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LPP
Local Pensions Partnership Administration

Local Pensions Partnership Administration Limited

Annual report and financial statements 2025/26

Local Pensions Partnership Administration Ltd
Company registration no: 09985860
Registered office: Level 2, Christ Church Precinct, County Hall Complex, Preston, England, PR1 8XJ
Registered in England & Wales

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Company Information

Directors

Abigail Leech	(Resigned 5 May 2026)
Charles Richard Thomas	
Christopher Rule	(Resigned 1 April 2026)
Elizabeth Woolman	
Joanne Darbyshire	
Martin Tully	(Appointed 1 September 2026)
Michael O'Donnell	(Resigned 31 August 2026)
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

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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 2026. 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 Limited (LPPA) is a leading UK public sector pensions administration business and a wholly owned subsidiary of Local Pensions Partnership Limited (LPP).

The principal activity of the Company is the provision of pension administration and payroll services on behalf of Local Government Pension Scheme (LGPS), Police and Fire Pension Scheme clients (11 Local Government pension schemes, 7 fire authorities and 1 police force).

The Company helps over 738,000 members of their clients' public sector pension schemes – people of different ages and backgrounds – from setting up their pensions to preparing them for retirement. The Company supports over 1,500 active employers throughout the country – helping them understand their pension administration responsibilities and share the right information with their employees.

LPPA operates within a highly regulated environment characterised by increasing legislative complexity, growing member expectations and significant technological change.

Strategic direction

LPPA's vision is to become the pension administrator partner of choice for the public sector, and this is supported by the Company's strategic plan which focusses on transforming member, employer and client experience and outcomes by leveraging technology and people; delivering sector leading, value for money, pensions administration services underpinned by robust security and controls.

The year ended 31 March 2026 represented the final year of delivery against LPPA's three-year strategic plan covering the period 2022/23 to 2025/26.

Following a review of the Group's operating model and the de-grouping of Local Pensions Partnership Investments Limited (LPPI) from LPP Limited with effect from 1 April 2026, the Board approved a refreshed strategic plan and operating model in March 2026.

LPPA's future priorities build on the foundations of the previous business plan, transforming the member service experience and delivering growth, while maintaining robust operational performance alongside delivery of significant regulatory and strategic change.

The strategy sets out five core goals, namely:

1. The delivery of exceptional service.
2. The provision of a value for money service
3. Sustainable business growth
4. Being 'brilliant' at the basics – uncompromising security, robust compliance and sector experience
5. Building and maintaining a high performing and inclusive work environment.

Both the old and new strategic plans are underpinned by the Company's values:

- Committed to excellence
- Forward thinking
- Doing the right thing
- Working together

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Review of the 12 months to 31 March 2026

LPPA delivered an operational surplus driven through increased automation, technological efficiencies, disciplined operational management and additional non-core, 'value-added' activity for existing clients.

Significant projects delivered during the year included the establishment of LPPA's connection to the Pension Dashboard ecosystem, the successful onboarding of a new Local Government Pension Scheme client and continued development activity to support implementation of the McCloud/Sargeant and Matthews remedies.

The protection of member data remains a key strategic priority for LPPA. The company achieved Cyber Essentials Plus recertification in January 2026, the highest level of the UK Government-backed Cyber Essentials certification scheme. It demonstrates that LPPA has not only completed a Cyber Essentials self-assessment but has also undergone an independent technical audit and testing of its IT systems, following an independent technical assessment of LPPA's controls designed to protect against cyber threats and unauthorised data access. This is a UK government backed scheme, and LPPA's accreditation reflects continued commitment to maintaining robust information security standards.

LPPA also successfully renewed its ISO27001 accreditation, providing independent assurance over the effectiveness of the Company's information security management framework, IT governance arrangements and risk mitigation processes.

Following the successful completion of the accreditation process in March 2026, LPPA was awarded accreditation under the Pensions Administration Standards Association (PASA) administration standards framework with effect from 1 April 2026. The accreditation recognises the Company's commitment to high quality pension administration, robust operational controls and the delivery of positive outcomes for clients and scheme members.

