
- Global equity	-	1,101,932	-	1,101,932
- Emerging market multi-asset	-	285,113	-	285,113
- Pooled property investments	33,353	216,074	320,396	569,823
- Private debt	-	-	97,765	97,765
- Private equity	-	-	50,433	50,433
- Cash deposits	3,609	6,098	-	9,708
- Shares in Brunel Pension Partnership	-	-	707	707
	<b>36,962</b>	<b>2,292,488</b>	<b>721,290</b>	<b>3,050,740</b>

## 14a. Fair value hierarchy (cont'd)

2022

	£'000	£'000	£'000	£'000
	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	Total
- Fixed income unit trusts	-	941,065	4	941,069
- Infrastructure funds	-	-	215,711	215,711
- Global equity	-	1,180,214	-	1,180,214
- Emerging market multi-asset	-	291,990	-	291,990
- Pooled property investments	-	341,284	165,180	506,464
- Private debt	-	31,381	-	31,381
- Private equity	-	22,759	5,744	28,503
- Cash deposits	64	10,578	-	10,642
- Recoverable tax	113	-	-	113
- Shares in Brunel Pension Partnership	-	-	838	838
	<b>177</b>	<b>2,819,271</b>	<b>387,477</b>	<b>3,206,925</b>

Wiltshire Pension Fund determines that transfers between levels of the fair value hierarchy have occurred when the investment manager for those assets notifies the Fund's custodian of the change.

## 14b. Reconciliation of fair value measurements within Level 3

The following tables present the movement in level 3 instruments for the year end 31 March 2023.

	31 March 2023	31 March 2022
	£'000	£'000
Opening balance	387,477	230,840
Adjustment for reclassifications	92,212	0
Total gains/losses	(27,748)	40,494
Purchases	495,336	127,826
Sales	(225,988)	(11,683)
Closing balance	<b>721,290</b>	<b>387,477</b>

**15. Classification of Financial Instruments**

The following table analyses the carrying amounts of financial assets and liabilities by category and net asset statement heading.

2022/23			2021/22		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£000	£000	£000	£000	£000	£000
			<b>Financial assets</b>		
683,270			Fixed income unit trusts	941,068	
251,990			Infrastructure funds	215,711	
1,101,932			Global equity	1,180,214	
285,113			Emerging market multi-asset	291,990	
569,823			Pooled property investments	506,464	
97,765			Private debt	31,381	
50,433			Private equity	28,503	
707			Shares in Brunel Pension Partnership	838	
	25,049		Cash		38,954
	-		Other investment balances		113
	10,605		Sundry debtors and prepayments		10,004
<b>3,041,032</b>	<b>35,654</b>	<b>-</b>		<b>3,196,170</b>	<b>49,071</b>
			<b>Financial liabilities</b>		
		(5,977)	Sundry creditors		(14,087)
		(10)	Long-term creditors		(768)
<b>3,041,032</b>	<b>35,654</b>	<b>(5,987)</b>	<b>Total</b>	<b>3,196,170</b>	<b>49,071</b>
	<b>3,070,699</b>		<b>Grand total</b>		<b>3,230,386</b>

## Net gains and losses on financial instruments

2022/23		2021/22
£000		£000
	<b>Financial assets</b>	
(186,079)	Fair value through profit and loss	267,314
429	Amortised cost - realised/ unrealised gains	(111)
<b>(185,650)</b>	<b>Total</b>	<b>267,203</b>

## 15. Classification of Financial Instruments (cont'd)

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments

## 16. Nature and extent of risks arising from financial instruments

### ***Risk and risk management***

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. The Fund's primary long-term risk is that its assets will fall short of its liabilities (ie promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. The fund manages these investment risks as part of its overall pension fund risk management programme.

The Committee obtains regular reports from each investment manager and its Investment Consultant on the nature of investments made and associated risks.

The analysis below is designed to meet the disclosure requirements of IFRS 7.

### **16.1. Market Risk**

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis, and manage any identified risk in two ways:

The exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels.

Specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

### ***Other Price Risk***

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or by factors affecting all such instruments in the market.

The fund is exposed to share price risk. The fund's investment managers mitigate this price risk through diversification.

