PENSION FUND

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE LONDON BOROUGH OF HARINGEY

[TO BE INSERTED AT END OF AUDIT]

PENSION FUND

2023/24	Pension Fund Account	Note	2022/23
£000			£000
	Dealings with members, employers and others directly involved in the fund		
57,692	Contributions	7	56,043
8,923	Transfers in from other pension funds	8	5,938
66,615			61,981
(65,047)	Benefits	9	(56,232)
(12,328)	Payments to and on account of leavers	10	(5,617)
(77,375)			(61,849)
(10,760)	**Net additions/(withdrawals) from dealings with members**		**132**
(6,931)	Management expenses	11	(8,722)
(17,691)	**Net withdrawals including fund management expenses**		**(8,590)**
	Returns on Investments:		
21,549	Investment Income	12	19,232
-	Taxes on income		(3)
159,023	Profit and losses on disposal of investments and changes in market value of investments	13a	(105,790)
180,572	**Net return on investments**		**(86,561)**
162,881	**Net increase/decrease in the net assets available for benefits during the year**		**(95,151)**
1,708,178	**Opening net assets of the scheme**		**1,803,329**
1,871,059	**Closing net assets of the scheme**		**1,708,178**

2023/24	Net Assets Statement	Note	2022/23
£000			£000
150	Long Term Investments	13	150
1,878,532	Investment assets	13	1,709,824
(4,800)	Investment liabilities	13	-
1,873,882	**Total net investments**		**1,709,974**
1,657	Current assets	19	1,389
(4,480)	Current liabilities	20	(3,185)
1,871,059	**Net assets of the fund available to fund benefits at the end of the reporting period**		**1,708,178**

Notes to the Haringey Pension Fund Accounts for the year ended 31st March 2024

1. Description of the fund

The Haringey Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by Haringey Council.

a) 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 Haringey Council to provide pensions and other benefits for pensionable employees of Haringey Council, a range of other scheduled bodies, and admitted bodies within the London Borough of Haringey area. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by Haringey Pension Fund's Combined Pensions Committee and Board, which is a committee of Haringey Council.

b) Fund administration and membership

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

Organisations participating in the Haringey Pension Fund include the following:

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

Membership details of the Pension Fund are set out below:

Haringey Pension Fund	31 March 2024	31 March 2023
Number of employers	62	69
Number of employees in scheme		
Haringey Council	5,206	5,373
Other employers	1,093	977
Total	**6,299**	**6,350**
Number of pensioners		
Haringey Council	7,919	7,687
Other employers	987	946
Total	**8,906**	**8,633**
Deferred pensioners		
Haringey Council	9,172	9,392
Other employers	1,801	1,802
Total	**10,973**	**11,194**
Total number of members in pension scheme	**26,178**	**26,177**

c) 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 ending 31 March 2024. Employers' contributions are set based on triennial actuarial funding valuations. The valuation for the period to 31 March 2024 was carried out as at 31 March 2022. The primary employer contribution rate for the whole fund was 17.5%.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 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 uplifted annually in line with the Consumer Prices Index inflation rate.

A range of other benefits are also provided included early retirement, disability pensions and death benefits, as explained on the LGPS website – see www.lgpsmember.org.

2. Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2023/2024 financial year and its financial position at 31 March 2024. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting 2023/24* (the Code), which is based upon International Financial Reporting Standard (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. 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. The pension fund has opted to disclose this information in Note 18.

3. Summary of significant accounting policies

Fund account – revenue recognition

a) Contribution income

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

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that 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 employer contributions in respect of ill-health and early retirements are accounted for in the year the event rose. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years would be classed as long-term financial assets.

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 are accounted for when received or paid. Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment income

i. Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.
ii. 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.
iii. Changes in value of investments (including investment properties) 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, providing that payment has been approved.

e) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance *Accounting for Local Government Pension Scheme Management Expenses* (2016), as show in the following table. All items of expenditure are charged to the fund on an accrual basis as follows:

Administrative expenses	All staff costs relating to the pensions administration team are charged directly to the fund. The Council recharges for management and legal costs which are also accounted for as administrative expenses of the fund.
Oversight and governance	All costs associated with governance and oversight are separately identified, apportioned to this activity, and charged as expenses to the fund.
Investment management expenses	Investment fees are charged directly to the fund as part of management expenses and are not included in, or netted from, the reported return on investments. Where fees are netted off returns by investment managers, these are grossed up to increase the change in value of investments. Fees charged by external investment managers and the custodian are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under management and therefore increase or reduce as the value of the investments change throughout the year. In addition, the fund has agreed with Pantheon Ventures and BlackRock that an element of their fee be performance related.

f) Taxation

The fund is a registered public service scheme under Section 1 (1) of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on proceeds of investments sold. 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.