LPPA successfully obtained an unqualified AAF 01/20 Type II assurance report for the year ended 31 March 2026, demonstrating continued enhancement of the Company's control environment and assurance framework. The independent review concluded that the controls tested were operating effectively across key administration processes, including the maintenance of member records, transfers-in, benefits payments and data processing activities. The report provides additional assurance to clients regarding the effectiveness of LPPA's operational control environment.

Oher achievements during the year include:

- Receiving the UK Pensions Awards Best Pension Scheme Communications Strategy Award in June 2025 for member engagement initiatives designed to increase utilisation of the online self-service portal.
- Being awarded the Pensions Administration Award at the 2025 LAPF Investment Awards, recognising the Company's use of technology, automation and artificial intelligence to improve service delivery.

Key financial performance indicators

The Board monitors a range of financial measures to assess the Company's financial performance and sustainability. The principal financial indicators used by the Board are revenue, operating surplus and cash balances, which together provide measures of growth, profitability and financial resilience.

Revenue increased during the year, reflecting the recovery of costs associated with services provided to existing clients together with the successful onboarding of a new Local Government Pension Scheme client. Operating surplus improved as a result of continued automation, operational efficiencies and disciplined cost management.

The Company maintained a strong cash position throughout the year, supporting ongoing investment in technology, regulatory change and service improvement initiatives.

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Principal risks and uncertainties

The LPPA Board is responsible for overseeing the organisation's risk management framework, including setting risk appetite and tolerance levels in support of LPPA's strategic objectives. The Executive Leadership Team is responsible for implementing the framework.

The Board and Executive Leadership Team monitor the organisation's risk profile through established governance arrangements, regular reporting and ongoing oversight. The overall risk profile remains stable and within risk appetite, supported by established controls, risk management processes and governance arrangements.

The following are the principal risks for LPPA.

Cyber security risk

Exposure to cyber threats, including data breaches, cyber-attacks or system compromise could disrupt services, result in unauthorised access to sensitive information and damage LPPA's reputation. To mitigate this risk, comprehensive cyber security controls have been implemented, including 24/7 security operations centre monitoring, multi-factor authentication, regular penetration testing and staff awareness training. These measures are supported by layered security controls and robust third-party assurance processes to provide ongoing protection against emerging threats.

Data quality risk

Inaccurate, incomplete or untimely data could adversely impact benefit calculations, management reporting, regulatory compliance and member outcomes. A structured data improvement programme is in place, supported by system validation controls, regular data quality reviews and proactive client engagement.

Key supplier dependence

LPPA has strategic partnerships with key technology suppliers. Any failure in service delivery, resilience or performance could impact operational effectiveness and customer service. This risk is managed through regular engagement with key suppliers, ongoing service review meetings, proactive issue management and continuous monitoring of service level agreements. Collaborative working helps the delivery of platform improvements.

Regulatory / legislative change

The volume and complexity of regulatory developments create a risk of delays to delivery and non-compliance. Failure to respond effectively to regulatory change could result in compliance breaches, reputational damage and additional remediation costs. Mitigating actions include horizon scanning activities to identify emerging requirements, programme management oversight, access to specialist technical expertise and regular project governance reporting.

System performance and reliability risk

System instability, outages or performance issues could negatively affect service delivery, operational efficiency and member experience. To mitigate this risk, LPPA maintains established monitoring and incident management processes, supported by root cause analysis for significant issues. Ongoing collaboration with key system suppliers focuses on improving platform resilience, strengthening system performance and reducing the likelihood of future service interruptions.

People and talent risk

The ability to attract, develop and retain appropriately skilled employees is critical to service delivery and business growth. Competition for pensions administration, technical and technology skills remain significant. LPPA mitigates this risk through competitive reward arrangements, investment in learning and development, succession planning and employee engagement initiatives.

