4. Any existing explanation or correction of the performance summary's £25.722m pension-surplus description compared with note18's £112.416m pre-ceiling surplus and nil recognised asset, and of £2.905m LGPS contributions in the narrative versus £2.925m employer contributions in the asset roll-forward.

Per Accounts

Annually Managed Expenditure

Post-employment benefits (pensions) are accounted for using IAS 19. Each year, an actuarial calculation is carried out and SQA must make provision on our Statement of Comprehensive Net Expenditure (SoCNE) to reflect its share of the movement in overall provision. SQA's surplus for pensions in 2024–25 was £25.722m, with the previous year surplus being £12.528m. Due to the size of the pension surplus, we are required by IFRIC 14 to place an asset ceiling on the amount declared in our statement of financial position (SOFP). We requested an additional calculation from our actuary, Hymans Robertson, and this has reduced the asset carried on the SOFP to £NIL. Any surplus/deficit in relation to pensions is recorded through Annually Managed Expenditure (AME) in the table above. Full supporting information and calculations are contained in note 18 to the accounts.

Pension Assets and Liabilities recognised in Statement of Financial Position

	2024–25 £'000	**2023–24 £'000**
Present value of defined benefit obligations	(162,579)	(181,548)

Fair value of plan assets	274,995	264,232
Asset ceiling reduction*	(112,416)	(82,864)
Net asset/(liability) arising from defined benefit obligation	**0**	**0**

Amounts recognised in Statement of Changes in Taxpayers' Equity are as follows:

	2024–25	**2023–24**
	£'000	**£'000**
Actuarial gain/(loss) arising on defined benefit obligation	34,273	(233)
Actuarial (loss)/gain arising on fair value of the plan assets	(3,454)	12,325
Non-recognition of income due to ceiling cap	(25,722)	(12,528)
Actuarial gain/(loss) recognised in the Statement of Changes in Taxpayers' Equity	5,097	(436)

The total figure quoted of £112,416 is the total value of SQA's share of the net assets. Due to the size of the asset, IFRIC 14 The limit on a defined benefit asset was invoked a few years back and a supplementary report for pensions was requested from our actuary. This reduced the level of asset we are allowed to disclose in our accounts and for this year this was zero. The total of £25.722m is the in-year non-recognition of income.

Defined Benefit operating cost

R2015	Local government pension	2,905,084.47	7,856,682.93
ETB Jnl8	FRS 17 requirements	7,900,000.00	7,366,000.00
ETB Jnl8	FRS 17 requirements	-2,925,000.00	-7,328,000.00
		7,880,084.47	7,894,682.93

Answer – The first figure £2.905m comes from the ledger and is based on payroll. The second figure comes from the pension company. Both figures have been audited.