



SOUTH YORKSHIRE
PENSIONS AUTHORITY

South Yorkshire Pensions Authority

Annual Report & Accounts 2015/16



“

.... the year has been an
eventful and challenging
one....

”



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1 the South Yorkshire Pension Fund

mission STATEMENT

“To provide the best possible and most cost-effective pensions administration service to all the employing bodies, pensioners, contributors and dependants, incorporating best practice in corporate governance at all times”

Our Strategic Objectives are:

1 THE BEST

To be the pensions administrator and investment manager of choice, providing a high quality cost effective and efficient service to all our customers.

2 INVESTMENT RETURNS

To maintain an investment strategy that obtains the best financial return, commensurate with appropriate levels of risk, to ensure the Fund can meet both its immediate and long term liabilities.

3 RESPONSIBLE INVESTMENT

To develop our investment options within the context of a sustainable and responsible investment strategy.

4 VALUING OUR EMPLOYEES

To improve the capacity and capability of our workforce by investing in our staff development whilst, at the same time, endorsing equality and diversity best practice.

5 PENSIONS PLANNING

To encourage and support well informed pensions planning amongst our member organisations and their employees.

6 EFFECTIVE AND TRANSPARENT CORPORATE GOVERNANCE

To uphold and exemplify effective governance showing prudence and propriety at all times.

Introduction

Councillor Sue Ellis Chair of the Authority

My first year as Chair of the Authority has been an eventful and challenging one. Unfortunately, as I write the forthcoming year appears to be very similar!



As my predecessor Peter Wootton wrote last year, implementing the administration of the LGPS 2014 Scheme was always going to be difficult given the sweeping changes to systems and administrative procedures required to accommodate a career average format. In our case the switchover was aggravated by the need to change the Authority's main software provider. Despite participating in a national framework agreement it soon became clear that the winning contractor had not allocated enough resources to the transition and service levels fell dramatically. Although South

Yorkshire was not the only administering authority adversely affected by the contractor's poor performance it certainly felt like that upon occasion. Officers were required to work overtime in order to prevent backlogs becoming unmanageable and I'm afraid that our response levels fell well short of our traditionally high standards. Members summoned senior management of the contractor to face the Authority on two occasions and our displeasure was made quite clear. Some progress has now been made and I hope inconvenience for Fund members has been kept to the minimum. Nevertheless, I do apologise for

the poor service some members suffered over the year.

The introduction of a Local Pension Board, as required under the 2013 Act, took place after gaining permission from the Secretary of State to operate one jointly with our sister South Yorkshire LGPS Fund. Hopefully the joint approach will result in more effective challenge at a lower cost. The Board first met in July 2015 and so far appears to be operating well and good relationships have been established.

As well as facing extremely difficult financial markets the Investment Board also had to

address the questions raised by the Government consultation on amalgamating LGPS investment assets. The focus of the exercise is clearly on reducing investment management costs and increasing the allocation to infrastructure without causing any detriment to performance returns. Whilst laudable in themselves, when applied to well run and efficient internally managed funds like yours, the only outcome can be a significant increase in costs. All the evidence to date confirms that initial view. Having said that the Authority has identified a solid and like-minded pool to partner with (the Border to Coast Partnership) and is now working

Introduction continued

hard to manage the time consuming transition as carefully and economically as possible. The task has only just begun. There will be many more barriers to cross before the whole process goes live in April 2018.

During the year the Authority reviewed its responsible investment policy in light of the breakthrough agreement regarding climate change reached in Paris in December. The Fund continues to be in the vanguard of these issues and recognises the investment challenges the transition to a lower carbon economy will create. As such it has co-filed

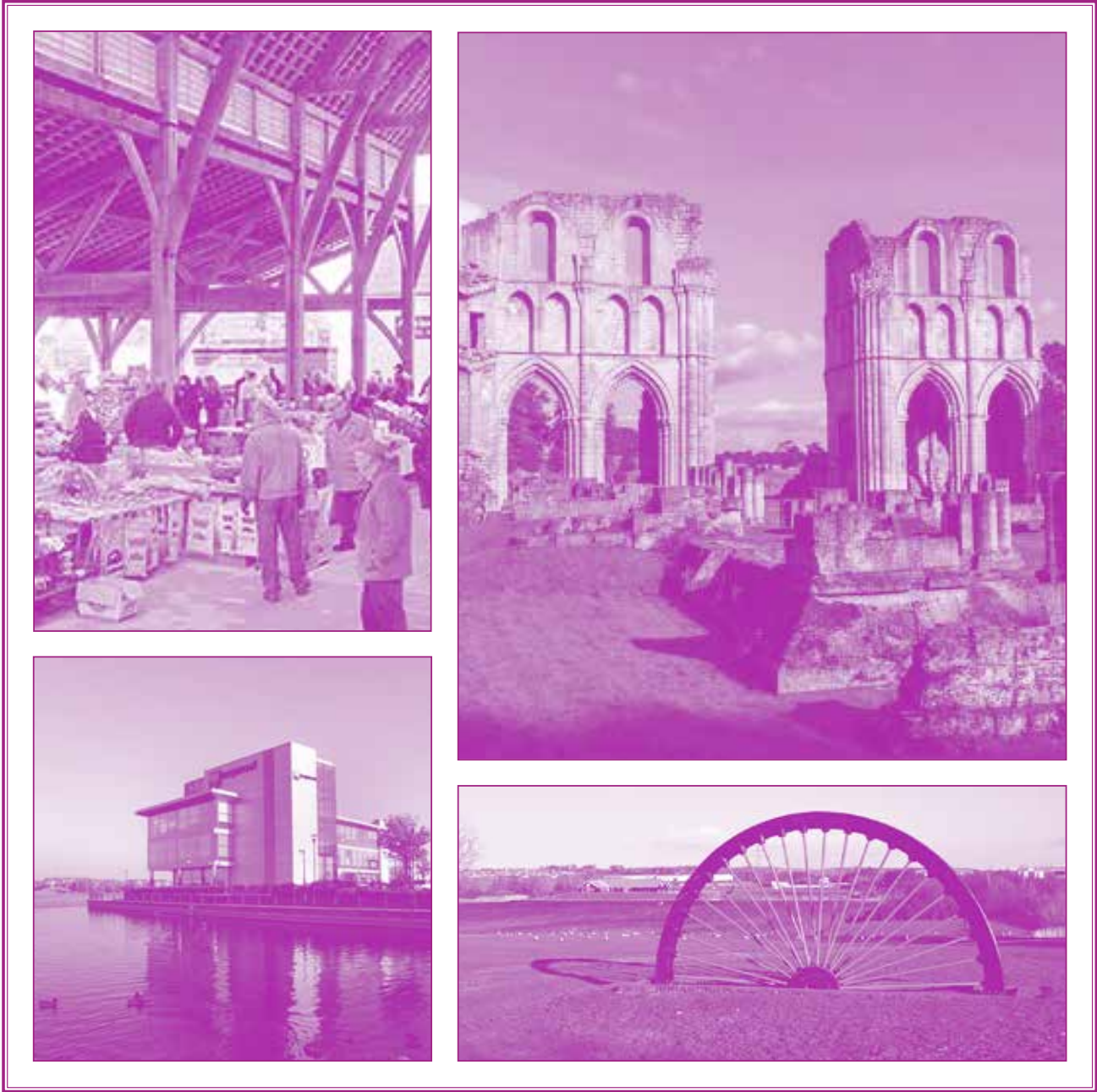
important shareholder resolutions at a number of annual general meetings and conducted an audit of its equity portfolios which confirmed that they are considerably less exposed to fossil fuels than the benchmarks used.

As we look forward to the outcome of the 2016 actuarial valuation we need to remember that all the issues I've referred to have to be set in the context of an ever increasingly complex Scheme. Structural changes in membership and employers will continue as authorities respond to austerity measures and central Government policies. The Authority

has always recognised that the management of the short and long term needs of all stakeholders has to be balanced with the need to manage and recover deficits. The challenge remains.

I'm encouraged that my fellow councillors, the Authority's advisors and officers continue to try and deliver the solution. The last twelve months have been very difficult: unfortunately, I don't think it will prove to be exceptional.

Councillor Sue Ellis
Chair of the Authority





2

the
PEOPLE

Report of the Clerk

Introduction

I am sure that we will all remember that the Fund conducted its statutory actuarial valuation in March 2013, against a background of deteriorating underlying financial conditions and discussions regarding structural changes to the Local Government Pension Scheme. It now looks as though it will be déjà vu for the 2016 valuation.

The impact of austerity measures and Government policies on employees and employers continues to be reflected in fewer employees, more employers and a potential weakening in the covenant strength of some of the Fund’s employers. The consequences of the exceptionally low interest rates and the impact of Quantitative Easing has resulted in a higher value being attributed to the

value of pension promises earned and these have only been partially offset by investment returns. Those returns have generally been better than expected but have been largely driven by low bond yields. From my perspective the structural changes in membership and employers and the impact on the maturity profile is adding to the complexity of administering the Fund. Managing the short and long term needs of both employers and Scheme members is the biggest challenge the Authority faces.

The Authority aims to ensure that, over the long term, the Fund will have sufficient assets to meet all of the pension expectations of its contributors as they fall due but to do so in such a way that contribution rates can be kept

as low as possible, as stable as possible and as affordable as possible. At an employer level the impact varies dependent on the profile of the individual entity but overall in 2013 the Fund managed to agree a recovery plan to pay off the shortfall over a twenty two year period.

In that context the preliminary calculations for the 2016 valuation are encouraging but it would be imprudent at this stage to take anything for granted. The operating difficulties experienced during the year are discussed in more detail in other sections of this Report but suffice it to say it has been an eventful year.



Report of the Clerk

Management of the Fund

South Yorkshire Pensions Authority is the administering authority for the South Yorkshire Pension Fund under the auspices of the Local Government Pension Scheme (LGPS) Regulations 2013. Most local authority employees and pensioners (other than teachers and uniformed personnel) employed by the district councils of Barnsley, Doncaster, Rotherham and Sheffield are members of the Fund. In addition, a number of other bodies (notably schools and academies) are also participating employers. This report has been produced in accordance with the Regulations and covers the activities of the Fund during the financial year ended 31 March 2016. The governance of LGPS funds is encased in statute and the Regulations are regularly updated.

The Authority itself was established by Statutory Instrument in 1987. The twelve councillors who sit on the Authority are co-opted on to it from the four district councils. The Authority meets approximately every quarter and concentrates upon strategy and scrutiny matters. It ensures that the administration of the Fund accords with the statutory framework the LGPS operates under.

Members have a fiduciary duty to the contributors and beneficiaries of the Fund to ensure contributions are collected, that benefits are calculated properly and paid promptly and that any surplus monies are properly and prudently invested. Members also have a fiduciary duty to the council tax payers of South Yorkshire in so far as any net expenditure of the

Authority in any year which cannot be charged to the Fund is liable to be apportioned between the district councils via a levy. In addition, net expenditure on residual employer liabilities which cannot be charged to the Fund is recoverable.

The Authority's meetings are open to the public and are webcast. It has established two Boards to manage the everyday aspects of its duties and responsibilities as an administering authority: the Boards also operate to a roughly quarterly cycle. One Board focuses upon administration and audit matters whilst the other supervises investment issues. The terms of reference of the Boards and other information regarding the Authority's structure, including details of the

delegation arrangements to officers, can be found in the Governance Compliance Statement.

The introduction of a Local Pension Board during the year has added to the governance profile of the Fund and more details can be found within this Report. The Board is designed to assist in securing compliance with Scheme Regulations and is not a decision making body: rather it works alongside the Authority whilst conducting its scrutiny role.

Member involvement also continues to be facilitated through the long-established annual member meeting and employers' forum. Trade union representatives attend the public part of Authority and Board meetings as observers.

The landscape and regulatory framework governing the LGPS continues to change and grow in complexity and the pace of change has not abated. One of the key objectives of the Authority is to ensure effective stewardship of the Fund's affairs and this is constantly monitored.

All aspects of pensions administration, including calculating and paying benefits, are conducted in house. The Fund also operates advisory offices in the districts. All of the Fund's investments are managed internally, albeit with the assistance of advisors on real estate matters. Further details of the Fund's investment operations are set out in the Statement of Investment Principles. The Authority has a retained actuary, Mercer Limited, and has

appointed an independent investment advisory panel to assist it in achieving its aims.

General legal advice is obtained from BMBC. More specialist property work is garnered from a pool of lawyers which includes Addleshaw Goddard; Burges Salmon; Cameron McKenna; Mills & Reeve and Pinsent Masons. Private equity work is primarily conducted by Maclay Spens. Other lawyers are used dependent upon the nature of the service required.

Members as at 31st March 2016

BARNSELEY



LABOUR


Councillor M Stowe

LABOUR

Councillor R Wraith*

(Vice Chair)

DONCASTER



LABOUR

Councillor E Butler

LABOUR

Councillor K Rodgers*

CONSERVATIVE

Councillor J Wood

ROTHERHAM



LABOUR

Councillor S Ellis*

(Chair)

LABOUR

Councillor P Wootton*


(Chair - up to 10.5.15)

LABOUR

Councillor K Wyatt

(from 26.5.15)

SHEFFIELD



LABOUR

Councillor J Campbell

(up to 20.5.15)

LABOUR

Councillor J Scott

(from 21.5.15)

LABOUR

Councillor B Lodge*

LABOUR

Councillor L Rooney

(up to 20.5.15)

LABOUR

Councillor H Mirfin-Boukouris

(from 21.5.15)

LIBERAL DEMOCRAT

Councillor A Sangar

GREEN

Councillor B Webster

**Indicates Section 41 Members*

Members’ Attendance and Training Records

One of the responsibilities of an administering authority is to ensure that all staff and Members charged with managing its pension fund are fully equipped with the knowledge and skills to enable them to discharge their duties and responsibilities.

Consequently, the Authority regards Member training as a key priority. The approach adopted is a prudent and vigilant one which includes all newly appointed Members receiving induction training, all Members attending the Pensions Fundamentals training programme provided by the Local Government Employers organisation and individual Members being invited to discuss their personal training needs.

This results in the production of a training plan which itself reflects the recommended knowledge and skill requirements set out in the CIPFA Pensions Finance Knowledge and Skill Framework. A formal training report is considered and approved by Members each year.

The ordinary meetings of the Authority and its Boards contain within them a wide range of topical briefings, such as legislation changes, corporate governance matters, the assessment of liabilities, the economy etc and may incorporate presentations from independent advisors, such as the actuary, and consultants. Special meetings are called, if necessary, to consider specific issues.

A programme of in-house training is also delivered by officers and external consultants. Members and officers are encouraged to attend conferences and seminars relevant to their functions.

In accordance with the requirement of Principle 4 of the Myners’ Principles on best practice Members participate in an annual self-assessment review. A Member is nominated by his peers to lead on all issues pertinent to Members’ training needs but it is the Treasurer who is responsible for ensuring that policies and strategies are implemented.

Members’ Attendance and Training Records

Members’ Attendance at Authority Meetings 2015/16

	11 June 2015	1 Oct 2015	19 Nov 2015	3 Dec 2015	10 Dec 2015	14 Jan 2016	11 Feb 2016	17 Mar 2016
E Butler	✓	✓	✓	x	✓	✓	✓	x
S Ellis	✓	✓	✓	✓	✓	✓	✓	✓
B Lodge	✓	✓	✓	✓	✓	✓	✓	✓
H Mirfin-Boukouris	✓	✓	x	✓	✓	x	x	✓
K Rodgers	✓	✓	✓	✓	✓	✓	✓	✓
A Sangar	✓	✓	✓	✓	✓	✓	✓	✓
J Scott	✓	x	x	✓	✓	x	✓	x
M Stowe	✓	✓	✓	✓	✓	✓	✓	✓
B Webster	✓	✓	x	x	x	x	✓	✓
J Wood	✓	✓	x	x	✓	✓	✓	x
R Wraith	✓	✓	✓	✓	✓	✓	✓	✓
K Wyatt	✓	✓	✓	✓	✓	✓	✓	✓

Members’ Attendance and Training Records

Board Meetings 2015/16

SYPA Members Attendance at Corporate Planning and Governance Board

	18 June 2015	23 July 2015	19 Nov 2015	24 Mar 2016
E Butler	✓	✓	✓	x
S Ellis	✓	✓	✓	✓
B Lodge	✓	✓	✓	x
H Mirfin-Boukouris	x	x	x	x
J Wood	x	✓	x	x
R Wraith	✓	✓	✓	✓
K Wyatt	✓	✓	✓	✓

SYPA Members Attendance at Investment Board Meetings

	25 June 2015	17 Sept 2015	10 Dec 2015	10 Mar 2016
S Ellis	✓	✓	✓	✓
K Rodgers	✓	✓	✓	✓
A Sangar	x	✓	✓	✓
J Scott	x	x	✓	✓
M Stowe	✓	✓	✓	✓
B Webster	✓	✓	x	✓
R Wraith	✓	✓	✓	✓

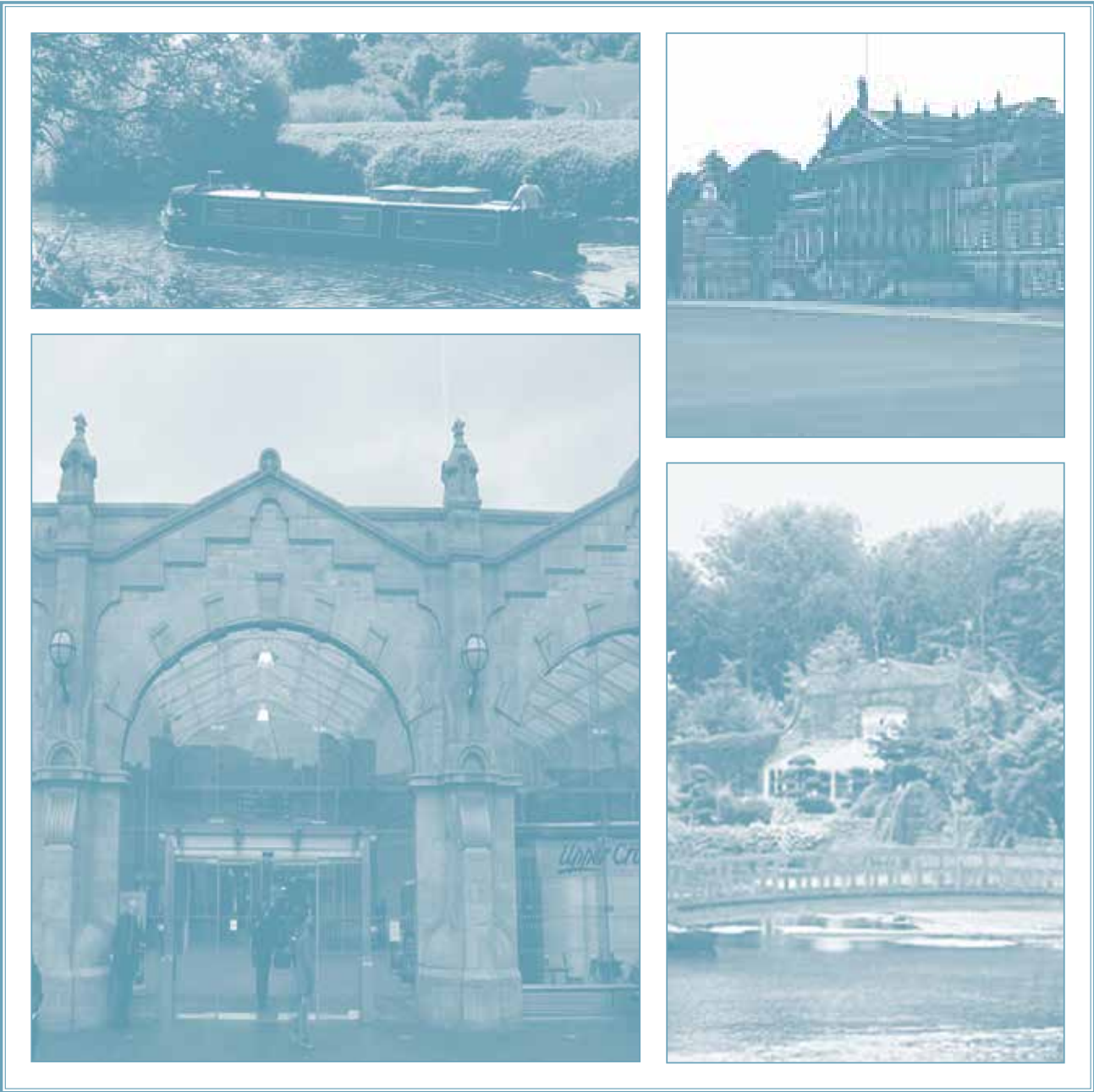
Members’ Attendance and Training Records

Member Training Events 2015/2016

Training Session	Date	E Butler	S Ellis	B Lodge	H Mirfin Boukouris	K Rodgers	A Sangar	J Scott	M Stowe	B Webster	J Wood	R Wraith	K Wyatt
Effective Audit Committee	02.09.15	✓	✓	x	x	x	x	x	✓	x	x	✓	x
Fundamentals Day 1	Sept 15	N/A	N/A	N/A	✓	N/A	N/A	x	N/A	N/A	N/A	N/A	✓
Fundamentals Day 2	Nov 15	N/A	N/A	N/A	x	N/A	N/A	x	N/A	N/A	✓	N/A	✓
Investment Pooling	19.11.15	✓	✓	✓	x	✓	✓	x	✓	x	x	✓	✓
Fundamentals Day 3	Dec 15	N/A	N/A	N/A	✓	N/A	N/A	x	N/A	N/A	✓	N/A	✓
Investment Pooling	10.12.15	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
Treasury Management Training	16.01.16	✓	✓	x	x	x	x	x	✓	x	x	✓	x
Investment Pooling	11.02.16	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓

Advisors and Officers

ACTUARY	Mercer Limited	
AUDITOR	KPMG LLP Public Sector Audit	
BANKERS	Co-operative Bank Lloyds Bank	
CUSTODIAN	HSBC Securities Services	
EXTERNAL ADVISORS	Bidwells	Agricultural Property
	Pensions and Investment Research Consultants Limited	Corporate Governance/ Voting Execution
	Standard Life Pension Funds Limited	Commercial Property
ADVISORS TO THE AUTHORITY	T J A Gardener	
	N MacKinnon	
	W L Robb	
OFFICERS	D Terris	Clerk
	F Foster	Treasurer
	A Frosdick	Solicitor and Monitoring Officer
	J N Hattersley	Fund Director
	G Chapman	Head of Pensions Administration





3 the AUTHORITY

Report of the Clerk

Pensions Administration



It has been another challenging year for the Pensions Administration team. Our recovery from the twin events of LGPS 2014 and the implementation of our new Pensions Administration system has been the main focus of our attention throughout the period. I am pleased to report that the team have performed magnificently despite a number of setbacks and the sheer volume of work. Whilst the new system is still problematical at times and there's still a way to go we are firmly on the road to recovery.

Despite heavy concentration on clearing casework backlogs there have also been some highlights during the year. In November we launched our new website which was well received and during March we successfully retained our Customer Service Excellence award following our annual

inspection. We also consulted upon and introduced our Pensions Administration Strategy which clearly sets out the responsibilities of SYPA as administering authority and the responsibilities of our 350+ employers in order to comply with the complex requirements of the LGPS.

On the downside we were extremely frustrated to fail to meet the deadline for issuing annual benefit statements to scheme members. In any year 31st August is a challenging target to achieve but a combination of system problems and late submission of annual returns by employers meant that we had no hope of meeting it. On a positive note, however, although we issued the statements late they were subject to a thorough check which overall was preferable to issuing them on time and possibly incorrect. The new version of mypension was

launched in conjunction with the new website and whilst it is usable it is rather disappointing. Whilst we have done what we can to improve the look and feel of online member access the core functionality is largely out of our control. We have however been pushing for improvements to be made and the good news is that a phase 2 version is on the way incorporating the benefit quote calculator that many of our members have been asking for.