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Looking forward

A key driver of LPPA's strategic direction is a focus on a 'member-first culture' with both existing and new KPI's in place to support performance against client SLA's, casework quality, timeliness of payments to leavers and beneficiaries and member, employer and client satisfaction.

The refreshed business plan aligns with the shareholder objective "*To deliver a high-quality, cost-effective member and employer experience for public pensions funds".*

Strategic and sustainable growth is a core business goal.

Delivery of regulatory and legislative change continues at pace into 2026/27 on:

- Business readiness preparation ahead of the launch of Pensions Dashboards to consumers (expected 2027).
- Completion of remedy work (Matthews, McCloud/Sargeant and Goodwin).
- Implementation of legislative changes resulting from the LGPS Access and Fairness and Access and Protections consultations, and 'Fit for the Future' reforms.
- Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate changes which impact on various calculations including retirement factors, transfer calculations and member quotations.
- Pension tax changes following the abolition of the Lifetime Allowance regime.
- Local Government Reorganisation preparation ahead of changes that take effect from April 2028.

The Company will continue to seek efficiencies through the responsible use of artificial intelligence and automation where possible and appropriate.

Our employees are fundamental to the success of the business and the delivery of high-quality outcomes for clients, employers and scheme members. LPPA remains committed to creating an inclusive, engaging and supportive workplace where colleagues can develop their skills and build rewarding careers.

During the year, the Company continued to promote open communication and employee engagement through regular all-staff meetings, company-wide communications, intranet updates and in-person events. Employee feedback is actively sought through biannual engagement surveys, which help inform initiatives relating to culture, wellbeing, development, reward and employee experience.

LPPA continues to invest in the development of its people through training, learning and career progression opportunities and, in April 2026, increased starting salaries to align with the Real Living Wage. This supports the Company's ambition to be recognised as an employer of choice within the pensions administration sector while maintaining a strong focus on delivering excellent outcomes for clients and members.

This report was approved by the Board and signed by its order on 8 September 2026.

Joanne Darbyshire

Joanne Darbyshire
Chief Executive Officer

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Report of the Directors

The Directors present their report and financial statements for the year ended 31 March 2026.

Directors

The following people served as Directors during the year and up to the Statement of Financial Position signing date.
Abigail Leech (resigned 5 May 2026)
Charles Richard Thomas
Christopher Rule (resigned 1 April 2026)
Elizabeth Woolman
Joanne Darbyshire
Michael O'Donnell (resigned 31 August 2026)
Martin Tully (appointed 1 September 2026)
Ron Jarman

Results and dividends

The trading result for the Company for the year to 31 March 2026 is a profit after tax of £977k (2024/25 profit after tax of £232k). No dividends were paid during the year (2024/25 - £nil).

Capital

As at 31 March 2026, 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 it's 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 considers it appropriate to adopt the going concern basis in preparing the Financial Statements.

Political and charitable donations

No political donations were made during the year (2024/25 - £nil). No charitable donations were made during the year (2024/25 - £nil).

Post balance sheet events

On 1 April 2026, LPPI left the Local Pensions Partnership Group, having been a fellow subsidiary with Local Pensions Partnership Administration Limited until 31 March 2026. This restructuring of the Group is a non-adjusting event for Local Pensions Partnership Administration and has no financial effect on the Company.

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 discussions.

LPPA's people and culture goals aim to ensure that total employee compensation values and recognises high performance and member-first behaviours. The Company strives to create a culture of open communication and timely feedback, attracting and retaining talent with KPI's around absence and staff turnover closely monitored.

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Employee surveys focus on various engagement drivers including culture, values, behaviour, health and wellbeing, staff rewards, personal development and training, health and safety and employee relations.

LPPA is committed to supporting all staff and recognises that staff with disabilities, (temporary or permanent), or those who may be developing a disability, may require additional support to enable them to remain in the workplace, to thrive in their roles and to progress. Reasonable adjustments are made for all employees who have or develop a disability.

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.