The sensitivity of the Fund's investments to changes in market prices has been analysed using the volatility of returns experienced by asset classes. The volatility data was provided by the Fund's custodian, State Street Global Advisors, and was calculated as the monthly volatility of returns using 36 months of historical data, where available. Where this data was not available, due to the Fund holding a portfolio for less than 36 months, historical data for the strategy was provided by the investment manager, or data for an appropriate benchmark was used. Such a measure is appropriate for measuring "typical" variations in the relative values of the assets and liabilities over short time periods. It is not appropriate for assessing longer term strategic issues. The analysis assumes that all other variables, in particular, interest rates and foreign exchange rates, remain constant



**Market Price - Sensitivity Analysis**

Movements in market prices would have increased or decreased the net assets valued at 31 March 2023 and 2022 by the amounts shown below.

**As at 31 March 2023**

	<b>Value £'000</b>	<b>Volatility of return</b>	<b>Increase £'000</b>	<b>Decrease £'000</b>
Brunel - Paris Aligned Hedged Passive Equities	458,893	17.60%	80,765	(80,765)
Brunel - Gilts	236,925	7.80%	18,480	(18,480)
Brunel - Global High Alpha active global equities	245,549	18.90%	46,409	(46,409)
Brunel - Global Sustainable Equities active global equities	253,532	18.90%	47,917	(47,917)
Brunel - secured income	233,738	10.67%	24,940	(24,940)
Brunel - Multi Asset Credit	148,443	9.00%	13,360	(13,360)
Brunel - private debt	97,765	11.30%	11,047	(11,047)
Brunel - private equity	50,433	24.80%	12,507	(12,507)
Brunel - generalist infrastructure	28,849	15.50%	4,472	(4,472)
Brunel - renewable infrastructure	19,300	15.50%	2,992	(2,992)
Brunel - Property	380,540	15.40%	58,603	(58,603)
Long-term investment - Brunel Pension Partnership	707	0.00%	-	-
CBRE Global Multi Manager - Property	7	15.40%	1	(1)
Pinebridge - Bank Loans	297,903	4.70%	14,001	(14,001)
Ninety One - Emerging Markets	285,113	17.63%	50,251	(50,251)
Magellan Select Infrastructure Fund	123,737	15.50%	19,179	(19,179)
Partners Group - Infrastructure	95,624	15.50%	14,822	(14,822)
Cash held at custodian	9,590	0.00%	0	0
Affordable Housing Portfolio	63,873	15.40%	9,836	(9,836)
BlackRock - SALAMI Portfolio	20,220	13.15%	2,659	(2,659)
	<b>3,050,740</b>		<b>432,242</b>	<b>(432,242)</b>

**As at 31 March 2022**

	<b>Value £'000</b>	<b>Volatility of return</b>	<b>Increase £'000</b>	<b>Decrease £'000</b>
Brunel - Paris Aligned Hedged Passive Equities	501,100	19.19%	96,161	(96,161)
Brunel - Gilts	462,211	7.84%	36,237	(36,237)
Brunel - Global High Alpha active global equities	255,033	19.19%	48,941	(48,941)
Brunel - Global Sustainable Equities active global equities	256,780	19.19%	49,276	(49,276)
Brunel - secured income	210,303	11.23%	23,625	(23,625)
Brunel - Multi Asset Credit	153,720	8.72%	13,404	(13,404)
Brunel - private debt	31,381	12.05%	3,781	(3,781)
Brunel - private equity	28,503	25.24%	7,194	(7,194)
Brunel - generalist infrastructure	14,748	15.62%	2,304	(2,304)
Brunel - renewable infrastructure	6,211	15.62%	970	(970)
Long-term investment - Brunel Pension Partnership	838	0.00%	-	-
CBRE Global Multi Manager - Property	408,775	15.48%	63,278	(63,278)
Pinebridge - Bank Loans	325,135	4.75%	15,444	(15,444)
Ninety One - Emerging Markets	291,990	20.48%	59,800	(59,800)
Magellan Select Infrastructure Fund	167,301	19.19%	32,105	(32,105)
Partners Group - Infrastructure	92,596	15.62%	14,464	(14,464)
Cash held at custodian	297	0.00%	-	-
M&G - Financing Fund	3	0.00%	-	-
	<b>3,206,925</b>		<b>466,985</b>	<b>(466,985)</b>

## 16.2. Interest Rate Risk

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances. Loans have a floating rate income stream and therefore any change in interest rates would not impact the market value of these assets.

