

Annual Report and Financial Statements



For the year ended 31 March 2025



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Front Cover Images (from top left to bottom right):
1) Eastgate Clock, Chester, Cheshire
2) Peak District, Derbyshire
3) St Mary’s Church, Melton Mowbray, Leicestershire
4) Nottingham Council House, Nottinghamshire
5) Ironbridge, Shropshire
6) Stoke-on-Trent, Staffordshire
7) Library of Birmingham, West Midlands
8) Broadway, Worcestershire





Strategic Report

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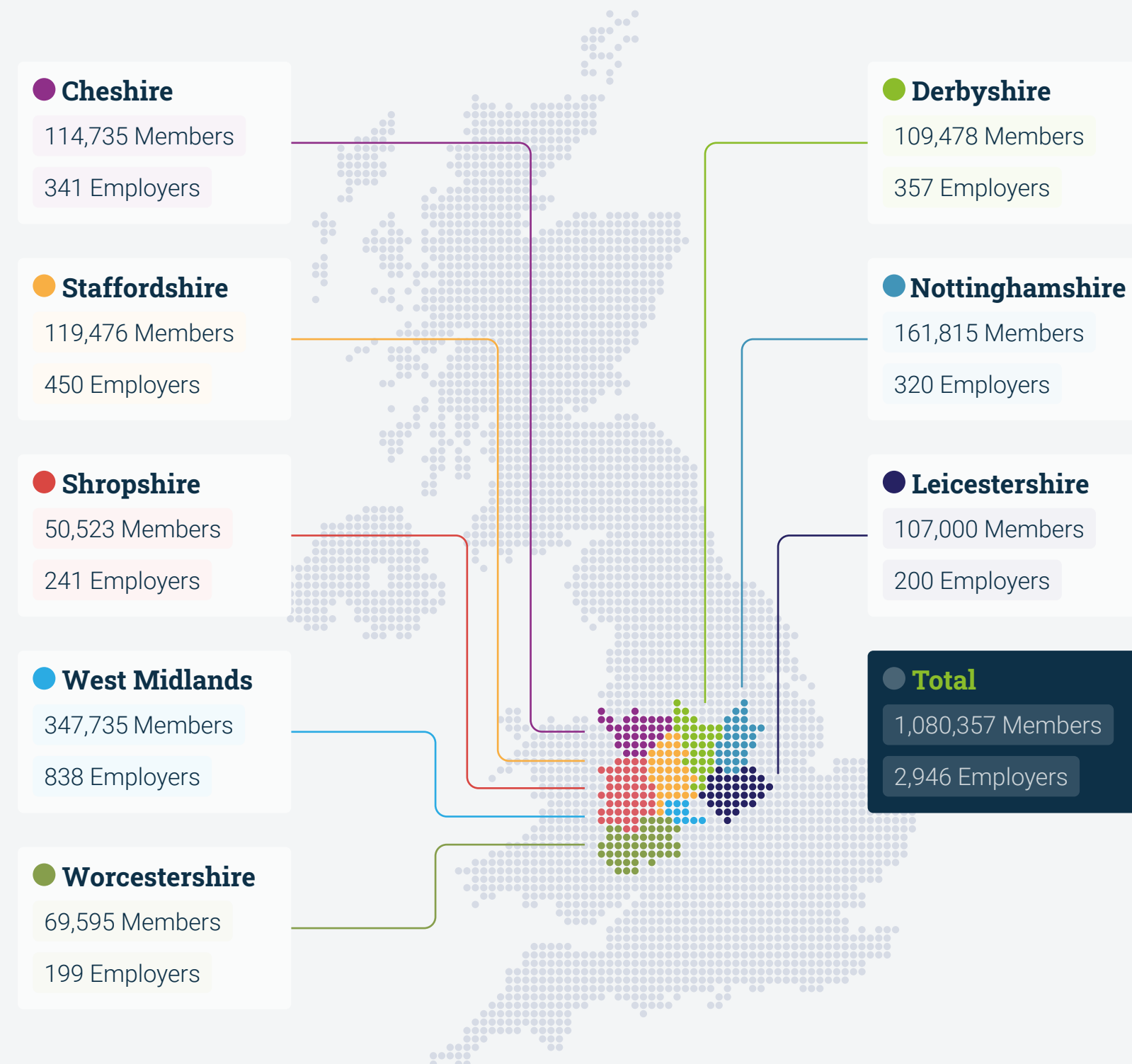




About LGPS Central Limited

LGPS Central Limited (the Company) has been established to manage the pooled investment assets of eight Local Government Pension Scheme (LGPS) funds across the Midlands (our Partner Funds).

The combined assets of our Partner Funds are approximately £68 billion (2024: £61 billion), managed on behalf of over one million LGPS members and almost 3,000 participating employers. The Company is jointly owned on an equal-shares basis by eight administering local authorities.



LGPS Central Offices

Highlights of the Year

LGPS Central Update



£44.9bn

Assets under our stewardship
at 31 March 2025

£12bn

Internally managed
public market assets

£115m

Gross savings generated
to 31 March 2025

£371.9m

Projected gross savings
by 2033/34



29 funds

at 31 March 2025

First quartile

flagship Global Equity fund
performance over five yrs
(at 31 March 2025)

£6bn

in private market commitments
by Partner Funds

89

Colleagues



100%

Responsible Investment
Integrated Status

28%

of private market deployed
investment in the UK

23.5%

of assets transitioned
(including LGIM)

2050 Net Zero

Commitment on our assets
under stewardship



UK
Stewardship
Code

Signatory

174

Companies engaged with
on ESG matters in 24/25

£11.2bn

Pooled Assets invested
in the UK

43%

Colleagues with a minority
ethnic background



Chair's Statement

I am pleased to present the Annual Report and Financial Statements for LGPS Central Limited (LGPSC) covering the year ended 31 March 2025.

This will be the last Annual Report I present, as I will leave the Company in October having served over eight years as Chair of the Board. Over that time, we have grown from a Company responsible for just around £3bn of assets under stewardship and a handful of colleagues to the organisation we are today – one that's responsible for just under £45bn of Partner Fund assets with almost 90 colleagues from diverse backgrounds, each of whom makes a positive difference for our Partner Funds. Today, the Company offers funds across a wide range of investments including a £6bn-plus private markets programme and a public markets programme that includes almost £12bn in funds managed by our internal passive equities and fixed income teams, a unique feature amongst asset pool companies. Over £5bn of our pooled assets, including nearly a quarter of our deployed private markets investments, are invested in the UK, including through our UK direct residential property fund. This also includes a commitment to investment within the LGPS Central region – for example £30m invested in local NHS facilities. The depth and breadth of our product range reflects the skills of the LGPSC teams.

These are no small achievements, secured in a relatively short space of time and the result of an expert team at LGPSC working in partnership with our eight Partner Funds. I would like to thank them all for their dedication and hard work. We should be proud of what we have achieved together.

It is this focus on doing the best for our Partner Funds, and collaboration with them, that has driven our continued success over the past financial year.