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 2025/26 were Joanne Darbyshire, Christopher Rule (until 1 April 2026) and Abigail Leech (until 5 May 2026).

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, it's 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.

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The LPP Board is responsible for the oversight of LPPA as a subsidiary plus group performance, strategy, and shareholder engagement.

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 8 September 2026.

Joanne Darbyshire

Joanne Darbyshire

Chief Executive Officer

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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 2026, 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 2026 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 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

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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

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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
8 September 2026

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Statement of Comprehensive Income

For the year ended 31 March

	Notes	2026	2025
		£'000	£'000
Turnover	6	24,893	22,207
Administrative expenses	7	(23,299)	(21,760)
Operating profit	8	**1,594**	**447**
Interest receivable		70	78
Interest payable		(51)	(60)
Profit before taxation		**1,613**	**465**
Tax charge for the year	10	(636)	(233)
Profit for the financial year		**977**	**232**
Other comprehensive income			
Remeasurement of defined benefit obligation	15	(7,001)	180
Tax on components of other comprehensive income		1,751	(45)
Other comprehensive (loss) / income for the year		(5,250)	135
Total comprehensive (loss) / income for the year		**(4,273)**	**367**

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Statement of Financial Position

As at 31 March

	Notes	2026 £'000	2025 £'000
Fixed assets			
Intangible assets	11	3,269	3,966
Tangible assets	12	256	338
		3,525	4,304
Current assets			
Debtors	13	2,692	3,482
Cash at bank and in hand		4,924	2,392
		7,616	5,874
Debtors: amounts receivable after more than one year	13	-	227
Post-employment benefits	15	-	5,538
Creditors: amounts falling due within one year	14	(4,332)	(3,602)
Total assets less current liabilities		**6,809**	**12,341**
Creditors: amounts falling due after more than one year	14	(1,300)	(1,300)
Deferred tax liability	10	(322)	(1,581)
Net assets		**5,187**	**9,460**
Capital and reserves			
Share capital	16	7,000	7,000
Retained earnings	17	(1,813)	2,460
Total equity		**5,187**	**9,460**

The notes on pages 17 to 30 form an integral part of these Financial Statements

The Financial Statements were approved by the Board of Directors on 8 September 2026 and were signed on its behalf on the same date by:

Joanne Darbyshire

Joanne Darbyshire

Director

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Statement of changes in equity

	Notes	Share capital	Retained earnings	Total
		£'000	£'000	£'000
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**
Balance as at 1 April 2025		**7,000**	**2,460**	**9,460**
Profit for the year		**-**	977	**977**
Other comprehensive loss for the year	15	-	(5,250)	**(5,250)**
Total comprehensive loss for the year		**-**	(4,273)	**(4,273)**
Balance as at 31 March 2026		**7,000**	**(1,813)**	**5,187**

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Notes to the Financial Statements Year Ended 31 March 2026

1. Introduction

The Company is part of the Local Pensions Partnership Group and is a wholly owned subsidiary of Local Pensions Partnership Limited ("LPP").

During 2026, the LPP Group refreshed its structure in line with the Government's 'Fit for the Future' reforms. These reforms were designed to strengthen governance across the Local Government Pension Scheme (LGPS), increase investment in UK industries and ensure long term sustainability through consolidation of asset pools. As part of this process, LPPI moved out of the LPP Group with effect from 1 April 2026, to integrate its new partner funds. LPPA continues to operate independently within the Group.

The principal activity of the Company is the provision of end-to-end pensions administration services to nineteen public sector pensions clients, supporting approximately 738,000 members across almost 1,500 active employers.

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, are available to the public and may be obtained from Level 2, Christ Church Precinct, County Hall Complex, Preston, PR1 8XJ

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 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 consider it 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.

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Notes to the Financial Statements Year Ended 31 March 2026

(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 their 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.

(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.

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Notes to the Financial Statements Year Ended 31 March 2026

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.

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 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 comprises amounts receivable for services provided by LPPA in respect of pensions administration services, and excludes value added taxes.

