

Local Pensions Partnership Administration Limited

Annual report and financial statements 2024/25

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Company Information

Directors

Abigail Leech
Charles Richard Thomas
Christopher Rule
Elizabeth Woolman
Joanne Darbyshire
Michael O'Donnell
Ron Jarman

Registered Office

Level 2
Christ Church Precinct
County Hall Complex
Preston
PR1 8XJ

Auditors

Grant Thornton UK LLP
8 Finsbury Circus
London
EC2M 7EA

Bankers

National Westminster Bank
PO Box 35
10 Southwark Street
London
SE1 1TJ

Strategic Report

The Directors present their Strategic Report and Financial Statements of Local Pensions Partnership Administration Ltd (“the Company”) for the year ended 31 March 2025. The Directors have prepared the Financial Statements in accordance with the UK financial reporting framework, FRS 102 (‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’).

Principal Activities

Local Pensions Partnership Administration Ltd (LPPA) is part of the Local Pensions Partnership Group of Companies and is a wholly owned subsidiary of Local Pensions Partnership Ltd (“LPP”), whose other subsidiary is Local Pensions Partnership Investments Ltd (“LPPI”). LPPI manages £26.5bn of assets for three local government pension schemes (LGPS) partner funds and a wider institutional client base who are invested in specific funds for which LPPI is the investment manager. LPPA providing pensions administration services to public sector clients (10 Local Government Funds; 7 Fire Authorities and 1 Police Force).

Today LPPA provide pension administration services for circa 700,000 LGPS, Police and Firefighters’ pension scheme members across over 2,100 employers, of which 1,400 are active.

Strategic Direction

LPPA operates under a strategic Business Plan which is reviewed annually, with its budget, by its board and shareholders. The plan supports the vision of the company “to be the Pension administrator of choice to the public sector”.

The strategic business plan is underpinned by seven strategic goals:

Outcome Goals

1. High performance and accountability – a performance driven business.
2. Customer focused – focus on shareholders, clients and their employers and members.
3. Experts in pension administration and payroll – a trusted partner.
4. Innovative mindset – a digitally enabled business.

Enabling Goals

5. Value for money – delivering a high quality, value for money service.
6. Robust foundations – security of data.
7. A great place to work – LPPA being the employer of choice.

The plan is underpinned by our values:

- **Committed to excellence:** We do our best to make the pension process straightforward and stress-free. We take responsibility for actions and outcomes, striving for the highest standards.
- **Forward thinking:** We embrace new technologies and approaches to improve services and operations to make life easier for members.
- **Doing the right thing:** We act with honesty and integrity to deliver results the right way always. We are accountable and speak the truth, good news or bad, openly without fear.
- **Working together:** We work together as a team striving for the highest standards in service delivery and operations. We value individual and cultural differences as a defining strength.

Key achievements in 24/25

LPPA continues to focus on service delivery and modernising the member and employer experience. An Efficiency and Service Improvement Plan is leveraging the benefits of our administration system in line with our goal to become digitally enabled. Regulatory change implementation will continue to be a focus with the McCloud remedy deadlines and connection to the Pension Dashboard’s central ecosystem on the horizon for 2025/26. LPPA continues to be acutely aware of the risks posed by cyber security threats and has achieved Cyber Essentials Plus re-accreditation. Embedding LPPA’s culture through staff training and development continues to be a priority, with a focus on accountability and customer service. We continue to strive to make

Strategic Report (continued)

LPPA an employer of choice and have done significant work on wellbeing as well as career development paths for our staff.

Looking ahead – 25/26 strategic priorities

The Executive Leadership team is aligned and focused on executing the company's long-term vision "To be the pension administrator of choice to the public sector". The business plan is due a refresh in 2025/26 and the executive leadership are working towards an updated plan to be approved by the LPPA Board in December 2025. As the company matures and the Pension Administration landscape continues to change the goals of the business are being refined and the updated plan will be focusing on the following key areas; providing excellent member experience and a member focused organisation, optimising operational efficiency and driving business growth.

Risk management

LPPA operates within a strong control environment that mitigates operational and regulatory risk. Quarterly risk reporting is delivered to the Executive Leadership Team, Audit, Risk & Compliance Committee and LPPA Board. LPPA links its strategies objectives and risk management approach through to key business processes. The LPPA Board controls and monitors risk through the application of a risk governance framework and through setting risk appetite and tolerances across a number of strategic objectives.

The following are the principal risks for LPPA.

Cyber security risk

Any cyber-attack on LPPA systems or supply chain could have serious consequences including significant exposure of data, business paralysis and financial penalties.