### Interest Rate – Sensitivity Analysis

	<b>Asset values at 31 March 2023 £'000</b>	<b>Impact of 1% increase £'000</b>	<b>Impact of 1% decrease £'000</b>
Cash held on deposit	25,049	0	0
Fixed Interest Securities	385,368	(3,854)	3,854
Loans	297,903	0	0
	<b>708,319</b>	<b>(3,854)</b>	<b>3,854</b>

  

	<b>Asset values at 31 March 2022 £'000</b>	<b>Impact of 1% increase £'000</b>	<b>Impact of 1% decrease £'000</b>
Cash held on deposit	38,954	-	-
Fixed Interest Securities	615,931	(6,159)	6,159
Loans	325,135	-	-
	<b>980,020</b>	<b>(6,159)</b>	<b>6,159</b>

## 16.3. Currency Risk

Currency risk represents the risk that the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. When sterling depreciates the sterling value of foreign currency denominated investments will rise and when sterling appreciates the sterling value of foreign currency denominated investments will fall.

The tables below show approximate exposures to each of the two major foreign currencies based on manager benchmarks and target allocations.

<b>31 March 2023</b>	<b>US Dollar £'000</b>	<b>Euro £'000</b>	<b>Yen £'000</b>
<b>Net Currency Exposure</b>	232,154	140,757	(7)

  

<b>31 March 2022</b>	<b>US Dollar £'000</b>	<b>Euro £'000</b>
<b>Net Currency Exposure</b>	200,154	53,458

**16.3. Currency Risk (cont'd)****Currency Risk – Sensitivity Analysis**

The sensitivity of the Fund's investments to changes in foreign currency rates has been analysed using a 10% movement in exchange rates in either direction. This analysis assumes that all variables, in particular interest rates, remain constant.

A 10% strengthening or weakening of Sterling against the various currencies at 31 March 2023 and 31 March 2022 would have increased or decreased the net assets by the amount shown below

31 March 2023	Assets Held	Change in net assets	
	at Fair Value	+10%	-10%
	£'000	£'000	£'000
US Dollar	232,148	23,215	(23,215)
Euro	140,757	14,076	(14,076)
Yen	(7)	(1)	1
<b>Net Currency Exposure</b>	<b>372,898</b>	<b>37,290</b>	<b>(37,290)</b>

  

31 March 2022	Assets Held	Change in net assets	
	at Fair Value	+10%	-10%
	£'000	£'000	£'000
US Dollar	200,154	20,015	(20,015)
Euro	53,458	5,346	(5,346)
<b>Net Currency Exposure</b>	<b>253,612</b>	<b>25,361</b>	<b>(25,361)</b>

The Fund hedges 50% of its overseas equity holdings therefore only a proportion of the gains/losses would be experienced. One important point to note is that currency movements are not independent of each other. If sterling strengthened generally it may rise against all the above currencies producing losses across all the currencies.

**16.4. Credit Risk**

Credit risk represents the risk that the counterparty to the financial instrument will fail to meet their obligations and the Fund will incur a financial loss.

The Fund is exposed to credit risk through its investment managers, custodian and its daily treasury management activities. Credit risk is minimised through the careful selection and monitoring of counterparties.

Another source of credit risk is the cash balances held internally or by managers. The Pension Fund's bank account is held at HSBC, which holds an AA- long term fitch credit rating and it maintains its status as a well-capitalised and strong financial institution. The management of the cash held in this account is managed by the Council's Treasury Management Team in line with the Fund's Treasury Management Strategy which sets out the permitted counterparties and limits. Cash held by investment managers, besides those in pooled investment vehicles, is invested with the custodian in a diversified money market fund rated AAA.

The Fund's exposure to credit risk at 31 March 2023 and 2022 is the carrying amount of the financial assets.

Summary	Balances as at 31	Balances as at 31
	March 2023	March 2022
	£000	£000
Cash held at custodian	9,708	10,642
Bank current account - HSBC	(65)	1,269
Money Market Funds	15,406	27,043
	<b>25,049</b>	<b>38,954</b>

**16.4. Credit Risk (cont'd)**

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. The pension fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties. All contributions due at 31 March 2023 and 31 March 2022 (£9.9m and £8.4m respectively) were received in the first two months of the financial year.