Revenue is recognised when services are delivered to customers and is measured at the amount receivable in exchange for the extent to which those services have been provided.

(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.

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Notes to the Financial Statements Year Ended 31 March 2026

(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.

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.

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Notes to the Financial Statements Year Ended 31 March 2026

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.

(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

	2025/26	2024/25
	£'000	£'000
Pensions administration	24,893	22,207
Total	**24,893**	**22,207**
Geographical analysis		
UK	**24,893**	**22,207**

96% of the Company's income in 2025/26 (2024/25: 96%) was generated through the provision of core pensions administration services to clients through shared service agreements, on a full cost recovery basis.

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Notes to the Financial Statements Year Ended 31 March 2026

7. Administrative expenses

	2025/26	2024/25
	£'000	£'000
Wages and salaries	15,055	14,143
Social security costs	1,914	1,462
Defined benefit pension costs	2,312	2,003
Other pension costs	(1,463)	(472)
Staff costs	17,818	17,136
Legal fees	29	24
Other non-staff costs	5,279	4,429
Group recharges – staff	137	117
Group recharges – non staff	37	54
Administrative expenses charged to the income statement	**23,299**	**21,760**

During 25/26, £21k 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 (24/25: £57k).

Group recharges for staff costs include £103k which was paid through LPP and LPPI payroll (24/25: £89k) and subsequently recharged to LPPA. This is included within LPPA reported operating expenses as is a share of Group board costs (£55k, 24/25: £72k).

8. Operating profit

	2025/26	2024/25
Operating profit is stated after charging:	£'000	£'000
Staff costs charged to the income statement	17,818	17,136
Impairment of trade receivables	5	1
Operating lease charges	273	270
Internal auditor's remuneration	37	59

Included within administration expenses are:	2025/26	2024/25
	£'000	£'000
Audit services:		
Audit fees payable to the Company's auditors for the statutory audit	37	35

Average number of employees:	2025/26	2024/25
Pensions administration	354	355
Total	**354**	**355**
Geographical analysis		
UK	**354**	**355**

9. Directors' emoluments

The Directors' emoluments were as follows:	2025/26	2024/25
	£'000	£'000
Aggregate remuneration	663	503

2 Directors are members of a defined benefit pension scheme (2024/25: 2)

Highest paid Director (included in the above figures)	2025/26	2024/25
	£'000	£'000
Total amount of emoluments	301	265
Other pension costs	40	36
Total	341	301

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Notes to the Financial Statements Year Ended 31 March 2026

10. Taxation

Analysis of credit in year	2025/26 £'000	2024/25 £'000
UK current corporation tax charge on profit for the year	143	-
Current tax charge	**143**	**-**
Deferred tax origination and reversal of timing differences	448	279
Adjustments in respect of previous years	45	(46)
Total deferred tax charge	**493**	**233**
Tax charge for the year	**636**	**233**

Reconciliation of tax charge

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

	2025/26 £'000	2024/25 £'000
Profit before tax	1,613	465
Profit multiplied by standard rate of corporate tax in the UK of 25% (24/25: 25%)	403	116
Effects of:		
- Adjustment to tax charge in respect of previous years – deferred tax	45	(46)
- Expenses not deductible for tax purposes	188	163
Tax charge for the year	**636**	**233**

Deferred tax liability

	31 Mar 26 £'000	31 Mar 25 £'000
Accelerated capital allowances	(714)	(873)
Tax losses carried forward	335	620
Pension deficit / (surplus)	57	(1,328)
Deferred tax liability	**(322)**	**(1,581)**

11. Intangible assets

	Assets under construction £'000	Software £'000	Total £'000
Cost			
At 1 April 2025	451	5,057	**5,508**
Additions	362	-	**362**
Transfers from assets under construction to software	(323)	323	**-**
Transfer to administrative expenses*	(392)	**-**	**(392)**
At 31 March 2026	**98**	**5,380**	**5,478**
Accumulated amortisation			
At 1 April 2025	-	1,542	**1,542**
Amortisation during the year	-	667	**667**
At 31 March 2026	**-**	**2,209**	**2,209**
Net book value at 1 April 2025	451	3,515	**3,966**
Net book value at 31 March 2026	**98**	**3,171**	**3,269**