We report on these throughout this report. But some highlights include:

- The continued transition of Partner Funds' assets to the pool with almost £45bn under the Company's stewardship at 31 March 2025 (£29.9bn in 2024).
- The launch of an innovative oversight and stewardship service in respect of £11.3bn of assets passively managed on behalf of all eight of our Partner Funds by Legal and General Investment Management (LGIM) in a life wrapper. This value-adding service means that approximately 70% of Partner Funds' assets are under pool stewardship (49% in 2024).
- A continued focus on generating positive investment returns. Our flagship Global Equity fund generated first quartile returns.
- The launch of our second private credit vintage in October 2024, with commitments of £658 million from four partner funds and in November 2024 we launched the LGPS Central Buy and Maintain Sterling Investment Grade Credit Fund (an ACS sub-fund) which had AUM of £650 million at 31 March 2025.
- Placing responsible investment at the heart of everything we do. Over the year, we have engaged with 174 companies and 100% of our funds received our Responsible Investment Integrated status.
- A focus on delivering value for money for our Partner Funds over the financial year. At the end of March, we had delivered £115.4m in gross savings to Partner Funds and are projected to generate £371.9m in gross savings by 2033/34.

Last year, I reported on the changes to our senior leadership team. During the past financial year, we have continued to grow the team, with the addition of Jayne Atkinson, who joined as Chief Investment Officer in April 2025. Our colleagues have been ably led by our Chief Executive Officer, Richard Law-Deeks, who has brought a renewed energy to the Company, coupled with a focus on creating the right corporate culture based on mutual respect and client centrality. John Burns, who served the company for seven years, including two spells as interim CEO, and Gordon Ross, CIO, stepped down from the Company during the year. We wish them both well for the future.

To further support our focus on investment for the benefit of our Partner Funds, in April 2024, we established a Board-level Investment Oversight Committee. The purpose of this committee is to provide strategic planning, oversight and guidance on the Company's investment activities. The Committee has focused on investment strategy and philosophies, risk and performance, to ensure that our investment activity makes an effective contribution to achieving the goals of our Partner Funds.

During the year, we have also focused on developing and evolving how we work with our Partner Funds. This work, brought together under the banner of Project Catalyst, resulted in improved investment reporting to Partner Funds, clearer communications, and 'buddying' non-executive board members with Partner Fund shareholders to provide a direct line of communication and feedback.

The past twelve months have not just been focused on developments within the Pool. The new Government came into office with a clear agenda



Chair's Statement (continued)



for the LGPS, pooling and pool companies. In November they launched a consultation exercise seeking views on the future direction of pooling with a focus on how to expedite pooling, with a clear focus on driving investment into illiquid investments including local investment. This was followed in December by the government setting out minimum standards for pooling (later confirmed in the Pensions Bill, published just after the close of the financial year) which expand the role of the pool. We believe the LGPS Central Pool is extremely well positioned, together with our Partner Funds, to rise to the challenges set out by the government.

We were pleased that the government shared this view and that our plan to deliver was approved by Ministers in early April. Since the close of the financial year, we have been working with our Partner Funds and the wider LGPS community to meet the government's expectations.

Finally, I would also like to extend my thanks to my fellow Board members and LGPSC colleagues who work with great focus, dedication and camaraderie to support Partner Funds. I am very grateful for their support.

It has been a privilege and honour to lead the Company for the past eight years. It has been a unique experience, and I have been proud to be part of an initiative which has made a real difference to our Partner Funds and their employers and members. I believe that I leave the LGPS Central pool in a very strong position and I wish the very best to my colleagues and to my successor as Chair.



Joanne Segars OBE
Chair

“We believe the LGPS Central Pool is extremely well positioned, together with our Partner Funds, to rise to the challenges set out by the government.”



Report from the Chief Executive Officer

My first year at LGPS Central Limited (LGPSC) has been ambitious and full of momentum.

It has been a year of real progress as we have listened to our stakeholders, learned from our experiences, and put firm foundations in place for future growth. Against a backdrop of major change across the LGPS landscape, LGPSC has stepped forward with confidence and clarity, demonstrating our potential as a trusted, forward-looking Pool.



Our three business objectives for 2024/25 were:

- 1 Develop aligned pooling and investment solutions for our Partner Funds
- 2 Demonstrate Value for Money for our Stakeholders
- 3 Be ONE Central team

We recognise that partnership is key to the success of the LGPS Central pool, and accordingly, one of our key focuses for the last year has been on further strengthening relationships with our Partner Funds. Client-centricity: putting the client at the heart of everything that we do, is a key element of our approach. To support and measure this we have also started to measure trust via a quarterly partner funds survey.

Our people are also key to our success. We have built a new, talented executive leadership team while also making the most of the talented people and solid foundations that were already in place by creating a Strategic Delivery Group to drive forward transformation. We have continued to enhance colleague engagement and to develop the employee value proposition during the year, recognising that engaged, high-performing colleagues are critical

to the success of the pool. We continue to be guided by our corporate values, which inform our approach to all that we do, as well as being a key part of our performance framework. I have been delighted with how committed colleagues are to our purpose and there have been opportunities for colleagues to be seconded into different parts of the business, as well as stepping up into senior roles to support the Company. Our Culture Index exceeds the target of 7.5, the Company's ongoing commitment to fostering a strong and inclusive organisational culture.

We introduced our new Corporate Scorecard in December 2024 to help us measure ourselves against our business objectives. The Corporate Scorecard presents in one place the key measures of the Company's performance, analysed over four dimensions: Partner Fund investments, financial, operations and people. While we have not achieved all the targets that we set ourselves for 2024/25, the Scorecard demonstrates that overall performance has been strong. Particularly pleasing to note were the above-target outcomes in investment performance, cost savings achieved on behalf of the Partner Funds and our organisational culture score. There is more to do and always will be. But today, I am proud of the culture, the momentum and the direction we are heading in.

We understand that achieving good investment performance is critical to supporting our Partner Funds in achieving their investment objectives, and we were pleased to see positive performance from our funds. Our flagship Global Equity Active Multi-Manager Fund, now managing more than £4 billion, has delivered top quartile returns, averaging 16.6% per year over five years (1.8% ahead of