Net assets statement

g) Financial assets

All investment assets are included in the financial statements on a fair value basis as at the reporting date. 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 completed 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 13. Any gains or losses on investment sales arising from changes in the fair value of the net asset are recognised in the fund account.

The values of investments as show in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 15). 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).

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes in value.

j) Loans and receivables

Financial assets classified as amortised cost are carried in the net asset statement at the value of outstanding principal receivable at the year-end date plus accrued interest.

k) 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 related to investments trading at fair value. Any gains or losses arising from changes in the fair value of the liability's value, between the 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.

l) 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 IAS19 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 note to the net assets statement (Note 18).

m) Additional voluntary contributions

The fund provides an additional voluntary contribution (AVC) scheme for its members. The assets of these AVCs are invested separately from those of the pension fund, and are therefore 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. However, this information is disclosed in Note 21 for informational purposes only.

n) 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 future events.

A contingent liability arises where an event prior to the end of the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when 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 assets statement but are disclosed by way of narrative in the notes.

4. Critical judgements in applying accounting policies

The Council has not applied any critical judgements in applying accounting policies in the preparation of the statement of accounts.

5. 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 and assumptions take account of historical experience, current trends, and future expectations. However, actual outcomes could be different from assumptions and estimates made. The items in the net assets statement for which there is a significant risk of material adjustment the following year are as follows:

Items	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 18)	Estimation of the net liability to pay pensions depends on several complete judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	For instance: • a 0.1% decrease in the discount rate would increase future pension liabilities by c. £29m (2%) • a 0.1% increase in earnings inflation would increase future pension benefits by c. £1m (0%) • a one-year increase in assumed life expectancy would increase future pension benefits by c. £69m (4%)

Items	Uncertainties	Effect if actual results differ from assumptions
Private equity investments (Note 14)	Private equity investments are valued at fair value in accordance with *International Private Equity and Venture Capital Valuation Guidelines* (December 2018). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation. For the purposes of estimation, private equity investments include infrastructure and private debt.	Private equity investments are valued at £215m in the financial statements. There is a risk that this investment may be under- or overstated in the accounts by up to 5% i.e., an increase or decrease of approximately £11m.

6. Events after the reporting date

No significant events occurred after the reporting date.

7. Contributions receivable

2023/24		2022/23
£000	**By category**	**£000**
13,305	Employee contributions	12,483
	Employer contributions	
43,850	- Normal contributions	33,411
-	- Deficit recovery contributions	9,644
537	- Augmentation contributions	505
44,387	**Total employers' contributions**	**43,560**
57,692	**Total contributions receivable**	**56,043**

2023/24		2022/23
£000	**By type of employer**	**£000**
51,489	Administering authority	50,128
5,553	Scheduled bodies	4,900
650	Admitted bodies	1,015
57,692	**Total contributions receivable**	**56,043**

8. Transfers in from other pension funds

During 2023/24, there were transfers of £8.9 million into the Pension Fund, an increase compared to £5.9 million in 2022/23. These transfers all related to individuals.

9. Benefits payable

2023/24		2022/23
£000	**By category**	**£000**
52,380	Pensions	46,445
10,721	Commutation and lump sum retirement benefits	8,154
1,946	Lump sum death benefits	1,633
65,047	**Total benefits payable**	**56,232**

9. Benefits payable (continued)

2023/24		2022/23
£000	**By type of employer**	**£000**
57,747	Administering authority	50,367
5,143	Scheduled bodies	4,310
2,157	Admitted bodies	1,555
65,047	**Total benefits payable**	**56,232**

10. Payments to and on account of leavers

2023/24		2022/23
£000		**£000**
215	Refunds to members leaving service	116
12,113	Individual transfers	5,501
12,328	**Total**	**5,617**

11. Management Expenses

2023/24		2022/23
£000		**£000**
1,018	Administrative costs	1,847
5,651	Investment management expenses	6,559
262	Oversight and governance costs	316
6,931	**Total management expenses**	**8,722**