We continue to operate the formal dispute resolution procedure in compliance with the scheme regulations as well as our local customer service complaints procedure. During the year we had just one formal dispute which went all the way through our two stage process and on to the Pensions Ombudsman. The appeal was dismissed internally and also

by the Pensions Ombudsman. The Ombudsman also ruled in our favour on a case that had been through the internal dispute procedure last year but did award the member £500 for distress and inconvenience. We had 31 formal customer service complaints during the year which were personally responded to by our Complaints Manager. This is a significant increase in the number of complaints we usually receive and entirely due to the problems associated with the implementation of the new system. Pensions Administration staff also dealt with many more informal complaints during the period. I am pleased to report that in both instances complaints are back to previous low numbers.

The employers of the Fund are required to collect contributions from active scheme members and pay them over no later than

the 19th of the following month to which the contributions relate. During 2015/16 one employer paid contributions late and was required to pay interest for late payment.

The forthcoming year presents a number of challenges which include, the triennial actuarial valuation, the 31st August deadline for annual benefit statements, the impact of changes to pension tax legislation and work relating to the end of contracting-out. All this in addition to regular casework and member communication. Just another typical year for Pensions Administration!

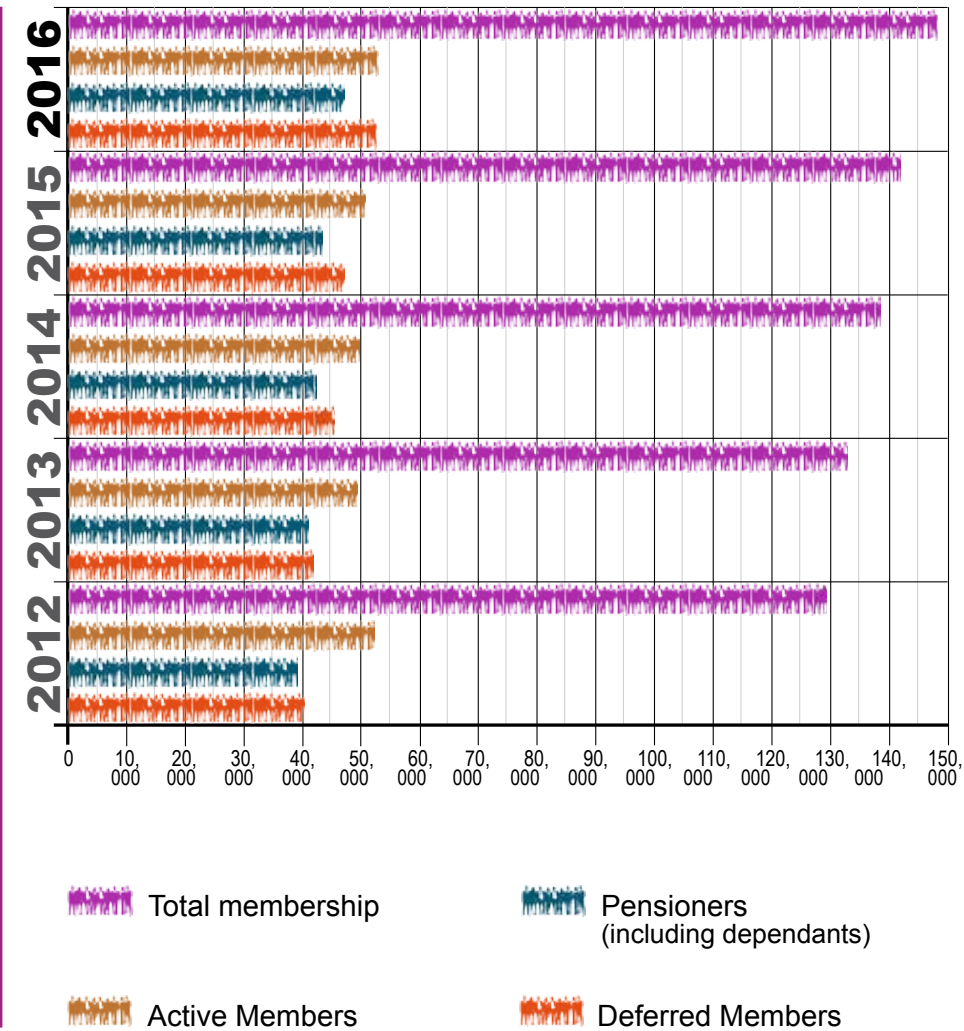
The membership statistics for 2015/16 are shown on the pages that follow.

Gary Chapman,
Head of Pensions Administration

Report of the Clerk

Membership

Overall, Fund membership continues to grow. The Fund has **148,695** members compared with **141,719** at March 2015, an increase of 4.922%. There are three main categories of membership, **51,516** active contributing members, **46,050** members and dependants in receipt of a pension and **51,129** deferred members (members who have left employment and deferred their benefits until normal retirement age). For the third year running the Fund has seen a slight increase in active contributing members, most likely due to the implementation of auto-enrolment legislation in October 2012.



Report of the Clerk

Your Fund Statistics



ACTIVE MEMBERS

Gender



Averages



Age Profile



	2015	2016
Female	74%	74%
Male	26%	26%
Current Age	45	45
Age Joined Fund	34	34
16 - 20	1%	1%
21 - 25	5%	6%
26 - 30	7%	7%
31 - 35	9%	9%
36 - 40	10%	10%
41 - 45	15%	14%
46 - 50	18%	17%
51 - 55	17%	17%
56 - 60	12%	12%
61 - 65	5%	5%
66 - 70	Less than 1%	Less than 1%
71 - 75	Less than 1%	Less than 1%

Report of the Clerk

Your Fund Statistics



DEFERRED MEMBERS

Gender



Averages



Age Profile



21

	2015	2016
Female	71%	72%
Male	29%	28%
Current Age	45	45
Annual Pension	£1,507.94	£1,537.54
16 - 20	Less than 1%	Less than 1%
21 - 25	3%	3%
26 - 30	8%	8%
31 - 35	11%	11%
36 - 40	10%	10%
41 - 45	16%	15%
46 - 50	19%	18%
51 - 55	19%	19%
56 - 60	12%	13%
61 - 65	1%	2%
66 - 70	Less than 1%	Less than 1%
71 - 75	Less than 1%	Less than 1%

Report of the Clerk

Your Fund Statistics



PENSIONERS

(including dependants)

Gender



Averages



Age Profile



65

	2015	2016
Female	61%	62%
Male	39%	38%
Current Age	70	70
Age Pension Commenced	58	59
Current Annual Pension	£4,456.89	£4,674.38
Time in Receipt of Pension	11 years	11 years
0 - 50	2%	2%
51 - 55	2%	1%
56 - 60	9%	8%
61 - 65	21%	21%
66 - 70	24%	24%
71 - 75	16%	17%
76 - 80	12%	12%
81 - 85	8%	8%
86 - 90	4%	4%
91 - 95	1%	2%
96 - 100	Less than 1%	Less than 1%
101 - 105	Less than 1%	Less than 1%
106 - 110	Less than 1%	Less than 1%
Oldest pensioner	109	110

Report of the Clerk

Retirement Analysis

During 2015/16 we processed and paid 2877 retirements. This was up 9.8% on the previous year and just over 18% on the year before that. A breakdown showing the types of retirements processed are listed opposite.

Of the 81 ill health retirements processed, 34 were awarded enhanced membership under the ill health provisions of the scheme. No pension or membership enhancements were granted by the employer for any of the redundancy/efficiency retirement cases.

Type of Retirement	2014/15	2015/16
Early	1,436	1,496
Flexible	78	48
Ill Health	67	81
Redundancy/Efficiency	549	498
Normal	325	519
Late	192	235

Report of the Clerk

Pensions Increase

Cost of living increases from Pension Increase Orders, applied to pension benefits (deferred and in payment) from the first Monday following 5 April.

April 2016	0%
April 2015	1.2%
April 2014	2.7%
April 2013	2.2%
April 2012	5.2%
April 2011	3.1%
April 2010	0%

April 2016	0%
April 2015	1.2%
April 2014	2.7%
April 2013	2.2%
April 2012	5.2%
April 2011	3.1%
April 2010	0%

Report of the Clerk

Employer Admissions During the period 1 April 2015 to 31 March 2016

Date Admitted	Employer	Employer Type*
01/04/2015	Trustclean (Wath Victoria Primary School)	Contractor (TAB)
01/04/2015	Places for People (747)	Contractor (TAB)
01/04/2015	Herringthorpe Junior Academy	Scheduled Body
01/04/2015	Sandhill Primary School	Scheduled Body
01/04/2015	Valley Park Community Primary	Scheduled Body
01/04/2015	Independent Cleaning Services (Danum Academy)	Contractor (TAB)
01/04/2015	Independent Living at Home (Barnsley)	Community Admission Body
01/04/2015	Greenacre Special School Academy	Scheduled Body
01/07/2015	Greasbrough Academy	Scheduled Body
01/07/2015	British Red Cross (748)	Contractor (TAB)
01/07/2015	Springwood Junior Academy	Scheduled Body
01/07/2015	Carr Lodge Academy	Scheduled Body
01/08/2015	Mellors - Brinsworth Catering Contract	Contractor (TAB)
01/08/2015	Aspens Services Ltd - Catering Contract at McAuley Academy	Contractor (TAB)
15/08/2015	Carroll Cleaning Company (De Warenne Academy)	Contractor (TAB)
01/09/2015	Laithes Primary School	Scheduled Body
01/09/2015	Hallam Primary Academy	Scheduled Body

Date Admitted	Employer	Employer Type*
01/09/2015	Nether Edge Primary Academy	Scheduled Body
01/09/2015	Wisewood Community Primary	Scheduled Body
01/09/2015	XP School	Scheduled Body
01/09/2015	Oasis Academy Don Valley	Scheduled Body
01/09/2015	Eastwood Village Primary School	Scheduled Body
01/10/2015	KGB Cleaning - Doncaster College	Contractor (TAB)
01/10/2015	Compass - Rossington All Saints Academy Catering	Contractor (TAB)
01/10/2015	Compass - Don Valley Academy Catering	Contractor (TAB)
01/10/2015	Compass - RCAT Catering Contract	Contractor (TAB)
01/10/2015	Elsecar Holy Trinity CE Primary Academy	Scheduled Body
01/10/2015	Hoyland Springwood Primary School	Scheduled Body
01/10/2015	Wombwell Park Street Primary School	Scheduled Body
01/10/2015	High View Primary Learning Centre	Scheduled Body
01/11/2015	Taylor Shaw - Forest Academy Catering Contract	Contractor (TAB)
01/12/2015	Independent Cleaning Services Ltd - McAuley High	Contractor (TAB)
01/01/2016	Taylor Shaw - St John Fisher Academy	Contractor (TAB)
01/01/2016	Mellors (Danum Academy)	Contractor (TAB)

Report of the Clerk

Employer Admissions During the period 1 April 2015 to 31 March 2016

Date Admitted	Employer	Employer Type*
18/01/2016	RM Education Ltd (Dearne ALC)	Contractor (TAB)
01/02/2016	Royston St John the Baptist School	Scheduled Body
01/02/2016	St Thomas More Catholic Primary - A Voluntary Academy	Scheduled Body
01/02/2016	Beck Nursery, Infant and Junior School	Scheduled Body
01/02/2016	Winterhill School	Scheduled Body
01/02/2016	Outwood Academy - Carlton	Scheduled Body

***Key:**

Scheduled Body: A body listed in Schedule 2 of the Regulations e.g. a Local Authority. All scheduled body employers are automatically admitted to the Fund and eligible employees entered in the Scheme.

Community Admission Body: A body admitted under an Admission Agreement which is a not-for-profit organisation and shares a community interest with

a scheme employer. Requires an Admission Agreement between SYPA and the admission body plus a financial guarantor. Employees are nominated by the admission body for membership.

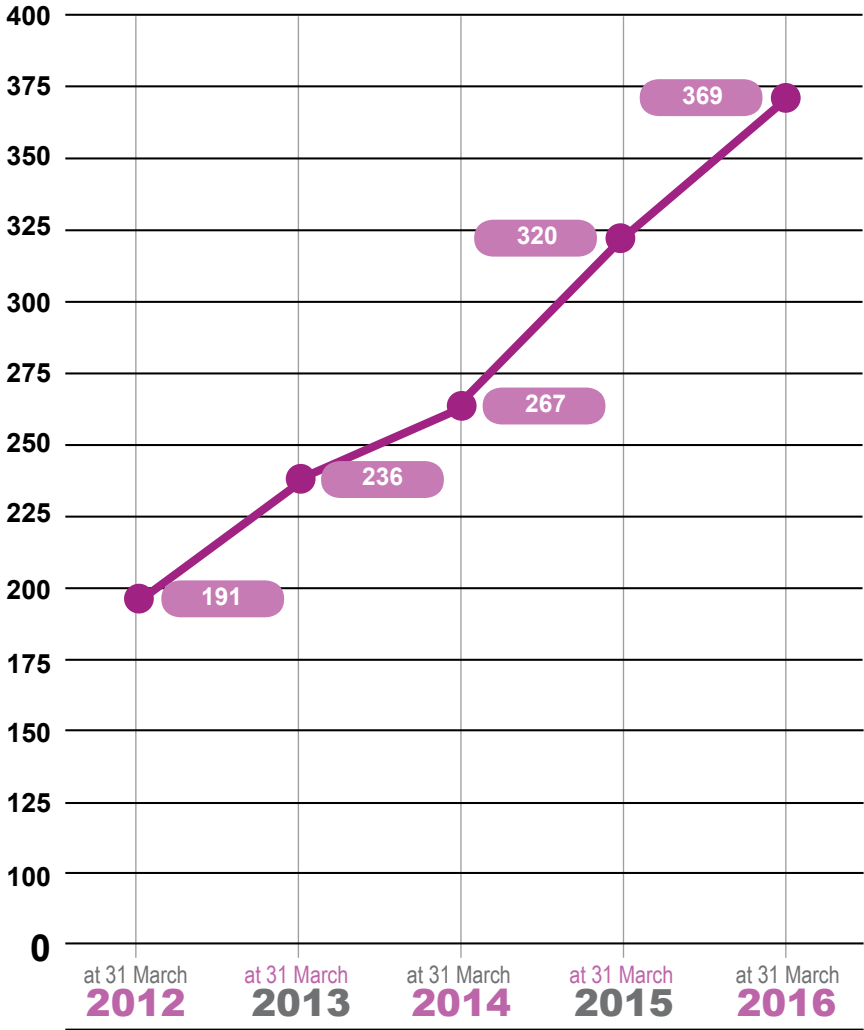
Contractor (TAB): A body admitted under an Admission Agreement which employs staff transferred from a scheme employer, undertaking an

outsourcing service or asset of that scheme employer. Requires an Admission Agreement between SYPA, the Contractor and the Outsourcing Authority. The Contractor may be required to provide a bond to guarantee liabilities. Named employees are transferred from the outsourcing employer and retain their membership of the Scheme.

Report of the Clerk

Scheme Employers

SYPA is responsible for administering the Local Government Pension Scheme for local authorities and other eligible employers, such as colleges and not-for-profit organisations, mainly located in South Yorkshire. Predominant amongst the contributing employers are the Metropolitan District Councils of Barnsley, Doncaster, Rotherham and Sheffield plus the civilian arm of the police and The Police & Crime Commissioner. The chart opposite shows the number of employers we administer the Scheme for. In recent years, we have seen an increase in the number of contributing employers which is largely due to schools of Local Education Authorities converting to academy status and becoming an independent body.



Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
7 Hills Leisure Trust	77,594.84	142,461.51	-18,500.04
ABM Catering (Wales High School)	2,701.45	9,277.81	0.00
Action Housing & Support Ltd	79,703.77	144,296.35	72,800.00
Age Concern Doncaster	2,395.08	9,016.68	0.00
All Saints Academy (Darfield)	13,140.29	29,488.21	16,900.00
All Saints Catholic High School	53,771.66	117,141.25	30,800.04
Amey LG Limited (Sheffield Highways)	764,718.17	2,087,478.71	-512,916.66
Anston Greenlands Primary School	11,935.19	32,647.50	17,349.96
Anston Parish Council	6,468.26	21,606.08	1,200.00
Armthorpe Academy	34,790.95	84,379.23	48,100.00
Armthorpe Parish Council	4,126.00	8,739.32	1,000.00
Armthorpe Shaw Wood Academy	32,329.74	74,824.90	26,700.00
Ash Hill Academy	50,437.08	122,034.88	75,300.00
Askern Town Council	2,348.42	10,771.40	400.00
Aspens Services Ltd - Catering Contract at McAuley Academy	6,319.87	23,326.06	0.00
Aston Academy	81,867.22	177,454.98	86,900.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Aston All Saints C of E School	10,133.16	28,949.42	15,830.16
Aston-cum-Aughton Parish Council	1,476.79	4,589.22	0.00
Auckley J&I Academy	13,902.84	39,001.69	11,000.00
Balby Carr Academy	87,580.12	201,894.17	137,700.00
Barnburgh & Harlington Parish Council	223.39	1,161.62	0.00
Barnby Dun Primary Academy	17,286.12	47,070.56	20,600.00
Barnby Dun with Kirk Sandall Parish Council	1,239.37	3,313.12	0.00
Barnsley Academy	38,817.32	84,077.23	18,500.04
Barnsley BIC Ltd	6,688.24	16,776.95	11,300.03
Barnsley College	445,508.18	807,013.01	285,900.00
Barnsley MBC	5,708,866.49	11,289,617.50	9,680,809.97
Barnsley Norse Ltd	59,136.21	195,058.07	-6,200.00
Barnsley Premier Leisure	127,384.78	218,866.64	94,700.04
Barnsley Schools (Non PFI 337)	8,322.51	28,766.96	4,099.92
Barnsley Schools (PFI 336)	34,509.40	126,464.68	4,100.04
Beck Nursery, Infant and Junior School	7,711.47	14,647.62	16,120.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Berneslai Homes	812,385.30	1,544,423.80	170,100.00
Bradfield Parish Council	5,513.94	19,254.21	-5,100.00
Bradfield School	27,289.19	71,309.88	34,500.00
Bramley Grange Primary	13,039.86	30,548.00	19,260.00
Brierley Town Council	0.00	0.00	6,200.04
Brinsworth Academy	74,508.41	145,688.29	5,100.00
British Red Cross (748)	861.49	3,866.91	0.00
Brookfield Primary Academy	14,042.83	34,790.74	19,200.00
Broomhill Infant School	9,965.86	26,378.17	2,100.00
Campsmount Academy	55,440.98	138,377.21	58,500.00
Canklow Woods Primary Academy	24,670.74	62,733.33	27,500.00
Capita (Outstanding Sheffield Programme)	60,705.09	156,982.39	-50,300.04
Carillion Government Services	10,333.42	32,915.84	6,000.00
Carlton Primary	15,688.65	39,963.72	15,799.92
Carr Lodge Academy	7,842.83	16,058.70	0.00
Carrfield Academy	13,473.32	40,840.10	16,004.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Carroll Cleaning Company (De Warenne Academy)	1,901.41	6,084.09	0.00
Castle Academy	10,026.62	33,118.88	11,299.92
Caterlink (Barnsley Academy)	2,829.58	8,914.98	0.00
Caterlink (Sheffield Park Academy)	4,105.55	13,771.15	0.00
Chapelton Academy	4,431.55	9,561.89	0.00
Chartwells (De Warenne Academy Catering)	5,305.70	23,147.09	0.00
Chaucer School	65,303.31	153,492.42	92,500.00
Churchill Contract Services	1,561.71	5,253.03	0.00
Civica (Barnsley Schools 335)	10,153.72	25,718.06	0.00
Civica (Sheffield ICT 627)	12,852.24	32,609.68	0.00
Civica (Sheffield Schools)	9,217.01	22,825.24	-5,100.00
Clifford C of E School	6,889.67	14,329.68	3,100.00
Coleridge Primary School	17,809.19	37,059.47	27,800.00
Community Action Halfway Home	1,208.76	3,334.43	11,300.04
Compass - Don Valley Academy Catering	3,098.76	24,384.64	0.00
Compass - RCAT Catering Contract	2,278.57	6,797.44	0.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Compass - Rossington All Saints Academy Catering	1,799.08	12,978.44	0.00
Compass (Armthorpe Academy)	5,174.80	17,079.96	0.00
Compass (Grange Lane Infants)	647.15	2,186.24	0.00
Compass (Hatfield Crookesbroom)	589.55	2,923.57	0.00
Compass (Hatfield Woodhouse)	1,040.42	4,679.33	0.00
Compass (Pheasant Bank)	885.40	4,751.40	0.00
Compass (Rowena)	372.41	1,960.07	0.00
Concord Junior School	12,644.17	26,401.61	21,099.96
Conisbrough Ivanhoe Primary Academy	15,516.10	34,984.49	15,800.00
Creative Support Ltd	5,330.58	16,673.94	0.00
Crispin & Borst	4,989.56	14,673.65	-3,100.00
Crookesbroom Primary Academy	10,467.81	27,028.80	14,900.04
Danum Academy	88,815.79	225,432.52	133,599.96
Danvm Drainage Commissioners	1,542.02	4,839.50	3,100.00
Darfield Valley School	11,064.02	26,364.10	15,208.00
Darton Primary School	13,449.97	37,847.01	23,570.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
De Warenne Academy	63,918.88	141,136.34	-5,100.00
Dearne Valley College	173,933.22	333,246.02	52,300.00
Dial a Ride	616.69	2,583.52	20,499.99
Dinnington High School	71,703.53	179,135.84	94,890.00
Dodworth St John the Baptist CE Primary Academy	11,806.68	24,510.64	22,099.92
Don Valley Academy & Performing Arts College	46,924.14	110,996.99	95,300.04
Doncaster Childrens Services Trust Ltd	856,962.91	1,638,875.21	0.00
Doncaster College	296,366.12	632,183.67	347,000.00
Doncaster Community Transport	3,394.37	12,572.02	-916.63
Doncaster Culture & Leisure Trust	45,603.67	107,295.48	149,800.00
Doncaster Deaf Trust	106,347.75	217,368.72	129,000.00
Doncaster MBC	6,857,744.08	14,013,704.67	-154,900.00
Dunsville Primary School	20,844.92	45,219.54	21,358.37
E-ACT Pathways Academy	34,685.83	77,161.19	23,900.00
East Dene Primary	21,237.62	45,418.86	27,000.00
Eastwood Village Primary School	5,239.14	10,214.00	0.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Ecclesfield Parish Council	1,533.85	6,168.91	0.00
Ecclesfield School	69,985.77	164,641.27	113,400.00
Edlington Town Council	5,459.68	16,706.58	4,100.04
Elsecar Holy Trinity CE Primary Academy	3,089.25	8,960.06	6,520.02
Emmanuel Junior School	10,239.15	26,587.30	19,329.96
Emmaus Catholic & CoE Voluntary Academy	16,495.48	40,251.56	30,290.00
Engie	8,480.03	28,813.77	8,200.00
Fir Vale School Academy Trust	53,310.75	104,503.32	75,300.00
First South Yorkshire Limited	320,784.97	1,147,085.08	1,500,000.00
Firth Park Academy	66,113.41	135,625.99	131,100.00
Flanderwell Primary School	17,759.33	35,760.34	29,190.00
Forge Community Partnership	8,252.77	14,877.13	0.00
Forge Valley School	57,953.47	143,604.39	154,044.61
Fox Hill Primary School	28,838.80	66,258.51	36,400.00
Gooseacre Academy	19,801.79	51,044.08	21,508.00
Grange Lane Infant Academy	9,385.22	30,336.00	14,400.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Greasbrough Academy	10,751.38	25,872.01	16,100.00
Great Places Housing Association	16,967.48	33,127.93	14,400.00
Greenacre Special School Academy	169,515.33	313,114.17	292,690.00
Greengate Lane Academy	7,569.07	18,340.79	12,300.00
Groundwork Dearne Valley	2,314.92	6,355.92	35,933.37
Hall Cross Academy Trust	115,512.07	264,676.00	124,300.00
Hallam Primary Academy	10,189.09	23,157.67	12,220.00
Handsworth Grange Academy	54,169.12	129,788.20	97,100.00
Hartley Brook Academy	50,535.11	96,373.60	53,400.00
Hatfield Academy	27,937.87	58,254.24	11,400.00
Hatfield Town Council	3,611.02	12,825.92	2,700.00
Hatfield Woodhouse Primary	11,326.04	32,262.64	13,700.04
Heather Garth Primary School	20,621.43	50,288.22	31,500.00
Herringthorpe Junior Academy	19,718.72	41,840.98	51,319.99
High Hazels Junior Academy	25,298.93	57,932.79	40,065.80
High Hazels Nursery Infants Academy	13,656.85	25,807.26	46,239.98