* During the year LPPA reviewed the accounting treatment of expenditure incurred within assets under construction. Although the expenditure is expected to generate future economic benefits, management elected not to capitalise development expenditure and therefore charged development costs of £392k to expenditure in the year. Included within this amount is £367k previously reported within assets under construction at the prior year end

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Notes to the Financial Statements Year Ended 31 March 2026

12. Tangible Assets

	Fixtures and fittings	IT equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2025	335	375	**710**
Additions	11	64	**75**
Disposals	-	(10)	**(10)**
At 31 March 2026	346	429	**775**
Depreciation			
At 1 April 2025	120	251	**372**
Depreciation for the year	69	85	**154**
On disposals	-	(7)	**(7)**
At 31 March 2026	189	330	**519**
Net book value at 1 April 2025	214	124	**338**
Net book value at 31 March 2026	**157**	**99**	**256**

13. Debtors: amounts due within one year

	31 Mar 26	31 Mar 25
	£'000	£'000
Trade debtors	1,904	2,328
Prepayments and accrued income	788	1,154
Total	**2,692**	**3,482**

Trade debtors are stated after provisions for doubtful debts of £12,107 (2025: £7,370).

Debtors: amounts due after more than one year

	31 Mar 26	31 Mar 25
	£'000	£'000
Accrued income	-	227
Total	**-**	**227**

At 31 March 2025, accrued income due after more than one year comprised amounts due from clients to recover costs incurred in 2022/23.

14. Creditors: amounts falling due within one year

	31 Mar 26	31 Mar 25
	£'000	£'000
Trade creditors	649	480
Amounts owed to Group undertakings	1,116	1,109
Other taxation and social security	527	320
Other creditors	683	425
Accruals and deferred income	1,357	1,268
Total	**4,332**	**3,602**

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

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Notes to the Financial Statements Year Ended 31 March 2026

Creditors: amounts falling due after more than one year

	31 Mar 26	31 Mar 25
	£'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 Local Government Pension Scheme (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.

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.

HM Treasury are assessing the implications of the judgement for public sector schemes, where the 'scheme' would be the LGPS as a whole, rather than a specific fund such as LCPF or LPFA.

HM Treasury have indicated that relevant amendments in the LGPS would have been made by legislation and, in line with general principles of public law, would remain valid until revoked or repealed by subsequent legislation or declared void by a court.

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 26 March 2026, The Pension Regulator published guidance on the remediation measures included in the Pension Schemes Bill, in response to the court case, to allow former salary-related contracted-out schemes to validated affected alterations to scheme rules.

The Local Government Association expects the Ministry of Housing, Communities and Local Government to provide clarification on the next steps for the LGPS.

If the judgement is 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.

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%

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Notes to the Financial Statements Year Ended 31 March 2026

15. Post-employment benefits (continued)

per annum depending on their rate of pay. Those employees who have opted for the 50:50 section of the scheme pay contributions of between 2.75% and 6.25% again on the basis of actual pensionable 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. For the financial year ended 31 March 2026, employer contributions to the LPFA scheme were at 13.4% and to the LCPF scheme were at 15.4% of salary per annum. The liabilities of the LGPS attributable to the Company are included in the Statement of Financial Position and are in line with the actuarial valuation carried out by the Fund's independent actuaries as at 31 March 2022. The most recent valuation took place with effect from 31 March 2025 and sets the employer contribution rates for the three years to 31 March 2029.