Key supplier and key system dependence

LPPA has strategic partnerships with key technology suppliers. Any disruption to service would limit LPPA's ability to process casework – our core service as a pension administrator. This could in turn lead to reputational damage, loss of clients, financial penalties, regulatory censure, complaints and media scrutiny.

Regulatory / legislative change

Failure to take the necessary steps to remain compliant and to effectively manager and deliver regulatory or legislative change could result in regulatory censure, reputational damage, financial penalties, negative media coverage, member and client dissatisfaction and loss of clients.

Data quality and data loss

Failure to maintain quality of data received, held and processed could result in in appropriate decision making and inability to remain aligned with client needs. This includes not being able to support day to day service delivery.

Capability and capacity risk

Failure to recruit, develop and retain the skills required to run the business effectively.

Risks are identified, assessed and managed on a regular basis using a broad range of inputs including business area self-assessments, risk events, the results of internal audits, control assurance activities and the compliance monitoring programme.

Employee Engagement and Representation

In discharging their duties under section 172(1) Directors are mindful of the impact on employees. During the reporting year, Director's received assurance that organisation-wide changes are communicated and major strategic projects discussed through company-wide email communications, monthly online 'all-staff' meetings, intranet announcements and half-yearly events which all staff attend in person. The Executive Leadership team welcome suggestions and questions from all employees through formal communication channels and informal

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Strategic Report (continued)

discussions. LPPA's people strategy aims to create a great place to work.

Employee surveys are carried out twice a year with a focus on various engagement drivers including culture, values, behaviour, health and wellbeing, staff rewards, personal development and training, health and safety and employee relations. A People Champion team and an EDIB team meets regularly to provide valuable input and feedback on LPPA's people plans and to promote belonging, recognition, and reward at LPPA.

LPPA Corporate Governance

Board composition

During the reporting year, the LPPA Board has been chaired by Ron Jarman. The other non-Executive Directors were Elizabeth Woolman, Charles Richard Thomas, and Michael O'Donnell.

Executive Directors of the Board for 2024/25 were Joanne Darbyshire, Christopher Rule and Abigail Leech who was appointed as an Executive Director on 1 January 2025.

Directors' conflicts of interest and independence

A process for the identification, consideration of, authorisation and appropriate recording of any conflicts of interest is in place. Directors declare any conflicts at the start of each Board or Committee meeting to be recorded in the minutes of the meeting and the Register of Interests.

Role and responsibilities

The LPPA Board is responsible for overseeing the pensions administration business. This includes organising and directing the affairs of LPPA for the benefit of its shareholders and clients. LPPA considers its stakeholders to be: LPP as shareholder, its clients, including the Group shareholders, the members and participating employers of the LGPS, Police and Fire pension schemes administered by LPPA, suppliers of key services and goods and the Government.

The LPP Board is responsible for the oversight of the subsidiaries plus Group performance, strategy, and shareholder engagement.

This report was approved by the Board and signed by its order on 9 September 2025.



Abigail Leech
Director

Report of the Directors

The Directors present their report and financial statements for the year ended 31 March 2025.

Directors

The following people served as Directors during the year and up to the Statement of Financial Position signing date.

Abigail Leech (Appointed 1 January 2025)
Charles Richard Thomas
Christopher Rule
Elizabeth Woolman
Joanne Darbyshire
Michael O'Donnell
Ron Jarman

Results and dividends

The trading result for the Company for the year to 31 March 2025 is a profit after tax of £232k (2023/24 profit after tax of £5,135k). No dividends were paid during the year (2023/24 - £nil).

Capital

As at 31 March 2025, LPPA has an issued share capital of 7 million ordinary shares of £1 per share.

Going concern

The Company's income is mainly generated through providing pensions administration to clients through shared services agreements which have 18-month termination clauses. These agreements are centred around a full cost recovery model. Fees are agreed with clients annually as part of the annual budget process and reviewed through the year with clients. Added to this, the Company continues to have the support of its immediate parent LPP who, if required would be able to call upon loan facilities from its parent entities in order to provide financial support to the Company.

The Directors are satisfied that the Company is expected to be a going concern for at least 12 months from the date of approving these financial statements and feel that it is appropriate to adopt the going concern basis in preparing the Financial Statements.

Political and charitable donations

No political donations were made during the year (2023/24 - £nil). No charitable donations were made during the year (2023/24 - £nil).

Post balance sheet events

There have been no post balance sheet events to report.

Disclosure of information to auditors

Each person who was a Director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board and signed by its order on 9 September 2025.