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
High View Primary Learning Centre	18,430.88	47,135.68	28,260.00
Highfields Primary Academy	8,088.07	18,912.68	9,500.04
Highgate Academy	17,226.19	43,518.99	25,500.00
Hillsborough Primary School	22,717.74	56,992.81	40,600.00
Hinde House 3-16 School	64,473.21	131,296.58	106,700.04
Holy Family Catholic Primary	10,942.55	26,631.89	16,866.04
Hoyland Common Primary School	25,844.96	51,035.44	53,900.00
Hoyland Springwood Primary School	7,551.55	23,260.41	9,900.00
Hungerhill Academy Trust	60,502.18	143,803.55	81,600.00
Independent Cleaning Services (Danum Academy)	5,616.98	19,303.38	0.00
Independent Cleaning Services Ltd - McAuley High	1,250.06	4,932.24	0.00
Independent Living at Home (Barnsley)	106,694.96	302,798.69	0.00
Independent Training Services Ltd	8,112.63	19,574.34	9,999.96
Interserve FM Ltd	1,360.65	4,081.94	27,699.96
KGB Cleaning - Doncaster College	3,209.28	10,094.78	0.00
Kier (Barnsley Housing Stock Maintenance)	98,441.15	267,180.22	-35,900.04

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Kier (Sheffield Adaptation of Social Housing 732)	33,805.09	94,998.34	0.00
Kier (Sheffield Corporate Property Repairs 730)	53,369.46	127,182.79	0.00
Kier (Sheffield Heating 735)	44,852.14	92,805.21	0.00
Kier (Sheffield Social Housing Repairs 731)	616,518.54	1,582,432.18	0.00
Kier Asset Partnership Services Ltd (620)	149,411.29	431,434.94	-217,500.00
Kier Managed Services (688)	10,392.64	36,518.68	-5,100.00
King Ecgbert School	63,789.29	135,780.67	69,800.00
Kirk Balk Community College	56,965.01	143,148.58	83,890.01
Kirk Sandall Infant School	22,065.06	49,974.61	18,975.00
Kirk Sandall Junior School	12,388.49	32,067.83	21,090.00
Laithes Primary School	7,947.52	15,358.41	15,900.01
Leonard Cheshire Disability	3,168.23	11,208.08	7,200.00
Listerdale Primary School	16,384.62	40,453.94	26,370.00
Littleworth Academy	24,022.84	66,690.26	37,408.00
Longley Park Sixth Form College	69,893.66	120,042.73	39,839.77
Lound Infant School	9,839.54	27,766.45	19,900.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Lound Junior School	15,713.21	44,094.18	19,600.00
Lowedges Junior Academy	18,720.32	37,382.75	19,129.49
Maltby Academy	95,836.42	184,503.96	0.00
Maltby Lilly Hall Academy	23,425.27	60,518.13	28,640.03
Maltby Manor Academy	23,307.59	53,909.64	30,380.04
Maltby Redwood Primary Academy	15,036.21	33,457.66	14,400.00
Mansel Primary School	24,386.51	54,391.51	35,200.00
May Gurney Fleet and Passenger Services Ltd	4,536.78	13,771.83	0.00
McAuley Catholic High School	62,618.28	151,634.89	103,320.00
Meadowhead School Academy Trust	63,045.93	129,484.90	92,340.00
Meadstead Primary Academy	20,632.96	46,733.31	30,432.05
Mellors - Brinsworth Catering Contract	2,174.02	7,114.98	0.00
Mellors (Danum Academy)	1,354.17	4,462.72	0.00
Mellors (Hinde House/King Ecgbert School)	3,382.87	12,608.85	0.00
Mellors (Longley Primary)	538.90	1,989.05	0.00
Mellors (Rawmarsh Comprehensive School)	902.66	3,183.95	0.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Mellors (Sheffield Schools)	619.36	3,018.03	0.00
Mellors Catering Services Ltd	4,101.37	13,944.69	0.00
Mexborough Academy	53,853.79	124,171.94	114,774.00
Meynell Primary School	28,317.69	79,970.72	41,700.00
Midshire Catering Ltd	588.73	1,883.99	0.00
Mitie Ltd	1,071.15	2,289.95	900.00
Monkwood Primary Academy	24,468.62	61,295.37	33,650.00
Montagu Academy	28,313.62	80,011.99	36,580.00
Monteney Primary School	43,973.35	90,068.01	53,000.00
Morrison Facilities Service Ltd	204,283.05	493,789.93	0.00
National Childrens Bureau	136,585.97	214,559.52	164,200.00
Nether Edge Primary Academy	11,681.21	23,841.37	24,959.97
Newfield Secondary School	41,586.49	93,934.50	80,500.00
Northern College	70,115.17	160,833.28	103,599.96
Northern Racing College	17,017.78	31,536.14	37,200.00
Notre Dame High School	71,064.97	145,972.29	25,700.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
NPS Barnsley Ltd	154,716.55	337,908.04	43,100.04
Oakhill Primary Academy	19,121.61	52,272.48	27,500.00
Oakwood High School	59,003.12	139,434.97	80,500.00
Oasis Academy (Firvale)	17,528.63	23,093.60	0.00
Oasis Academy (Watermead)	11,578.95	23,599.52	0.00
Oasis Academy Don Valley	6,704.74	9,234.20	0.00
Outwood Academy - Carlton	10,245.70	39,475.58	0.00
Outwood Academy Adwick	62,487.73	173,386.41	-10,299.96
Outwood Academy City	48,870.58	107,660.80	87,900.00
Outwood Academy Shafton	51,389.57	113,967.20	100,500.00
Parkwood Academy	66,171.69	126,451.14	-10,300.00
Penistone Town Council	3,389.99	9,211.95	4,100.00
Peter Duffy Ltd (BMBC Drainage Contract)	2,093.14	6,569.07	0.00
Pheasant Bank Academy	13,676.90	37,633.64	17,000.04
Places for People (747)	21,642.58	55,730.22	0.00
Places for People Leisure Limited	63,881.01	165,561.86	0.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Porter Croft C of E Primary Academy	14,642.28	32,758.36	25,566.66
Priory Campus Ltd	1,937.80	7,380.07	11,199.96
Queens Road Academy	14,072.24	33,290.10	18,000.00
R N N Group	278,240.30	576,229.77	172,633.34
Ravenfield Primary School	11,680.02	32,702.65	15,630.00
Rawmarsh Ashwood Primary School	14,844.33	40,303.11	23,829.96
Rawmarsh Community School	63,751.59	118,982.95	100,940.00
Richmond Hill Primary Academy	20,971.90	53,240.65	28,400.04
RM Education Ltd (Dearne ALC)	242.12	839.08	0.00
Rossington All Saints Academy	65,331.85	127,198.78	104,496.33
Rossington Parish Council	3,152.86	13,232.12	2,100.00
Roth Don and South Humber Mental Health NHS Foundation Trust	27,282.46	68,835.15	9,100.00
Rotherham MBC	7,499,827.56	15,191,067.33	18,646,000.00
Rowena Academy	14,574.65	39,188.08	19,700.04
Royston & Carlton Community Partnership	0.00	0.00	5,100.00
Royston Parkside Academy	17,107.67	39,042.48	21,600.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Royston St John the Baptist School	2,778.19	11,419.64	0.00
Royston Summer Fields Primary	12,060.97	27,046.66	16,999.92
Sacred Heart School, A Voluntary Academy	10,054.53	29,248.04	22,033.37
Sandhill Primary Academy	12,818.26	28,323.52	11,100.00
Sandhill Primary School	12,712.41	29,316.76	25,340.00
Shafton Primary Academy	12,690.56	30,584.65	18,900.00
Shaw Trust	3,901.55	15,590.33	2,900.04
Sheffcare Ltd	25,301.20	62,735.49	224,200.00
Sheffield City Council	11,838,973.99	23,241,489.84	0.00
Sheffield City Region LEP	1,448.06	822.83	0.00
Sheffield City Trust	125,076.64	257,813.35	-30,800.04
Sheffield Community Transport	20,332.25	65,002.62	14,799.96
Sheffield Futures	160,901.19	343,667.45	165,400.00
Sheffield Galleries & Museums	9,368.28	19,151.52	39,000.00
Sheffield Hallam University	3,324,558.13	5,722,581.63	2,957,923.12
Sheffield Health & Social Care NHS Foundation Trust	108,401.69	273,356.27	173,400.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Sheffield Industrial Museums Trust Ltd	18,960.47	42,496.02	6,700.00
Sheffield International Venues Ltd	35,276.32	68,247.16	211,100.00
Sheffield Mind Ltd	5,554.73	18,443.21	19,299.96
Sheffield Park Academy	52,556.90	106,167.49	24,600.00
Sheffield Springs Academy	50,483.08	101,382.51	18,500.04
Sheffield Students Union	5,138.49	16,261.91	8,900.04
Sheffield Unison	5,494.10	9,458.02	6,200.00
Silkstone Parish Council	906.72	1,688.52	199.92
Silverdale School	52,751.55	115,974.19	69,600.00
Sir Thomas Wharton Community College	50,798.25	112,961.65	64,716.63
Sitwell Junior School	14,735.35	32,324.92	23,110.00
South Yorkshire Fire Authority	334,105.12	656,915.28	551,004.00
South Yorkshire Housing Association	9,764.72	23,835.90	30,800.00
South Yorkshire Passenger Transport Executive	339,918.11	592,157.19	0.00
South Yorkshire Pensions Authority	174,312.15	335,790.56	188,800.00
Southey Green Primary School & Nurseries	50,911.56	114,104.31	51,800.04

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Springwell Alternative Academy	39,521.16	68,217.71	79,817.39
Springwell Special Academy	34,811.90	54,220.04	78,678.40
Springwood Junior Academy	7,468.07	19,490.75	12,440.00
Sprotbrough & Cusworth Parish Council	2,893.59	11,721.48	1,300.00
St Anns RC Primary School	4,542.85	13,728.77	2,600.00
St Bedes Catholic Primary School	18,794.86	46,050.51	28,875.00
St Bernards Catholic High School	39,949.09	76,063.39	66,999.96
St Catherines Catholic Primary School	31,621.89	67,064.96	40,400.00
St Gerards Catholic Primary - Thrybergh	9,329.64	26,014.84	13,400.00
St Helens Primary Academy	17,807.76	39,570.87	21,500.00
St John Fisher Primary Academy Trust	12,700.03	39,672.22	3,200.00
St Josephs Catholic Primary (Dinnington)	10,490.26	23,984.30	16,044.00
St Joseph's Catholic School (Rossington)	10,381.39	38,406.31	17,496.00
St Josephs Primary School	12,694.82	41,784.66	1,800.00
St Leger Homes of Doncaster	1,105,093.72	1,991,343.16	240,100.00
St Maries School Catholic Voluntary Academy	17,060.99	36,207.90	22,800.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
St Marys Academy Trust	19,010.25	46,240.24	14,400.00
St Marys C of E Academy (Walkley)	12,575.71	29,666.38	26,240.00
St Mary's Catholic Primary (Maltby)	12,673.20	35,240.37	14,500.00
St Mary's Catholic Primary School (Herringthorpe)	13,701.95	40,720.83	16,299.96
St Marys Primary School (High Green)	10,423.89	29,855.09	16,999.92
St Oswalds CoE Academy	10,660.55	32,521.82	10,400.00
St Patrick's Catholic Academy Trust	16,404.27	49,506.14	12,300.00
St Theresas RC School	11,216.87	35,426.65	5,400.00
St Thomas More Catholic Primary - A Voluntary Academy	1,761.44	4,493.07	3,760.00
St Thomas of Canterbury Trust	12,365.50	33,218.83	19,900.00
St Wilfrids Academy	28,139.81	35,905.43	0.00
St Wilfrid's Catholic Primary School	17,902.09	43,481.37	20,700.00
Stainforth Town Council	1,416.60	4,370.99	9,200.04
Stocksbridge Town Council	1,417.48	3,739.19	1,000.00
SYITA (Properties) Ltd	1,580.07	4,983.30	0.00
Tapton School	68,473.60	140,835.42	95,400.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Taylor Shaw - Forest Academy Catering Contract	640.82	2,388.49	0.00
Taylor Shaw - St John Fisher Academy	196.48	599.90	0.00
Taylor Shaw (Bradfield School)	937.94	4,553.34	0.00
Taylor Shaw (Parkwood Academy)	1,499.99	6,786.45	-999.96
Taylor Shaw (Sheff School Meals Central Contract)	46,150.86	172,550.89	0.00
Taylor Shaw (Sheffield Catering 618)	1,415.62	6,431.18	-3,099.96
Taylor Woodrow Construction (Cleaning 617)	1,165.67	4,514.07	-2,100.00
Taylor Woodrow Construction (Sheffield Schools 698)	2,816.59	8,553.78	-2,100.00
The Academy at Ridgewood Trust	66,781.38	153,640.45	80,000.00
The Centre for Full Employment	9,204.43	21,402.25	18,500.00
The Chief Constable	3,304,801.63	5,598,772.33	2,200,000.00
The Forest Academy	37,857.73	55,794.41	15,099.96
The Hayfield School	49,654.93	150,165.43	21,500.00
The Hill Academy	31,725.01	70,359.34	31,108.00
The Mill Academy	13,666.63	42,797.92	33,783.45
The Sheffield College	621,272.36	1,414,106.18	479,900.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Thomas Rotherham College	63,668.99	146,076.36	28,580.02
Thorne Moored Town Council	6,210.96	20,198.64	13,300.00
Thrybergh Academy & Sports College	60,120.05	122,589.37	85,298.31
Thrybergh Fullerton Primary	6,792.77	16,087.87	11,329.92
Thrybergh Parish Council	1,990.23	6,935.85	100.00
Thrybergh Primary School	14,356.19	37,611.27	18,950.08
Thurcroft Junior Academy	10,658.77	25,744.34	14,600.00
Totley All Saints C of E School	10,107.68	32,624.98	5,100.00
Totley Primary School	10,854.01	29,913.37	19,999.92
Trinity Academy	68,486.79	156,738.27	12,000.00
Trinity Croft C of E Primary Academy	6,026.29	10,551.45	7,920.00
Trustclean (Bramley Grange Primary)	182.58	675.43	0.00
Trustclean (Mexborough Highwoods)	309.58	1,131.43	0.00
Trustclean (Wath CE School)	196.96	834.07	0.00
Trustclean (Wath Victoria Primary School)	468.07	1,446.89	0.00
Trustclean Ltd (Athersley North)	667.83	2,281.58	0.00

Report of the Clerk

Employers' Contribution Returns for 2015 - 2016

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Tuscan Connects Ltd	43,930.49	85,208.02	30,234.75
University Technology College (Sheffield)	22,903.89	40,681.54	0.00
Upperwood Academy	17,470.50	50,306.02	19,000.00
Valley Park Community Primary	30,502.18	72,131.12	69,160.00
Valuation Tribunal	2,246.41	6,010.19	0.00
Veolia Environmental Services PLC	155,363.92	496,554.31	57,699.96
Vinci Construction UK Ltd (Bradfield FM)	1,877.18	6,791.95	0.00
Voluntary Action Barnsley	3,965.58	10,401.72	10,299.96
Voluntary Action Rotherham	1,678.56	5,525.76	0.00
Wales High School (Academy Trust)	88,508.02	205,003.82	5,100.00
Wentworth Castle & Stainborough Park Heritage Trust	7,112.41	18,036.08	25,700.04
West Meadows Primary School	15,757.59	45,001.04	21,100.00
Whiston Junior & Infant School	11,290.79	28,197.77	12,500.00
Whiston Worrygoose Junior & Infant School	15,485.68	42,414.34	19,800.00
Wickersley Northfield Primary	25,251.63	65,851.60	37,800.00
Wickersley Parish Council	1,718.28	3,280.46	0.00

Employer	Employees Contributions (£)	Employers Contributions (£)	Deficit Payment* (£)
Wickersley School and Sports College	165,897.27	350,735.06	193,800.00
Wickersley St Albans C of E Primary School	13,219.70	34,673.62	18,609.96
Willmott Dixon Partnership Ltd	205,222.28	509,477.84	67,300.00
Willow Primary	12,591.24	34,798.06	15,399.96
Wincobank Nursery & Infant School	12,164.28	27,524.93	21,150.00
Wingfield Academy	49,981.94	106,750.96	63,400.00
Winterhill School	12,836.18	30,266.17	21,750.00
Wisewood Community Primary	6,274.05	17,326.98	12,380.00
Wombwell Park Street Primary School	7,827.49	15,538.07	13,470.00
XP School	3,069.03	5,596.69	0.00
Yewlands Academy	55,136.00	114,332.11	96,300.00

All figures shown are basic contribution payments and do not include any arrears or cash injections that may have been paid by the employer.

***Key**
A **minus** figure indicates that the funding requirement is in surplus.
A **nil** figure indicates that no extra funding is required.

Report of the Clerk

Service Delivery

Our performance in terms of meeting our published service standards over the year ending 31st March 2016 are given in the table on page 67.

In addition to the key service standards, shown on the next page, we have processed around 59,000 other items of casework during the year. These include changes to key membership data when scheme members have variations to their contracts of employment or leave to work with other scheme employers within the Fund.

Aside from the performance standards we continue to provide regular newsletters to our members as well as information

booklets and other web based content. Annual Forecasts were issued to active and deferred members during the year and we held our Annual Fund Meeting in October which was well supported and appreciated by those who attended. We also have Facebook and Twitter accounts to encourage members of all ages to engage with the Fund.

Paying our 46,000 plus pensioners remains our top priority and we continue to do so without fail.

Key Service Standard	Target Days	Number Processed	In Time	Performance 2015 - 2016	Previous Year 2014 - 2015
Setting Up a Record	5	6653	3599	54.1%	43%
Transfers In	7	192	67	34.9%	81%
General Enquiries	5	2659	2103	79.09%	88%
Additional Benefits	12	924	791	85.61%	45%
Pension Rights on Divorce	5	281	143	50.89%	83%
Retirement Estimates	5	1813	994	54.83%	90%
Refund of Contributions	9	580	432	74.48%	69%
Preserved Benefits	20	4944	3335	67.46%	75%
Transfers Out	5	219	105	47.95%	89%
Retirement Benefits	5	2893	2251	77.81%	90%
Death Benefits	4	1398	969	69.31%	73%
All Key Tasks	-	22,556	14,789	65.57%	73.28%

On first glance the above statistics don't seem to back up our statement that we are on the road to recovery, however the previous year's figures include a period before the transition to our new pensions administration system resulting in a higher overall performance.

Report of the Clerk

Service Delivery continued

Our performance rating against satisfaction levels given by employers and members for 2014 - 2015 & 2015 - 2016.

		VERY SATISFIED	
		2014 - 2015	2015 - 2016
EMPLOYERS	0%	38%	
MEMBERS	66.2%	38%	
		SATISFIED	
		2014 - 2015	2015 - 2016
EMPLOYERS	0%	59%	
MEMBERS	32.4%	51%	
		DISSATISFIED	
		2014 - 2015	2015 - 2016
EMPLOYERS	0%	3%	
MEMBERS	0%	0%	
		VERY DISSATISFIED	
		2014 - 2015	2015 - 2016
EMPLOYERS	0%	0%	
MEMBERS	0%	11%	

The ratings shown are derived from responses to our consultation questionnaires. Each questionnaire ends with a specific question about overall satisfaction with SYPA.

Disappointingly the satisfaction levels have seen a big drop from previous years. This is mainly due to a complaints survey issued that only 4 members completed. One member was very dissatisfied with our service which represents 8% of the total. However given the nature of the consultation, this is not unexpected.

Report of the Clerk

National Benchmarking

Each year we participate in a national pension administration benchmarking survey which measures our performance along with our cost effectiveness against other Local Government Pension Funds (in 2015 there were 44 participants). The results enable us to make relevant comparisons in order to monitor how effectively we administer the pension scheme.

Opposite is a summary of the latest results from the benchmarking report issued at the end of August 2015. Due to the timing of the report this will always be one year out of step with the period covered by the annual report.

The benchmarking results once again show our costs to be below average. This is something we

29 th August 2015	
Cost per member <i>(Benchmarking average</i>	£17.86 £19.17)
Payroll cost per pensioner <i>(Benchmarking average</i>	£3.35 £8.16)
Number of employers <i>(Benchmarking average</i>	414 223)
SYPA retirees opting for maximum cash lump sum <i>(Benchmarking average</i>	94% 60%)
Staff with more than 15 years experience <i>(Benchmarking average</i>	43% 32%)

have consistently maintained over the last twelve years and the 2015 result is the lowest since 2004. Whilst the results do not give an indication of the quality of service the member can expect to receive from us we know from our external verification (Customer Service Excellence) and our consultation surveys that this is highly rated too.

From the bare facts we can derive that, in terms of cost, our overall unit costs are below average as are our combined staff and payroll costs. Only our overheads are shown to be above average. The overall cost per member has reduced for the fifth consecutive year despite the fact that the amount of workload continues to increase.

Report of the Clerk

Investment Management



John Hattersley, Fund Director

As with most things risk is ever present in the investment world. It is just a fact of life. However, it needs to be recognised that not all risk is the same or even equally bad. It does take time to manage risk in whatever form it takes, though, and the investment world is notorious for devoting a lot of time trying to assess actual and potential risk. That does not mean, of course, that investors are good at assessing risks or, more importantly, discerning ‘unknowable’ risks. Having a bad track record doesn’t prevent forecasters and policy-makers from pouring significant resources into the task. How many predicted the 2008 financial crisis, for example? How many have ever predicted a recession?