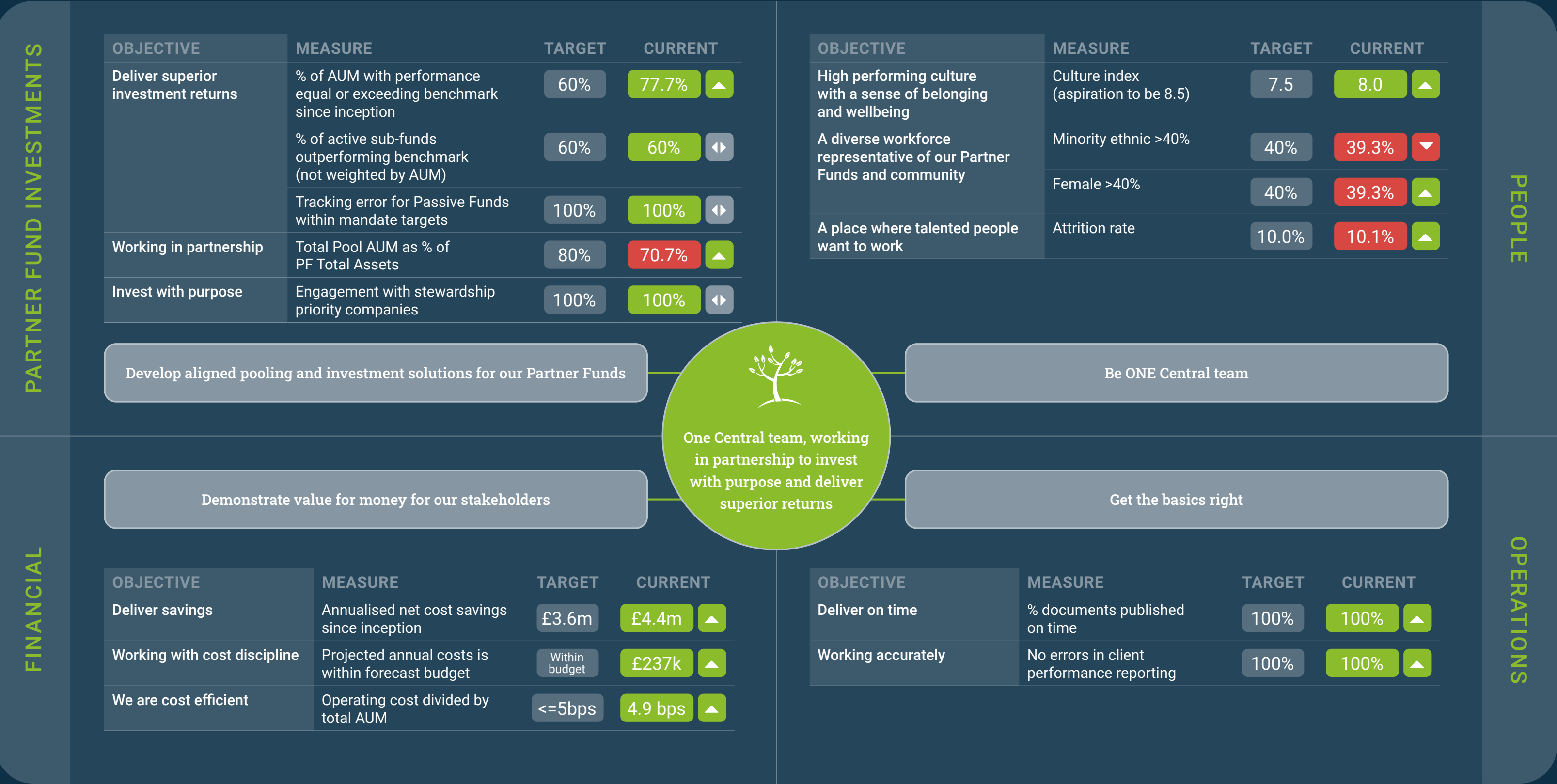
its benchmark), demonstrating strong long-term performance through active management, especially during market turbulence driven by COVID, geopolitical events and technology innovation. The positive market environment we saw over 2024/25 meant that returns from active funds have been challenging, with two out of eight active ACS sub-funds outperforming their benchmarks for the period. We remain confident that our investment philosophy and approach will generate long-term value for our Partner Funds. This will remain a key area of focus for us, and we will ensure that we continue to hold both our delegated managers and our own colleagues accountable for the achievement of investment objectives.

Whilst we have continued to grow pooled assets over the year, we also supported our Partner Funds with advice on assets that have not been transferred to our investment vehicles. We actively worked with them to support the management of these assets, which included transitioning into our funds, winding down of legacy illiquid assets and taking advantage of LGPS Central Limited's on-tap expertise and tools to support oversight. Over time, we expect the value of assets under advisory and discretionary mandates to reduce as they transition into the pooled funds.



Report from the Chief Executive Officer (continued)

Corporate Scorecard – March 2025



Measure on or above target

Measure below target

Gain on last quarter

No change

Loss on last quarter

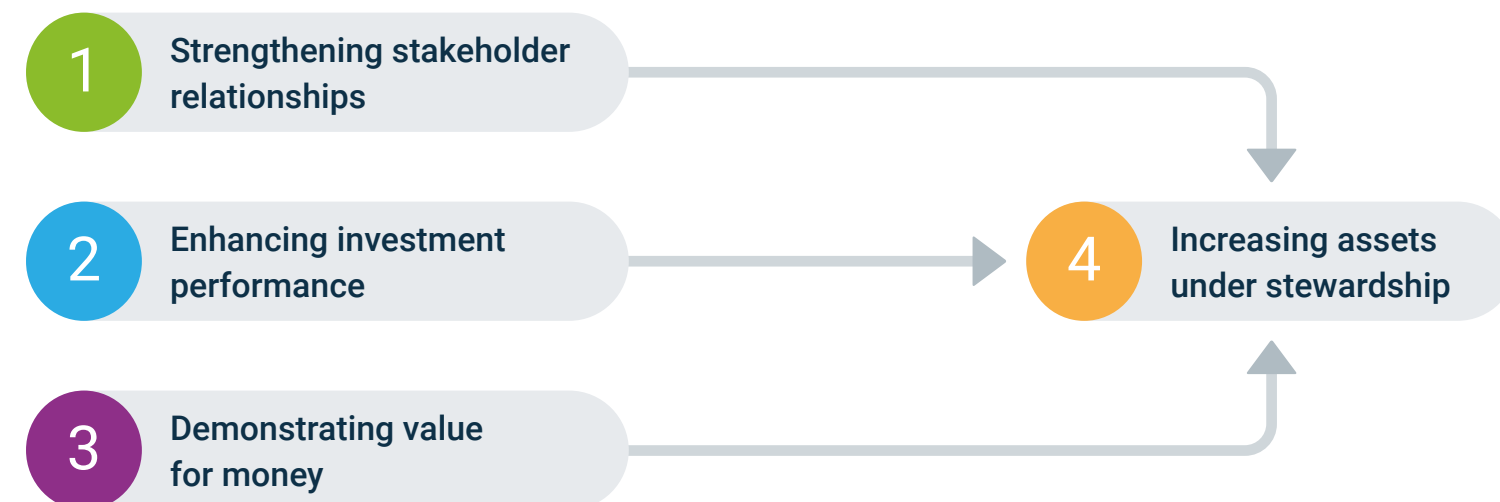
Report from the Chief Executive Officer (continued)

During the year, we were pleased to be appointed by all eight Partner Funds to provide oversight and stewardship services for over £11 billion in passive funds managed by Legal & General. We launched a new ACS Sterling Buy and Maintain Investment Grade Credit Sub-Fund with £650m cash from West Midlands Pension Fund and launched the second vintage for our Private Credit funds, initially attracting £658 million of investment from Partner Funds to continue to take advantage of market opportunities in the asset class.