Abigail Leech

Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic report, the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard (FRS) 102 'The Financial reporting Standard Applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy, at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that their responsibilities have been fulfilled.

Independent auditor's report to the members of Local Pensions Partnership Administration Ltd

Opinion

We have audited the financial statements of Local Pensions Partnership Administration Ltd (the 'company') for the year ended 31 March 2025, which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as global conflicts and changeable interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the independent auditor's report, other than the Company No: 09985860

financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the independent auditor's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the report of the directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected

to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant are those that relate to the reporting frameworks, FRS 102 and the Companies Act 2006.

- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board meetings.
- We assessed the susceptibility of the Company's financial statements to material misstatement including how fraud might occur by evaluation management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risk identified included;
 - Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - Testing journal entries, including manual journal entries processed at the year-end for financial statements preparation, and;
 - Challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - Knowledge of the industry in which the Company operates;
 - understanding of the legal and regulatory frameworks applicable to the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mitesh Tanna

Mitesh Tanna

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

9 September 2025

Income Statement

For the year ended 31 March

	Notes	2025 £'000	2024 £'000
Turnover	6	22,207	19,013
Administrative expenses	7	(21,760)	(19,087)
Operating profit /(loss)	8	447	(74)
Interest receivable		78	85
Interest payable		(60)	(55)
Profit / (loss) before taxation		465	(44)
Tax (charge)/credit for the year	10	(233)	5,180
Profit for the financial year		232	5,135

Statement of Comprehensive Income

For the year ended 31 March

	Notes	2025 £'000	2024 £'000
Profit for the financial year		232	5,135
Other comprehensive income			
Remeasurement of defined benefit obligation	15	180	3,204
Tax on components of other comprehensive income		(45)	(6,808)
Other comprehensive income / (loss) for the year		135	(3,604)
Total comprehensive income for the year		367	1,531

Statement of Financial Position

As at 31 March

	Notes	2025 £'000	2024 £'000
Fixed assets			
Intangible assets	11	3,966	3,603
Tangible assets	12	338	405
		<u>4,304</u>	<u>4,008</u>
Current assets			
Debtors	13	3,482	3,264
Cash at bank and in hand		2,392	1,970
		<u>5,874</u>	<u>5,234</u>
Debtors: amounts receivable after more than one year	13	227	455
Post-employment benefits	15	5,538	4,886
Creditors: amounts falling due within one year	14	(3,602)	(2,887)
		<u>12,341</u>	<u>11,696</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	14	(1,300)	(1,300)
Deferred tax liability	10	(1,581)	(1,303)
		<u>9,460</u>	<u>9,093</u>
Net assets			
Capital and reserves			
Share capital	16	7,000	7,000
Retained earnings	17	2,460	2,093
		<u>9,460</u>	<u>9,093</u>
Total equity			

The notes on pages 16 to 29 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 9 September 2025 and were signed on its behalf on the same date by:



Abigail Leech

Director

Statement of changes in equity

	Notes	Share capital	Retained earnings	Total
		£'000	£'000	£'000
Balance as at 1 April 2023		7,000	562	7,562
Profit for the year		-	5,135	5,135
Other comprehensive income for the year	15	-	(3,604)	(3,604)
Total comprehensive income for the year		-	1,531	1,531
Balance as at 31 March 2024		7,000	2,093	9,093
Balance as at 1 April 2024		7,000	2,093	9,093
Profit for the year		-	232	232
Other comprehensive income for the year	15	-	135	135
Total comprehensive income for the year		-	367	367
Balance as at 31 March 2025		7,000	2,460	9,460

Notes to the Financial Statements Year Ended 31 March 2025

1. Introduction

The Company is part of the Local Pensions Partnership Group of Companies and is a wholly owned subsidiary of Local Pensions Partnership Ltd ("LPP"), whose other subsidiary is Local Pensions Partnership Investments Ltd ("LPPI"). The principal activity of the Company is the provision of pensions administration services to eighteen public sector pensions clients, including police, firefighters and employers who qualify for LGPS.

The Company is a limited liability company under the laws of England and Wales, in the UK. The Registered Office is located at Level 2, Christ Church Precinct, County Hall Complex, Preston PR1 8XJ.

The Financial Statements are presented in sterling (£) which is the functional and presentational currency of the Company and rounded to the nearest £'000 except where otherwise stated.

The Company's parent undertaking, Local Pensions Partnership Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Local Pensions Partnership Ltd are prepared in accordance with UK GAAP and are available to the public and may be obtained from First Floor, 1 Finsbury Avenue, London. EC2M 2PF.