**16.5. Liquidity Risk**

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The main liabilities of the Fund relate to the benefits payable which fall due over a long period of time. The investment strategy reflects this and set out the strategic asset allocation of the Fund. Liquidity risk is mitigated by investing a proportion of the Fund in actively traded instruments in particular equities and fixed income investments. The Fund maintains a cash balance to meet operational requirements.

The following tables analyse the Fund's non-investment financial liabilities as at 31 March 2023 and 2022, grouped into relevant maturity dates.

**2022/23**

	<b>Carrying Amount £000</b>	<b>Less than 12 months £000</b>	<b>Greater than 12 months £000</b>
Sundry creditors	2,219	2,219	0
Benefits payable	1,022	1,022	0
Other	2,746	2,736	10
	<b>5,987</b>	<b>5,977</b>	<b>10</b>

**2021/22**

	<b>Carrying Amount £000</b>	<b>Less than 12 months £000</b>	<b>Greater than 12 months £000</b>
Sundry creditors	4,675	4,675	-
Benefits payable	1,161	1,161	-
Other	8,908	8,251	657
	<b>14,743</b>	<b>14,087</b>	<b>657</b>

**17. Current assets**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
Contributions due - employees	2,317	1,878
Contributions due - employers	7,728	6,489
	<b>10,045</b>	<b>8,367</b>
Sundry debtors	352	1,470
Prepayments	208	167
	<b>560</b>	<b>1,637</b>
Cash balances	<b>15,341</b>	<b>28,313</b>
Net current assets	<b>25,946</b>	<b>38,317</b>

**18. Current liabilities**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
Sundry creditors	2,219	4,675
Benefits payable	1,022	1,161
Payable to Wiltshire Council	2	1
Provision for pension underpayments	2,734	8,250
	<b>5,977</b>	<b>14,087</b>

A provision of £8.25m was made in 2020/21 for underpayment of pensions which have arisen due to discrepancies between the Funds membership database and payroll system. The provision calculated includes the maximum possible underpayment adding in potential interest and compensation costs. At 31<sup>st</sup> March 2023 this provision has been reduced to £2.7m. This reduction reflects work done over the two year period since the provision was made to accurately identify the cases where an underpayment actually exists. The revised provision has fewer cases in scope and updated methodology to reflect how underpayments will be reimbursed. Repayments of underpayments will start to affect pensioners in next financial year.

**18a. Long Term Creditors**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
Brunel Pension Partnership pension reimbursement liability	10	768
<b>Total</b>	<b>10</b>	<b>768</b>

During 2020/21 a pension recharge agreement was signed by all 10 shareholders in Brunel Pension Partnership (BPP), in which shareholders have guaranteed that any pension costs arising in respect of BPP's participation in the LGPS defined benefit pension scheme will be underwritten by the shareholders. This is reflected as a long-term debtor on BPP's balance sheet, and as a corresponding long term liability in the Pension Funds accounts. As at 31<sup>st</sup> March 2022 this was valued at £768k, this was revalued in 2022/23 to £10k, due to improvement in the pension funding position.

## 19. Additional Voluntary Contributions (AVCs)

AVC contributions are not included in the Fund's financial statements as they do not come under the requirements of Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016 regarding regulation 69(1)(a) of the Local Government Pension Scheme Regulations 2013.

In 2022/23 Fund members paid contributions totalling £1.2million into AVC funds held with Prudential during the year. At 31 March 2023 the value of funds invested on behalf of members with Prudential was £5.9m. In 2022/23 Fund members paid contributions totalling £0.2million into AVC funds held with Utmost during the year. At 31 March 2023 the value of funds invested on behalf of members with Utmost was £0.4m.

## 20. Employer Related Assets

There were no employer related assets within the Fund during 2022/23.

## 21. Related Party Transactions

The Wiltshire Pension Fund is administered by Wiltshire Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £2.669m (2021/22: £2.068m) in relation to the administration of the Fund. The Council is also the single largest employer of members of the Pension Fund and contributed £50.3m to the Fund in 2022/23 (2021/22: £45.1m) in respect of employers and employees contributions, £3.5m of which was due to the Pension Fund as at 31 March 2023, and was paid in April 2023.

Part of the pension fund cash holdings are invested in the money markets by the treasury management operations of Wiltshire Council, through a service level agreement. During the year to 31 March 2023, the fund had an average investment balance of £18.1m (31 March 2022: £12m), earning interest of £370k (2021/22: £11k) in these funds.