11a. Investment Management Expenses

2023/24		2022/23
£000		**£000**
4,738	Management Fees	5,722
529	Performance Related Fees	383
92	Custody fees	61
292	Transaction Fees	393
5,651	**Total**	**6,559**

12. Investment income

2023/24		2022/23
£000		**£000**
21,207	Pooled investments - unit trusts and other managed funds	19,084
342	Interest on cash deposits	148
21,549	**Total**	**19,232**

13. Investments

Market Value 31 March 2024		Market Value 31 March 2023
£000	**Investment assets**	£000
	Pooled funds	
837,719	Global equity	843,501
420,823	Fixed income unit trusts	240,878
141,154	Multi-asset absolute return fund	150,173
72,148	Infrastructure funds	61,542
1,471,844		**1,296,094**
	Other investments	
192,182	Pooled property investments	201,890
142,615	Private equity funds	134,535
34,478	Infrastructure debt funds	34,500
369,275		**370,925**
37,126	Cash deposits	42,639
287	Accrued Income	166
1,878,532	**Total investment assets**	**1,709,824**
	Long-term investments	
	UK unquoted equities	
150	Shares in London CIV	150
	Investment liabilities	
(4,800)	Payables for purchases	-
1,873,882	**Total net investment assets**	**1,709,974**

13a. Reconciliation of movements in investments and derivatives

2023/24	Value at 31st March 2023	Purchases at cost	Sales proceeds	Changes in market value	Value at 31st March 2024
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,667,019	192,902	(177,877)	159,075	1,841,119
Cash deposits	42,639	70,457	(75,920)	(50)	37,126
Other investment assets/ liabilities*	166	136	(4,813)	(2)	(4,513)
Total	**1,709,824**	**263,495**	**(258,610)**	**159,023**	**1,873,732**

2022/23	Value at 31st March 2022	Purchases at cost	Sales proceeds	Changes in market value	Value at 31st March 2023
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,758,620	74,042	(59,102)	(106,541)	1,667,019
Cash deposits	45,927	62,173	(66,200)	739	42,639
Other investment assets/ liabilities*	(616)	787	(17)	12	166
Total	**1,803,931**	**137,002**	**(125,319)**	**(105,790)**	**1,709,824**

13b. Investments analysed by fund manager

Market Value 31 March 2024 £000	%		Market Value 31 March 2023 £000	%
		Investments managed by London CIV asset pool:		
960,774	51.3	Legal & General Investment Management	943,001	55.2
141,154	7.5	LCIV Absolute Return	150,173	8.8
146,779	7.8	LCIV Multi-Asset Credit	141,379	8.3
36,819	2.0	LCIV Renewable Infrastructure	29,082	1.7
17,927	1.0	London Fund	18,190	1.1
150,998	8.1	LCIV Long Duration Buy and Maintain Credit Fund	-	0.0
1,454,451	**77.7**		**1,281,825**	**75.0**
		Investments managed outside of London CIV asset pool:		
142,615	7.6	Pantheon	134,535	7.9
99,824	5.3	CBRE Global Investors	103,110	6.0
84,887	4.5	Aviva Investors	90,536	5.3
34,478	1.8	Allianz Global Investors	34,500	2.0
20,053	1.1	BlackRock	20,377	1.2
15,276	0.8	CIP	12,084	0.7
22,148	1.2	In-house cash deposits*	32,857	1.9
419,281	**22.3**		**427,999**	**25.0**
1,873,732	**100.0**	**Total**	**1,709,824**	**100.0**

*In-house cash excludes non-discretionary cash managed by external managers. Any such cash is allocated to the respective asset manager.

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

Market Value 31 March 2024 £000	%		Market Value 31 March 2023 £000	%
358,473	19.1	LGIM MSCI World Low Carbon Index Fund	352,431	20.6
356,725	19.0	LGIM RAFI Multi Factor Climate Transition Fund	371,973	21.8
150,998	8.1	LCIV Long Duration Buy and Maintain Credit Fund	-	0.0
146,779	7.8	LCIV Multi-Asset Credit	141,379	8.3
141,154	7.5	LCIV Absolute Return Fund (Ruffer LLP)	150,173	8.8
123,056	6.6	LGIM Index Linked Gilts (Over 5 year) Fund	99,499	5.8
122,519	6.5	LGIM Bespoke Low Carbon Emerging Markets Fund	119,097	7.0
1,399,704	**74.6**	**Total**	**1,234,552**	**72.3**