I was delighted to see colleagues from across the organisation come together to work very effectively on 'Project Catalyst', a series of high-profile, inter-connected initiatives with the overall goal of improving the service that we provide to our Partner Funds. This project aimed to strengthen relationships with the Partner Funds, enhance communication and reporting, identify product solutions for particular asset types, and improve operational efficiency and effectiveness.

Our Strategic Business Plan and Budget 2025-2028 was approved in February 2025. This set out our four key strategic outcomes for the next year and beyond, as shown below.

Key Strategic Outcomes



1 Strengthening Stakeholder Relationships: Building trust and effective partnerships with Partner Funds and external stakeholders is crucial. By maintaining open, transparent communication and understanding the unique needs of each stakeholder, we can be a trusted partner.

2 Enhancing Investment Performance: Delivering strong, risk-adjusted returns is at the core of our purpose. We focus on leveraging our investment expertise and exploring innovative opportunities to optimise performance across both public and private markets while navigating an evolving financial landscape.

3 Demonstrating Value for Money: Efficient management of resources and cost-effective solutions are key to delivering value for Partner Funds. By streamlining processes and making smart investment decisions, we ensure that pooling generates tangible financial benefits.

4 Increasing Assets Under Stewardship: Expanding our assets under stewardship is essential to strengthening our economies of scale and increasing our influence in the investment landscape.

We are currently working towards achieving these strategic outcomes at the same time as implementing the proposals envisaged by the Government's 'Fit for the Future' consultation. I have been impressed by the enthusiasm, skill and knowledge shown by my colleagues in responding to this challenging agenda and believe that LGPS Central Limited is particularly well placed to make the most of the benefits offered by pooling into the future.

LGPSC approach to 'Fit for the Future' is focused, proactive and grounded in partnership. The Company is actively preparing to onboard further assets and new Partner Funds ahead of the Government's March 2026 target. This includes scaling operational capacity, strengthening governance arrangements and investing in the internal capabilities needed to deliver a broader range of services efficiently and effectively. These efforts build on the solid foundations already in place and reflect our commitment to long-term value for our Partner Funds and their members.

Alongside this, LGPSC is working closely with both existing and prospective Partner Funds to ensure alignment on priorities, clarity on requirements and a smooth, well-governed transition. This includes improving reporting and transparency, identifying tailored solutions and ensuring we remain

responsive to the individual needs of each Partner Fund. The emphasis throughout is on delivering value for money, strengthening relationships, and operating with clear accountability. As the pool continues to grow, our aim is to ensure LGPS Central Limited is a trusted and capable steward of assets on behalf of all our clients.

In conclusion, this has been a highly successful year with a number of notable achievements, against a backdrop of significant change, both internally and externally. I am looking forward to the challenge of responding to the 'Fit for the Future' reforms and am confident that LGPS Central Limited will continue to go from strength to strength. We are working hard to implement and initiated an organisation wide programme to implement the 'Fit for Future' plan.

I would also like to express my heartfelt thanks to Joanne Segars for her unwavering support and wise counsel throughout my first year. Her deep understanding of the LGPS and calm, thoughtful approach have been invaluable to me personally and to the Company as a whole.



Richard Law-Deeks
Chief Executive Officer



Investments Report

Despite the ongoing challenging economic and market environments, we remain confident about the benefits of pooling: to provide superior returns and achieve significant cost savings.

To meet our Partner Funds' key investment objectives, we continued to work closely with them to design suitable investment solutions and provide associated services, particularly Responsible Investment and Stewardship (RI&S).

Market Commentary

Global equity markets were shaped by evolving expectations around interest rate policies, persistent, albeit moderating, inflation and geopolitical events. Investor sentiment swung between optimism and pessimism.

In the first half of the financial year, equity markets experienced choppy performance. Initial enthusiasm was tempered by the realisation that major central banks (the US Federal Reserve, European Central Bank (ECB), and Bank of England (BoE)) were not yet ready to aggressively cut interest rates. While labour market data remained strong, persistent inflation and concerns about economic growth weighed on investor sentiment. Energy stocks benefited from rising oil prices, driven by geopolitical tensions and OPEC supply curtailments.

Consumer stocks underperformed due to concerns about spending in the face of higher inflation. The artificial intelligence (AI) boom continued to support growth stocks, with semiconductor and cloud computing companies outperforming broader indices. Earnings reports provided mixed signals. While some companies exceeded expectations, others warned about slowing demand and rising costs. This led to increased stock-specific volatility and a more cautious overall tone within the market.

In the second half of the financial year (October 2024 - March 2025), equity markets experienced a rally, fuelled by improved inflation data and increased expectations of interest rate cuts. November 2024 saw a significant rebound as inflation figures in the US, UK, and Europe came in below forecasts. The US Federal Reserve's indication of a potentially dovish stance further boosted investor confidence. However, this rally was not uniform across all sectors. Cyclical sectors, such as industrials and materials, outperformed as investors anticipated a pick-up in economic growth. Defensive sectors, such as utilities and consumer staples, lagged behind.

The beginning of 2025 brought a more nuanced picture with the main central banks remaining data dependent. The ECB and BoE have both cut rates while the Federal Reserve has made no change in the year to date. Investors weighed the positive impact of lower interest rates against concerns about a potential recession. Towards the end of the period, market participants focused on the ongoing conflict in Ukraine. While the direct impact was largely contained, the potential for escalation and broader geopolitical consequences and impact on global supply chains remained a concern.

2025 also saw market discussions centred on the long-term implications of AI on corporate earnings, productivity and societal impact. DeepSeek announced significant breakthroughs in large language models (LLMs), showcasing improved performance and efficiency. This ignited investor interest in Chinese and AI-related stocks and spurred debate about the potential disruption

AI could bring to various industries. Companies involved in AI infrastructure (semiconductors, cloud computing) and AI applications (automation, healthcare) attracted considerable attention. Regulatory bodies began to grapple with the challenges of governing AI, which added another layer of complexity to the investment landscape.

In Private Markets, Infrastructure and Private Credit have performed relatively well compared with Private Equity and Property, where there has been a meaningful decline in transactional activity, keeping distributions depressed and dry powder at record high levels. This has more widely had a knock-on effect on fundraising, albeit there are signs that this may improve as interest rates and inflation reduce. Investors are focusing on assets and business that are not dependent on multiple expansion to generate returns but instead have drivers that are focused on value creation, for example, through organic revenue growth or improving margins.

Since the end of the period, market dynamics have been significantly influenced by escalating trade tensions, particularly surrounding newly announced tariffs and the subsequent 90-day delay in their implementation.

For long term investors like us, this environment underscores the importance of maintaining a disciplined approach. While short-term volatility remains elevated, investors could see recent market weakness as a buying opportunity, staying focused on long-term goals rather than reacting to short-term market noise.

Achievements during 2024/2025

We are immensely proud of what the team achieved during the year. We believe our actions in the year have laid the foundations for our business to continue to be fit for the future. Our team has demonstrated exceptional performance and innovation, contributing significantly to our overall success.