2. Statement of compliance

The Financial Statements of LPPA have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'* ("FRS 102") and the Companies Act 2006.

LPPA has adopted the following disclosure exemptions available under FRS 102, which the shareholder has been informed about:

- the requirement to present a statement of cash flows and related notes
- the requirement to disclose related party transactions
- the requirement to disclose key management compensation

3. Going concern

After making enquiries in relation to the Company's forecasts and projects, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. Added to this, the Company still continues to have the support of its immediate parent LPP, from whom the Company drew down £1.3m loan funding in March 2023. The total facility, in place since 2020, is £3m. If required LPP would be able to call upon loan facilities from its parent entities, in order to provide a capital injection into the Company. The shareholders of the Group are both local authorities and clients of LPPA.

The Directors are satisfied that the Company is expected to be a going concern for at least 12 months from the date of approving these financial statements and feel that it is appropriate to adopt the going concern basis in preparing the financial statements.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'* (FRS 102) and the Companies Act 2006.

The preparation of Financial Statements under FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are set out in Note 5.

Notes to the Financial Statements Year Ended 31 March 2025

(b) Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to allocate the cost of intangibles less their residual values over their useful economic lives (UEL), using the straight-line method.

The intangible fixed assets are amortised over the following useful economic lives:

- Software costs - length of licence/contract or 3 to 5 years

Assets under construction comprises the development of pensions administration system applications which will be amortised over an appropriate period when brought into use.

(c) Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount over their residual values over their estimated useful lives, as follows:

- | | |
|--------------------------|-----------------|
| • Computer hardware | 3 to 5 years |
| • Office equipment | 3 to 5 years |
| • Leasehold improvements | Length of lease |

(d) Debtors

These amounts generally arise from the normal operating activities of LPPA and are initially recognised at transaction price and subsequently carried at amortised cost. Debtors that are receivable within one year are recorded at the undiscounted amount expected to be received. A review of recoverability of the debt is completed quarterly and a provision based on an estimate of likely recovery is made as doubtful debts are identified.

(e) Cash at bank and in hand

Cash is held in both a current account and a deposit account with National Westminster Bank plc.

(f) Creditors

Short term trade creditors are initially recognised at transaction price and thereafter at amortised cost.

(g) Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rental payments under operating leases are charged to the income statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

(h) Provisions for liabilities

Provisions, where required, are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements Year Ended 31 March 2025

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

Restructuring provisions are recognised when the Company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring. Provision is not made for future operating losses.

(i) Taxation

Current tax is recognised for corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax charge (credit) is presented either in the income statement, other comprehensive income or equity depending on the transaction that resulted in the tax charge (credit).

(j) Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Inter and intra company debtors and creditors

These amounts generally arise from normal operating activities within the LPP Group. With the exception of the loan due to LPP, these receivables are short-term in nature hence the carrying amount is the same as the fair value.

(m) Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Notes to the Financial Statements Year Ended 31 March 2025

Defined benefit pension plan

Employees are either members of the London Pensions Fund Authority Fund or the Lancashire County Pension Fund. Contributions from the employer are payable to the schemes and are charged to the income statement in the period to which they relate. All new employees are auto-enrolled into the Lancashire County Pension Fund and may opt out should they choose to do so.

A defined benefit scheme defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The defined benefit scheme surplus recognised on the statement of financial position is the fair value of the scheme assets at the reporting date, less the present value of the defined benefit obligation at the reporting date, subject to an asset ceiling which is explained in more detail in note 15.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on AA rated corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Remeasurements of net defined benefit obligations'.

The cost of the defined benefit scheme, recognised in the income statement as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the income statement as an expense.

Note 15 sets out additional information regarding the defined benefit schemes of which employees of the Company are members.

(n) Annual bonus plan

The Company operates an annual bonus scheme for eligible employees. An expense is recognised in the income statement when the Company has legal or constructive obligation to make payments under the scheme as a result of past events and a reliable estimate of the obligation can be made.

5. Significant judgements and estimates

Sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts to the assets and liabilities within the next financial year are addressed below.

(i) Useful economic life

The Company estimates useful economic life of tangible assets based on the number of years they are likely to remain in service for based on condition at time of purchase and nature of use.

The Company's intangible assets are deemed to have a finite life in line with legal or contractual provisions and consideration of our historical experience in renewing or extending similar arrangements.

Notes to the Financial Statements Year Ended 31 March 2025

(ii) Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors including interpretations of tax regulations. Estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing of future taxable profits together with an assessment of the effect of future tax planning strategies.