Brunel Pension Partnership Limited (BPP Ltd.) was formed on the 14th October 2016 and oversees the investment of pension fund assets for Wiltshire, Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire and Somerset Funds.

Each of the 10 local authorities, including Wiltshire Pension Fund own 10% of BPP Ltd. In 2017/18 the Pension Fund paid BPP £0.8m and there has been no subsequent investment. The fair value of the shareholding as at 31st March 2023 was £0.7m. During 2022/23 the Pension Fund paid BPP £1,033k (£1,032k in 2021/22) in respect of the costs of delivering investment pooling. During 2020/21 a pension recharge agreement was signed by all 10 shareholders in BPP, in which shareholders have guaranteed that any pension costs arising in respect of BPP's participation in the LGPS defined benefit pension scheme will be underwritten by the shareholders. This is reflected as a long-term debtor on BPP's balance sheet, and as a corresponding long term liability in the Pension Funds accounts, at a value of £10k. This is also included in the cost of pooling in Note 9. BPP are an employer in the Wiltshire Pension Fund as an admitted body. During 2022/23 BPP paid contributions of £1,159k into the Fund (£1,217k in 2021/22) in respect of employers and employees contributions.

## 21. Governance

During the 2022/23 Scheme Year two members of the Pension Fund Committee were active members of the Pension Fund. In addition, two members of the Local Pension Board were pensioner members, three were active members and another one is now a deferred member of the Pension Fund. Each member of the Pension Fund Committee is required to declare their interests at each meeting. Two declarations were made during the year, both concerning the directorship of a sponsoring employer.

## 22. Guaranteed Minimum Pension (GMP)

Following the cessation of contracting out in April 2016 HMRC embarked on a GMP reconciliation programme with its former contracted out pension schemes including the Wiltshire Pension Fund (WPF) which concluded in December 2018. Since then the WPF has continued this project by reviewing all its relevant member benefits to ensure that the GMP it promised to pay to its members for the period that they had opted out of the State Second Pension (S2P) are correct. This continuation of the project is known as the Rectification project and seeks to verify that each member's GMP accrued between 1978 & 1997 would broadly speaking be equivalent to the S2P that would have accrued by that member on becoming a pensioner in payment after their State Pension Age (SPA).

The Rectification project sought not only to undertake an automated recalculation of all individual GMP values based on a first principles approach to arrive at each member's present-day amount, but also to assess whether there would be any consequential impact on any pensioners in payment, when compared against the current values being paid to them. In conjunction with the recalculation exercise the Pension Fund has also sought to gather clear guidance from its advisers, the LGA & the Scheme Advisory Board (SAB) to ensure that those pensioners in payment who are affected by these changes are fairly & appropriately treated. As stated in last year's Annual Report the effect of not showing the correct amount of GMP is that a member's pension will be increased by more than it should have been, however any overpayments will have been treated as costs to the WPF and will have already been included as expenditure in previous pension fund accounts, therefore requiring no restatement.

During the past couple of years there has also been considerable press coverage concerning the Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank plc in relation to GMP equalisation, the last, at the time of writing this article being the High Court judgement on 20 November 2020. The basis of this latest judgement is that pension schemes will need to revisit any individual transfer payments made since 17 May 1990 and check to see if any additional value is due. (Note: The original Court judgement in October 2018 ruled that Pension Schemes had to equalise benefits for men and women and consequently adjust any GMP benefits accrued between 1978 & 1997). However, the Fund's understanding, based on a HM Treasury statement, is that this judgement does not impact the current method to achieve equalisation and indexation in public sector.

Along with this ruling and as part of the Local Government Pension Scheme (LGPS), the WPF has recently received guidance on how it should address GMP indexation after 5 April 2021. In summary the Government has announced that there isn't the time or resource to carry out a full conversion of GMPs to normal scheme benefits. As a result, LGPS funds will continue to apply full indexation to any member with a GMP who reaches state pension age after 5 April 2021. Guidance concerning the revisiting of transfer cases due to equalisation is still to be received by the Fund on the next steps it should take.