Delivering Investment Performance for Partner Funds

Three out of five sub-funds outperformed their benchmark over three years/five years. In the mixed but positive market environment we saw over 2024/25, the returns from active funds have been challenging, with two out of eight active funds outperforming their benchmarks for the period. All four passively managed sub-funds achieved their target tracking range.

Our externally verified best-in-class Global Equity Active Multi-Manager fund has delivered top quartile performance and is ahead of its performance objective after five years. This achievement underscores our commitment to excellence and our ability to deliver outstanding results for our stakeholders.

Investments Report (continued)

New Investment Opportunities to meet Partner Funds' Needs

The Public Markets team saw net inflows of £2.2bn across various investment strategies, this figure does not include one of our standout achievements. The innovative solution regarding the Partner Funds pooled assets held outside the pool with Legal and General.

Similar successes were achieved in Private Markets where the platform grew by 27.6% (or £1.4bn) in commitments made across the four asset classes. Partner Funds continue to utilise the Pool to achieve their performance objective's as well as demonstrating their strategic intent to have investments made and managed by the Pool.

During the year, the Company was appointed by all eight Partner Funds to provide oversight and stewardship services for over £11 billion in passive funds managed by Legal & General. This reduces the governance burden on Partner Funds and, with an innovative pass-through voting mechanism, ensures that voting decisions are aligned across Partner Fund equity holdings, thereby significantly enhancing our stewardship and engagement impact on behalf of Partner Funds.

In addition, flows into the passive funds included an in-specie transfer of c. £670 million from an external manager into a segregated passive index-linked gilt account.

We launched the second vintage for our Private Credit funds, which included strategies to focus on direct lending and real asset debt, initially attracting £658 million of investment from Partner Funds to continue to take advantage of market opportunities in the asset class. The existing open-ended funds in Property and Infrastructure attracted an aggregate of £675.0 million of new investment.

We launched a new ACS Sterling Buy and Maintain Investment Grade Credit Sub-Fund with £650m cash from West Midlands Pension Fund. The portfolio for this sub-fund was constructed over five months, with the cash being invested in tranches, and was almost fully invested as at the end of February 2025. We now have another Partner Fund looking to invest in this sub-fund very soon.

There are two manager selection processes being undertaken currently. The first one looks to provide a global investment-grade credit solution for Partner Funds. The second one is to replace an underperforming manager in the Global Multi Asset Credit Fund. Both procurements have been initiated by the three-year reviews that were conducted last year. The team also completed the manager search and transitioned assets to an additional Manager within our Global Equity Active Multi-Manager Fund, Longview Partners, that is a high convictional quality focused manager that compliments the incumbent managers well.

A new mandate was created to enable the liquidation of approximately £200 million of legacy listed positions held by West Midlands Pension Fund. Looking ahead, discussions are underway with one of our Partner Funds regarding two new segregated mandates for passive conventional and index-linked gilts, which are likely to be launched later in 2025.

Mark Davies
Head of Public Markets

Nadeem Hussain
Head of Private Markets



Nottinghamshire

Investments Report (continued)

LGPS Central Funds

AUM at 31 March 2025

LGPS Central Fund Map



Oversight & Stewardship Equities (Internal) Equities Fixed Income Fixed Income (Internal) Private Credit Real Assets Private Equity



Responsible Investment and Stewardship

Our approach to responsible investment emanates from our conviction and the conviction of our Partner Funds that the integration of Environmental, Social, and Governance (ESG) factors and stewardship into investment processes is integral to the delivery of our fiduciary responsibility. This conviction remains steadfast.

We believe that ESG factors present both risks and opportunities for investment returns. ESG integration and stewardship are fundamental to protecting value and identifying investment opportunities across all asset classes.

Our stewardship activities enable us to discharge our fiduciary duty as a long-term responsible owner of the companies in which we invest. We are pleased to report that the Company maintained its status as a signatory to the UK Stewardship Code.

2024 also marked the fifth year in which we have prepared our annual Climate (TCFD) Report and provided climate training for our Partner Funds through our Climate Risk Monitoring Service (CRMS). This service assists our Partner Funds in identifying and assessing climate risk within their public market investment portfolios.

We also assisted Partner Funds with producing their climate (TCFD) reports through the CRMS. We are pleased that all eight Partner Funds report in line with the TCFD recommendations; this is an illustration of our pool-wide commitment to responsible investment.

Our climate analysis indicates that limiting global warming to well-below two degrees is in the financial best interests of long-term investors. It is also clear that the transition to a net zero economy is also being driven by technological change and the falling cost of clean energy solutions.

This realisation has informed our own commitment to reduce our financed emissions to net zero by 2050 and enabled our investment in the energy transition.

2024 also saw the launch of our new Sustainable Investment Monitoring Service (SIMS). This service builds upon the success of the CRMS and provides Partner Funds with insights into the wider ESG performance of their funds.

During the 2024 voting season, we continued to ensure that climate considerations were factored into our voting decisions and considered as rationale for escalating our stewardship activities.

Examples of our Activity

Natural Capital

We are active participants in Nature Action 100 (NA100), aiming to align high-impact companies with the Global Biodiversity Framework (GBF). We have signed letters to 85% of companies on the NA100 list, introducing investor expectations on nature-related risk management, and engaged with four companies to encourage nature assessments.

From 2025, we may vote against chairs of companies not engaging with NA100. The NA100 benchmark shows many companies are disclosing nature-related targets but need stronger governance and comprehensive assessments.

Health & Safety

Following a 2023 methane explosion in an ArcelorMittal coal mine in Kazakhstan that resulted in 46 fatalities, we raised concerns about safety protocols, emergency response plans, and health and safety policy implementation. The incident negatively impacted investor confidence due to the company's history of health and safety issues, prompting us to call for a shift in their safety culture. ArcelorMittal shared their October 2024 independent health and safety audit and action plan which includes Fatality Prevention Standards' audits at over 90% of sites and independent regular audits. Despite selling the site back to the Kazakhstani government in December 2023, the company assured us that victim survivor compensation packages were being implemented. We welcome the progress made but will continue to monitor the implementation of their health and safety strategy.

Full disclosure of our stewardship activities and climate commitments are published in our [2024 Stewardship Report](#) and [Task Force on Climate-related Financial Disclosures \(TCFD\) | Responsible Investment | Local Government Pension Scheme Central](#).

Patrick O'Hara

Director of Responsible Investment and Stewardship

2024 Voting Statistics

Voted at

 **3,395**
MEETINGS
(2023: 3,431)

Voted on

 **41,351**
RESOLUTIONS
(2023: 41,754)


EOS¹ participated in

 **Eight**
AGMS

The primary concerns raised by EOS on behalf of the Company included climate transition, gender diversity, lobbying activities and natural capital.

Voted against management's recommendation

on one or more resolutions at

 **65.5%**
OF MEETINGS
(2023: 65.8%)

¹ We are assisted by an external Stewardship Provider, EOS at Federated Hermes, for stewardship activities beyond the scope of LGPS Central Limited's led stewardship activities.