(iii) Defined benefit pension

Estimation of the net defined benefit asset or 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. Two independent consulting actuaries were engaged to provide the Company with expert advice about the assumptions to be applied. However, because these judgements cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The calculation of the asset ceiling applied to the FRS102 accounting surplus requires a judgement on the existence of an economic benefit to the Company of that surplus, and where judged to exist, an estimation of the monetary value of that economic benefit. Reliance has been placed on the calculation of present value of future service costs and secondary contributions provided to the Company by its consulting actuaries. See note 15 for more information on the asset ceiling.

6. Analysis of turnover

	2024/25	2023/24
	£'000	£'000
Pensions administration	22,207	19,013
Total	22,207	19,013
Geographical analysis		
UK	22,207	19,013

96% of the Company's income in 2024/25 (2023/24: 95%) was generated through the provision of core pensions administration services to clients through shared service agreements, on a full cost recovery basis.

7. Administrative expenses

	2024/25	2023/24
	£'000	£'000
Wages and salaries	14,143	11,706
Social security costs	1,462	1,181
Defined benefit pension costs	2,003	1,544
Other pension costs	(472)	(13)
Staff costs	17,136	14,418
Legal fees	24	15
Other non-staff costs	4,429	4,387
Group recharges – staff	117	132
Group recharges – non staff	54	135
Administrative expenses charged to the income statement	21,760	19,087

Notes to the Financial Statements Year Ended 31 March 2025

During 24/25, £57k paid through LPPA payroll and included above within staff costs, was recharged to LPP in recognition of work done on behalf of the LPP Group (23/24: £58k).

Group recharges – Staff includes £89k which was paid through LPP and LPPA payroll (2023/24 £80k) and subsequently recharged to LPPA. This is included within LPPA reported operating expenses together with share of Group board costs (£72k, 2023/24: £70k).

8. Operating profit/(loss)

	2024/25	2023/24
Operating profit/(loss) is stated after charging:	£'000	£'000
Staff costs charged to the income statement	17,136	14,418
Impairment of trade receivables	1	1
Operating lease charges	270	235
Internal auditor's remuneration	59	-

Included within administration expenses are:	2024/25	2023/24
	£'000	£'000

Audit services:		
Audit fees payable to the Company's auditors for the statutory audit	35	28

Average number of employees:	2024/25	2023/24
Pensions administration	355	314
Total	355	314

Geographical analysis		
UK	355	314

9. Directors' emoluments

The Directors' emoluments were as follows:	2024/25	2023/24
	£'000	£'000
Aggregate remuneration	503	443

Two Directors are members of a defined benefit pension scheme (2023/24: 1)

Highest paid Director (included in the above figures)	2024/25	2023/24
	£'000	£'000
Total amount of emoluments	265	265
Other pension costs	36	36
Total	301	301

10. Taxation

Analysis of credit in year	2024/25	2023/24
	£'000	£'000
Current tax adjustments in respect of previous years	-	328
UK current corporation tax credit on loss for the year	-	-
Current tax charge	-	328
Deferred tax origination and reversal of timing differences	279	154
Adjustments in respect of previous years	(46)	(5,662)
Total deferred tax charge /(credit)	233	(5,508)
Tax charge / (credit) for the year	233	(5,180)

Notes to the Financial Statements Year Ended 31 March 2025

Reconciliation of tax charge

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2024/25 £'000	2023/24 £'000
Profit / (loss) before tax	466	(44)
Profit / (loss) multiplied by standard rate of corporate tax in the UK of 25% (23/24: 25%)	116	(11)
Effects of:		
- Adjustment to tax charge in respect of previous years – deferred tax	(46)	(5,662)
- Expenses not deductible for tax purposes	163	166
- Adjustment to tax charge in respect of previous years	-	328
Tax charge / (credit) for the year	233	(5,180)

Deferred tax liability

	31 Mar 25 £'000	31 Mar 24 £'000
Accelerated capital allowances	(873)	(755)
Tax losses carried forward	620	625
Pension surplus	(1,328)	(1,173)
	(1,581)	(1,303)

Deferred tax has been recognised on the deferred tax asset as it is probable that future taxable profits will be available.