Despite these limitations a pension fund cannot be managed without undertaking some sort of risk assessment and without indulging in some predicting. Without that analysis it would be impossible to achieve the investment returns needed to meet the liability requirements of the Fund. The art is to remember the scale of the limitations. Predicting the future against a backdrop of unrecognisable factors is probably futile anyway. The global economic landscape that prevails today cannot be found in any textbook or, indeed, in the historical experience of even the most seasoned investor. It is certainly unfamiliar. Readers of previous annual reports will be aware of just how

much investment markets have been distorted by central banks and monetary authorities as they have attempted to stimulate global financial recovery following the banking crisis. They were designed to pull forward in time the consumption of goods and accelerate asset price returns. Unfortunately, growth in the developed world continues to disappoint with the huge expansion in the levels of debt failing to deliver. Money creation, low interest rates and depressed bond yields have restored some confidence in the banking system but the real economy has not, as yet, seen the initiatives translated into recovery. This is partly due to the need to undertake politically unpalatable reforms being

shunned in favour of more procrastination but it also reflects the unprecedented, and largely unrecognised, scale of the original crisis. Even though as the financial year progressed investors continued to want to hear just good news, more began to recognise the increasing ineffectiveness of central banks’ actions. Repeating the same moves whilst hoping for different outcomes doesn’t work. Although day to day market movements were dominated by the short term worries highlighted in the Advisors’ Report, such as China’s slowdown, the dramatic fall in commodity prices, the strength of the US dollar, it was these wider worries which provided the backdrop and

caused the uncertainty. As the year drew to a close most asset markets were beginning to look richly valued and, therefore, potentially vulnerable. There are indications that corporate profitability has peaked for this cycle alongside the ultra-low financing costs which have encouraged dividends and share buybacks. In this context circumspection seems to be appropriate. Viewed against this background the Fund’s return of 0.5% versus 0.1% for its benchmark isn’t as disappointing as it first seems. The long term track record remains good though we could have countered some of the issues set out above a little more effectively. The Fund

Report of the Clerk

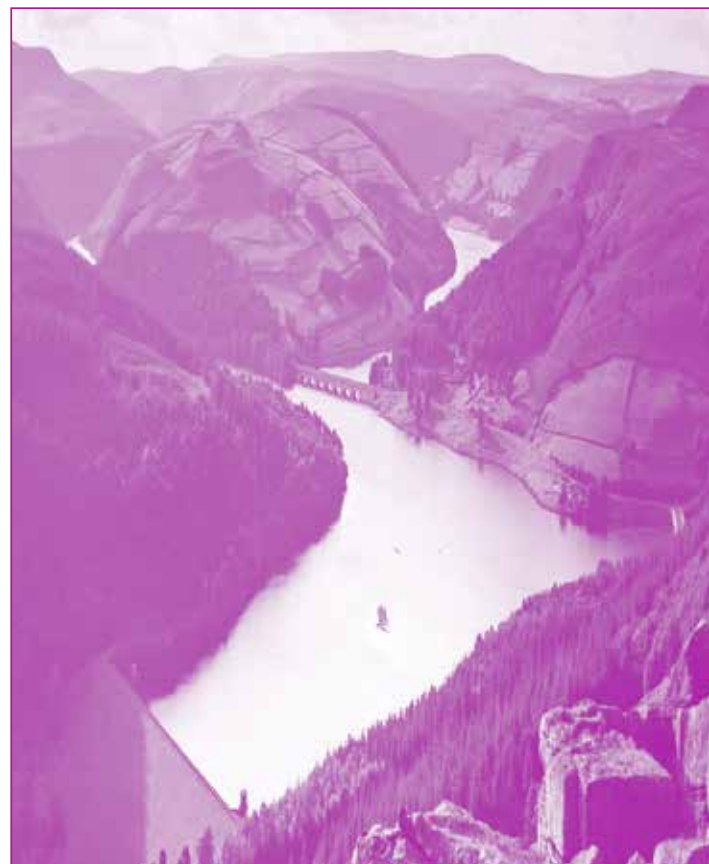
Investment Management continued

continued to favour risk assets and remained underweight in bonds and overseas equities continued to be favoured ahead of UK shares. The Fund's commercial real estate portfolio performed well but for the second year running the overall property return was affected by a disappointing agricultural valuation and the poor performance of the European investments. Private equity continued to perform well and significant commitments were made to the credit and income fund portfolio. The restructuring of the Fund's customised benchmark announced last year was completed as the conventional corporate bond strategy was replaced by a more bespoke buy and maintain one.

The Government's proposals to force the amalgamation of LGPS assets into regional pools have taken up a lot of officer and Member time. The Fund identified the "Border to Coast Partnership" as its preferred pool partner based upon its focus on internal management and the commonly held principles. At the time of writing the Government has confirmed that Border to Coast meets its basic requirements but much of the detail has yet to be addressed. It is already clear that there are many complex issues to be resolved and, one suspects, many more waiting to be discovered. What is clear is that the exercise will result in a significant increase in investment management costs for this Fund and a dilution in democratic control and supervision. During

the year Members reviewed the Authority's Responsible Investment Policy with a particular focus on climate change matters. More information can be found elsewhere within this report.

Although anything other than another challenging year ahead with potentially increased volatility looks unlikely, managers will continue to strive to navigate a smoother course in order to achieve the Fund's investment objectives. As, hopefully, greater clarification emerges over the structure of the "pooling" regime attention and resources can become more focussed on the issues that will arise out of the 2016 actuarial valuation and the need to sustain an affordable LGPS and South Yorkshire Pension Fund.





4

investment
**FIGURES &
REPORTS**

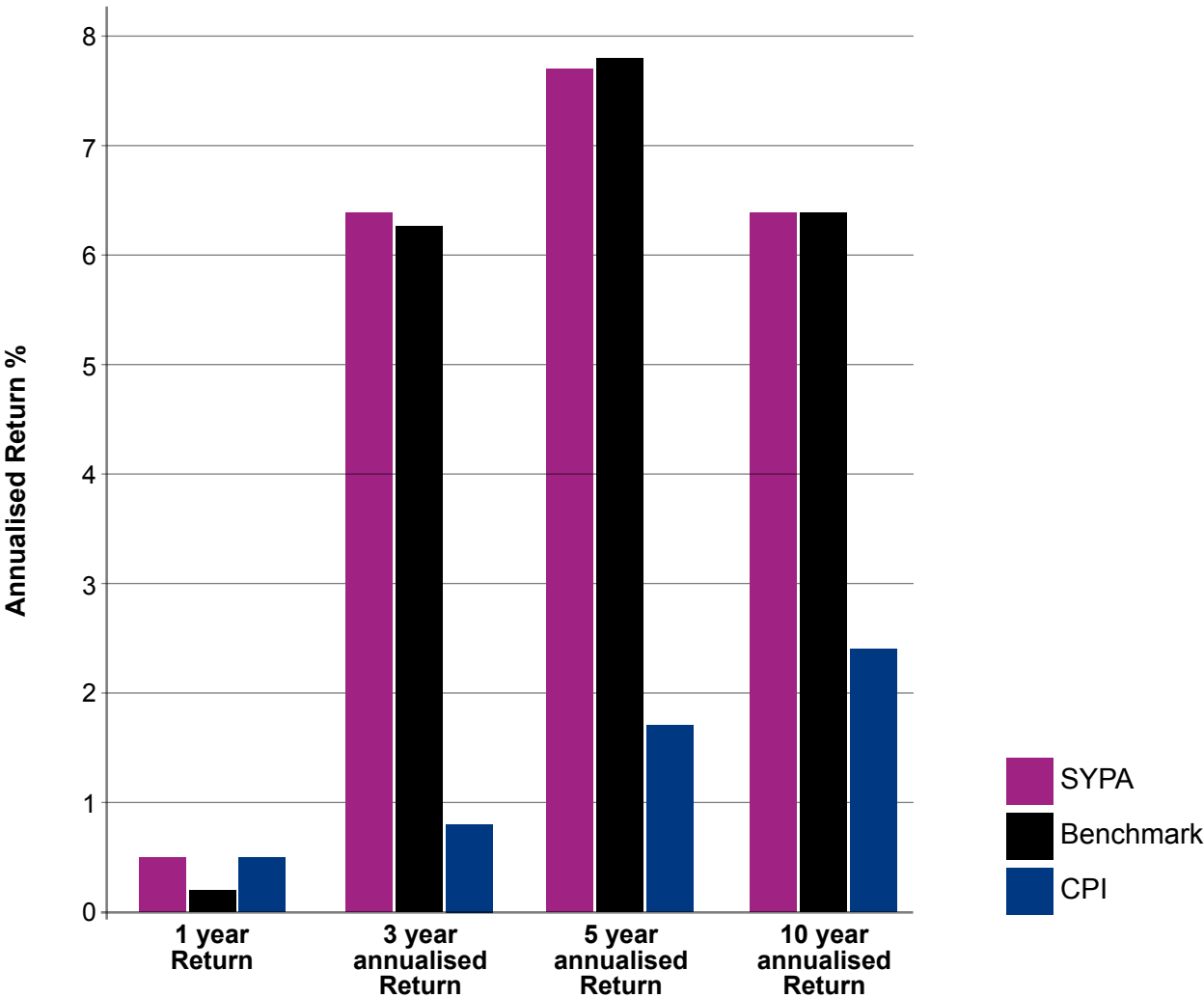
Report of the Clerk

10 Year Annualised Figures - Comparison with Benchmark

CATEGORY	1 Yr Return		3 Yr Annualised Return		10 Yr Annualised Return	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
UK EQUITIES	-3.3	-3.9	4.1	3.7	5.2	4.7
OVERSEAS EQUITIES						
Europe	-4	-4.2	6.7	6.5	5.5	4.9
US	5.4	5.1	13.3	13.8	9.3	9
Japan	1.8	-3.3	8.4	6.6	3	1.7
Pacific-x-Japan	-7.4	-7.8	1.4	1.1	8.3	7.6
Other Intl	-8.1	-6.8	-4.6	-5.1	3	4.4
TOTAL OVERSEAS	-2	-2.4	6	5.6	6.6	6.2
TOTAL FIXED INTEREST	1.9	1.5	5.8	6.1	7	7.5
PROPERTY	8	10.9	11.4	14.1	6.8	4.8
PRIVATE EQUITY	11.2	4.6	12.7	5.2	7.9	5.2
ABSOLUTE RETURN FUNDS	4.7	4.6	5.4	5.2	n/a	
CASH	0.4	0.3	0.5	0.3	1.9	
TOTAL RETURN	0.5	0.1	6.6	6.4	6.3	6.3

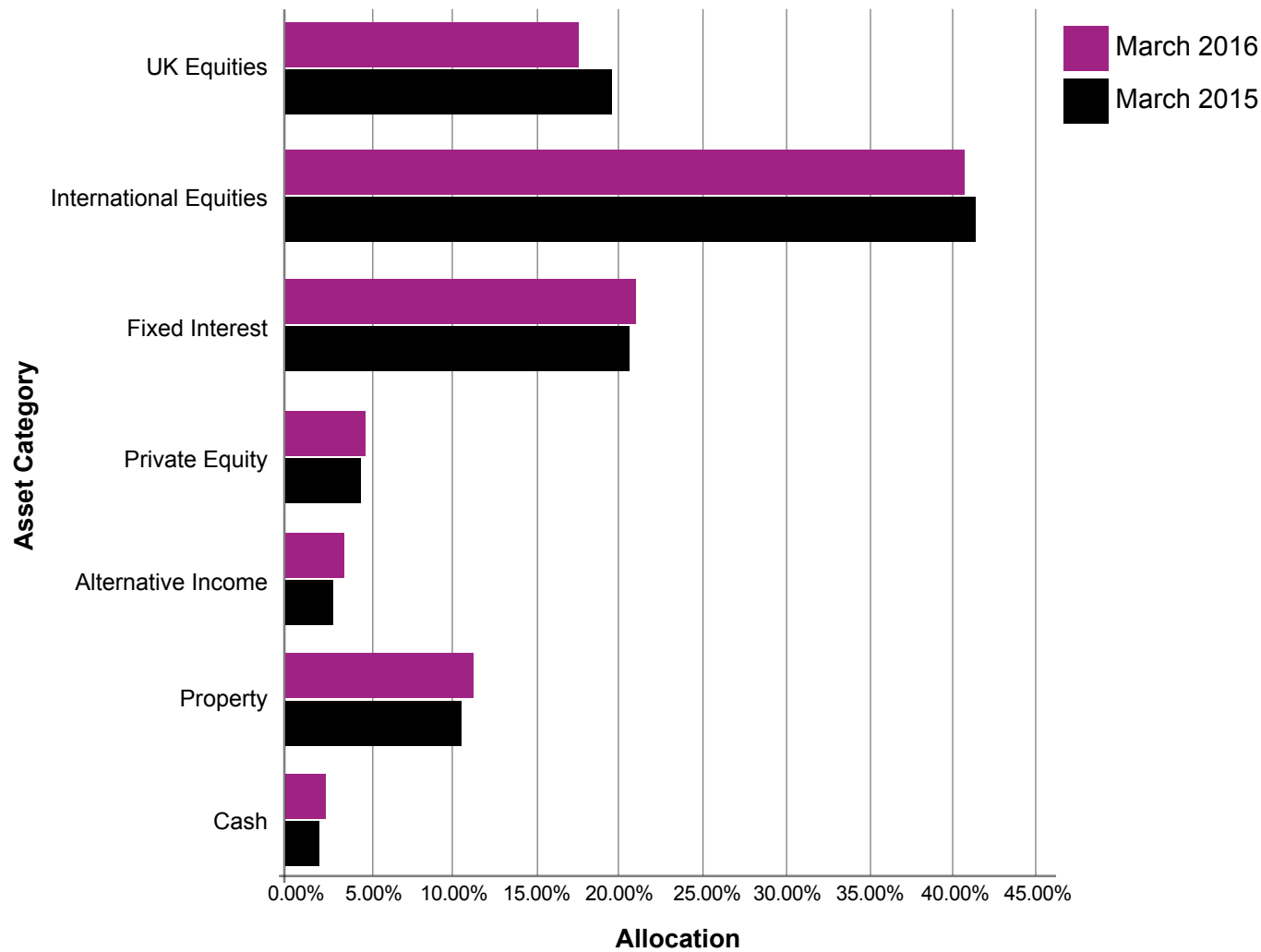
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Fund Performance



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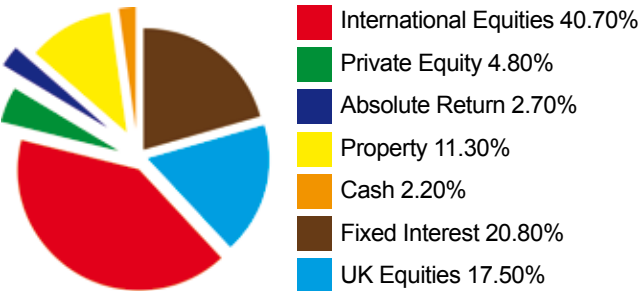
Portfolio Structure



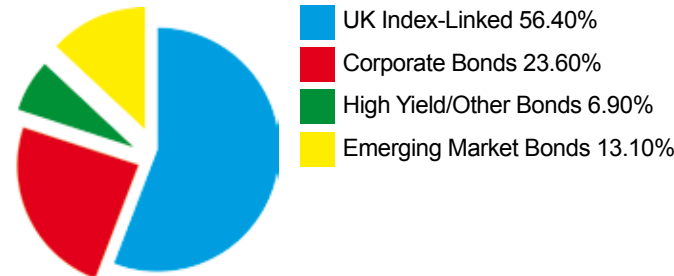
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Benchmark Asset Allocation

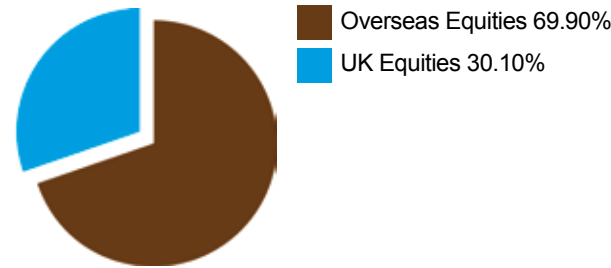
Asset Allocation



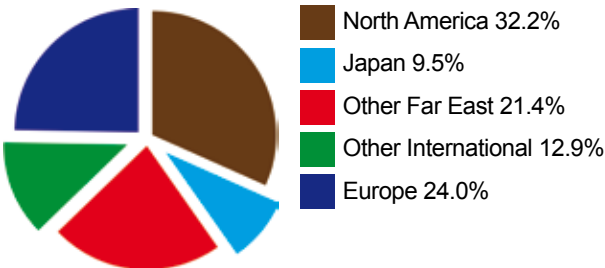
Bond Split



UK/Overseas Equity Split



Overseas Equity Asset Allocation



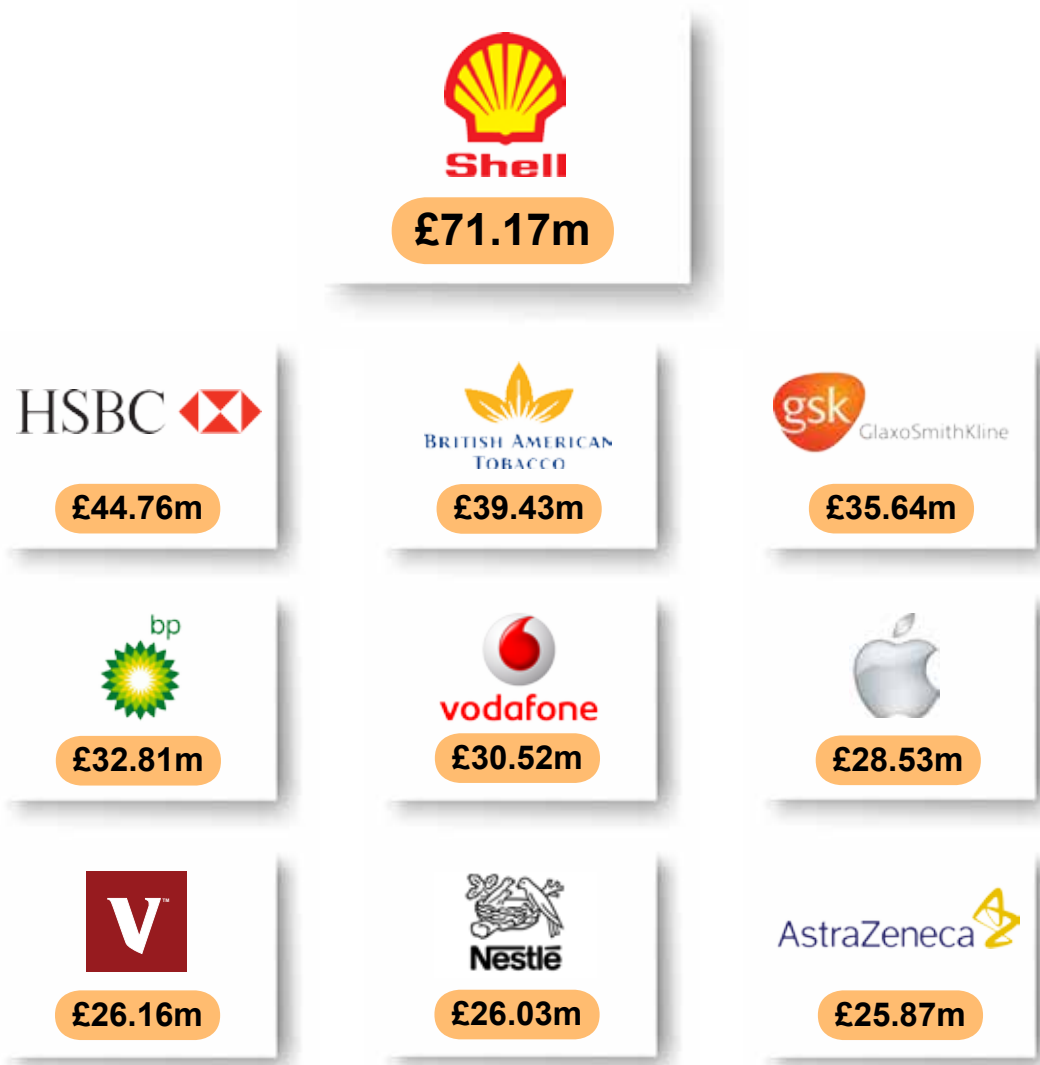
Report of the Clerk

Ten largest directly held publicly quoted bond holdings by market value:-

31 March 2016	£m
UK Index Linked 0.75% 2047	88.99
UK Index Linked 0.125% 2046	61.54
UK Index Linked 0.50% 2050	58.60
Network Rail 1.375% 2037	55.20
UK Index Linked 0.75% 2034	50.61
UK Index Linked 0.125% 2058	49.66
UK Index Linked 0.25% 2052	47.55
UK Index Linked 1.25% 2055	43.96
UK Index Linked 0.125% 2068	38.47
UK Index Linked 0.625% 2042	33.98

Report of the Clerk

Ten largest directly held publicly quoted equity holdings by market value - at March 2016



Report of the Clerk

Five largest holdings in externally managed investment funds by market value

	£m
Marathon Japan Equity Fund	137.50
Aberdeen Latin America Equity Fund	68.51
Coronation Global Opportunities Fund - All Africa	43.77
Traditional Funds plc - Eastern Europe	33.74
Standard Life UK Shopping Centre Trust	23.23



Report of the Clerk

Statistics

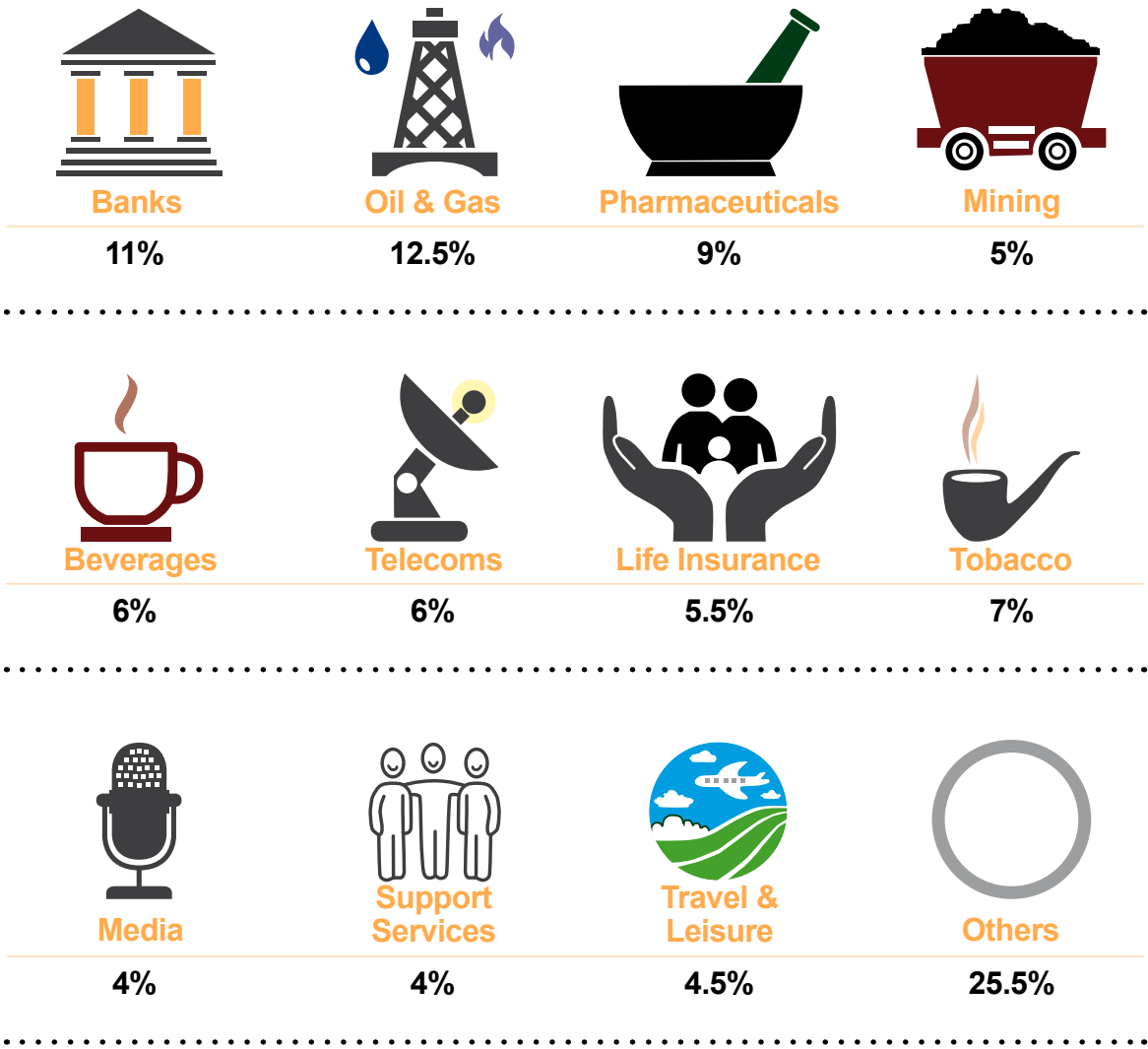
	March 16*	March 15*
UK equity indices		
FTSE 100	6175	6773
FTSE All Share	3395	3664
Overseas equity indices		
S&P500 (USA)	2060	2068
Euro Stoxx 50 (Europe)	3005	3697
Topix (Japan)	1347	1543
Hang Seng (Hong Kong)	20777	24901
MSCI Emerging Markets	837	995
Key commodities		
Brent Crude Oil	40	55
Gold US\$	1234	1183
Key currencies		
GBP-USD	1.44	1.48
GBP-EUR	1.26	1.38
EUR-USD	1.14	1.07
USD-JPY	112.57	119.95