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 26	31 Mar 25	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
Reconciliation of fair value of plan assets	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Fair value of plan assets	8,612	8,153	32,807	29,177	41,419	37,330
Defined benefit obligation	(7,499)	(6,839)	(22,934)	(19,169)	(30,433)	(26,008)
Impact of asset ceiling	(1,113)	(1,314)	(9,873)	(4,470)	(10,986)	(5,784)
Net defined benefit asset	**-**	**-**	**-**	**5,538**	**-**	**5,538**

An asset ceiling has been applied to the FRS 102 pension surplus to reflect the economic benefit available to the Company from that surplus.

At 31 March 2025, as outlined in note 5 to the accounts '*Significant judgements and estimates'*,it was concluded that part of the accounting surplus on the LCPF scheme could be recovered through reduced future contributions and an asset of £5,538k was recognised, representing the estimated economic benefit available under the asset ceiling.

As at 31 March 2026, the LCPF scheme remains in surplus however no pension asset has been recognised. The actuarial assessment concluded that LPPA cannot realise economic benefit from the surplus through either a refund or reductions in future contributions. The Company's contribution rate of 15.4% remains higher than the expected future service cost rate of 8.1%, indicating that the surplus cannot be recovered through reduced future contributions in accordance with IFRIC14. Consequently, the economic benefit available under the asset ceiling assessment is nil, resulting in an asset ceiling equal to the full accounting surplus and a recognised pension asset of £nil. This assessment reflects a more prudent interpretation than that applied at 31 March 2025 and follows further technical consultation and consideration of the requirements of FRS 102 and IFRIC 14.

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Notes to the Financial Statements Year Ended 31 March 2026

15. Post-employment benefits (continued)

There is no certain entitlement to a refund of the surplus in the LPFA fund and the Company is not receiving an economic 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.

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

	LPFA		LCPF		TOTAL	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation at start of year	6,839	8,224	19,169	20,439	26,008	28,663
Current service cost	204	262	988	1,354	1,192	1,616
Benefits (received) / paid	(205)	(422)	1,172	276	967	(146)
Contributions by employees	122	117	782	704	904	821
Interest cost	401	400	1,187	1,026	1,588	1,426
Curtailments		-	-	153	-	153
Remeasurements						
Effect of changes in financial assumptions	(485)	(1,715)	(877)	(4,722)	(1,362)	(6,437)
Effect of changes in demographic assumptions	83	(17)	(117)	(59)	(34)	(76)
Effect of experience adjustmen	540	(10)	630	(2)	1,170	(12)
Defined benefit obligation at end of year	**7,499**	**6,839**	**22,934**	**19,169**	**30,433**	**26,008**

	LPFA		LCPF		TOTAL	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets at beginning of year	8,153	7,991	29,177	25,558	37,330	33,549
Benefits paid/(received)	(205)	(422)	1,172	276	967	(146)
Interest income on scheme assets	407	394	1,832	1,320	2,239	1,714
Interest on impact of net asset ceiling	78	-	-	-	78	-
Administrative expenses and taxes	(8)	(2)	(69)	(63)	(77)	(65)
Employer contributions	224	221	1,779	1,797	2,003	2,018
Contributions by employees	122	117	782	704	904	821
Remeasurements						
Other actuarial gains / (losses)	(18)	-	-	-	(18)	-
Return on scheme assets less interest income	(141)	(146)	(1,866)	(415)	(2,007)	(561)
Fair value of plan assets at end of year	**8,612**	**8,153**	**32,807**	**29,177**	**41,419**	**37,330**

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Notes to the Financial Statements Year Ended 31 March 2026

15. Post-employment benefits (continued)

	LPFA		LCPF		TOTAL	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of assets						
Equities	4,132	4,342	14,849	13,507	18,981	17,849
Diversifying strategies	8	1	-	-	8	1
Property	888	930	3,112	2,449	4,000	3,379
Infrastructure	1,012	1,170	4,515	4,098	5,527	5,268
Credit funds	1,484	467	6,175	4,939	7,659	5,406
Private equity	467	309	1,777	1,711	2,244	2,020
Fixed income	331	743	2,051	1,811	2,382	2,554
Cash / liquidity	290	191	328	662	618	853
Total assets	**8,612**	**8,153**	**32,807**	**29,177**	**41,419**	**37,330**