11. Intangible assets

	Assets under construction £'000	Software £'000	Total £'000
Cost			
At 1 April 2024	12	4,547	4,559
Additions	930	19	949
Transfers from assets under construction to software	(491)	491	-
At 31 March 2025	451	5,057	5,508
Accumulated amortisation			
At 1 April 2024	-	956	956
Amortisation during the year	-	586	586
At 31 March 2025	-	1,542	1,542
Net book value at 1 April 2024	12	3,591	3,603
Net book value at 31 March 2025	451	3,515	3,966

Notes to the Financial Statements Year Ended 31 March 2025

12. Tangible Assets	Fixtures and fittings £'000	IT equipment £'000	Total £'000
Cost			
At 1 April 2024	322	349	671
Additions	13	69	82
Disposals	-	(43)	(43)
At 31 March 2025	<u>335</u>	<u>375</u>	<u>710</u>
Depreciation			
At 1 April 2024	52	214	266
Depreciation for the year	68	80	148
On disposals	-	(42)	(42)
At 31 March 2025	<u>120</u>	<u>251</u>	<u>372</u>
Net book value at 1 April 2024	<u>270</u>	<u>135</u>	<u>405</u>
Net book value at 31 March 2025	<u>214</u>	<u>124</u>	<u>338</u>

13. Debtors: amounts due within one year	31 Mar 25 £'000	31 Mar 24 £'000
Trade debtors	2,328	2,167
Prepayments and accrued income	1,154	1,097
Total	<u>3,482</u>	<u>3,264</u>

Trade debtors are stated after provisions for doubtful debts of £7,370 (2024: £7,919).

Debtors: amounts due after more than one year	31 Mar 25 £'000	31 Mar 24 £'000
Accrued income	227	455
Total	<u>227</u>	<u>455</u>

Accrued income due after more than one year comprises amounts due from clients to recover costs incurred in 2022/23 and agreed with clients to be invoiced 26/27.

14. Creditors: amounts falling due within one year	31 Mar 25 £'000	31 Mar 24 £'000
Trade creditors	480	251
Amounts owed to Group undertakings	1,109	905
Other taxation and social security	320	282
Other creditors	425	298
Accruals and deferred income	1,268	1,151
Total	<u>3,602</u>	<u>2,887</u>

Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

Notes to the Financial Statements Year Ended 31 March 2025

Creditors: amounts falling due after more than one year

	31 Mar 25	31 Mar 24
	£'000	£'000
Intra-group loan	1,300	1,300
Total	1,300	1,300

In March 2023, a loan of £1.3m was drawn down under the June 2020 Facility Agreement between LPP and LPPA. The loan is repayable on 31 May 2030, or such other date as is agreed between the parties and is interest bearing at a commercial rate of 4.25% per annum.

15. Post-employment benefits

Defined benefit schemes

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

Uncertainties remain in relation to LGPS benefits due to the McCloud and Sargeant judgements and the 2016 cost cap process.

The Directors are aware of the High Court judgment in the case of 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)'. The case deals specifically with private sector schemes and HM Treasury are assessing the implications of the judgment for public sector schemes, where the 'scheme' would be the LGPS as a whole, rather than a specific fund such as LCPF or LPFA. It is understood that the HMT view is that relevant amendments in the LGPS would have been made by legislation and would therefore remain valid until revoked or repealed by subsequent legislation or declared void by a court.

The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 and where scheme rules were amended which would potentially impact benefits accrued from 1 April 1997 to 5 April 2016. The judge ruled that such alterations to scheme rules were void and ineffective because of the absence of written actuarial confirmation required under section 37 of the Pension Schemes Act 1993. As a result, and if deemed to be applicable to public sector schemes and specifically the LGPS, there may be a further liability to LCPF and LPFA for benefits that were reduced by previous amendments, if those amendments prove invalid. The scheme actuary for the LGPS is the Government Actuary's Department (GAD) and GAD are reviewing historic amendments to the LGPS in this context and the Scheme Advisory Board are liaising with GAD on whether the relevant certificates were available for past scheme changes.

On 5 June 2025, the government released a statement confirming that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

It is not possible at present to estimate the potential impact, if any, on the defined benefit obligation in the LPPA financial statements.

Currently, each member contributes a proportion of their salary to the scheme, between 5.5% to 12.5% per annum depending on their rate of pay. LPPA, as the employing body, also contributes to the scheme as determined by each Fund's respective Fund Actuary on the employee's behalf, currently at 13.4% and 15.4% of salary p.a. The liabilities of the LGPS attributable to the Company are included in the Statement of Financial Position and are in line with the most recent comprehensive actuarial valuation carried out by the Fund's independent actuaries as at 31 March 2022.

In accounting for the defined benefit schemes, the Company has applied the following principles:

- No pension assets are invested in the Company's own financial instruments or property.

