

**Prior Period Adjustments to the Pension Fund Liability at 31<sup>st</sup> March 2023**

The 2022/23 valuation of the pension fund net liabilities, shown in note F2 in the accounts, has been restated with an increase in liability of £3.085m. The return on scheme assets has materially benefited by high interest rates and higher than normal bond yields. The result is the pension scheme showing as an asset rather than a liability.

Accounting standards only allow an asset to be recognised as far as the employer can gain an economic benefit i.e. through a reduction in future contributions. This limit is known as the asset ceiling. In practice, employers are bound by the contribution level set by the Pension Scheme Administrators on a triennial schedule and the requirement to contribute enough to fund all future commitments, known as the Minimum Funding Requirement.

The Asset Ceiling charge, levied against the Pension Scheme to maintain the minimum future funding requirement has been calculated by the Actuaries, Hyman Robertson for 2023/24, and in line with CIPFA guidance and external audit request, also for 2022/23. The pension scheme liability opening balance for 2023/24 has therefore been restated by the amount of the asset ceiling.

The following changes have been made to the Draft Statement of Accounts 2023/24 opening balances.

**Effect on the Comprehensive Income and Expenditure Account at 31<sup>st</sup> March 2023**

	<b>2022/23 Published £</b>	<b>2022/23 Restated £</b>	<b>Adjustment £</b>
Remeasurement of the net defined benefit liability /(asset)	(24,547,000)	(21,462,000)	3,085,000
<b>Other Comprehensive (Income) and Expenditure</b>	<b>(21,639,661)</b>	<b>(18,554,661)</b>	<b>3,085,000</b>
<b>Total Comprehensive (Income) and Expenditure</b>	<b>(20,652,035)</b>	<b>(17,567,035)</b>	<b>3,085,000</b>

**Effect on the Balance Sheet as at 31st March 2023**

	<b>2022/23 Published £</b>	<b>2022/23 Restated £</b>	<b>Adjustment £</b>
Other long term liabilities	(1,789,000)	(4,874,000)	(3,085,000)
<b>Net Assets</b>	<b>(1,789,000)</b>	<b>(4,874,000)</b>	<b>(3,085,000)</b>
Unusable Reserves	(108,769,151)	(105,684,151)	3,085,000
<b>Total Reserves</b>	<b>(108,769,151)</b>	<b>(105,684,151)</b>	<b>3,085,000</b>

**Effect on the Movement in Reserves Statement at 31st March 2023**

	<b>2022/23 Published £</b>	<b>2022/23 Restated £</b>	<b>Adjustment £</b>
	Unusable Reserves	Unusable Reserves	Unusable Reserves
Total Comprehensive Income and (Expenditure)	(21,639,661)	(18,554,661)	3,085,000
<b>(Increase) / decrease in 2022/23</b>	<b>(27,822,268)</b>	<b>(24,737,268)</b>	<b>3,085,000</b>

**Effect on the Pension Reserve at 31st March 2023**

Note C3d_Pension of the Draft Accounts 2023/24	2022/23 Published £	2022/23 Restated £	Adjustment £
Asset ceiling adjustment	-	3,085,000	3,085,000
<b>Balance at 31st March</b>	<b>1,789,000</b>	<b>4,874,000</b>	<b>3,085,000</b>

**Effect on the transactions relating to post-employment benefits at 31st March 2023**

Note F1a_Pension of the Draft Accounts 2023/24	2022/23 Published £	2022/23 Restated £	Adjustment £
Asset ceiling adjustment	-	3,085,000	3,085,000
<b>Total-post-employment benefit charged to CIES</b>	<b>(21,492,000)</b>	<b>(18,407,000)</b>	<b>3,085,000</b>

**Effect on the Pension Asset and Liabilities recognised in the Balance Sheet at 31st March 2023**

Page 43 of the Draft Accounts 2023/24	<b>2022/23 Published £</b>	<b>2022/23 Restated £</b>	<b>Adjustment £</b>
Asset Ceiling Calculation:-			
Expected net asset once agreed past service contributions are paid	-	(3,262,000)	(3,262,000)
Economic benefit available as a reduction in future contributions	-	177,000	177,000
<b>Net liability arising from defined benefit obligation</b>	<b>-</b>	<b>(3,085,000)</b>	<b>(3,085,000)</b>