	LPFA		LCPF		TOTAL	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	204	262	988	1,354	1,192	1,616
Net interest on defined liability	(6)	6	(645)	(294)	(729)	(288)
Administrative expenses and taxes	8	2	69	63	77	65
Effect of curtailments		-	-	153	-	153
Total defined benefit costs recognised in income statement	**206**	**270**	**412**	**1,276**	**540**	**1,546**

	LPFA		LCPF		TOTAL	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Return on scheme assets less interest income	141	146	1,866	415	2,007	561
Effect of changes in financial assumptions	(485)	(1,715)	(877)	(4,722)	(1,362)	(6,437)
Effect of changes in demographic assumptions	83	(17)	(117)	(59)	(34)	(76)
Effect of experience adjustments	540	(10)	630	(2)	1,170	(12)
Other actuarial gains/(losses)	18	-		-	18	-
Impact of asset ceiling	(201)	1,314	5,403	4,470	5,202	5,784
Total defined benefit (income) / cost in other comprehensive income	**96**	**(282)**	**6,905**	**102**	**7,001**	**(180)**

Private

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Notes to the Financial Statements Year Ended 31 March 2026

15. Post-employment benefits (continued)

Reconciliation of funded positions

	LPFA	LPCF	TOTAL
	£'000	£'000	£'000
Net defined benefit asset at start of the period	-	5,538	**5,538**
Expense recognised in the income statement	(206)	(412)	(618)
(Gain) / loss recognised in other comprehensive income	(18)	(6,905)	(6,923)
Contributions by the Company	224	1,779	2,003
Net defined benefit asset at end of the year	**-**	**-**	**-**

	LPFA		LCPF	
The principal actuarial assumptions used were as follows:	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	%	%	%	%
Discount rate	6.3	5.9	6.4	5.9
Future salary increases	3.9	3.9	4.4	4.1
Increase in pensions in payment / deferment	2.9	2.9	3.0	2.7
Inflation assumption (CPI)	2.9	2.9	2.9	2.6

	LPFA		LCPF	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	Years	Years	Years	Years
Longevity at age 65 for current pensioners				
- Men	21.1	20.4	21.0	21.1
- Women	23.7	22.7	23.6	23.6
Longevity at age 65 for future pensioners				
- Men	23.2	22.2	22.1	22.3
- Women	25.8	24.9	25.1	25.4

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	2.0	151	1.8	424
0.1% increase in long-term salary increases	0.3	24	0.3	62
0.1% increase in pension increases	1.8	137	1.6	377
+1 year in life expectancy assumption	2.2	166	1.8	416

*excluding impact of asset ceiling

Private

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Notes to the Financial Statements Year Ended 31 March 2026

16. Share capital

	Number	£'000
Ordinary shares of £1 each Allotted, issued and fully paid		
At 1 April 2025	7,000,000	**7,000**
Issued during the year	-	-
At 31 March 2026	**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.

The LPPA statement of financial position at 31 March 2026 included £34,873.92 due to LPPI for inter-group recharges incurred prior to the Group restructuring. Following the departure of LPPI from the LPP Group, this balance was paid in full on 30 April 2026.

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 26	31 Mar 25
	£'000	£'000
Not later than one year	277	273
Later than one year and not later than five years	1,384	1,366
Later than five years	323	592
Total	**1,983**	**2,231**

Following the departure of LPPI from the Local Pensions Partnership Group with effect from 1 April 2026, LPPI and LPPA have entered into an agreement for the shared occupation of part of the Preston offices of LPPA. This agreement runs for a period of 3 years from 1 April 2026 at a licence fee of £28,020 per annum payable by LPPI to LPPA.

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 Finance Director, 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

On 1 April 2026, LPPI left the Local Pensions Partnership Group. This restructuring of the Group is a non-adjusting event for Local Pensions Partnership Administration and has no financial effect on the Company.

Private