Notes to the Financial Statements Year Ended 31 March 2025

15. Post-employment benefits (continued)

The schemes in the UK typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk, as follows:

- Investment risk - The Funds hold investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk - The Funds' liabilities for accounting purposes are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Funds hold assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk - The benefits under the Funds are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation;
- Longevity risk - In the event that the members live longer than assumed a deficit will emerge. There is also other demographic risk; and
- Salary risk - the present value of the defined benefit scheme liability is calculated by reference to the future salaries of plan participants, as such, an increase in the salary of the plan participants will increase the plan's liability.

Post-employment benefits summary

	LPFA		LCPF		Total	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
Reconciliation of fair value of plan assets	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	8,153	7,991	29,177	25,558	37,330	33,549
Defined benefit obligation	(6,839)	(8,224)	(19,169)	(20,439)	(26,008)	(28,663)
Impact of asset ceiling	(1,314)	-	(4,470)	-	(5,784)	-
Net defined benefit/ (liability) /asset	-	(233)	5,538	5,119	5,538	4,886

At both 31 March 2025 and 31 March 2024, the post-employment benefits schemes in which the Company participates are in a net defined benefit asset position. Prior to 31 March 2023 the net position was a liability. The balances have been presented as non-current assets separately on the face of the statement of financial position as they are dissimilar from other non-current assets and are material.

An asset ceiling has been applied to the FRS 102 surplus in order for the statement of financial position to properly reflect the economic benefit to the Company of that surplus. There are a number of accepted methods for the calculation of such a ceiling under FRS102.

The asset ceiling for the LCPF scheme has been calculated as the present value of secondary employer contributions, in perpetuity. The secondary employer contributions set out in the latest triennial actuarial valuation for LCPF reduce the total contributions payable by the Company and thus provide an economic benefit to the Company.

The secondary contribution rate for the Company's participation in the LPFA fund is nil and as there is no certain entitlement to a refund of the surplus in the fund then the Company is not receiving an accounting benefit from the LPFA surplus position. The asset ceiling for the LPFA scheme has been set as nil and no surplus has been recognised in the statement of financial position.

An alternative accepted method of calculating the ceiling for an open scheme is to consider the present value of future service costs in perpetuity. This would lead to LPPA recognising the full surplus of £10,008k on the statement of financial position at 31 March 2025. The company has chosen to adopt the more prudent approach based on secondary contributions.

Notes to the Financial Statements Year Ended 31 March 2025

15. Post-employment benefits (continued)

The defined benefit pension scheme on the Company statement of financial position is as follows:

	LPFA		LCPF		TOTAL	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation at start of year	8,224	8,293	20,439	19,481	28,663	27,774
Current service cost	262	288	1,354	1,287	1,616	1,575
Benefits (received) / paid	(422)	(391)	276	(251)	(146)	(642)
Contributions by employees	117	120	704	567	821	687
Interest cost	400	392	1,026	923	1,426	1,315
Curtailements	-	-	153	-	153	-
Remeasurements						
Effect of changes in financial assumptions	(1,715)	(409)	(4,722)	(1,472)	(6,437)	(1,881)
Effect of changes in demographic assumptions	(17)	(85)	(59)	(242)	(76)	(327)
Effect of experience adjustments	(10)	16	(2)	146	(12)	162
Defined benefit obligation at end of year	6,839	8,224	19,169	20,439	26,008	28,663

	LPFA		LCPF		TOTAL	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets at beginning of year	7,991	7,351	25,558	22,092	33,549	29,443
Benefits paid/(received)	(422)	(391)	276	(251)	(146)	(642)
Interest income on scheme assets	394	352	1,320	1,076	1,714	1,428
Administrative expenses and taxes	(2)	(2)	(63)	(51)	(65)	(53)
Employer contributions	221	228	1,797	1,300	2,018	1,528
Contributions by employees	117	120	704	567	821	687
Remeasurements						
Return on scheme assets less interest income	(146)	333	(415)	825	(561)	1,158
Fair value of plan assets at end of year	8,153	7,991	29,177	25,558	37,330	33,549

	LPFA		LCPF		TOTAL	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of assets						
Equities	4,342	4,278	13,507	12,063	17,849	16,341
Diversifying strategies	1	234	-	77	1	311
Property	930	730	2,449	2,351	3,379	3,081
Infrastructure	1,170	917	4,098	3,859	5,268	4,776
Credit funds	467	950	4,939	3,783	5,406	4,732
Private equity	309	562	1,711	1,917	2,020	2,479
Fixed income	743	195	1,811	997	2,554	1,191
Cash / liquidity	191	125	662	511	853	636
Total assets	8,153	7,991	29,177	25,558	37,330	33,549