## 23. Contingent Liabilities and Contractual Commitments

### Capital Commitments

Outstanding capital commitments (investments) at 31 March 2023 totalled £607m (£818m at 31 March 2022). £518m of these commitments relate to amounts committed to private equity, infrastructure, secured income and private debt portfolios managed by the Brunel Pool A further £52m relates to outstanding call payments for investments in UK affordable housing portfolios. The balance of £37m relates to outstanding call payments due on unquoted limited partnership funds held in the infrastructure part of the portfolio. The amounts 'called' are irregular in both size and timing from the original commitment.

### Transitional protections

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

### The "McCloud" case

On 21 December 2018, the Court of Appeal held that transitional protections that protected older judges and firefighters from the public services pension scheme changes in 2015 were unlawfully discriminatory. This case is known as the 'McCloud case' and whilst the complaints related to two specific public sector pension schemes, it was deemed that the remedy should apply to all public service pension schemes.

On 27 June 2019, the Supreme Court refused the Government permission to appeal the McCloud case in respect of age discrimination and pension protection, and the Government announced it would work with employment tribunals to find a solution. On 26 March 2020, a ministerial statement confirmed that detailed proposals for removing the discrimination would be published later in 2020 and be subject to public consultation. In July 2020, MHCLG consulted on changes to the LGPS and in May 2021, Luke Hall MP released a statement outlining the Government's response.

The LGPS England & Wales Scheme Advisory Board (SAB) maintains a McCloud page on its website with regular updates, and is engaging with the Government and with Administering Authorities to discuss the remedy and its implementation. We will await further details to confirm the next steps in the process, and continue to keep members informed through newsletters and [wiltshirepensionfund.org.uk](http://wiltshirepensionfund.org.uk).

In 2019, the Fund actuary's central estimate for the potential impact of the McCloud judgement on the pension fund liabilities for the Wiltshire Council Pool as at 31 March 2019 was an increase of approximately £2.7m. Last year, the impact has been updated to £1.9m, allowing for changes to overall membership and the assumptions made for the 2019 fund valuation. The estimate will be refined once the final legislation is in place. As well as the liability impact, the remedy to the McCloud judgement will have a significant impact on administration costs and complexity, for potentially many decades to come. We have not sought to quantify these costs at this stage.

Similarly to the calculation carried out last year, the Fund's actuary has adjusted GAD's estimate of the estimated impact on liabilities to better reflect the Wiltshire Pension Fund's local assumptions, particularly salary increases and withdrawal rates. In carrying out the adjustment, we have made allowance for the assumptions adopted as at the 2019 formal valuation. These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

As part of the 2022 Triennial Valuation, the Wiltshire Pension Fund actuary will include an allowance for anticipated Scheme changes resulting from the expected McCloud remedy legislation. The remedy legislation is expected to apply in the Local Government Pension Scheme from October 2023 but it has not yet been finalised



## 24. Actuarial Statement in respect of IAS26 as at 31.03.2023

### Introduction

CIPFA's Code of Practice on Local Authority Accounting 2022/23 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Wiltshire Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the
- resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

### Present value of promised retirement benefits

Year ended	Error! Reference source not found.3	Error! Reference source not found.2
Active members (Error! Reference source not found.)	1,017	1,530
Deferred members (Error! Reference source not found.)	783	1,257
Pensioners (Error! Reference source not found.)	1,368	1,635
<b>Total (Error! Reference source not found.)</b>	<b>3,168</b>	<b>4,422</b>

The promised retirement benefits at 31 March 2023 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

### Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2023 and 31 March 2022. I estimate that the impact of the change in financial assumptions to 31 March 2023 is to decrease the actuarial present value by £1,683m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £26m.

**Financial assumptions**

Year ended	Error! Reference source not found.	Error! Reference source not found.
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.95%	<b>Error! Reference source not found.</b>
Salary Increase Rate	3.45%	<b>Error! Reference source not found.</b>
Discount Rate	4.75%	<b>Error! Reference source not found.</b>

**Demographic assumptions**

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.6 years	24.4 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.3 years	25.9 years

All other demographic assumptions are unchanged from last year and as per the latest funding valuation of the Fund.