Our Colleagues



Our People Strategy

The development and delivery of our People Strategy has been at the core of our people focus over the last financial year. Our aim is to invest for the future; to grow and develop talent, create robust succession, deliver a positive and thriving working environment and people experience to help create a place where people want to deliver with purpose for our clients, the Partner Funds. Our aim is brought together by the four pillars of our People Strategy: *Belonging, Growing, Performing and Rewarding* Colleagues.

We have worked to place the people experience at the heart of our strategy, recognising the importance of how our initiatives contribute to this and how our colleagues feel and experience these initiatives at all points in our colleague lifecycle. We have embedded this by bringing colleagues on the journey with us through design thinking and co-creation.

'Growing' – Continuous Learning

As part of our commitment to 'Growing' our colleagues, we have introduced a learning and growth platform for colleagues: our Central Hub. We have also integrated flexible and bitesize learning content to support career growth and personalised and continuous learning journeys across the business.

Building on the commitment to continuous learning, we also saw the launch of our first internal mentoring programme, which includes reverse mentoring. The programme promotes cross-skilling and overall career development. With the agile landscape of the business, we have capitalised on building our internal skills and capabilities by providing colleagues with opportunities for internal secondments and cross functional projects, to further support their learning and career development.

'Belonging' – Colleague Engagement

Colleague engagement has been a huge focus for the Company over the past year. We believe that engaged colleagues are the enabler to providing the best outcomes. We refreshed our engagement approach with business owned 'All Hands' events and our pulse surveys, by embedding our values into our questions. We have made significant cultural improvements across all areas: values and leadership, wellbeing and recommending the Company as a great place to work. Our culture index score has improved from 7.1 to 8.0 in twelve months.

'Performing' – Refreshing our approach to Performance Management

We started the performance year by simplifying our performance approach. It is focused on outcomes, centred around continuous conversations and peer to peer feedback. We also reviewed how we set objectives, and captured a combination of business objectives, team and agile objectives and developmental/stretch objectives for colleagues. Our 'how' objective aligned to our values and behaviours was also part of our company wide objectives.

'Rewarding' – Defining our People Proposition

Colleague wellbeing has been a big focus for us, and we started the year by the enhancing our wellbeing benefits. We have since engaged with our colleagues on defining our People Proposition and what differentiates working for LGPS Central Limited.

Our Colleagues (continued)

Our Culture and Values – One Central Team

At the beginning of the financial year, we launched our new values and behaviours. The focus since has been on embedding them into the organisation in all that we do. We have committed to this through developing a continuous feedback culture ('Kudos') linked to our values, which has been adopted well by our colleagues, and by integrating the values and the importance of our 'how' into our performance development approach.

As we reflected on our current position and potential developments on the LGPS pooling horizon, we launched Programme Catalyst. This programme was set up to drive our transformation agenda, putting Partner Funds at the centre of our values. We focused on key areas around strengthening our foundations, communicating with clients, enhancing our investment performance and developing effective collaboration with our clients, whilst delivering at the pace required for transformation.

We took colleagues on the journey with us to introduce the concept of client centricity and to place it at the centre of how we do things. As part of this, we engaged with colleagues and developed a working group to help deepen our understanding of clients, to deliver the best outcomes.

Equality, Diversity and Inclusion

Our diversity is fundamental to who we are and our proposition. We have a workforce with representation from 16 different nationalities, which gives rise to both diversity from a representation perspective, but also cognitive diversity of thought.

As at March 2025, our workforce is made up of 62% men and 38% women. 43% of our colleagues identify themselves as belonging to a Minority Ethnic Background². This Minority Ethnic Background representation is higher than the representation in our local area. At a leadership level, 57% of our Board of Directors are women, and we continue to strive towards better representation

from both a gender and ethnicity perspective in our leadership tiers. We have great female and Minority Ethnic

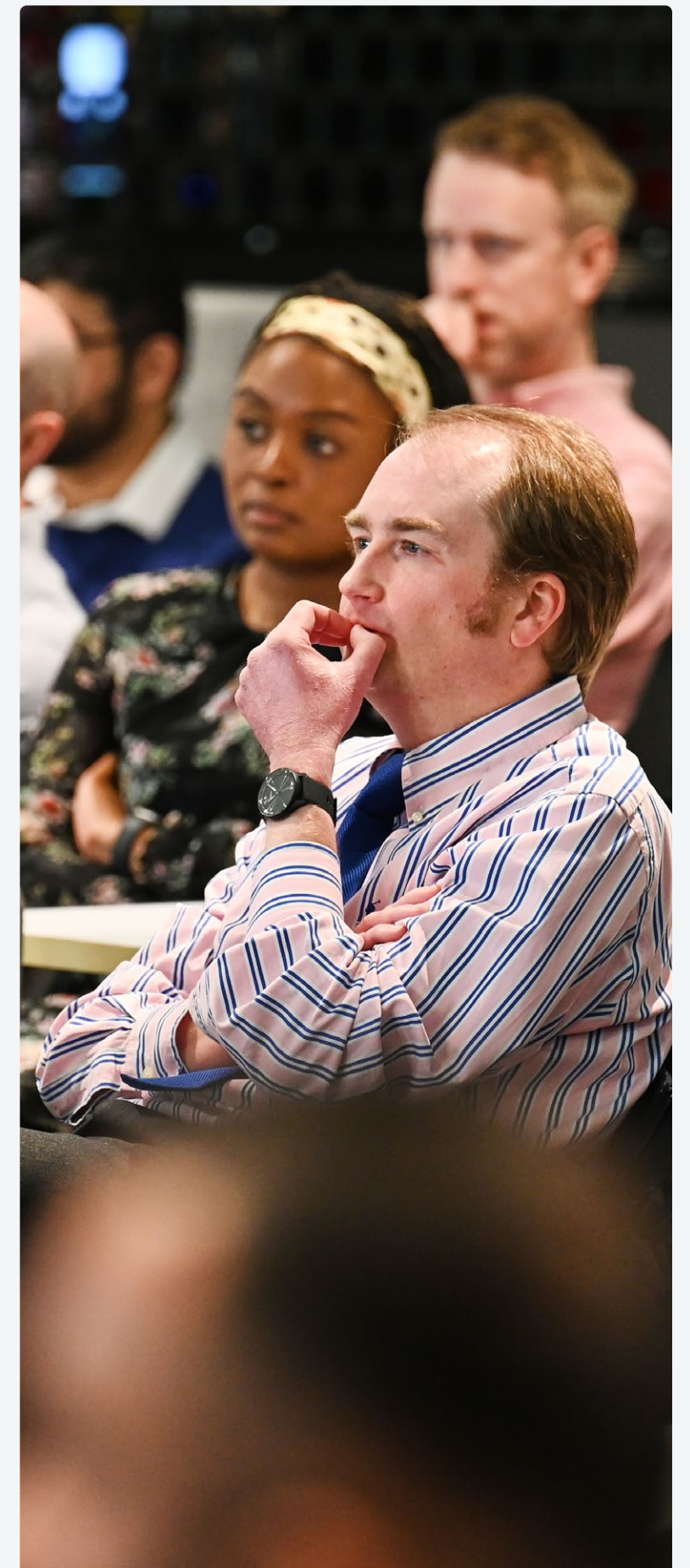
Background representation in the middle tier and have worked on key development plans to support and accelerate career progression in line with our talent and succession planning.

