

Agenda Item 10

**Pension Committee
24 September 2021**

Pension Fund Financial Statements 2020-21

Report of the Head of Pensions

Summary

This report provides the opportunity for the Pensions Committee to consider the audited year-end financial statements of the Gloucestershire Pension Fund, prior to them being presented to the Audit Committee for approval as part of Gloucestershire County Council's Accounts.

Financial Statements 2020-21

The financial statements are attached as appendix 1 to this report, with the following table showing the income and expenditure, as well as the change in the Fund's value over the year (with the prior year comparators).

As can be seen from the tables below, the Fund has experienced a strong recovery from the fall caused by the Covid-19 pandemic, that resulted in a reduction of the Funds value at the end of March 2020.

The accounts show that the overall value of the Fund increased by £657.927m during the 2020/21 financial year, leading to a year-end value of £2,902.490m.

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Gloucestershire Pension Fund

Fund Account for the year ended 31st March 2021

2019/20		2020/21
£'000		£'000
	Contributions	
-84,158	employer contributions	-123,689
-18,962	member contributions	-20,110
-103,120		-143,799
	Transfers in from other pension funds	
-12,575	individual transfers from other schemes or funds	-5,883
-	group transfers from other schemes or funds	-
-12,575		-5,883
	Other income	
-136	recoveries for services provided	-94
	Benefits	
73,026	pensions	75,033
13,930	commutation of pensions and lump sum retirement benefits	11,358
1,334	lump sum death benefits	1,908
88,290		88,299
	Payments to and on account of leavers	
373	refunds to members leaving scheme or fund	227
-1	payments for members joining state scheme or fund	-2
7,929	individual transfers to other schemes or funds	5,706
-	group transfers to other schemes or funds	-
8,301		5,931
-19,240	Net (additions) / withdrawals from dealings with members	-55,546
10,028	Management Expenses	12,202
-9,212	Net (additions) / withdrawals including fund management expenses	-43,344
	Returns on investments	
-25,088	Investment income	-23,888
46	Taxes on income	-43
168,409	Profit(-) and losses on disposal of investments and changes in market value of investments	-590,652
143,367	Net returns on investments	-614,583
134,155	NET INCREASE (-) / DECREASE IN THE NET ASSETS AVAILABLE FOR BENEFITS DURING THE YEAR	-657,927
2,378,718	Opening net assets of the scheme	2,244,563
2,244,563	Closing net assets of the scheme	2,902,490

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Gloucestershire Pension Fund

Net Assets Statement as at 31st March 2021

2019/20		2020/21
£'000		£'000
	Investment assets	
331,206	Bonds	360,751
1,673,162	Pooled investment vehicles	2,257,529
200,277	Pooled property investments	202,134
2,904	Derivative contracts	1,106
4,491	Other investments - Venture Capital/Private Equity	4,856
12,328	Cash held on behalf of the investment managers	15,816
4,352	Other investment balances	5,800
2,228,720		2,847,992
	Long term investment assets	
427	Brunel Pension Partnership Ltd.	112
427		112
	Investment liabilities	
-4,108	Derivative contracts	-813
-946	Other investment balances	-
-5,054		-813
2,224,093	Total net investments	2,847,291
	Long term assets	
315	Contributions due from employers	308
315		308
	Current assets	
4,808	Contributions due from employers	4,974
471	Other current assets	277
618	Money due re. transfer of staff to another pension scheme	-
250	Payments in advance	275
17,539	Cash balances	50,668
23,686		56,194
	Current liabilities	
-18	Unpaid benefits	-7
-3,513	Other current liabilities	-1,296
-3,531		-1,303
2,244,563	Net assets of the scheme available to fund benefits at the reporting period end	2,902,490

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end but rather summaries the transactions and net assets of the scheme.

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Audit Plan

Attached as Appendix 2 is the Audit Plan produced by Grant Thornton (the Fund's external auditor) for the financial year ending 31 March 2021. The Audit Plan provides an overview of the planned scope of the statutory audit of the Fund.

The Audit Plan, would normally be presented to the June Committee meeting ahead of the Audit being undertaken, but for this year the audit plan was not agreed until after the meeting.

Audit Findings Report

At the time of preparing this report, we are awaiting the audit findings report, which would raise any adjusted or unadjusted misstatements, misclassifications, disclosure changes and an opinion on the internal control environment, as identified by Grant Thornton during the audit process.

Once this is received it will be circulated immediately to Committee to consider.

Recommendation

That the Committee recommends the Fund's financial statements for 2020-21, attached as Appendix 1, to the Audit Committee for approval within Gloucestershire County Council's overall financial statements, noting the audit findings report which will be presented at or before the meeting.

Contact Officer

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