14. Fair Value – Basis of valuation

All investment assets are valued using fair value techniques based in 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	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Quoted equities and pooled fund investments	The published bid market price on the final day of the accounting period	Not required	Not Required
Quoted fixed income bond and unit trusts	Quoted market value based on current yields	Not required	Not Required
Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not Required
Amounts receivable from investment sales	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Investment debtors and creditors	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 2			
Pooled property funds where regular trading takes place	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
Unquoted fixed income bonds and unit trusts	Average broker prices	Evaluated price feeds	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3			
Pooled property funds where regular trading does not take place	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3			
Shares in London CIV asset pool	Based on the historical cost at acquisition of shares	Not required	Not required
Other unquoted and private equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by changed to expected cashflows or by differences between audited and unaudited accounts.

Sensitivity of assets valued at level 3

The fund has determined that the valuation methods described above for Level 3 investments are expected to be accurate within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2024.

	Potential variation in fair value	Valuation as at 31 March 2024	Value on Increase	Value on Decrease
		£000	£000	£000
Pooled property investments	2%	102,802	104,858	100,746
Private equity and joint venture funds	5%	142,615	149,746	135,484
Infrastructure funds	5%	72,148	75,755	68,541
Total		**317,565**	**330,359**	**304,771**

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.

Values as at 31 March 2024	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Financial assets / liabilities at fair value through profit and loss				
Pooled investments	1,399,696	34,478	72,148	1,506,322
Pooled property investments	-	89,380	102,802	192,182
Private equity	-	-	142,615	142,615
Cash deposits	37,126	-	-	37,126
Accrued income	287	-	-	287
Payables for investment purchases	(4,800)	-	-	(4,800)
Total	**1,432,309**	**123,858**	**317,565**	**1,873,732**

Values as at 31 March 2023	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3	Total
	£000	£000	£000	£000
Financial assets / liabilities at fair value through profit and loss				
Pooled investments	1,234,552	34,500	61,542	1,330,594
Pooled property investments	-	93,165	108,725	201,890
Private equity	-	-	134,535	134,535
Cash deposits	42,639	-	-	42,639
Accrued income	166	-	-	166
Payables for investment purchases	-	-	-	-
Total	**1,277,357**	**127,665**	**304,802**	**1,709,824**

14b. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

14c. Reconciliation of fair value measurements within level 3

2023/24	Value at 1st April 2023	Purchases in the year	Sales in the year	Unrealised gains (losses)	Realised gains (losses)	Value at 31st March 2024
	£000	£000	£000	£000	£000	£000
Pooled UK property unit trusts	108,726	4,162	(4,903)	(5,183)	-	102,802
Private Equity	134,535	10,771	(7,109)	(1,047)	5,465	142,615
Infrastructure	61,542	16,464	(3,703)	(2,439)	284	72,148
Total	**304,803**	**31,397**	**(15,715)**	**(8,669)**	**5,749**	**317,565**

15. Classification of financial instruments

	31 March 2024		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,506,322		
Pooled property investments	192,182		
Private equity	142,615		
Equities		150	
Cash	31,295	5,831	
Debtors		1,657	
Other investment balances		287	
Total financial assets	**1,872,414**	**7,925**	**-**
Financial liabilities			
Other investment balances			(4,800)
Creditors			(4,480)
Total financial liabilities	**-**	**-**	**(9,280)**
Grand total	**1,872,414**	**7,925**	**(9,280)**

	31 March 2023		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,330,594		
Pooled property investments	201,890		
Private equity	134,535		
Equities		150	
Cash	30,431	12,208	
Debtors		1,389	
Other investment balances		166	
Total financial assets	**1,697,450**	**13,913**	**-**
Financial liabilities			
Other investment balances			
Creditors			(3,185)
Total financial liabilities	**-**	**-**	**(3,185)**
Grand total	**1,697,450**	**13,913**	**(3,185)**

15a. Net gains and losses on financial instruments

All realised gains and losses arise from the sale or disposal of financial assets that 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.

2023/24		2022/23
£000		£000
	Financial Assets	
159,075	Fair value through profit or loss	(106,541)
(52)	Financial assets and liabilities at amortised cost	751
159,023		(105,790)

16. Nature and extent of risks arising from Financial Instruments

Risk and risk management

The fund's primary long-term risk is that its assets will fall short of its liabilities (i.e., 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.