**Sensitivity Analysis**

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at Error! Reference source not found.	Approximate % increase to promised retirement benefits	Approximate monetary amount (Error! Reference source not found.)
0.1% p.a. decrease in the Discount Rate	<b>Error! Reference source not found.</b>	<b>Error! Reference source not found.</b>
1 year increase in member life expectancy	4%	127
0.1% p.a. increase in the Salary Increase Rate	<b>Error! Reference source not found.</b>	4
0.1% p.a. increase in the Pension Increase Rate (CPI)	<b>Error! Reference source not found.</b>	54

**Professional notes**

This paper accompanies the 'Accounting Covering Report – 31 March 2023' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:-

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24 May 2023

For and on behalf of Hymans Robertson LLP

## Schedule of Employer Bodies

### Scheduled/ Resolution bodies

Swindon Borough Council  
 Wiltshire Council  
 Salisbury City Council  
 Dorset & Wilts Fire Authority  
 Wilts Constabulary Civs  
 Alderbury Parish Council  
 Amesbury T C  
 Blunsdon P C  
 Bradford on Avon T C  
 Bratton Parish Council  
 Calne T C  
 Calne Without Parish Council  
 Central Swindon North PC  
 Central Swindon South PC  
 Chippenham T C  
 Corsham Town Council  
 Cricklade Town Council  
 Devizes T C  
 Downton P C  
 Durrington Town Council  
 Haydon Wick P C  
 Highworth T C  
 Hullavington Parish Council  
 Wroughton P C  
 Idmiston Parish Council  
 Ludgershall Town Council  
 Malmesbury T C  
 Marlborough T C  
 Melksham Town Council  
 Melksham Without P C  
 Mere Town Council  
  
 Purton Parish Council  
 Redlynch Parish Council  
 Royal Wootton Bassett TC  
 St Andrews Parish Council Swin  
 Stratton St Margaret P C  
 Tidworth Town Council  
 Trowbridge T C  
 Wanborough Parish Council  
 Warminster T C  
 West Swindon Parish Council  
 Westbury T C  
 Whiteparish Parish Council  
 Winterbourne Parish Council  
 Wilton TC

### Academies

Acorn Education Trust  
 Activate Learning Ed Trst ALET  
 Ascend Education Trust  
 Athelstan Trst Malmes Sec Acad  
 Athelstan Trust Bradon Forest  
 Bishop Wordsworths Academy  
 Blue Kite Academy Trust  
 Brunel Academies Trust  
 By Brook Valley Academy  
 Commonweal Academy  
 Corsham Secondary Academy  
 Diocese of Bristol Academies  
 Diocese of Salisbury MAT  
 Dorcan Technology Academy  
 EQUA Multi-Academy Trust  
 Excalibur Academies Trust  
 Goddard Park Primary Academy  
 Great Western Academy  
 Grove Learning Trust - Eastrop  
 Hardenhuish School (Academy)  
 Haydonleigh  
 Hazelwood Academy  
 Highworth Warneford Academy  
 Holy Cross Primary Academy  
 Holy Family Primary Academy  
 Holy Rood Primary Academy  
 Holy Trinity - Gt Cheverell  
 Holy Trinity- Calne Acad  
 King Alfred Trust  
 King William Street CE Academy  
 The Dunston Catholic Educational  
 Trust

### Academies (cont'd)

Magna Learning Partnership  
 Malmesbury Primary Academy  
 Mead Academy  
 Millbrook Academy  
 Morgan Vale and Woodfalls  
 Oasis Community Learning  
 Palladian MAT  
 Peatmoor Academy  
 Pewsey Vale Academy  
 Pickwick Academy Trust  
 Reach South Academy Trust  
 River Learning Trust  
 Shaw Ridge Academy  
 Sheldon Academy  
 Somerset Road Education Trust  
 South Wilts Grammar Academy  
 St Augustines Academy  
 St Catherines Academy  
 St Edmunds Calne Academy  
 St Josephs Catholic College  
 St Josephs Devizes Academy  
 St Laurence Academy  
 St Marys Catholic Academy  
 The Park Academies Trust  
 ULT Nova Hreod Academy  
 ULT Swindon Academy  
 White Horse Federation  
 Woodford Valley Primary Academy  
 New College  
 Wiltshire College