	March 16	March 15
UK Government bond yields		
UK 1 Year Gilt Yield	0.40%	0.38%
UK 2 Year Gilt Yield	0.44%	0.44%
UK 10 Year Gilt Yield	1.42%	1.61%
UK statistics		
UK GDP YoY% change	2.1%	3.0%
UK CPI YoY Change	0.5%	0.00%
UK unemployment rate	5.1%	5.70%
UK Base Rate	0.5%	0.5%

*Rounded to whole number. Source: Bloomberg

Report of the Clerk

Breakdown of FTSE 100



Report of the Clerk

Market returns to 31 March 2016






	Yield % p.a. 31 March	Returns to 31 March 2016 (sterling, % p.a.)		
		1 year	3 years	5 years
EQUITIES				
Global	2.6	-0.5	8.2	8.2
UK	3.8	-3.9	3.7	5.7
Developed markets ex UK	2.5	0.8	9.9	9.7
Emerging markets	3.1	-8.9	-1.8	-1.5
BONDS				
Conventional gilts	1.9	3.2	4.6	6.7
Index-linked gilts	-1.0	1.7	5.1	8.6
Sterling corporate bonds	3.7	0.1	5.2	7.3
High yield (US)*	8.6	-4.0	1.8	4.7
Emerging market debt	6.9	0.8	-5.5	-0.3
UK PROPERTY	-	11.7	14.6	10.5
HEDGE FUNDS*	-	-5.2	2.3	2.6
COMMODITIES	-	-10.2	-13.9	-10.0







* Return in \$

Source Datastream:
FTSE All Share
FTSE World Developed ex UK
FTSE All World
FTA Govt All Stocks
FTA Govt Index Linked All Stocks
iBoxx Corporate All Maturities
BofA ML US High Yield Master II
JPM GBI-EM Diversified Composite
UK IPD Monthly
Credit Suisse Hedge Fund
S&P GSCI Light Energy

Report of the Clerk

Treasury Management Deposits with Institutions

Bank Deposit Accounts		Rating as at 31 March 2016	Balances as at 31 March 2016 £'000	Balances as at 31 March 2015 £'000
HSBC Call A/C		F1+ -Fitch	14,601,000	9,973,000
ANZ Bank		F1+ -Fitch	15,000,000	-
DZ Bank		F1+ -Fitch	15,000,000	-
Canadian Imperial Bank of Commerce		F1+ -Fitch	-	15,000,000
DBS Bank		F1+ -Fitch	-	15,000,000
Landesbank Hessen (Helaba)		F1+ -Fitch	15,000,000	15,000,000
Lloyds Bank PLC		F1 -Fitch	-	10,000,000

Bank Deposit Accounts		Rating as at 31 March 2016	Balances as at 31 March 2016 £'000	Balances as at 31 March 2015 £'000
Lloyds Bank Capital A/C		F1 -Fitch	13,191,000	-
National Bank of Canada		F1 -Fitch	15,000,000	10,000,000
Oversea Chinese Banking Corporation		F1+ -Fitch	15,000,000	10,000,000
SMBCE		F1+ -Fitch	15,000,000	-
United Overseas Bank		F1+ -Fitch	15,000,000	15,000,000
Nat West*		F2 -Fitch	-	10,000,000

*Nat West Call a/c closed August 2015 re downgrade to F2

Report of the Clerk

Property

The Fund holds direct UK property assets, valued at just over £600m, in a diversified portfolio of agricultural, industrial, office and retail properties. These include single-let and multi-let industrial and office buildings and are located throughout the United Kingdom. In addition, the Fund has holdings in some specialist UK and European property funds which give exposure to assets and sectors which it would otherwise find difficult to gain access.

During the year the Fund sold two buildings: one was a supermarket in the North West of England and the other was a central London office block. It bought two multi-let industrial estates: one in north London and one in Berkshire.

The development programme in Edinburgh continues with three further sites either in solicitors' hands or awaiting formal planning approval. Looking forward the target is to increase exposure to the growing trend towards trade

parks and regional logistical units whilst realising value from within the office portfolio. Further incremental purchases of top grade agricultural land were made during the year although these were partially offset by the disposal of some lesser quality bare land to a neighbouring occupier.

As the year drew to a close uncertainty lingered over the property industry and it appeared to be operating at walking pace, with reduced transactional

activity in both the occupier and investment markets. The increase in stamp duty announced in March did not cause this by itself but it was one of a number of underlying issues in play, not the least of which was the upcoming EU Referendum.

The market still appears to be fundamentally strong with rents in many markets on an upward trajectory and supply constrained but this is reflected in asking prices to a degree. In circumstances such as these the

ability to realise value through active asset management becomes more important and the Fund has always pursued programmes to achieve this, be it by refurbishing units upon surrender, upgrading common parts and enhancing estate surroundings or by converting redundant farm buildings into dwellings.

The current strategy is to continue to dispose of holdings which are expected to underperform and to reduce the

number of its smaller buildings so that the average size of the holdings is increased. At the same time managers continue to strive to improve the quality of the portfolio's income stream.

Report of the Clerk

Property

Property Investments at; **31 Chertsey Street, Guildford**; **Augustine Retail Park, Grantham**; **Oxgate Staples Corner, London**; **Park 34, Didcot**; **Honda, Edinburgh**. *Photographs supplied by courtesy of Standard Life Investments*



At the end of March 2016 the five largest direct commercial holdings by market value were :

1. Queen Victoria Street, London.
Office
£36.1m
2. Stockbridge Road, Chichester.
Student accommodation
£28.9m
3. Winterhill Retail Park, Milton Keynes.
Retail warehouse
£26.2m
4. High Street, Epping.
Retail
£23.6m
5. Cavendish Street, London.
Office
£21.8m



5 the GOVERNANCE

Report of the Clerk

Responsible investing, corporate governance and shareholder engagement

At its simplest corporate governance is about ensuring that the companies in which the Fund invests are using robust and responsible operational processes and policies. These are essential for financial success. At the same time the Fund recognises that social, environmental and external considerations can also affect financial return. There is evidence that those companies which adopt best practice in corporate governance matters ultimately outperform those that do not. Accordingly, it is fit and proper for the Authority to take such considerations into account when making investment decisions.

This is, of course, more easily said than achieved. The best long-term interests of Fund members requires the Authority to protect and enhance the economic value of the companies in which it invests. Whilst there are some overarching principles of corporate governance that apply globally practices do vary considerably and the Authority tailors its engagement accordingly. The Authority believes that the pursuit of standards of best practice aligns the interest of Fund members with those of fellow shareholders and with society as a whole and, therefore, will not actively disinvest from companies solely or principally because of social or ethical or environmental reasons. As a responsible institutional investor the Fund seeks to influence companies' governance arrangements, environmental,

human rights and other policies by positive use of shareholder power. While it will never be possible to calculate the exact contribution engagement makes the Authority is convinced that without it the Fund's long-term returns would be lower and more volatile. Selling shares is not an effective tool for delivering change.

The Fund has limited resources and recognises that it is not always possible for it to conduct constructive engagement alone: therefore, it will enter into collaboration with other like-minded investors when the occasion warrants doing so and circumstances allow. The Authority is an active member and supporter of the Local Authority Pension Fund Forum and encourages LAPFF in its campaigns and initiatives.

Active ownership requires the use of shareholder rights to improve the long-term value of a company and incorporates both voting and engagement strategies. The Authority regards its voting rights as an asset and uses them carefully, exercising its votes where practicable on its British, European and North American holdings. The Authority has its own bespoke UK voting guidelines which are reviewed annually and can be viewed on the Authority's website.

During last year the Fund exercised its voting rights at a total of 864 meetings across the UK, Europe and North America. The meetings were a mixture of AGMs, EGMs and Court Meetings. The Authority supported 8764 resolutions and voted against 2586. Most of the UK oppose votes concerned the

Annual Report & Accounts, directors and auditors. The Authority co-filed shareholder resolutions at the AGMs of BP and Shell last year and has co-filed at the 2016 meetings of Rio Tinto, Anglo American and Glencore.

Engagement is the process by which investors use their influence to encourage investee companies to improve their management of environmental, social and guidance (ESG) issues which may improve the companies' financial performance. The Authority engages with companies, either directly or through collaborative organisations when needed. Much of the activity over the current financial year has been routed through the Local Authority Pension Fund Forum. The Forum uses a combination of

conference calls, meetings with senior management and Chairmen, attendance at AGMs and letters to contact companies and whilst engagement tends to focus on UK-based entities a significant amount of work took place with overseas companies last year. The topics raised included carbon management, employment standards, remuneration and board composition. An Authority officer attended the AGMs of Next and BHP representing the Authority and LAPFF.

The Authority has been a member of the Institutional Investors Group on Climate Change since 2004. IIGCC is a forum for collaboration on climate change encouraging public policies, investment practices, and corporate behaviour that address long-term risks and

Report of the Clerk

Responsible investing, corporate governance and shareholder engagement continued

opportunities associated with climate. Working with IIGCC ahead of the December 2015 Climate Change Conference in Paris the Authority signed a letter, along with 119 investors from around the world managing funds worth more than U\$12 trillion, to finance ministers urging them to support the inclusion of a long-term emissions reduction goal in the proposed international climate agreement. IIGCC representatives attended the Conference and partnered with other investor networks to co-host two major side events focussing upon corporate engagement and momentum issues post Paris. The Authority added its signature to a letter along with 50 other investors sent to 75 companies on EU climate lobbying and also signed the Paris Pledge for Action, to show support for climate action. The

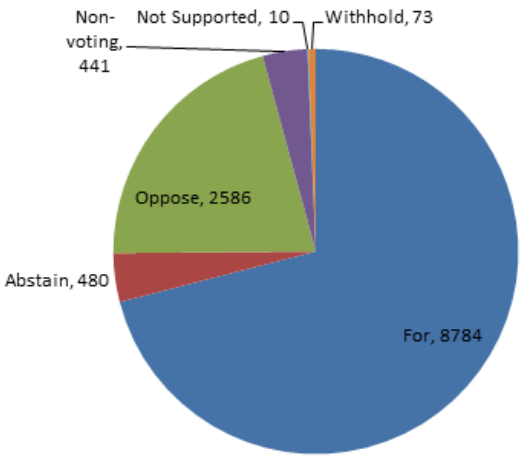
Pledge is intended to ‘provide a political signal that demonstrates the breadth of support and scale of momentum for a transition to a low-emission and climate resilient economy’. The Fund became a Carbon Disclosure Project signatory and commissioned an independent external carbon audit of its equity portfolios. The results showed that each of the portfolios was less carbon intensive than its comparative benchmark indices. The Authority also prepared and published a bespoke Climate Change Policy.

Climate change and the role of fossil fuels is an area where short-term thinking and long-term consequences collide for both businesses and governments alike. Meeting the challenge of climate change does require investors to assess the risks and act appropriately. However,

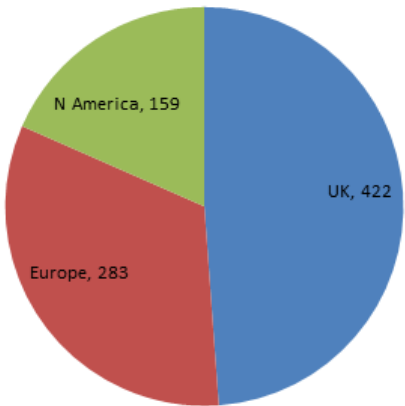
climate change is both subtle and cruel and understanding the impacts requires serious planning and adaptation. The subject knows no geographic borders.

In accordance with LGPS Regulations administering authorities are required to state compliance with the Myners’ Principles on a ‘comply or explain basis’, within their Statement of Investment Principles. The six Principles provide a basis for monitoring good investment governance. The Authority believes it fully complies. As required by the Financial Conduct Authority the Authority has published a statement demonstrating its compliance with the UK Stewardship Code: it endorses the ‘comply or explain’ approach and believes it follows the majority of the recommendations of the Code.

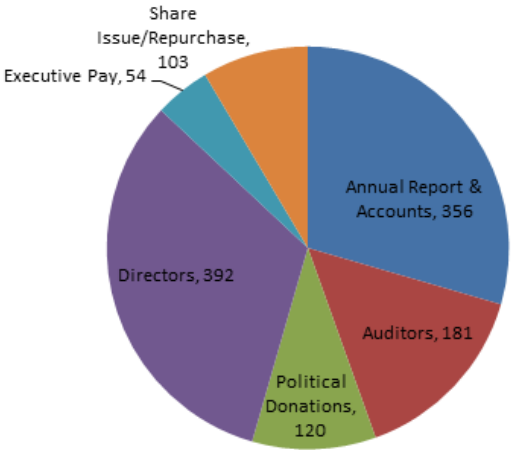
Resolution by Vote Category



Number of Meetings Voted by Geography



UK - Resolution Categories with Most Oppose Votes



Report of the Clerk

Risk Management

The effective management of risk is a key consideration which lies at the heart of the Authority's operations and this is reflected in the Authority's governance arrangements.

The Authority recognises that potentially the greatest risk the Fund faces is to have a fundamental mismatch between its assets and liabilities: the latter fall largely outside of its control. Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund whilst, at the same time, maximising the ability to make meaningful gains. The returns achieved will reflect the level of risk which the Authority is comfortable with accepting when setting its investment strategy.

Given the unique characteristics of the Fund, the Authority has

approved a strategy which aims to reduce the level of uncontrolled risk but in such a manner that is compatible with its liability profile. This is partly achieved through asset diversification which reduces exposure to market risk (price risk, currency risk and interest rate). The Fund's customised benchmark, determined by the Investment Board, demonstrates this. Liquidity risk is also managed to ensure that the Fund's forecast cash needs are met. The benchmark which reflects the risk and return expectations of the Authority is reproduced within the Statement of Investment Principles. It is, of course, not possible to control the absolute return on investments.

Over the longer term, however, by recognising the types of risks outlined the Authority seeks to achieve the returns required to

achieve the objectives of the Funding Strategy Statement (FSS). Further information regarding those objectives and how they relate to the actuarial valuation can be found in the FSS.

The Corporate Planning and Governance Board reviews the Authority's risk policy and receives reports on the risk registers operated by both the Authority and the service.

The Authority recognises that risk is inherent in many of its activities and seeks to control risk rather than try to eliminate it. Without taking risks it will be difficult for the Fund to achieve the performance it needs if it is to meet its objectives.

Freedom of Information Act

During the year a total of 32 requests for information were received. All of them were satisfied within the statutory timescales. Nearly all of the requests related to investment topics rather than administration matters and most of those were received from commercial organisations. The majority of enquiries concerned private equity and hedge fund holdings though a number also addressed responsible investment issues.

The Freedom of Information Scheme is published on the Authority website and an annual report is presented to the Authority for scrutiny.

Health & Safety

Officers monitor performance with regard to health and safety matters appertaining to its own employees and to its investment properties. The Authority occupies its operational premises as a tenant and does not own them. A Health and Safety Committee, comprising employee and trades union representatives as well as management, meets regularly. The Authority employs a specialist external consultant to monitor the status of its commercial investment properties, in addition to its managing agent, and the outcomes are reported annually to members.

Diana Terris
Clerk

Publications

As required by the LGPS Regulations a number of statutory documents are published by the Authority separately. The Government has recognised that amalgamating all of the prescribed disclosures into the annual report will result in an unwieldy document and has advised that the statutory requirement to publish these can be satisfied via references to them within the report. The following documents can be found on the Authority’s website (www.sypensions.org.uk):-

- Consultation and Communication Policy
- Funding Strategy Statement
- Governance Compliance Statement
- Responsible Investment Policies
- Shareholder Engagement Statement
- Statement of Investment Principles
- Treasury Management Policy
- Voting Guidelines





6 the REPORTS

Report of the Advisors 2015 - 2016

Overall, the global economy has continued its somewhat hesitant recovery from the 2008-9 financial crisis. On the one hand, the US economy has continued to perform robustly, allowing the Federal Reserve to raise interest rates for the first time since the crisis (albeit to a still lowly 0.5%). The UK has also seen solid growth, and economic growth has picked up in parts of Continental Europe.

On the other hand, the Chinese economy’s structural shift away from infrastructure investment has seen its own growth rate fall and has had a depressing impact on commodity prices. Oil prices fell sharply, with the Brent crude

oil price falling from over \$120 in mid 2014 to below \$30 per barrel in early 2016. While this improves the outlook for Western consumers, it has brought further pressures - a new phase of debt write downs for beleaguered US banks who lent to drillers at much higher oil prices, and recession in several highly significant economies which are needed to fuel global growth, most notably Russia and Brazil, both heavily reliant on commodity exports.

The overwhelming feeling within markets is still one of nervousness that growth may disappoint. The OECD has recently revised down its growth expectations for 2016. Levels of

Government debt remain high, inflation is negligible and Central banks have limited new fire power to generate faster growth. Monetary policy has been very accommodative for many years and interest rates are already at extreme low levels (or even negative in some cases). We are likely to see “more of the same”- continued slow progress, punctuated by periods of concern over Chinese growth and political/economic instability.

While Stockmarkets have been volatile, and fell sharply in early 2016 when fears over global growth were accentuated, returns over the year have proved steady if quite pedestrian by recent

standards. Most leading developed markets provided returns to a sterling investor of between -5% and +5%. Within this, the US dollar strengthened leading to higher returns from US equities, and Government bonds slightly outperformed equities. By contrast, Emerging Markets and their currencies were notably weak. Equity valuations remain high, and bond yields are ultra low by historic standards, so low returns should be expected from current levels. UK direct property produced the highest returns over the last 1 and 3 years, but this market too is showing signs of peaking.

During the year, the advisers worked closely with the investment

team and the trustees as they implemented the final parts of the changes of strategy agreed in 2014. In June 2015, Royal London Asset Management took on a new “buy and maintain” corporate bond mandate, replacing Hendersons. The objective is to provide returns in a more efficient and lower cost manner from a high quality credit portfolio. Work has already started towards the 2016 actuarial valuation, and any investment strategy implications will then be considered.

Tim Gardener
Neil MacKinnon
Leslie Robb

Local Pension Board

The Secretary of State granted the two South Yorkshire LGPS funds permission to establish a Joint Local Pension Board. The role of the Local Pension Board is defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013.

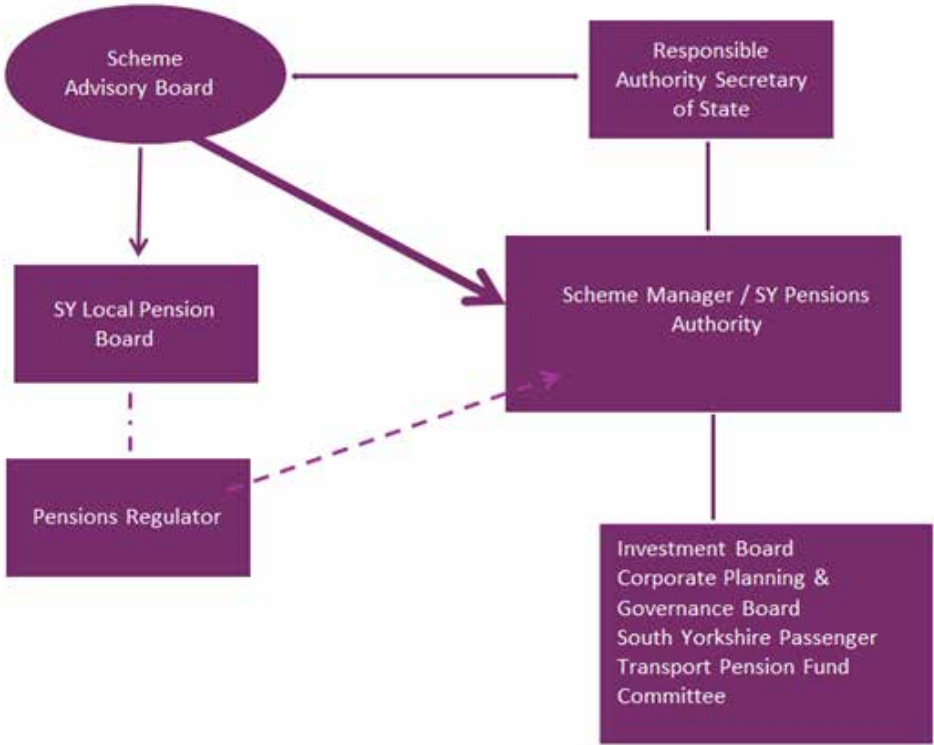
The Board seeks to assist the South Yorkshire Pensions Authority and the South Yorkshire Passenger Transport Pension Fund to maintain effective and efficient administration and governance. Members of the Scheme can now have direct influence on how the Fund is managed. The LPB comprises both Scheme members, retired and active, together with employer representatives. Employer representation is not restricted to the four large local Councils.

Although the Board only held its first meeting on 23 July 2015 it is

already contributing towards the effective governance of the two Funds. It meets quarterly and all Board Members have undertaken training and have established a work programme that will enable them to meet their obligations to ensure that the two Funds comply with the relevant codes of practice and current legislation.

The draft Board constitution was suggested by the two administering authorities but since then changes have been agreed which remove what some regarded as unnecessary restrictions on the scope of the LPB's ability to question and offer advice on investments. This demonstrates that, whilst not having direct control over the two Funds, the LPB intends to work with the Funds on the widest possible range of issues.

The following diagram shows the governance framework as it now operates and the following table reveals the membership of the Board.



Although it is still early days the performance so far is encouraging and it can only go from strength to strength. The Board will publish its own Annual Report and this will be posted to the Fund website.

Employee Representatives

- Glyn Boyington
LGPS Member (Chairman)
- Garry Warwick (GMB)
Trades Union
- Kevin Morgan (UCATT)
Trades Union
- Nicola Doolan (Unison)
Trades Union
- Susan Ross
LGPS Member
- Steve Carnell
SYTPF Member

Employer Representatives

- Jill Thompson (Action Housing)
Admitted Body (Vice-Chair)
- Geoff Berrett (South Yorkshire Police)
'Other Large Employer'
- Melanie Priestley (St Mary's Academy Trust)
Academy
- Councillor Tony Corden
Local Authority Member (Doncaster)
- Councillor Ben Curran
Local Authority Member (Sheffield)
- Vacancy
(South Yorkshire Passenger Transport Pension Fund)

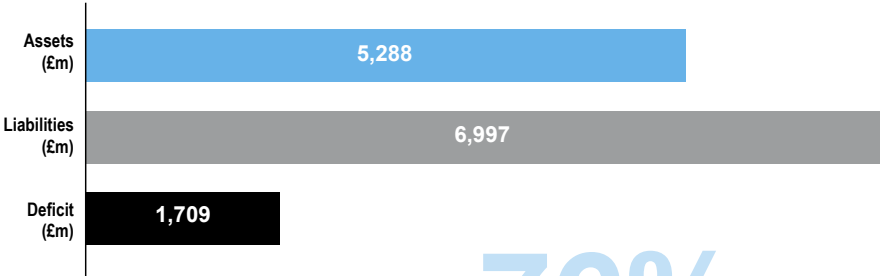
Statement by the Consulting Actuary

Accounts for the year ended 31 March 2016

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the South Yorkshire Pension Fund was carried out as at 31 March 2013 to determine the contribution rates with effect from 1 April 2014 to 31 March 2017.

On the basis of the assumptions adopted, the Fund's assets of £5,288 million represented 76% of the Fund's past service liabilities of £6,997 million (the "Funding Target") at the valuation date. The deficit at the valuation date was therefore £1,709 million.



76%
Funded

The valuation also showed that a common rate of contribution of 12.8% of pensionable pay per annum was required from employers. The common rate is calculated as being sufficient in the long term, together with contributions paid by members, to meet all liabilities arising in

respect of service after the valuation date. It allowed for the new LGPS benefit structure which became effective from 1 April 2014.