Notes to the Financial Statements Year Ended 31 March 2025

15. Post-employment benefits (continued)

Defined benefit costs recognised in the income statement

	LPFA		LCPF		TOTAL	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	262	288	1,354	1,287	1,616	1,575
Net interest on defined liability	6	40	(294)	(153)	(288)	(113)
Administrative expenses and taxes	2	2	63	51	65	53
Effect of curtailments	-	-	153	-	153	-
Total costs	270	330	1,276	1,185	1,546	1,515

Defined benefit costs recognised in other comprehensive income

	LPFA		LCPF		TOTAL	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Return on scheme assets less interest income	146	(333)	415	(825)	561	(1,158)
Effect of changes in financial assumptions	(1,715)	(409)	(4,722)	(1,472)	(6,437)	(1,881)
Effect of changes in demographic assumptions	(17)	(85)	(59)	(242)	(76)	(327)
Effect of experience adjustments	(10)	16	(2)	146	(12)	162
Impact of asset ceiling	1,314	-	4,470	-	5,784	-
Other comprehensive income	(282)	(811)	102	(2,393)	(180)	(3,204)

Reconciliation of funded positions

	LPFA	LCPF	TOTAL
	£'000	£'000	£'000
Net defined benefit liability at start of the period	(233)	5,119	4,886
Expense recognised in the income statement	(270)	(1,276)	(1,546)
Gain recognised in other comprehensive income	282	(102)	180
Contributions by the Company	221	1,797	2,018
Net defined benefit (liability)/asset at end of the year	-	5,538	5,538

	LPFA		LCPF	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
The principal actuarial assumptions used were as follows:	%	%	%	%
Discount rate	5.9	5.0	5.9	4.9
Future salary increases	3.9	3.9	4.1	4.1
Increase in pensions in payment / deferment	2.9	2.9	2.7	2.7
Inflation assumption (CPI)	2.9	2.9	2.6	2.6

Notes to the Financial Statements Year Ended 31 March 2025

15. Post-employment benefits (continued)

	LPFA		LCPF	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
	Years	Years	Years	Years
Longevity at age 65 for current pensioners				
- Men	20.4	20.4	21.1	21.1
- Women	22.7	22.7	23.6	23.5
Longevity at age 65 for future pensioners				
- Men	22.2	22.2	22.3	22.4
- Women	24.9	24.9	25.4	25.3

Sensitivity analysis

The sensitivity to principal assumptions used to measure the scheme liabilities are set out below:

	Approximate increase to defined benefit obligation*			
	LPFA		LCPF	
	%	£'000	%	£'000
0.1% decrease in discount rate	2.3	156	4.0	402
0.1% increase in long-term salary increases	0.5	36	0.8	85
0.1% increase in pension increases	1.8	124	4.2	416
+1 year in life expectancy assumption	2.3	155	3.5	346

*excluding impact of asset ceiling

16. Share capital

	Number	£'000
Ordinary shares of £1 each Allotted, issued and fully paid		
At 1 April 2024	7,000,000	7,000
Issued during the year	-	-
At 31 March 2025	7,000,000	7,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

17. Reserves

As in prior years, reserves include the retirement benefit obligations.

18. Related party transactions

In accordance with Section 33 of FRS102, the Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group.

Within the expenditure on fixtures and fittings during the year, £13k excluding VAT was paid to QED Creative, a company in which Abigail Leech, Director of Finance, People and Culture has a minority shareholding and of which a close family member is a Director. QED Creative designed and implemented interior design services to LPPA when the company moved into Level 2, Christ Church Precinct. LPPA does not have an outstanding balance with QED Creative nor any ongoing commitment.

Notes to the Financial Statements Year Ended 31 March 2025

19. Capital and other commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payment due	31 Mar 25	31 Mar 24
	£'000	£'000
Not later than one year	273	269
Later than one year and not later than five years	1,366	1,345
Later than five years	592	852
Total	2,231	2,466

20. Controlling party

The Company's immediate parent is Local Pensions Partnership Ltd, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate controlling parties are London Pensions Fund Authority and Lancashire County Council. Local Pensions Partnership Ltd is the parent undertaking of the smallest and largest group to wholly consolidate these Financial Statements. These Financial Statements are available upon request from the Governance Team, Local Pensions Partnership Administration Ltd, Level 2, Christ Church Precinct, County Hall Complex, Preston, PR1 8XJ.

21. Events after the end of the reporting period

There are no known events after the end of the reporting period at the point of publication.