**Admitted Bodies**

ABM Catering û JOG  
 Adoption West  
 Agincare  
 Alina Homecare  
 Aspens - St Augustines  
 ASPENS-Lethbridge  
 Aster Communities  
 Aster Group Ltd  
 Aster Property Ltd  
 Atkins Limited  
 Braybourn Facility Services  
 Brunel Pension Partnership Ltd  
 BSW CCG  
 Caterlink - Berkshire  
 Caterlink - Devizes  
 Caterlink - Gorsehill  
 Caterlink - Melksham Oak  
 Caterlink - WHF  
 Caterlink-Grange Federation  
 Cera East  
 Churchill Services  
 Classes Abroad  
 Cleverchefs Ltd  
 Cleverchefs Wyndham Park  
 Collaborative Schools  
 Community First Oxenwood  
 Community Golf & Leisure Trust  
 Compass Catering Ludwell  
 Compass û Chartwells-St Marys  
 Direct Cleaning - Fitzmaurice  
 Direct Cleaning - Malmesbury  
 Direct Cleaning - Westbury Jnr  
 Direct Cleaning û Bulford  
 Direct Cleaning û Netheravon  
 Direct Janitorial Supplies Ltd  
 Educate Together Academy Trust  
 Expedite - Pickwick Aloeric  
 Expedite û Brunel SEN MAT  
 Expedite-Westlea

**Admitted Bodies (cont'd)**

First City Nursing  
 GLL (2014)  
 Great Western Hospital - SEQOL  
 Harrison Catering Services Ltd  
 Hills Group Ltd  
 Idverde  
 Idverde UK  
 Imperial Cleaning - Greentrees  
 Imperial Cleaning - King William Street  
 Imperial Cleaning-Highworth  
 Innovate Services Ltd 2  
 Lex Leisure Ltd  
 NHS South Central & West  
 Orders of St John Care Trust  
 Oxford Health NHS Trust  
 Pinnacle FM Limited  
 Public Power Solutions  
 Purgo Supply Services Ltd  
 Rapid Cleaning  
 Sansum Cleaning - DBAT  
 Sansum Cleaning - Excaliber  
 Sansum Cleaning Solutions Ltd  
 Selwood Housing Society  
 Sodexo -DBAT  
 Somerset Care HTLAH  
 Spurgeons  
 Supreme Contract Services - Lawn Manor  
 Swindon Dance  
 Swindon Music Service  
 SWLEP - Swindon & Wilts Local  
 Tenon FM  
 The Wiltshire Bobby Van Trust  
 Thera South West  
 Wiltshire and Swindon Sport

These accounts form a summary from the Wiltshire Pension Fund Annual Report and Financial Statements publication. This provides information on its activities and a full detailed statement of its accounts. Requests for this report, or any other queries arising from the Wiltshire Pension Fund Accounts, should be addressed to the Chief Financial Officer, County Hall, Bythesea Road, Trowbridge, BA14 8JN.

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## Analytical Review

The following tables show a brief review of key movements in the Fund Account and Net Asset Statement for the financial year.

### Major movements in Fund Account and the Net Assets Statement for the financial year

Fund Account	2022/23 £'000	2021/22 £'000	Notes
Contributions	141,843	132,804	Contributions received in year are higher due to increases in the number of active members, increases to employer contribution rates and rises in underlying salaries that contributions are paid on.
Benefits	(106,934)	(110,183)	Benefits paid have decreased compared to the prior year, this is due to the partial reversal of the provision which was made in 2020/21 to estimate pension underpayments covering several years. Excluding this £5.5m one off item, benefits paid have increased due to inflationary increases and a rise in the number of members receiving their pension.
Management expenses	(37,506)	(33,016)	Management expenses have increased compared to the prior year. The primary cause has been an increase in investment transaction costs mainly in the funds property portfolio. There has also been an increase in operational running costs as outsourced work to reduce operational backlogs of work and reconcile payroll differences commenced.
Return on Investments	(157,091)	280,797	The fund has seen a net negative investment performance for the year, following a volatile period on international markets. See investment performance note for further details.
Net increase/(decrease) in the Fund	(159,688)	270,402	

Net Asset Statement	2022/23 £'000	2021/22 £'000	Notes
Long Term Investments - Brunel	707	838	This asset represents a 10% share of the equity of Brunel Pension Partnership.
Investment Assets	3,050,033	3,206,087	The detailed narrative for the decrease in the asset value is included in the investments section

Cash & other current assets and liabilities	19,959	23,462	The fund has reduced the cash balance it held at year end as a result of the implementation of the new SALAMI portfolio to manage liquidity, this has lowered this net asset value. This has been partially offset by lower liabilities as a result of the lower provision for pension underpayments.
<b>Total Net Investments</b>	<b>3,070,699</b>	<b>3,230,387</b>	

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