After the valuation date, there were significant changes in financial markets. In particular there was an increase in gilt yields, which underpin the liability assessment. This improved the funding position materially to 80% with a resulting deficit of £1,330 million. This improvement was taken into account when setting the deficit contribution requirements for employers where required to stabilise contribution rates. On average across the Fund, the updated deficit would be eliminated by a contribution addition of £79 million per annum increasing at 2.6% per annum (equivalent to 9.4% of projected Pensionable Pay at the valuation date) for 22 years if all assumptions are borne out in practice.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2014.

In practice, each individual employer's position is assessed separately and the contributions required are set out in our report. The certified contribution rates for each employer also included specific allowances (zero for some employers) to meet the additional liabilities arising from ill-health and voluntary early retirements. With effect from 1 April 2015, the certified contribution rates for certain employers were adjusted to reflect their inclusion in an ill-health captive arrangement implemented by the Fund.

Payments to cover additional liabilities arising from early retirements on the grounds of redundancy or efficiency (or ill-health / voluntary early retirements where the employer's allowance is exceeded) will also be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

[continues overleaf >>](#)

Statement by the Consulting Actuary

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Funding Target and the common contribution rate were as follows:

	For past service Liabilities (Funding Target)	For future service liabilities (Common Contribution Rate)
Rate of return on investments (discount rate)	4.6% per annum	5.6% per annum
Rate of pay increases (long term)	4.35% per annum*	4.35% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.6% per annum	2.6% per annum

* allowance was also made for short-term public sector pay restraint over a 3 year period.

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2016. Based on the results of that valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2017.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund’s promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19

rather than the assumptions and methodology used for funding purposes. To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31 March 2016 (the 31 March 2015 assumptions are included for comparison):

	31 March 2015	31 March 2016
Rate of return on investments (discount rate)	3.3% per annum	3.6% per annum
Rate of pay increases*	3.75% per annum	3.75% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.0% per annum	2.0% per annum

* includes a corresponding allowance to that made in the actuarial valuation for short-term public sector pay restraint.

The demographic assumptions are the same as those used for funding purposes. Full details of these assumptions are set out in the formal report on the actuarial valuation dated March 2014. During the year, corporate bond yields rose, resulting in a higher discount rate being used for IAS26 purposes at the year end than at the beginning of the year (3.6% p.a. versus 3.3% p.a.). There was no change in the expected long-term rate of CPI inflation during the year, resulting in the same assumption for pension increases at the year end than at the beginning of the year (2.0% p.a.).

The value of the Fund’s promised retirement benefits for the purposes of IAS26 as at 31 March 2015 was estimated as £8,674 million. The effect of the changes in actuarial assumptions between 31 March 2015 and 31 March 2016 as described above is to reduce the liabilities by c£445 million. Adding interest over the year increases the liabilities by c£286 million, and allowing for net benefits accrued/paid over the period increases the liabilities by c£10 million (including any increase in liabilities arising as a result of early retirements/ augmentations).

The net effect of all the above is that the estimated total value of the Fund’s promised retirement benefits as at 31 March 2016 is £8,525 million.

Paul Middleman
Fellow of the Institute and
Faculty of Actuaries
Mercer Limited
May 2016

Independent Auditor’s Report

to the members of South Yorkshire Pensions Authority on the pension fund financial statements published with the Pension Fund Annual Report



We have examined the pension fund financial statements for the year ended 31 March 2016 on pages 120 to 187.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of the Treasurer’s Responsibilities the Treasurer is responsible for the preparation of the pension fund financial statements in accordance with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements included in the Pension Fund Annual Report with the pension fund financial statements included in the annual published statement of accounts

of South Yorkshire Pensions Authority, and their compliance with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

In addition, we read the information given in the Pension Fund Annual Report to identify material inconsistencies with the pension fund financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our report on the administering authority’s annual published statement of accounts describes the basis of our opinion on those financial statements.

Opinion

In our opinion, the pension fund financial statements are consistent with the pension fund financial statements included in the annual published statement of accounts of South Yorkshire Pensions Authority for the year ended 31 March 2016 and comply with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if:

- the information given in the Pension Fund Annual Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters relating to the pension fund have been reported in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit.

We have nothing to report in respect of these matters.

Rashpal Khangura
for and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
1 Sovereign Square,
Sovereign Street,
Leeds,
LS1 4DA

26 July 2016



7 the FINANCE

Statement of Responsibilities for the Statement of Accounts

The Authority’s Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer;
- manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

I confirm that these Accounts were approved at the Corporate Planning and Governance Board meeting held on the 20th July 2016.

Signed on behalf of the Pensions Authority by the Chair of the meeting approving the Accounts:

Susan Ellis

Date: 20th July 2016

Statement of Responsibilities for the Statement of Accounts

The Treasurer’s Responsibilities

The Treasurer is responsible for the preparation of the Authority’s Statement of Accounts which, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (“the Code”), is required to present fairly the financial position of the Authority at 31 March 2016 and its income and expenditure for the year ended 31 March 2016.

In preparing the Statement of Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Treasurer has also:

- kept proper accounting records which were kept up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Regulation 9(1) of the Accounts and Audit Regulations 2015, I certify that the attached Statement of Accounts presents a true and fair view of the financial position of South Yorkshire Pensions Authority at 31 March 2016 and its income and expenditure for the year then ended.

The date represents that on which the Accounts are authorised for issue.

F. Foster, Treasurer

Date: 20th July 2016

Fund Account

2014/15 Restated £'000		2015/16 £'000	£'000	Note
Dealings with members, employers and others directly involved in the Fund				
315,292	Contributions receivable	220,190		7
5,514	Transfers in from other pension funds	6,797		8
320,806			226,987	
(248,657)	Benefits payable	(255,197)		9
(122,932)	Payments to and on account of leavers	(12,388)		10
(371,589)			(267,585)	
(50,783)			(40,598)	
(17,945)	Management expenses		(20,268)	11
Returns on investments				
149,060	Investment income	159,438		12
647,777	Profit and losses on disposal of investments and changes in value of investments	(119,013)		13a
(1,934)	Taxes on income	(2,273)		12
794,903			38,152	
726,175	Net increase (decrease) in the net assets available for benefits during the year		(22,714)	
5,550,963	Net assets of the Fund at 1 April		6,277,138	
6,277,138	Net assets of the Fund at 31 March		6,254,424	

The 2014/15 figures have been restated; further details are provided at Note 11

Net Assets Statement

31 March 2015 £'000		31 March 2016 £'000	£'000	Note
Investment assets				
557,164	Fixed Interest Securities	560,389		
3,763,549	Equities	3,609,944		
718,122	Index-Linked Securities	727,628		
504,436	Pooled Investment Vehicles	554,998		
581,396	Property	611,891	15	
4,111	Forward currency contracts	-	14	
10,622	Cash - Foreign currency	21,799		
110,241	Cash - Sterling	136,929		
17,046	Other investment balances	22,611		
6,266,687		6,246,189		
Investment liabilities				
(3,173)	Forward currency contracts	(3,364)	14	
(1,305)	Other investment liabilities	(2)		
(4,478)		(3,366)		
6,262,209	Net investment assets		6,242,823	13
21,309	Current assets		20,079	22
2,046	Long Term Debtors		1,454	23
(8,426)	Current liabilities		(9,932)	24
6,277,138	Net assets of the Fund available to fund benefits at 31 March		6,254,424	

Notes to the Pension Fund Accounts

1. Description of the Fund

a) General

The South Yorkshire Pension Fund (“the Fund”) is part of the Local Government Pension Scheme (LGPS) and is administered by South Yorkshire Pensions Authority. It is a funded contributory defined benefit pension scheme which provides pensions and other benefits for pensionable employees of the 4 district councils of South Yorkshire and a range of other scheduled and admitted bodies within South Yorkshire.

All aspects of pensions administration, including calculating and paying benefits, are conducted in house in accordance with the Local Government Pension Scheme (LGPS) Regulations. All of the Fund’s investments are managed internally, albeit with the

assistance of advisors on real estate matters, in accordance with the LGPS regulations. The Authority has a retained actuary, Mercer Limited, and has appointed an independent investment advisory panel.

The Authority meets approximately every quarter and concentrates upon strategy and scrutiny matters. It has appointed two Boards to manage everyday aspects of its duties and responsibilities as an administering authority under the LGPS: the Boards operate to an approximately quarterly cycle.

In accordance with sections 5(1) and (2) of the Public Service Pensions Act 2013 the Authority created a Local Pension Board. The Secretary of State granted the two South Yorkshire LGPS funds the power to establish a Joint Local Pension Board and this held its first meeting in July 2015.

The Authority’s Statement of Investment Principles (SIP) was reviewed during the year. Copies of both, along with more detail of the activities of the Fund are posted on the Fund’s website (www.sypensions.org.uk).

b) Membership

Organisations participating in the South Yorkshire Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the fund.
- Admitted bodies, which are other organisations that participate in the fund under an admission agreement between the fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There are 346 employer organisations contributing to the fund as at 31 March 2016, these are listed in Schedules A and B.

The following table summarises the position with regard to membership of the Fund as at 31 March:

	31 March 2016	31 March 2015
Active Contributors	51,516	50,300
Pensioners & Dependents	46,050	43,854
Deferred Pensions	51,129	47,565
Totals	148,695	141,719

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2016.

Employee contributions are matched by employer’s contributions which are set based on triennial actuarial funding valuations. The last such valuation was as at 31 March 2013. Currently, employer contribution rates required to cover the cost of the accruing benefits and expenses range from 9.7% to 27.5% of pensionable pay (common rate of 12.8%).

Notes to the Pension Fund Accounts

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary	Each year worked is worth 1/60 x final pensionable salary
Lump sum	Automatic lump sum of 3/80 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

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.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details please refer to the LGPS website.

e) Investment Performance

The Fund's market value (not including current net assets) fell slightly over the year and closed at just over £6,242m (£6,262m in 2014/15) producing an overall return of 0.5% (14.2% in 2014/15). The Fund's benchmark return was 0.1% (14.4% in 2014/15).

Although the investment year was fazed by worries such as China's slowdown, the dramatic fall in commodity prices, and the strength of the US dollar, it was the growing recognition that the massive central bank intervention since 2008 has largely been ineffective and that the global economic recovery was proving to be anaemic which dominated. As the year drew to a close there were indications that corporate profitability had peaked for this cycle and that securities' markets

were beginning to look richly valued. Viewed against this background the Fund's return of 0.5% versus 0.1% for its benchmark isn't as disappointing as it first seems.

Notes to the Pension Fund Accounts

2. Basis of preparation

The Statement of Accounts summarises the Fund’s transactions for 2015/16 and its position at the year end of 31 March 2016. It has been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2015/16*, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which is recognised by statute as representing proper accounting practice.

The accounts summarise the transactions of the Fund and show the net assets at the disposal of the Authority. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

3. Accounting policies

Fund account - revenue recognition

A. Contributions income

Normal contributions, both from the members and from the employers, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers’ augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a

current financial asset. Amounts not due until future years are classed as long-term financial assets.

B. Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see note 8).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

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 (see Note 8).

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

C. Investment Income

i. Interest income

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. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii. Dividend income

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 an investment asset.

iii. Distributions from pooled funds

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 an investment asset.

iv. Property-related income

Property-related income consists primarily of rental income. Rental income from operating leases on properties owned by the Fund is recognised on a straight-line basis. Rental income is recognised in the fund account

as it accrues and any amounts received in respect of the future year are disclosed in the net assets statement as current liabilities.

v. Movement in the net market value of investments

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Notes to the Pension Fund Accounts

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.

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. 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 code does not require any breakdown of pension fund administration expenses. However, in the interests of greater transparency, the Authority discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Costs.

As a result, expenses for 2014/15 have been restated to reflect the CIPFA Guidance requiring that management and transaction fees deducted at source now be shown gross.

Administration expenses

All administration expenses are accounted for on an accruals basis. All costs incurred by South Yorkshire Pensions Authority (the administering authority) in respect of administration expenses are charged directly to the Fund.

Oversight and governance costs

All oversight and governance expenses are accounted for on an accruals basis. All costs incurred by South Yorkshire Pensions Authority (the administering Authority) in respect of oversight and governance are charged directly to the Fund.

Investment management expenses

All investment management expenses are accounted for on an accruals basis. Fees of the corporate bond fund manager, property advisor and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition the Fund has negotiated with the corporate bond fund manager that an element of their fee be performance related. This performance related fee was nil in 2015/16 (£98,404 in 2014/15). All costs incurred by South Yorkshire Pensions Authority (the administering authority) in respect of investment management expenses are also charged directly to the Fund.

Net assets statement

G. Financial assets

Financial assets are included in the Net Assets Statement 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. From this date any gains or losses arising from changes in the fair value of assets are recognised by the Fund.

The values of investments as shown in the net assets statement have been determined as follows:

- i. Market-quoted investments*
Quoted securities are valued at closing bid prices on the relevant stock market.
- ii. Fixed interest stocks*
Fixed interest stocks are included in the valuation on a “clean” basis (that is, excluding

the value of interest accruing from the previous interest payment date to the valuation date).

The “clean” basis has been used for accounting for fixed interest stocks, including for purchase and sale activity on these stocks, as it enables the capital and income elements of total investment returns to be accounted for distinctly.

iii. Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:
Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs. Securities subject to takeover offer – the value of the

Notes to the Pension Fund Accounts

consideration offered under the offer, less estimated realisation costs.

Directly held investments include investments in limited partnerships, shares in unlisted companies, trust and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement. Investments in unquoted property and infrastructure pooled funds are valued at the

net asset value or a single price advised by the fund manager. Investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association or other professional bodies.

- iv. *Limited partnerships*
Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.
- v. *Pooled investment vehicles*
Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at

the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

vi. *Freehold and leasehold properties*
Investment properties are independently valued in accordance with the Royal Institution of Chartered Surveyors Valuation – Professional Standards January 2014 on a market value basis by two firms of chartered surveyors. Jones Lang LaSalle values the commercial portfolio every quarter (valuation prices are as at 31 March 2016) and Savills (UK) Limited valued the agricultural portfolio as at 31 December 2015 and reviewed it as at 31 March 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, market values of overseas investments and purchases and sales outstanding at the end of the reporting period. Any gains or losses arising on conversion or translation are dealt with as part of the change in market value.

I. Derivatives
The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

The value of forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contracts were matched at the year end with an equal and opposite contract.

J. Cash and cash equivalents
Cash comprises cash in hand and demand deposits. 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.

K. Financial liabilities
The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability.

From this date any gains or losses arising from changes in the fair value of liability are recognised by the Fund.

L. Actuarial present value of promised retirement benefits
The actuarial present value of promised retirement benefits is assessed at the period end using a roll forward of the results of the triennial valuation (as at 31 March 2013) allowing for the different financial assumptions required under IAS19.

As permitted under IAS26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to these accounts (Note 21).

Notes to the Pension Fund Accounts

M. Additional Voluntary Contributions (AVCs)

In accordance with regulation 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009 No 3093) Additional Voluntary Contributions (AVCs) have not been included in either the Authority's Fund Account or Net Assets Statement, as they are paid directly to the AVC providers by employers of contributors. AVCs are specifically for the provision of additional benefits for individual contributors. AVC funds returned to the Scheme and benefits paid as a result of this are included in the Fund account as part of Transfer values received and Benefits paid respectively. Details of AVC investments are however shown in note 25.

4. Critical judgements in applying accounting policies

Unquoted private equity fund investments

It is important to recognise the highly subjective nature of determining the fair value of private equity funds. Private equity funds are valued by the investment managers using guidelines set out by the British Venture Capital Association. The value of unquoted private equity funds at 31 March 2016 was £379.5 million (£303.5 million at 31 March 2015).

Pension Fund liability

The pension fund liability is calculated every three years by the Fund's actuary, Mercer Limited, with annual updates in the intervening years. The methodology used is in line

with accepted guidelines and in accordance with financial standards. Assumptions underpinning the valuations are agreed with the actuary and are disclosed in Notes 20 and 21. This estimate is subject to significant variances based on changes to the underlying assumptions.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Pension Fund Accounts contain estimated figures that are based upon assumptions made about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Pension Fund Accounts at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Notes to the Pension Fund Accounts

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries (Mercers) is engaged to provide the Authority with expert advice about the assumptions to be applied.	The funding level at the 2013 actuarial valuation was 76%. The effects on the funding level of changes in individual assumptions can be measured. For instance, a 0.25% increase in inflation would reduce the funding level by 5% (£326m). A 0.5% reduction in real salary growth would increase the funding level by 3% (£173m). A 1 year increase in life expectancy would reduce the funding level by 2% (£150m).
Private equity funds	Private equity funds are valued at fair value in accordance with British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity fund investments in the financial statements are £379.5m. There is a risk that this investment may be under or overstated in the accounts.
Hedge fund of funds	The fund of funds is valued at the sum of the fair values provided by the administrators of the underlying funds plus adjustments that the funds' directors or independent administrators judge necessary. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total value of hedge fund of funds in the financial statements is £11.3m. There is a risk that this investment may be under or overstated in the accounts.

6. Events after the Balance sheet date

On 23rd June 2016 the UK voted to leave the European Union. The full impact of this is unknown and inevitably the country is now in a period of uncertainty.

Notes to the Pension Fund Accounts

7. Contributions receivable

Contributions represent the total amount receivable from the various employing authorities and admitted bodies in respect of their own contributions and those of their pensionable employees.

When an employer retires staff early, on redundancy or efficiency grounds, a strain on the Fund is generated through the early payment of their benefits. The Authority requires employers to reimburse the Fund for that strain by making capital injections over a phased period of up to 3 years. These capital injections are accounted for in full when they occur.

Lists of scheduled bodies and admitted bodies contributing to the Fund are shown in Schedule A and B.

Analysis of contributions receivable:-	2015/16	2014/15
	£'000	£'000
From Employers		
Normal Contributions	109,995	107,617
Deficit Funding Lump Sums	44,030	141,903
Augmentation	0	0
Additional Capital Contributions	319	186
Additional Cost of Early Retirement	11,620	11,693
	165,964	261,399
From Members	54,226	53,893
	220,190	315,292

Analysis by employer type:-	2015/16	2014/15
	£'000	£'000
Administering Authority		
South Yorkshire Pensions Authority	787	673
Scheduled Bodies		
Barnsley MBC	28,492	31,530
Doncaster MBC	22,648	56,857
Rotherham MBC	43,501	32,947
Sheffield CC	37,532	109,275
Other Scheduled Bodies	67,522	63,837
Admitted Bodies	19,708	20,173
Totals	220,190	315,292

Notes to the Pension Fund Accounts

8. Transfers In

	2015/16 £'000	2014/15 £'000
Group transfers	0	0
Individual transfers	6,797	5,514
Totals	6,797	5,514

9. Benefits payable

Analysis of benefits payable:-	2015/16 £'000	2014/15 £'000
Retirement Pensions	198,299	190,579
Commutation of benefits and lump sum retirement benefits	51,714	51,825
Lump sum death benefits	5,184	6,253
Totals	255,197	248,657

Analysis by employer type:-	2015/16 £'000	2014/15 £'000
Administering Authority		
South Yorkshire Pensions Authority	514	289
Scheduled Bodies		
Barnsley MBC	36,743	35,164
Doncaster MBC	38,347	36,732
Rotherham MBC	37,812	37,534
Sheffield CC	78,502	78,261
Other Scheduled Bodies	44,199	41,209
Admitted Bodies	19,080	19,468
Totals	255,197	248,657

Notes to the Pension Fund Accounts

10. Payments to and on account of leavers

	2015/16	2014/15
	£'000	£'000
Individual transfers out	11,852	8,642
Group transfers out	1	114,112
Refunds of contributions	362	199
State scheme premiums	173	(21)
Totals	12,388	122,932

11. Management Expenses

	2015/16	2014/15
	£'000	£'000
Administrative costs	2,848	3,086
Investment Management Expenses	16,395	13,813
Oversight and Governance costs	1,025	1,045
	20,268	17,945

This analysis of the costs of managing the South Yorkshire Pension Fund during the period has been prepared in accordance with CIPFA guidance.

These management expenses include a VAT liability of £289,018 (£394,775 in 2014/15)

11a. Investment Management Expenses

	2015/16	2014/15
	£'000	£'000
Internal management costs	814	775
Bond Manager	355	0
Property Advisor fees	999	869
Custody	251	174
Transaction costs	1,546	1,978
Management fees deducted at source	12,249	9,748
VAT Liability	181	269
	16,395	13,813

In accordance with CIPFA guidance management fees deducted at source and transaction costs are now shown gross. The effect of this has been to increase investment management expenses in 2014/15 from £2.08m to £13.8m. Wherever possible these figures are based on actual costs disclosed by the manager; where this is not available, best estimates have been made using other available information

It is important to note that this is a change in reporting only and does not represent an actual increase in costs, nor a decrease in the Fund's resources available to pay pension benefits.

Notes to the Pension Fund Accounts

12. Investment Income

	2015/16	2014/15
	£'000	£'000
Interest from fixed interest securities	28,526	25,875
Dividends from equities	98,502	94,244
Income from index-linked securities	5,058	5,730
Income from pooled investment vehicles	3,031	2,878
Net property income	22,518	18,654
Interest on cash deposits	443	456
Other	1,360	1,223
	159,438	149,060
Irrecoverable withholding tax	(2,273)	(1,934)
Total Investment Income	157,165	147,126

Income from property is shown net of landlord’s expenses amounting to £1.188m (£1.686m in 2014/15).

13. Net Investment Assets

	31/03/16	31/03/15
	£'000	£'000
Fixed Interest Securities		
UK public sector quoted	0	18,999
UK corporate bonds	274,591	311,690
Overseas public sector quoted	97,638	84,276
Overseas other quoted	188,160	142,199
	560,389	557,164
Equities		
UK quoted	1,091,322	1,193,386
Overseas quoted	2,518,622	2,570,163
UK unquoted	0	0
	3,609,944	3,763,549
Index Linked Securities		
UK public sector quoted	648,942	659,722
Overseas public sector quoted	0	0
UK corporate bonds	78,686	58,400
	727,628	718,122
Pooled Investment Vehicles		
UK		
Limited Partnerships	96,404	83,307
Unit Trusts	14	12
Other managed funds	16,679	18,320
Overseas		
Limited Partnerships	283,162	220,194
Hedge fund of funds	11,333	9,066
Other managed funds	53,821	81,960
UK Property	73,064	55,473
Overseas Property	18,513	23,566
	554,998	504,436
Property		
UK Freehold	422,115	456,985
UK Leasehold	175,306	108,300
UK Other	14,470	16,111
	611,891	581,396
Derivative Contracts		
Forward currency contracts	0	4,111
	0	4,111
Cash - Foreign currency	21,799	10,622
Cash - Sterling	136,929	110,241
Investment income due (outstanding dividend entitlement and recoverable withholding tax)	22,611	17,041
- Broker balances receivable	0	5
Investment liabilities		
Forward currency contracts	(3,364)	(3,173)
Broker balances payable	(2)	(1,305)
Net Investment Assets	6,242,823	6,262,209

The Fund has no investments that represent more than 5% of the net investment as-sets of the Scheme,

Notes to the Pension Fund Accounts

13a. Change in Market Value of Investments

The change in market value of investments during the year comprises all the increases and decreases in the market value of investments held at any time during the year, including all realised and unrealised profits and losses.

Indirect costs are incurred through the bid-offer spread on investments. The amount of indirect costs is not separately provided to the scheme.