Responsibility for the fund's risk management strategy rests with the pension fund's Combined Committee and Board. Risk management policies are established to identify and analyse the risks faced by the pension fund's operations, then reviewed regularly to reflect changes in activity and market conditions.

a) 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 overall 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's strategic asset allocation across different asset classes, industry sectors, and jurisdictions. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis on a regular basis. The strategic asset allocation is reviewed each quarter and any significant deviations from this are rebalanced as appropriate.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate because of change 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 affect 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 and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

Other price risk – sensitivity analysis

A significant portion of the pension fund's assets are invested in pooled investment vehicles with underlying assets which can fluctuate daily as market prices change. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns. The assessment of the potential volatilities is consistent with a one standard deviation movement in the change in value of assets over the last three years.

As at 31 March 2024	Value	% change	Value on increase	Value on decrease
	£000	**%**	**£000**	**£000**
Overseas equities	960,774	12.0	1,076,067	845,481
Fixed Income	438,931	11.9	491,164	386,698
Property	187,631	6.3	199,452	175,810
Alternatives	249,241	16.5	290,366	208,116
Cash	37,155	0.0	37,155	37,155
Total Assets	**1,873,732**		**2,094,203**	**1,653,261**

As at 31 March 2023	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	993,675	26.4	1,255,510	731,840
Fixed Income	240,878	12.2	270,203	211,553
Property	202,012	4.1	210,346	193,678
Alternatives	230,578	10.3	254,421	206,735
`Cash	42,681	0.0	42,681	42,681
Total Assets	**1,709,824**		**2,033,160**	**1,386,488**

Interest rate risk

The fund recognises that interest rates can vary and can affect both income into the fund and the carrying value of fund assets, both of which affect the value of net assets available to pay benefits. A 100-basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy.

Interest rate risk – sensitivity analysis

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.

Assets exposed to interest rate risk:

	Interest earned 2023/24	Interest rate if 1% higher	Interest rate if 1% lower
	£000	**£000**	**£000**
Cash deposits	342	407	233
Total	**342**	**407**	**233**

	Interest earned 2022/23	Interest rate if 1% higher	Interest rate if 1% lower
	£000	**£000**	**£000**
Cash deposits	148	220	76
Total	**148**	**220**	**76**

Currency risk

Currency risk represents the risk that future cash flows 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. The table below demonstrates how a 10% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows.

Currency risk – sensitivity analysis

As at 31 March 2024	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	480,900	10.0	528,990	432,810
Fixed Income	146,779	10.0	161,457	132,101
Private equity	142,615	10.0	156,877	128,354
Infrastructure	35,329	10.0	38,862	31,796
Cash	5,416	10.0	5,958	4,874
Total Assets	**811,039**	**10.0**	**892,144**	**729,935**

As at 31 March 2023	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	482,112	10.0	546,671	447,277
Fixed Income	141,379	10.0	168,697	138,025
Private equity	134,535	10.0	135,403	110,785
Infrastructure	32,461	10.0	38,475	31,480
Cash	14,610	10.0	21,856	17,883
Total Assets	**805,097**	**10.0**	**911,102**	**745,450**

b) Credit risk

Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the fund to incur a financial loss. Assets potentially affected by this risk are investment assets, cash deposits and third-party loans. The selection of high-quality counterparties, brokers and financial institutions minimises credit risk and the market values of investments generally reflect an assessment of credit risk.

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 2024 were received within the first two months of the financial year.

Money market funds and bank accounts all have AAA rating from a leading ratings agency, and the pension fund has experienced no defaults from fund managers, brokers or bank accounts over the past five years.

Summary	Credit Rating	Balances at 31 March 2024	Balances at 31 March 2023
		£000	£000
Money Market Funds			
Blackrock institutional sterling liquidity fund	AAA	780	5,000
Invesco liquidity fund	AAA	5,000	5,000
Bank current accounts			
Northern Trust	A+	31,295	30,473
Barclays Bank plc	A+	51	2,208
Total		**37,126**	**42,681**

c) Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The pension fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments. The fund's policy is to maintain a minimum balance of £5m immediately available in the current accounts or Money Market Funds.

The fund also has access to an overdraft facility for short-term cash needs (up to seven days), in order to cover any timing differences on pension payments. The fund has not used this facility since 2015.

Refinancing risk

The key risk is that the pension fund will need to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The pension fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

17. Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013 the fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contributions rates for the forthcoming triennial period. The pensions fund accounts for the period were based on the most recent valuation which took place as at 31 March 2022.