At March 2025, our median gender pay gap was 21.9% (2024: 24.4%), and our mean gender pay gap was 18.4% (2024: 22.6%), largely due to higher male representation in middle and top management positions. The median ethnicity pay gap stood at 33.9% (2024: 42.3%), while the mean ethnicity pay gap was 31.6% (2024: 39.9%). All these metrics are kept under regular review, and we are mindful of them when reviewing our policies and practices across the colleagues arena, including recruitment, promotion, remuneration, learning and development and retention. We will continue to seek to address the gender and ethnicity pay gaps by focussing on career development strategies, drawing on the experience of role models at leadership level, embedding flexibility in our working practices and participating in networking groups in order to stay abreast of developments and best practice.

Anouska Ramsay
Chief People and Transformation Officer

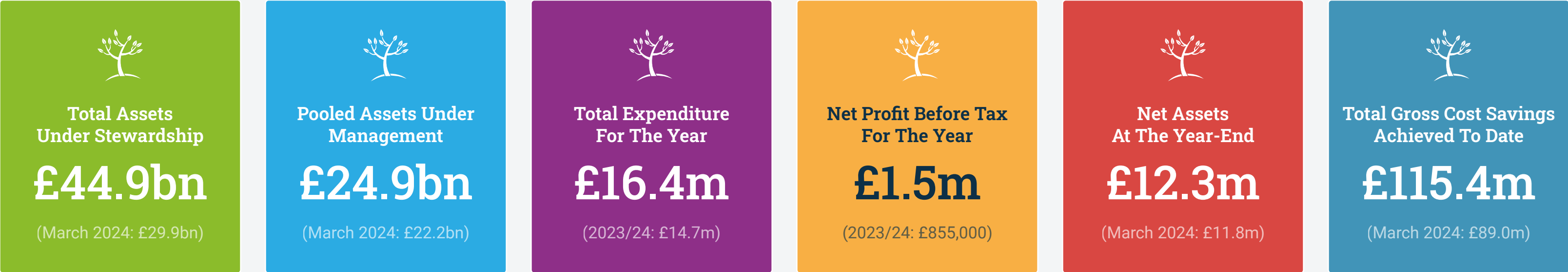


² All diversity information for ethnicity is based on voluntary self-declaration by colleagues.



Financial Review

We continue to make progress in delivering for our Partner Funds.



As at 31 March 2025, total assets under Stewardship amounted to £44.9 billion (March 2024: £29.9 billion), including pooled assets under management of £24.9 billion (March 2024: £22.2 billion). The Company operates on a cost-recovery basis. Total expenditure for the year amounted to £16.4 million (2023/24: £14.7 million) and the amount payable by the Partner Funds was £17.5 million (2023/24: £15.7 million). These numbers are broadly consistent with our Business Plan for 2024/25.

The Company’s financial performance for the year was a net profit before tax of £1,515,000 (2023/24: net profit of £855,000). Net assets at the year-end stood at £12.3 million, up from £11.8 million as at 31 March 2024.

Capital

The Company is authorised by the Financial Conduct Authority (FCA) as a Collective Portfolio

Management Investment Firm that conducts MIFID business and is classed as a MIFIDPRU Investment Firm.

The Company has an obligation to ensure that, at all times, there are adequate own funds and liquid assets to:

- ensure that the Company remains viable throughout the economic cycle, with the ability to address any potential harm from its ongoing activities, and
- allow its business to wind down in an orderly manner, minimising harm to consumers or to other market participants, and without threatening the integrity of the wider UK financial system.

Each year, therefore, the Company undertakes a formal process to assess the regulatory capital position through the Internal Capital Adequacy and Risk Assessment (ICARA) process. The

Company’s regulatory capital position continues to be satisfactory.

Liquidity

As well as it being good business practice, the FCA requires the Company to have sufficient liquidity to meet its financial obligations as they fall due. Surplus liquidity is invested in AAA-rated money market funds. The balance of these at 31 March 2025 was £14.3 million (31 March 2024: £13.9 million) with short-term working capital held in a current account being £42,229 (31 March 2024: £208,512).

Tax

Corporation Tax payable for the financial year 2024/25 was £352,000 (2023/24: £244,000), with deferred tax expenses amounting to a credit of £14,000 (2023/24: credit of £12,000). The Company is committed to full compliance with all applicable tax laws and practices across the range of taxes we

manage, including Corporation tax, VAT, PAYE and global investment taxes. With the support of our tax advisors, we ensure our financial procedures remain both compliant and efficient, and we maintain a proactive and transparent relationship with HMRC.

Projected investment cost savings

We remain on track to deliver significant cost savings on funds that are live or near to launch. Total gross cost savings achieved to date by the Company amount to £115.4 million at 31 March 2025, compared to £89.0 million at 31 March 2024. The total projected gross saving by the Company over the 16-year period to 2033/34 is £371.9 million. This compares to a projection of £339.1 million as at 31 March 2024. Cumulative net savings at the end of the year stood at £30.6 million and are forecast to rise at a rate of £15.4 million a year.

Stakeholder Engagement

Frequent and regular dialogue and engagement takes place between the Board and the Company's clients and Shareholder representatives through Company and Partner Fund forums covering specific aspects of the Company's development and progress.

This section addresses the requirements of Section 172 of the Companies Act 2006.

Company General Meetings

The Company usually holds two General Meetings a year. The annual general meeting was held on 24 September 2024. As well as a general business update from the executive, the key areas addressed at the meeting included Chair succession and proposed efficiency changes to the governance of the Company's two subsidiaries, LGPS Central (Feeder) Limited and LGPS Central GP LLP. There were also routine updates from the Chair of each underlying sub-committee. Shareholders also had an opportunity to question the Board and to vote on resolutions, including on the re-election of directors, the adoption of the Company's annual report and financial statements and the proposed governance changes to the Company's two subsidiaries.

A further General Meeting was held on 25 February 2025, with the key areas addressed being approval of the Strategic Business Plan and Budget, Chair succession, Board evaluation and an update on the Government's 'Fit for the Future' consultation. A number of resolutions were presented to Shareholders for approval, which included, alongside the Strategic Business Plan and Budget, approval of the Regulatory Capital Statement for 1 April 2025 to 31 March 2026, and the appointment of a new Executive Director to the Board (subject to FCA approval).

Shareholder Forum

The Shareholder Forum comprises a representative of each of the administering authorities and its primary role is to oversee the operation and performance of the Company and to ensure that the ownership rights and interests of the administering authorities are represented. It is a forum for discussing shareholder matters, including reserved matters under the Shareholders' Agreement.