	Mkt Value at 1/4/15	Purchases at Cost	Sale Proceeds	Change in Mkt Value	Mkt Value at 31/3/16
	£'000	£'000	£'000	£'000	£'000
Fixed Interest Securities	557,164	587,198	(574,937)	(9,036)	560,389
Equities	3,763,549	339,807	(306,368)	(187,044)	3,609,944
Index-Linked Securities	718,122	182,003	(180,964)	8,467	727,628
Pooled Investment Vehicles	504,436	117,409	(113,525)	46,678	554,998
Property	581,396	43,537	(40,814)	27,772	611,891
Total Purchases/(Sales)		1,269,954	(1,216,608)		
Foreign currency contracts	938	20,588	(14,505)	(10,385)	(3,364)
	6,125,605	1,290,542	(1,231,113)	(123,548)	6,061,486
Cash - Foreign currency	10,622			4,372	21,799
Cash - Sterling	110,241			163	136,929
				(119,013)	
Other investment assets	17,046				22,611
Other investment liabilities	(1,305)				(2)
NET INVESTMENT ASSETS	6,262,209				6,242,823

	Mkt Value at 1/4/14	Purchases at Cost	Sale Proceeds	Change in Mkt Value	Mkt Value at 31/3/15
	£'000	£'000	£'000	£'000	£'000
Fixed Interest Securities	508,490	123,997	(117,437)	42,114	557,164
Equities	3,374,202	351,445	(314,646)	352,548	3,763,549
Index-Linked Securities	581,649	41,081	(32,429)	127,821	718,122
Pooled Investment Vehicles	440,734	124,571	(118,643)	57,774	504,436
Property	511,594	40,503	(18,223)	47,522	581,396
Total Purchases/(Sales)		681,597	(601,378)		
Foreign currency contracts	214	0	(1,653)	2,377	938
	5,416,883	681,597	(603,031)	630,156	6,125,605
Cash - Foreign currency	13,555			4,468	10,622
Cash - Sterling	90,208			1,427	110,241
				636,051	
Other investment assets	15,637				17,046
Other investment liabilities	(1,495)				(1,305)
NET INVESTMENT ASSETS	5,534,788				6,262,209

Notes to the Pension Fund Accounts

Cash deposits in Icelandic Banks

At the time of their collapse in 2008 the Fund had five deposits spread across four Icelandic banks (including UK subsidiaries).

At the end of March 2016 the only monies that remained to be recovered were from deposits held with the UK subsidiary banks: Heritable and KSF. After the year end the Authority sold its claim re KSF thus recovering 85% of the amount. A small residual amount of Icelandic Krona continues to be held in an interest bearing escrow account: at 31 March 2016 the balance was Krona 4,818,140 (approx. £26,500).

Both capital and interest due on these deposits was written off within the 2008/09 accounts.

14. Derivative Contracts

The Fund uses currency hedging to manage risk and the foreign currency exposure and volatility in the bond and property fund portfolio. This exposure is US dollar and Euro denominated assets and has been transacted by forward currency contracts with the custodian bank whereby the parties agree to exchange two currencies on a specified future date at an agreed rate of exchange.

Open forward currency contracts at 31 March 2016

Settlement	Currency bought	Local value	Currency sold	Local value	Asset value	Liability value
		£'000		£'000	£'000	£'000
Up to six months	GBP	292	EUR	370		(3)
Up to three months	GBP	34,750	USD	50,000		(72)
Up to three months	GBP	2,263	EUR	3,000		(117)
Up to three months	GBP	37,708	EUR	50,000		(1,942)
Up to three months	GBP	125,101	USD	180,000		(259)
Up to three months	GBP	18,854	EUR	25,000		(971)
						(3,364)
Net forward currency contracts at 31 March 2016						(3,364)

Notes to the Pension Fund Accounts

Prior year comparative

Open forward currency contracts at 31 March 2015

Settlement	Currency bought	Local value	Currency sold	Local value	Asset value	Liability value
		£'000		£'000	£'000	£'000
Up to one month	GBP	108,661	USD	165,000		(2,718)
Up to one month	GBP	42,611	EUR	55,000	2,758	
Up to one month	GBP	1,550	EUR	2,000	100	
Up to one month	GBP	29,921	USD	15,000		(455)
Up to one month	GBP	19,369	EUR	25,000	1,253	
					4,111	(3,173)
Net forward currency contracts at 31 March 2015						938

15. Investment Property

The Fund has investment in property of £611.891m (£581.396m) of which £597.421m (£565.285m) is in direct property (see Note 13) which is classified as Investment Property.

The following items of income and expense have been accounted for in the investment income line in the Fund Account.

	2015/16	2014/15
	£'000	£'000
Rental income from investment property	23,651	20,050
Direct operating expenses arising from investment property	(1,188)	(1,686)
Net gain/(loss)	22,463	18,364

Notes to the Pension Fund Accounts

There are no restrictions on the Fund’s ability to realise the value inherent in its investment property or on the Fund’s right to the remittance of income and the proceeds of disposal. The Fund has no Development Funding Agreements at 31 March 2016 (one at 31 March 2015).

The following table summarises the movement in the fair value of investment properties over the year:

	2015/16	2014/15
	£’000	£’000
Balance at start of the year	565,285	496,161
Additions		
Purchase	38,205	29,415
Construction	1,165	7,164
Subsequent Expenditure	4,167	2,920
	43,537	39,499
Disposals	(40,674)	(18,227)
Net gains/losses from fair value adjustments	29,273	47,852
Balance at end of the year	597,421	565,285

16. Investment Commitments

Outstanding investment commitments at 31 March 2016 were £315.903m (£233.538m at 31 March 2015).

The figures are based on commitments made to private equity limited partnerships and infrastructure funds (some of which are designated in Australian Dollars, Euros and US Dollars) which have not yet been drawn down.

31 March 2016		31 March 2015	
Currency ’000	£ equivalent £’000	Currency ’000	£ equivalent £’000
£77,816	77,816	£39,960	39,960
€63,480	50,321	€71,429	51,742
US\$269,595	187,766	US\$198,353	133,877
AUS\$0	0	AUS\$15,500	7,959
	315,903		233,538

Notes to the Pension Fund Accounts

17. Stocklending

The value of stocklending as at 31 March was as follows:

	31/03/16	31/03/15
	£'000	£'000
UK Index-Linked Securities	119,520	125,743
UK Corporate Bonds	1,106	0
UK Equities	89,961	49,310
Overseas Corporate Bonds	5,969	0
Overseas Bonds	5,909	4,269
Overseas Equities	149,679	106,434
Value of stock on loan	372,144	285,756
Value of collateral held	397,058	304,618

Collateral held was in the form of Gilt DBV's (collection of Gilt edged securities), FTSE 100 DBV's (collection of FTSE 100 equities), overseas bonds and UK and overseas equities.

18. Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The Fund's financial instruments are the investment assets and debtors and creditors, these are all disclosed on the Net Assets Statement. The assets and debtors are all carried at fair value. The creditors are carried at amortised cost.

The Net Assets Statement also includes property which is classified as investment property (see Note 15).

a) Classification of Financial Instruments

The items in the Net Assets Statement (excluding investment property) are made up of the following categories of financial instrument (see next page):

	31 March 2016	31 March 2015
	£'000	£'000
FAIR VALUE THROUGH PROFIT OR LOSS		
Financial Assets		
Fixed Interest Securities	560,389	557,164
Equities	3,609,944	3,763,549
Index-Linked Securities	727,628	718,122
Pooled Investment Vehicles	554,998	504,436
Forward currency contracts	-	4,111
Other investment balances	22,611	17,046
Total	5,475,570	5,564,428
Financial Liabilities		
Forward currency contracts	(3,364)	(3,173)
Other investment balances	(2)	(1,305)
Total	(3,366)	(4,478)
LOANS AND RECEIVABLES		
Financial Assets		
Cash – Foreign currency	21,799	10,622
Cash - Sterling	136,929	110,241
Current assets	20,079	21,309
Long Term Debtors	1,454	2,046
Total	180,261	144,218
FINANCIAL LIABILITIES AT AMORTISED COST		
Financial Liabilities		
Current liabilities - creditors	(9,932)	(8,426)
Total	(9,932)	(8,426)

See note 3(g) re method of valuation of asset classes. Debtors and creditors are included at cost.

Notes to the Pension Fund Accounts

b) Net gains and losses on Financial Instruments

	31 March 2016	31 March 2015
	£'000	£'000
Financial Assets		
Fair value through profit and loss	(140,935)	591,983
Loans and receivables	4,535	5,895
Financial Liabilities		
Fair value through profit and loss	(10,385)	2,377
Financial liabilities measured at amortised cost	-	-
Total	(146,785)	600,255

c) Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair value are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities and funds.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data. This includes composite prices for fixed income instruments and fund net asset value prices.

Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgment in determining appropriate assumptions.

Investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association or other professional bodies.

The following table summarises the carrying values of the categories of financial assets and liabilities presented in the Net Assets Statement:

Notes to the Pension Fund Accounts

2016	Quoted market price	Using observable inputs	With significant unobservable inputs	
Value at 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial assets at fair value through profit or loss	3,695,211	1,303,293	477,066	5,475,570
Loans and receivables	180,261			180,261
Total financial assets	3,875,472	1,303,293	477,066	5,655,831
Financial Liabilities				
Financial assets at fair value through profit or loss	(3,366)			(3,366)
Financial liabilities at amortised cost	(9,932)			(9,932)
Total Financial Liabilities	(13,298)			(13,298)
Net financial assets	3,862,174	1,303,293	477,066	5,642,533

2015	Quoted market price	Using observable inputs	With significant unobservable inputs	
Value at 31 March 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial assets at fair value through profit or loss	3,854,901	1,355,516	354,011	5,564,428
Loans and receivables	144,218			144,218
Total financial assets	3,999,119	1,355,516	354,011	5,708,646
Financial Liabilities				
Financial assets at fair value through profit or loss	(4,478)			(4,478)
Financial liabilities at amortised cost	(8,426)			(8,426)
Total Financial Liabilities	(12,904)			(12,904)
Net financial assets	3,986,215	1,355,516	354,011	5,695,742

Notes to the Pension Fund Accounts

19. Nature and extent of risks arising from Financial Instruments

The Fund’s activities expose it to a variety of financial risks:

- market risk - the possibility that financial loss might arise for the Fund as a result of changes in such measures as interest rates and stock market movements.
- credit risk - the possibility that other parties might fail to pay amounts due to the Fund
- liquidity risk - the possibility that the Fund might not have funds available to meet its commitments to make payments

The management of risk is described within the Fund’s Statement of Investment Principles (SIP) which is included in the published report and

accounts and also posted on the Fund’s website (www.sypensions.org.uk). It centres upon the adoption of an investment strategy, as represented by the Fund’s customised benchmark, which is appropriate to meet the objectives of the Funding Strategy Statement. It focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the resources available to fund services.

The Authority’s treasury management activities are governed by the Local Government Act 2003 and the Fund has broadly adopted CIPFA’s Treasury Management Code of Practice. The annual Treasury Management Strategy was approved by the Authority in March 2015.

As a pension fund the primary risks which affect it are market risk and credit risk.

a. Market Risk

Market Risk – Price Risk –

The Fund publishes its SIP which details how the real risk of negative returns due to price fluctuations is managed.

Because different asset classes have different risk and return characteristics they will react differently to external events and will not necessarily do so in a pre-determined or correlated manner to each other. No single asset class or market acts in isolation from other assets or markets. It is, therefore, extremely difficult to meaningfully estimate the consequences of a particular event in a particular asset on other asset classes. It is important to recognise that returns, volatility and risks vary over time.

In order to minimise the risks associated with market movements the Fund is well

diversified across asset classes and within individual portfolios and constantly monitored and reviewed.

Price risk – sensitivity analysis

Potential price changes are determined based on the observed historical volatility of asset class returns. ‘Riskier’ assets such as equities will display greater potential volatility than bonds as an example, so the overall outcome depends largely on the Fund’s’ asset allocations. Based on this the following movements in market price risk are reasonably possible for the 2015/16 reporting period.

Asset type	Potential market movements (+/-) 31 March 2016
Bonds	4.96%
UK Equities	10.03%
Overseas Equities	9.58%
Index Linked securities	12.34%
Private Equity	5.38%
Absolute return	3.92%
Property	3.24%

This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Notes to the Pension Fund Accounts

Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows:

Asset type	Value as at 31 March 2016	Potential Market Movement	Value on increase	Value on decrease
2016	£'000	£'000	£'000	£'000
Bonds	560,389	27,795	588,184	532,594
UK Equities	1,091,322	109,460	1,200,782	981,862
Overseas equities	2,518,622	241,284	2,759,906	2,277,338
Index linked securities	727,628	89,789	817,417	637,839
Private equity	296,418	15,947	312,365	280,471
Absolute return	164,995	6,468	171,463	158,527
Property (unit trusts)	93,585	3,032	96,617	90,553
Forward currency contracts	0	0	0	0
Cash – Foreign currency	21,799	0	21,799	21,799
Cash – Sterling	136,929	0	136,929	136,929
Other investment assets	22,611	0	22,611	22,611
Forward Currency contracts	(3,364)	0	(3,364)	(3,364)
Other investment liabilities	(2)	0	(2)	(2)
Net investment assets	5,630,932	493,775	6,124,707	5,137,157

Asset type	Value as at 31 March 2015	Potential Market Movement	Value on increase	Value on decrease
2015	£'000	£'000	£'000	£'000
Bonds	557,164	27,635	584,799	529,529
UK Equities	1,193,386	119,697	1,313,083	1,073,689
Overseas equities	2,570,163	246,222	2,816,385	2,323,941
Index linked securities	718,122	88,616	806,738	629,506
Private equity	270,840	14,571	285,411	256,269
Absolute return	142,019	5,567	147,586	136,452
Property (unit trusts)	91,577	2,967	94,544	88,610
Forward currency contracts	4,111	0	4,111	4,111
Cash – Foreign currency	10,622	0	10,622	10,622
Cash – Sterling	110,241	0	110,241	110,241
Other investment assets	17,046	0	17,046	17,046
Forward Currency contracts	(3,173)	0	(3,173)	(3,173)
Other investment liabilities	(1,305)	0	(1,305)	(1,305)
Net investment assets	5,680,813	505,275	6,186,088	5,175,538

Notes to the Pension Fund Accounts

Market Risk – Interest Rate Risk – This primarily impacts upon the valuation of the Fund’s bond holdings and, to a lesser degree, the return it receives on cash held. A rise in interest rates would lead to the income earned on variable rate investments increasing but would cause the value of fixed rate investments to fall. The Fund’s correlation to interest rates will vary depending upon the profile of investments held.

The Fund manages its cash investments with a view to obtaining the best returns possible whilst ensuring the security of the deposits. The Fund also holds foreign currency balances which could be affected by interest rate movements but are more sensitive

to exchange rate movements (see Market risk – Currency risk).

The Fund’s direct exposure to interest rate movements as at 31 March 2016 and 31 March 2015 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Asset type	As at 31 March 2016	As at 31 March 2015
	£’000	£’000
Cash - Sterling	136,929	110,241
Total	136,929	110,241

Interest rate risk – sensitivity analysis

The Authority recognises that interest rates can vary and can affect both income to the fund and the value of the net assets.

The one standard deviation of the 10 year government bond yield (annualised) amounts to 0.92%.

The following analysis assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets of a +/- 0.92% change in interest rates:

Asset type	Carrying amount as at 31 March 2016	Potential movement on 0.92% change in interest	Value on increase	Value on decrease
2016	£’000	£’000	£’000	£’000
Cash - Sterling	136,929	1,260	138,189	135,669
Total change in assets available	136,929	1,260	138,189	135,669

Asset type	Carrying amount as at 31 March 2015	Potential movement on 0.92% change in interest	Value on increase	Value on decrease
2015	£’000	£’000	£’000	£’000
Cash - Sterling	110,241	1,014	111,255	109,227
Total change in assets available	110,241	1,014	111,255	109,227

Notes to the Pension Fund Accounts

Market Risk – Currency Risk

– the Fund holds cash balances in foreign currency and has investments quoted in foreign currency. The risk of exchange rate movements is accepted as part of the overall management strategy of the Fund.

Currency risk – sensitivity analysis

The potential volatility of the aggregate currency exposure within the fund based on historical data for the last 3 years associated with foreign exchange rate movements is 9.07%.

A 9.07% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets as follows:

Currency exposure Asset type	Asset value as at 31 March 2016	Potential Market Movement	Value on increase	Value on decrease
2016	£'000	£'000	£'000	£'000
Overseas fixed interest securities	285,798	25,922	311,720	259,876
Overseas quoted securities	2,518,622	228,439	2,747,061	2,290,183
Overseas limited partnerships	283,162	25,683	308,845	257,479
Overseas hedge fund of funds	11,333	1,028	12,361	10,305
Overseas other managed funds	53,821	4,881	58,702	48,940
Overseas property funds	21,099	1,914	23,013	19,185
Forward currency contracts	(3,364)	(305)	(3,669)	(3,059)
Cash - Foreign currency	21,799	1,977	23,776	19,822
Total change in assets available	3,192,270	289.539	3,481,809	2,902,731

Currency exposure Asset type	Asset value as at 31 March 2015	Potential Market Movement	Value on increase	Value on decrease
2015	£'000	£'000	£'000	£'000
Overseas fixed interest securities	226,475	20,541	247,016	205,934
Overseas quoted securities	2,570,163	233,114	2,803,277	2,337,049
Overseas limited partnerships	220,194	19,972	240,166	200,222
Overseas hedge fund of funds	9,066	822	9,888	8,244
Overseas other managed funds	81,960	7,434	89,394	74,526
Overseas property funds	18,513	1,679	20,192	16,834
Forward currency contracts	938	85	1,023	853
Cash - Foreign currency	10,622	963	11,585	9,659
Total change in assets available	3,137,931	284.610	3,422,541	2,853,321

Notes to the Pension Fund Accounts

b. Credit Risk

Credit Risk - arises from deposits with banks and financial institutions, as well as credit exposures to the Fund’s customers. The risk is minimised through the Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum criteria set by the Authority. The Treasury Management Strategy also imposes a maximum sum to be invested with each institution. Deposits are limited to £15m with any counterparty and counterparties must have a short term debt credit rating of F1 or better.

As detailed in note 13a the Fund did have cash deposited with some Icelandic banks in 2008 and most of this has now been recovered.

The strategy for treasury management and internal procedures were fully reviewed following this event and the Fund expects full repayment on the due dates of deposits placed since then.

The Fund’s benchmark allowance for cash at 31 March 2016 was a maximum of 10% of the Fund (same at 31 March 2015). The actual cash holdings were 2.19% (1.76%).

Interest received on advances during 2015/16 was just over £0.393m (£0.420m) at an average rate of 0.39% (0.39%) (as the Fund maintains short term deposits only, the rate of interest is closely aligned to the Bank of England base rate which has remained at 0.5% since March 2009). For illustration purposes an increase of 0.25% in interest rates achieved would have resulted in an increase of £0.252m (£0.269m) in interest received provided that bank balances had remained the same.

c. Liquidity Risk

Liquidity Risk - the Fund ensures it has adequate cash resources to meet its commitments. This is particularly the case for cash to meet pensioner payroll costs and investment commitments.

The Fund has immediate access to its cash holdings with a majority of cash being deposited for no longer than a week and no cash being deposited for more than a month. Also the Fund holds Government bonds amounting to £648.9m (£678.7m at 31 March 2015) which can be realised within a week in normal market conditions, if necessary, to meet expected or unexpected demands for cash.

All financial liabilities are due to be paid in less than one year.

20. Actuarial Position

The Authority’s appointed actuary, Mercer Limited, carried out an actuarial valuation of the assets and liabilities of the Fund as at 31 March 2013. The market value of the Fund’s assets at the date of the valuation was £5,288m. The previous valuation had been completed as at 31 March 2010 (market value £4,076m). The valuation was conducted in accordance with the requirements of Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended).

The actuary has taken a long term view when setting the future service basis. The assumptions adopted are (2010 valuation assumptions shown in brackets):-

	Past service	Future service
Discount Rate	4.6%p.a. (5.9%p.a.)	5.6%p.a. (6.7%p.a.)
Pensionable Pay increases	4.35%p.a. (4.75%p.a.)	4.35%p.a. (4.75%p.a.)
Pensions increases	2.6%p.a. (3.0%p.a.)	2.6%p.a. (3.0%p.a.)

Mortality assumptions	31 March 2013	31 March 2010
Retired members’ mortality – base tables	CMI Self Administered Pension Schemes (SAPS) tables with scheme and member category specific adjustments	CMI Self Administered Pension Schemes (SAPS) tables with scheme and member category specific adjustments
Retired members’ mortality – future improvements	CMI 2012 model methodology with 1.5%p.a. long term trend	CMI 2009 model methodology with 1%p.a. long term trend

The above mortality rates relate to members retiring in normal health.

Notes to the Pension Fund Accounts

Commutation assumption

It is assumed that, on average, 50% of retiring members will take the maximum tax-free cash available at retirement and 50% will take the standard 3/80ths cash sum. The option which members have to commute part of their pension at retirement in return for a lump sum is a rate of £12 cash for each £1p.a. of pension given up. This assumption is unchanged from the previous actuarial valuation.

The funding objective is to achieve and then maintain assets equal to 100% of projected accrued liabilities, assessed on an ongoing basis including allowance for projected final pay. The funding plan, in accordance with the Funding Strategy Statement (FSS), is to achieve the funding objective over a maximum period of 22 years (25 years at 2010 valuation). The notional funding deficit revealed by the valuation was £1,709m at 31 March 2013 (£1,085m deficit at 31 March 2010). This represents a funding level of 76% at 31 March 2013 (79% at 31 March 2010).

The funding plan is set out in the FSS, as prepared by South Yorkshire Pensions Authority. Individual employer funding plans, and the resulting certified contributions, have been determined in

accordance with the FSS. Depending on individual circumstances, different approaches to the funding of benefits have been adopted, as part of the FSS consultation process.

The Authority's contribution rate for 2015/16 was 13.2% with an additional payment of £188,800 and the rate for 2016/17 is 13.2% with an additional payment of £193,700.

The contribution rates for the four district councils for 2016/17 are:-

Employer	Contribution Rate 2016 / 2017	
	%	Additional Payment
		£'000
Barnsley MBC	13.1	10,356
Doncaster MBC <i>(additional payment made in full in 14/15)</i>	12.9	-
Rotherham MBC <i>(additional payment made in full in 15/16)</i>	12.9	-
Sheffield City Council <i>(additional payment made in full in 14/15)</i>	12.9	-

21. Actuarial Present Value of Promised Retirement Benefits

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS19 rather than the assumptions and methodology used for funding purposes.

For the purpose of IAS26/IAS19 the actuary has treated all benefits as vested obligations.

In order to assess the value of the benefits on this basis, the actuary has used the following financial assumptions:

	31 March 2016	31 March 2015
Rate of return on investments (discount rate)	3.6% p.a.	3.3% p.a.
Rate of pay increases	3.75% p.a.	3.75% p.a.
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.0% p.a.	2.0% p.a.

The demographic assumptions are the same as those used for funding purposes (in the actuarial valuation).

During the year, corporate bond yields rose, resulting in a higher discount rate being used for IAS26 purposes at the year end than at the beginning of the year (3.6% p.a. versus 3.3% p.a.). There was no change in the expected long-term rate of CPI inflation during the year, resulting in the same assumption for pension increases at the year end than at the beginning of the year (2.0% p.a.).

The value of the Fund's promised retirement benefits for the purposes of IAS26 as at 31 March 2015 was estimated as £8,674 million.

The effect of the changes in actuarial assumptions between 31 March 2015 and 31 March 2016 as described above is to reduce the liabilities by c£445 million. Adding interest over the year increases the liabilities by c£286 million, and allowing for net benefits accrued/paid over the period increases the liabilities by c£10 million (including any increase in liabilities arising as a result of early retirements/ augmentations).

The net effect of all the above is that the estimated total value of the Fund's promised retirement benefits as at 31 March 2016 is £8,525 million.

Notes to the Pension Fund Accounts

22. Current Assets

Debtors:

	31 March 2016	31 March 2015
	£'000	£'000
Contributions due - employers	7,972	9,563
Contributions due - employees	3,476	3,483
Additional costs of early retirement	3,049	3,890
Sundry debtors	5,582	4,373
	20,079	21,309

Analysis of debtors:

	31 March 2016	31 March 2015
	£'000	£'000
Central government bodies	10	20
Other local authorities	10,653	13,277
NHS bodies	38	8
Public corporations and trading funds	641	333
Other entities and individuals	8,737	7,671
	20,079	21,309

23. Long Term Debtors

Long term debtors are all additional costs of early retirement due later than 2014/15.