The key elements of the funding policy are:

- to ensure the long-term solvency of the fund, using a long-term prudent view i.e., that sufficient funds are available to meet all members'/dependants' as they fall due for payment.
- to ensure that employer contribution rates are reasonably stable where appropriate.
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
- to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so.
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its obligations.

The aim is to achieve 100% solvency over a period of 20 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Normally this is three years but, in some cases, a maximum period of 12 years can be granted. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable. When an employer's funding level is less than 10% of the 100% funding target, then a deficit recovery plan will be put in place requiring additional employer contributions.

At the 2022 actuarial valuation, the fund was assessed as 113% funded (100% at the March 2019 valuation). Contribution increases will be phased in over the three-year period ending 31 March 2026 for both scheme employers and admitted bodies.

The whole-fund primary contribution rate was due to decrease over a three-year period from 18.6% to 17.5% of pensionable pay. However, each employer will be different, and the primary contribution rate will reflect the membership and experiences of each employer.

In addition to the primary contribution rate, most employers also pay a secondary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the fund's website.

The valuation of the fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement, or withdrawal from service. The principal assumptions were as follows.

Financial assumptions

Future assumed rates	31-Mar-22	31-Mar-19
	%	%
Discount rate (annual nominal return rate)	4.3	4.2
Pay increase (annual change)*	3.7	3.3
Benefit increase (CPI)	2.7	2.3

Demographic assumptions

The assumed life expectancy from 65 is as follows:

Life expectancy from age 65		31-Mar-24	31-Mar-23
Retiring today	Males	21.2	21.3
	Females	24.0	24.0
Retiring in 20 years	Males	22.5	22.6
	Females	25.6	25.3

18. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year but taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 17). The actuary has also valued ill health and death benefits in line with IAS 19.

31 Mar 24		31 Mar 23
£000		£000
(1,725,000)	Present Value of promised retirement benefits	(1,685,000)
1,871,058	Fair Value of scheme assets	1,708,178
146,058	**Net (liability)/asset**	**23,178**

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see Note 17) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Other key assumptions used are:

	31-Mar-24	31-Mar-23
	%	%
Pension increase rate (CPI)	2.8	2.95
Salary increase rate	3.8	3.95
Discount rate	4.8	4.75

19. Current assets

31/03/2024		31/03/2023
£000		**£000**
94	Contributions due - employees	128
1,081	Contributions due - employers	908
482	Sundry debtors	353
1,657		**1,389**

20. Current liabilities

31/03/2024		31/03/2023
£000		**£000**
2,924	Sundry creditors	2,382
1,556	Benefits payable	803
4,480		**3,185**

21. Additional Voluntary Contributions ("AVCs")

	Contributions Paid 2023/24	Market Value 31 March 2024
	£000	**£000**
Utmost life and pensions	-	188
Prudential assurance	269	1,182
Clerical and medical	-	17

	Contributions Paid 2022/23	Market Value 31 March 2023
	£000	**£000**
Utmost life and pensions	83	195
Prudential assurance	262	1,053
Clerical and medical	1	17

22. Related party transactions

Haringey Council

The Haringey Pension Fund is administered by Haringey Council. During the reporting period, the council incurred costs of £0.835m (2022/23 £0.885m) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses.

The Council is also the single largest employer of members of the pension fund. As at 31 March 2024, an amount of £0.305m was due from the fund to the Council.

Each member of the pension fund's Combined Pensions Committee and Board is required to declare their interests at each meeting. Two members of the Combined Pensions Committee and Board were scheme members in the Haringey Pension Fund.

23. Key management personnel

Key management personnel are the Section 151 Officer and the head of pensions. Their remuneration is set out below:

31/03/2024	Key Management Personnel	31/03/2023
£000		£000
28	Short - term benefits	25
6	Post-employment benefits	6
34		31

24. Contingent liabilities and contractual commitments

Outstanding capital commitments (investments) at 31 March 2024 were £105.4m. These commitments relate to outstanding capital call payments due on limited partnership funds held within the private equity and infrastructure portion of the portfolio. The amounts ‘called’ by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

31 Mar 24		31 Mar 23
£000		**£000**
33,756	Pantheon Ventures	43,906
33,975	LCIV Renewable Fud	42,852
22,295	LCIV London Fund	26,452
13,562	Copenhagen Infrastructure Partners	15,669
1,776	Blackrock	2,410
105,364	**Total**	**131,289**