	31 March 2016	31 March 2015
	£'000	£'000
Central government bodies	-	-
Other local authorities	1,204	1,870
NHS bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	250	176
	1,454	2,046

Notes to the Pension Fund Accounts

24. Current Liabilities

Creditors:

	31 March 2016	31 March 2015
	£'000	£'000
Sundry creditors	(1,386)	(1,755)
Payroll deductions	(2,185)	(2,210)
Benefits payable	(1,126)	(0)
Advance property rents	(4,265)	(4,035)
Holding accounts	(970)	(426)
	(9,932)	(8,426)

The cash balance is held by the Authority and the Fund Net Assets Statement includes a creditor of £1.220m (creditor of £1.581m in 2014/15) for sums due to the Authority at the year end.

Analysis of creditors:

	31 March 2016	31 March 2015
	£'000	£'000
Central government bodies	(2,018)	(2,041)
Other local authorities	(1,220)	(1,654)
NHS bodies	-	-
Public corporations and trading funds	(364)	(512)
Other entities and individuals	(6,330)	(4,219)
	(9,932)	(8,426)

25. Additional Voluntary Contributions

Additional Voluntary Contributions (AVCs) made by pension fund contributors are managed by Equitable Life, Scottish Widows and Prudential. The fund value of AVCs with these managers and contribution received during the year are shown below:

	Fund Value		Contributions received	
	31/3/16	31/3/15	2015/16	2014/15
	£'000	£'000	£'000	£'000
Equitable Life	2,137	2,313	12	14
Scottish Widows	5,316	5,648	387	432
Prudential	5,067	4,726	1,685	1,718

Notes to the Pension Fund Accounts

26. Related Party Transactions

There are no material transactions with related parties other than those which have been properly recorded and disclosed elsewhere in the Fund accounts.

South Yorkshire Pensions Authority is a related party to the Fund as the administering authority and all transactions are shown either in the Authority's statements or in the Fund account.

One officer of the Authority is a director of Waldersey Farms Limited and F H Bowser limited (see note 29).

All employers listed in schedules A and B attached are related parties to the Fund, and have material transactions with the Fund during the year in the

form of contributions described elsewhere in the accounts. Elected Members of the Authority are related parties to the Fund and signed declarations are made where they are also members of the Fund.

External fund managers are also related parties to the Fund and fees paid to them are included within investment management expenses (see note 11a).

31. Contingent Assets

Twelve admitted body employers in the Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default.

32. Compensation Payments

The Fund makes compensation payments in respect of non-statutory pension benefits (e.g. compensatory added years). These costs are not chargeable to the Fund, but are recovered from the employing authorities.

During 2015/16, the Fund made payments in respect of non-statutory pension benefits of £14.771m (£15.001m in 2014/15).

Analysis of compensation payments

	2015/16 £'000	2014/15 £'000
Administering Authority		
South Yorkshire Pensions Authority	15	14
Scheduled Bodies		
Barnsley MBC	2,629	2,635
Doncaster MBC	1,952	1,964
Rotherham MBC	1,374	1,376
Sheffield CC	6,644	6,739
Other Scheduled Bodies	2,090	2,206
Admitted Bodies	67	67
Totals	14,771	15,001

Notes to the Pension Fund Accounts

29. Subsidiary Companies

The Authority had, within its portfolio, two wholly owned subsidiary companies; Waldersey Farms Limited and F H Bowser Limited.

Waldersey Farms Limited is primarily a farming company. The book value of the company is included in the net assets statement under the heading of Property - Other UK, to reflect the exposure of the Pensions Authority. One officer of the Authority is a director of the company.

The latest available accounts for Waldersey Farms Limited show the following information:

Waldersey Farms Limited has a year end of 31 December.

Waldersey Farms Limited	2015/16	2014/15
	£	£
Pension Fund investment at book cost at 31 March	5,508,112	5,508,112
(Debenture loan included within above)	4,143,100	4,143,100
Pension Fund investment value at 31 March		
(included in net asset statement)	5,508,100	5,508,100
	31/12/2015	31/12/2014
	£	£
Profit (loss) on ordinary activities before taxation	(476,452)	240,869
Profit (loss) after taxation	(406,494)	171,149
Rent paid to SYPA	2,059,127	1,807,102
Dividend paid to SYPA	-	238,875
Retained profit (loss)	3,612,197	4,018,691
Net assets	5,477,197	5,883,691

A full Statement of Accounts for Waldersey Farms Limited can be obtained from the Company at Northfield Farm, Lynn Road, Southery, Norfolk.

The ten year debenture granted to Waldersey by the Authority was renewed on 1 April 2015 is for £7m, of which £4.143m (£4.143m in 2014/15) has been drawn down.

Notes to the Pension Fund Accounts

F H Bowser Limited owns property which it lets to third parties. The book value of the company is included in the net assets statement under the heading of Property - Other UK, to reflect the exposure of the Pensions Authority. One officer of the Authority is a director of the company.

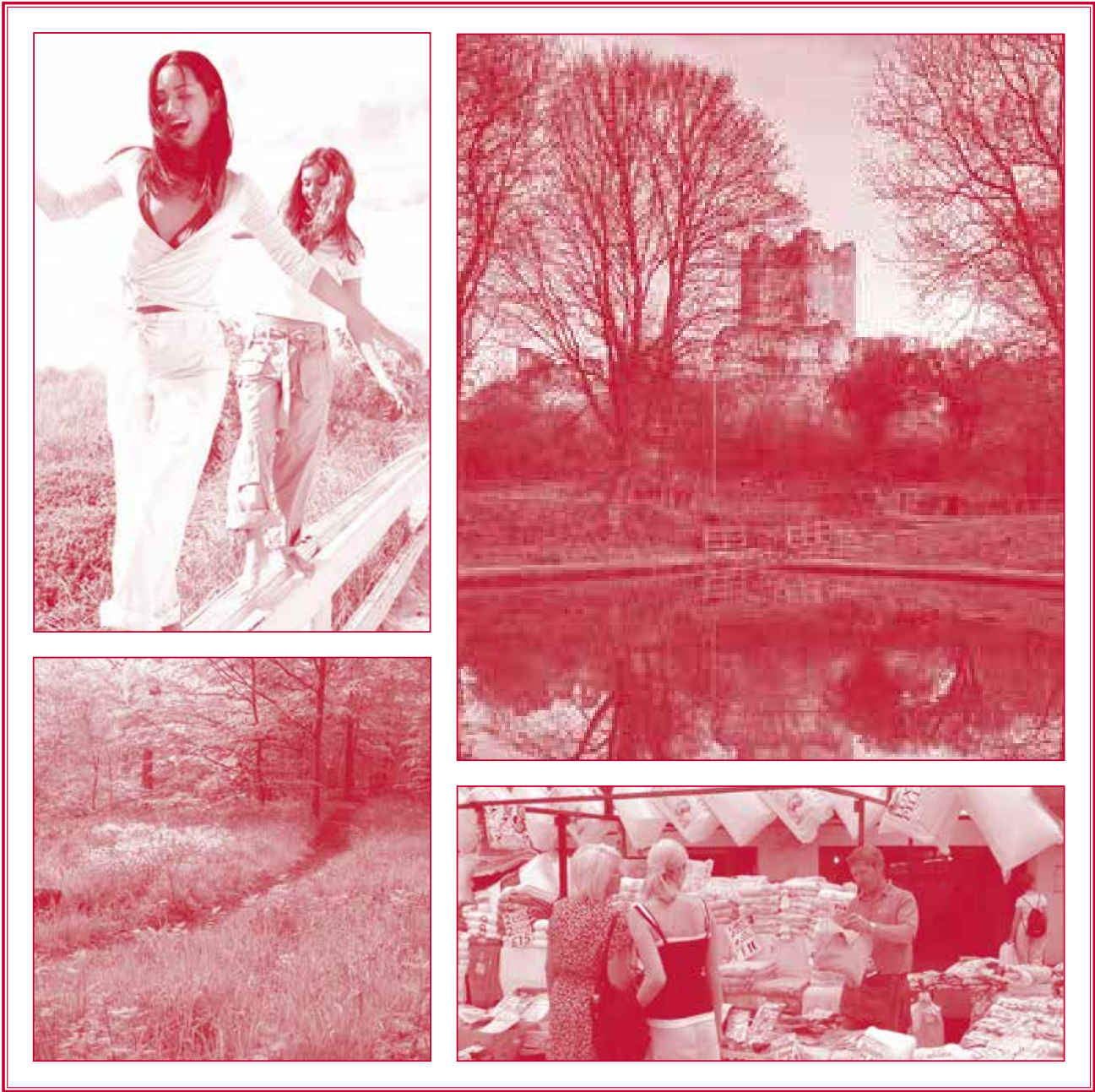
The latest available accounts for F H Bowser Limited show the following information:

F H Bowser accounts has a year end of 31 December.

F H Bowser Limited	2015/16	2014/15
	£	£
Pension Fund investment at book cost at 31 March	10,781,694	10,921,694
Pension Fund investment value at 31 March (included in net asset statement)	8,962,350	10,603,359
	31/12/2015	31/12/2014
	£	£
Fixed Assets	9,750,900	10,146,251
Current Assets	57,015	80,956
Current Liabilities	(404,371)	(566,711)
Net assets	9,403,544	9,660,496
Profit on Ordinary Activities	174,912	204,359

A full Statement of Accounts for F H Bowser Limited can be obtained from the Company at 18 Regent Street, Barnsley.

The company has a loan from the Authority and £359,356 was outstanding as at 31 December 2015 (£484,356 at 31 December 2014) (the date of the company’s accounts).



Notes to the Pension Fund Accounts

SCHEDULE A - Scheduled Bodies contributing to the Fund

South Yorkshire Pensions Authority (Administering Authority)

Barnsley Metropolitan Borough Council

Doncaster Metropolitan Borough Council

Rotherham Metropolitan Borough Council

Sheffield City Council

South Yorkshire Passenger Transport Executive

SYITA (Properties Ltd)

South Yorkshire Fire Authority

The Police and Crime Commissioner for South Yorkshire

Barnsley College

Doncaster College

Rotherham College of Arts & Technology

Thomas Rotherham College

Dearne Valley College

Sheffield College

Notre Dame School

St John Fisher RC Junior & Infants School

All Saints RC School

St Ann’s RC Primary School

St Joseph’s Primary School

St Theresa’s RC School

St Patrick’s RC School

Totley All Saints Church of England School

Broomhill Infants School

Clifford C of E Grant Maintained School

Hayfield School

Sheffield Hallam University

Askern Town Council

Bradfield Parish Council

Brierley Town Council

Ecclesfield Parish Council

Edlington Town Council

Stainforth Town Council

Thorne-Moorends Town Council

Penistone Town Council

Stocksbridge Town Council

Barnby Dun Parish Council

Hatfield Town Council

Sprotborough Parish Council

Rossington Parish Council

Thrybergh Parish Council

Berneslai Homes

Armthorpe Parish Council

Barnburgh & Harlington Parish Council

Anston Parish Council

Aston-Cum-Aughton Parish Council

Longley Park Sixth Form College

University Technology College (Sheffield)

Trinity Academy

St Leger Homes of Doncaster

Wickersley Parish Council

Valuation Tribunal

Barnsley Academy

Silkstone Parish Council

Sandhill Primary School (Great Houghton)

Sheffield Springs Academy

Sheffield Park Academy

De Warenne Academy

Outwood Academy Adwick

Maltby Academy

Brinsworth Academy

Wales Academy

Parkwood Academy

St Mary’s CofE Primary (Barnsley)

Oakhill Primary Academy

Rossington All Saints Academy

Ash Hill Academy

Auckley Junior & Infant Academy

Don Valley Academy & Performing Arts College

Grange Lane Infant Academy

Pheasant Bank Academy

Danum School Technology College

Rowena Academy

The Academy at Ridgewood Trust

Conisbrough Ivanhoe Primary Academy

Hall Cross Academy Trust

Hungerhill Academy Trust

Aston Academy

Yewlands Technology College

The Hill Academy

Highgate Academy

Carrfield Academy

Gooseacre Academy

Darfield All Saints Academy

Upperwood Academy

Carlton Primary

Royston Parkside

Royston Summer Fields

Shafton Primary Academy

St Helen’s Primary Academy

Campsmount Technology College

Highfields Primary

Hatfield Woodhouse Primary

Crookesbroom Primary Academy

Willow Primary

Armthorpe Academy

Barnby Dun Primary Academy

Castle Academy

St Oswald’s C of E Academy

Armthorpe Shaw Wood Academy

Kirk Sandall Infant School

Dunsville Primary School

Sir Thomas Wharton Community College

Thurcroft Junior Academy

St Bernards Catholic High School

Tapton School

Hartley Brook Academy

Hatfield Academy

Meadowhead School Academy Trust

Chaucer School

St Thomas of Canterbury Trust

King Ecgbert School

Notes to the Pension Fund Accounts

SCHEDULE A - Scheduled Bodies contributing to the Fund

St Marie’s School A Catholic Voluntary Academy
Fir Vale School
Bradfield School
Southey Green Primary School & Nurseries
Silverdale School
Greengate Lane Academy
The Forest Academy
Meadstead Primary Academy
Heather Garth Primary School
Queens Road Academy
Littleworth Academy
Darfield Valley School
Hoyland Common Primary School
West Meadows Primary School
Dodworth St John the Baptist CE Primary Academy
Darton Primary
Balby Carr Academy
St Josephs Catholic School (Rossington)

Richmond Hill Primary Academy
Thrybergh Academy & Sports College
East Dene Primary
Coleridge Primary School
St Bedes Catholic Primary School
St Gerards Catholic Primary
St Marys Catholic Primary School (Herringthorpe)
Wingfield Academy
St Marys Catholic Primary (Maltby)
Canklow Woods Primary Academy
Whiston Junior & Infants School
Whiston Worrygoose Junior & Infant School
Oakwood High School
Sandhill Primary Academy
Brookfield Primary Academy
St Josephs Catholic Primary (Dinnington)

Maltby Redwood Primary Academy
Wickersley School & Sports College
St Wilfred’s Catholic Primary School
Meynell Primary School
Mansel Primary School
Monteney Primary School
Fox Hill Primary School
Hinde House 3-16 School
Lound Infant School
Lound Junior School
Firth Park Academy
Porter Croft CofE Primary Academy
E-ACT Pathways Academy
Hillsborough Primary School
St Marys Catholic Primary School (High Green)
Sacred Heart School, A Voluntary Catholic Academy

Outwood Academy City
Totley Primary School
St Catherines Catholic Primary School
Concord Junior School
Wincobank Nursery & Infant School
The Mill Academy
Springwell Special Academy
Springwell Alternative Academy
Kirk Balk Community College
Outwood Academy Shafton
McAuley Catholic High School
Montague Primary Academy – Mexborough
Holy Family Catholic Primary
St Wilfreds Academy
Mexborough School
Kirk Sandal Junior School
Rawmarsh Ashwood Primary School
Sitwell Junior School

Thrybergh Primary School
Rawmarsh Communtiy School
Wickersley St Albans C of E Primary School
Bramley Grange Primary
Monkwood Primary Academy
Anston Greenlands Primary School
Aston All Saints Academy
Dinnington High School
Trinity Croft C of E Primary Academy
Listerdale Primary School
Wickersley Northfield Primary
Thrybergh Fullerton Primary
Flanderwell Primary School
Maltby Manor Academy
Maltby Lilly Hall Academy
Ravenfield Academy
Ecclesfield School
Newfield Secondary School

Emmaus Catholic & C of E Voluntary Academy
Forge Valley School
St Marys C of E Academy (Walkley)
Lowedges Junior Academy
Oasis Academy Firvale
Oasis Academy Watermead
Chapelton Academy
Handsworth Grange Academy
Emmanuel Junior School
High Hazels Academy
Greenacre Special School Academy
Laithes Primary School
Elsecar Holy Trinity CE Primary Academy
High View Primary Learning Centre
Wombwell Park Street Primary School
Hoyland Springwood Primary School

Notes to the Pension Fund Accounts

SCHEDULE A - Scheduled Bodies contributing to the Fund

Outwood Academy Carlton
Royston St John the Baptist
XP School
Carr Lodge Aacdemy
Winterhill School
Herringthorpe Junior Academy
Springwood Junior Academy
Greasbrough Primary Academy
Eastwood Village Primary School
Valley Park Community Primary
High Hazels Infant Academy
Nether Edge Primary Academy
Wisewood Community Primary Academy
Hallam Primary Academy
Oasis Academy Don Valley
Beck Nursey, Infant and Junior School
St Thomas More Catholic Primary

Notes to the Pension Fund Accounts

SCHEDULE B - Admitted Bodies contributing to the Fund

Voluntary Action Barnsley	Community Action Halfway House Assoc	Compass – Hatfield Woodhouse (SPT)
Danvn Drainage Commissioners	Sheffield Industrial Museums Trust Ltd	Rotherham, Doncaster & South Humber Health
National Childrens’ Bureau	Sheffield Futures	Independent Training Services Ltd
Sheffield Branch of UNISON	Sheffield International Venues Limited	Caterlink Barnsley Academy
Sheffield Students Union	South Yorkshire Housing Association	Forge Community Partnership
Doncaster Deaf Trust	Sheffcare Limited	Independent Living at Home (Barnsley) Ltd
Action Housing Association Ltd	Trustclean – Mexborough Highwoods	Sheffield NHS Care Trust
Northern College	KGB Cleaning Doncaster College	ENGIE Ltd
Voluntary Action Rotherham	Interserve FM Ltd	May Gurney Fleet & Passenger Services
Sheffield MIND	Compass – Grange Lane Infants (SPT)	Mellors Catering Services
Northern Racing College	Sheffield Galleries and Museums Trust	Tuscan Connects
Barnsley Business Innovation Centre Ltd	Barnsley Premier Leisure	Carrillion Integrated Solutions
Barnsley Dial-a-Ride	Royston and Carlton Community Partnership	Kier Support Services
Doncaster Community Transport	Compass RCAT	Midshire Catering Ltd
Sheffield Community Transport	Wentworth Castle	NPS Barnsley Ltd
Groundwork Dearne Valley		Civica – Barnsley BSF
Priory Campus		JLIS PFI FM sub contract (Barnsley BSF)
Age Concern Doncaster		
Leonard Cheshire Foundation		
The Centre for Full Employment		

Notes to the Pension Fund Accounts

SCHEDULE B - Admitted Bodies contributing to the Fund

JLIS Non-PFI Barnsley BSF	Taylor Shaw (catering BSF PFI 4)	Vinci Construction UK Ltd (Bradfield School)
Crispin & Borst – DMBC PFI	KAPS	
Compass – Pheasant Bank (SPT)	Taylor Shaw-Parkwood Academy	Taylor Shaw (Bradfield School)
Compass – Rowena (SPT)	ICS Cleaning Services – Danum Academy	Creative Support Ltd Chartwells – De Warenne Academy Catering Co
Capita – Outstanding Sheffield Prog	Civica Phase 2 ICT Function – Sheff BSF	Trustclean Ltd – Wath CofE School
Taylor Woodrow Const (CleanSheff PFI 4)	Peter Duffy Ltd	Places for People Leisure Ltd
Veolia	Barnsley Norse Ltd	ABM Catering – Wales High School
Mitie PFI Ltd	Doncaster Culture & Leisure Trust	Churchill Contract Services
Kier Managed Services Ltd	Carroll Cleaning Company – De Warenne Academy	Mellors – Hinde House/ King Ecgbert Scl Catering
Taylor Shaw – Forest Academy Catering	Aspens Services Limited	Sheffield City Region LEP
Great Places Housing Association	Mellors Catering Services (Longley Park School)	Compass – Hatfield Crookesbroom (SPT)
RM Education Ltd (ICT contract Dearne ALC)	Taylor Shaw (Sheff School Meals)	Doncaster Childrens Services Trust
Civica (Sheffield BSF PFI 4)	Sheffield City Trust	Compass – Armthorpe Academy
Taylor Woodrow Const (Sheff PFI 4)	Seven Hills Leisure Trust	Trustclean – Bramley Grange Primary
Willmott Dixon Prtn Ltd – Roth 2010 Hsg Mnt	Trustclean Ltd (Athersley North)	Kier Services – SCC – CSSR
Morrison Facilities Services Ltd	Mellors Catering Services (Sheff Schools)	Kier Services – SCC – SHRM
Shaw Trust	Amey LG Limited	

Notes to the Pension Fund Accounts

SCHEDULE B - Admitted Bodies contributing to the Fund

Kier Services – SCC – ASHS
Caterlink – Sheffield Park Academy
Kier Services – SCC - Heating
Compass – Don Valley
Compass – Rossington All Saints
Independent Cleaning Services – McAuley High
Mellors (Danum Academy)
Mellors Catering Services (Rawmarsh Com School)
Trustclean Limited (Wath Victoria Primary)
Mellors Catering Services (Brinsworth Comp)
Places for People Leisure Ltd – SCC Leisure Ltd
British Red Cross – SCC
Taylor Shaw – St John Fisher Academy

Glossary

Accruals (Accrual Accounting)

The fundamental accounting principle that income and expenditure are recognised as they are earned or incurred, not as money is received or paid. When income is due to the Authority but has not been received an accrual is made for the debtor. When the Authority owes money but the payment has not been made an accrual is made for the creditor.

Actuarial /Actuary

The science and profession of using mathematical techniques to model and quantify the financial effects of uncertain future events. For the Authority this is relevant in the context of accounting for the Pension Fund, where future transactions of the Fund will occur so far into the future that they cannot yet be known with certainty.

Admitted Body

Admitted bodies are organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Amortisation

The way in which an asset or liability is accounted for over more than one period (other than property, plant and equipment, for which depreciation applies).

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is a UK accountancy body, specialising in the finances of the public sector. CIPFA is responsible for determining the accounting rules and procedures that apply to local authorities and other public bodies.

Code of Practice on Local Authority Accounting in the United Kingdom (the Code)

This document is produced by CIPFA. It defines proper accounting practices for local authorities in the United Kingdom, and is generally abbreviated to ‘the Code’ in the text. The Code is based on International Financial Reporting Standards.

Contingent Assets

These are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the Authority.

Contingent Liabilities

These are material liabilities where the contingent loss cannot be accurately estimated or is not considered sufficiently certain to include in the accounts. They are therefore brought to the attention of readers of the accounts as a note to the Balance Sheet.

Creditors

Amounts owed by the Authority for work done, goods received or services rendered, but for which payment has not been made at the end of the year.

Debtors

Sums of money owed to the Authority but not received at the end of the year.

Earmarked Reserve

A sum set aside for a specific purpose.

Emoluments

Payments received in cash and benefits for employment.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of property, plant and equipment to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance.

Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability of another. The term covers both financial liabilities and financial assets and includes the borrowing, lending, soft loans, financial guarantees and bank deposits of the Authority.

International Accounting Standards (IAS)

These standards were issued by the International Accounting Standards Committee (IASC). These standards have now largely been replaced by International Financial Reporting Standards.

International Financial Reporting Standards (IFRS)

These are accounting standards issued by the International Accounting Standards Board.

Investment Properties

Land and buildings that are held for capital gain and rental income and not for the provision of services.

Liabilities

Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Materiality

An item is material if its omission, non-disclosure or mis-statement in financial statements could be expected to lead to a distortion of the view given by the financial statements.

Operating Leases

Leases other than a finance lease. Under operating leases the risks and rewards of ownership remain substantially with the lessor.

Glossary

Prior Year Adjustments

Material adjustments applicable to prior years, arising from changes in accounting policies or from other corrections.

Provisions

Contributions to provisions are amounts charged to the revenue account during the year for costs with uncertain timing where a reliable estimate of the cost involved can be made.

Related Parties

Individuals or bodies who have the potential to influence or control the Authority or to be influenced or controlled by the Authority.

Scheduled Body

Scheduled bodies are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.

Usable Reserves

Reserves that can be applied to fund expenditure, all other reserves retained on the balance sheet cannot.



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PENSIONS AUTHORITY

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