Joint Committee

The Joint Committee is a public forum for the administering authorities to perform oversight of client matters and is made up of one elected member per authority. The Joint Committee usually meets twice a year, and its role is to support and provide assistance, guidance and recommendations to the individual administering authorities in connection with Company-related investment issues. The Company provided updates to the Joint Committee at its meeting in October 2024 on pooling in general, investment performance, manager oversight, and responsible investment and stewardship. The meeting due to be held in February 2025 was postponed.

Practitioners Advisory Forum (PAF)

PAF comprises officers of the Partner Funds, and its over-riding objectives are to collectively ensure that the pool meets the statutory requirements for investment pooling and to agree a programme of products that meets the needs of all Partner Funds. The Company provides PAF with regular updates on key strategic and business items. Discussions

during the year have included an update on key elements of the Company's Business Plan, the Government's 'Fit for the Future' consultation and the Pool's 'Fit for the Future' plan submitted to Government, the transfer of assets from Legal and General Investment Management (LGIM) and other client related matters.

Governance Working Group (GWG)

This working group includes representatives from some of the eight Partner Funds and, from time to time, colleagues of the Company are invited to attend. The Group meets as required and focuses on governance and compliance issues from a pool perspective.

Finance Working Group (FWG)

This working group includes representatives from some of the eight Partner Funds and is sometimes attended by colleagues of the Company. The group meets when required to provide input into and to scrutinise the Business Plan and Budget, Cost-Sharing model and other financial matters.

Investment Working Group (IWG)

The IWG comprises representatives from each of the eight Partner Funds. The Company provides monthly updates relating to investment fund development and performance. The IWG is the principal mechanism through which collective Partner Fund views are sought on the development and evolution of the Company's investment funds. Discussions have included the development of new funds and progressing updates on fund

implementation, due diligence and manager selection protocols, responsible investment and stewardship updates, market outlook, fund factsheets and other reporting.

Internal Audit Working Group (IAWG)

The IAWG comprises representatives from some of the eight Partner Funds and meets twice a year to oversee and manage thematic audits of the Company carried out by Partner Fund internal audit teams. This supports reporting to the Joint Committee on the assurance in place for the wider pool. The audits focus on various aspects of the funds and the governance supporting them. The IAWG also undertakes an independent review of the Company's annual AAF 01/20 report and provides feedback to the PAF, the Company and Partner Funds. During the year, the IAWG discussed AAF 01/20 controls reporting and wider Partner Fund assurance audits on cash management, cyber and data management.

Responsible Investment Working Group (RIWG)

The RIWG includes representatives from the eight Partner Funds and the Company's RI&S team and meets on a quarterly basis throughout the year. The Company provided updates and worked with the group on topics such as climate change, natural capital and human rights. The Company also provided updates on voting and engagement activities, participation in industry working groups and responses to consultations.

Stakeholder Engagement (continued)

How the Company Engages with its Stakeholders

Stakeholders	How the Company Engages with its Stakeholders
Shareholders	<p>The Board and management engage directly with Shareholders through our AGM and a further Company General Meeting, where we provide key updates and answer questions. We produce our annual report and financial statements and quarterly financial updates. In addition to the Company General Meetings, the Company hosted other key events, such as the Responsible Investment Summit held in June 2024 as well as hosting an ESG Event for one of our Partner Funds in February 2025. During 2024/25 the Board held additional <i>ad-hoc</i> meetings with representatives of Partner Funds and Shareholders to consider wider strategic and collaborative initiatives, including the Government’s ‘Fit for the Future’ consultation.</p> <p>Management also engages with Shareholders on an ongoing basis and through the relevant governance groups set out above.</p> <p>The NEDs meet with Shareholders on an <i>ad hoc</i> basis and the Company has introduced a ‘buddying’ system which allocates each Shareholder an assigned Non-Executive Director as a ‘buddy’ to support ongoing engagement and communication.</p>
Clients	<p>Listening to our clients is important to us, and we regularly engage with all eight Partner Funds on a one-to-one basis as part of our ongoing service delivery, as well as collectively through various forums and working groups. We also host Partner Funds at themed events, such as those focusing on responsible investment and stewardship. In addition, we attend and present at Partner Fund Pension Committee meetings and, on request, support with investment training.</p> <p>Finally, we also include information for our Partner Funds to take assurance on the Company’s ongoing activity such as our Quarterly Shareholder Report and Annual AAF 01/20 Internal Controls report and the Annual Assessment of Value.</p>

Stakeholders	How the Company Engages with its Stakeholders
Colleagues	<p>We have established a forum, the Colleague Voice Group, to hear suggestions and feedback from colleagues, which we also do via regular pulse surveys.</p> <p>We have a strong focus on the career development of our colleagues, and we keep them informed of Company business with weekly updates and a range of internal communications. We are a champion of diversity and inclusion, being a proud member of the Diversity Project and founding partners of Discover Finance, a financial services collaboration to inspire and encourage disadvantaged young people to achieve their potential.</p> <p>We hold regular featured events including ‘lunch and learn’ sessions on, for example, Black History Month and International Women’s Day.</p> <p>The Board engages with colleagues through the Company’s meeting cycle and informal lunches. There is also a ‘Workforce NED’ who liaises with colleagues through various forums throughout the year who then reports back to the Board so that the Board can assess/have sight of any potential colleague issues alongside colleague sentiment.</p>
Government	<p>Regular engagements have taken place this year between the Company and MHCLG (Ministry of Housing, Communities and Local Government) and HM Treasury; in particular, following the publication of the ‘Local Government Pension Scheme: Fit for the Future’ consultation, which ran from November 2024 to January 2025. We also report specific data to MHCLG annually which includes cost savings, development and launch of any new products, pooled assets under management (AUM), value for money and responsible investment and stewardship.</p> <p>We provide responses to key consultation papers. Importantly over the past financial year this has included the ‘Local Government Pension Scheme: Fit for the Future’ consultation ensuring that our voice is heard within the industry and that we can shape the future of pooling in the best interests of our Partner Funds.</p>



Stakeholder Engagement (continued)

Stakeholders	How the Company Engages with its Stakeholders
Regulators	We are a Financial Conduct Authority (FCA) regulated business, giving our Partner Funds assurance that we are managing their assets to the requisite standards. We complete all applicable regulatory returns to the FCA and are in regular dialogue with them prior to seeking formal approval for new fund launches. We have also been engaging with them this year on implementation of the expected outcomes from the Government's 'Fit for the Future' consultation.
Industry Peer Group	Chairs of the eight LGPS pension pooling arrangements meet regularly to discuss shared challenges and opportunities. The CEO, People, Legal, Finance, Operations and Communications teams from the eight pools also meet throughout the year in sub-groups to discuss developments in their specific areas of expertise.
Local Communities	As part of our commitment to create a culture of belonging, all colleagues are granted two days of paid leave to spend on volunteering activities that support personal interest, charitable causes and our local communities and other good causes. This year we have had a total of 177 volunteering hours, supporting causes in our community such as Birmingham Central Mosque Food Bank, CAARS Animal Rescue Centre and various schools and community centres. The time dedicated to such activities is recorded on a centralised system for monitoring and reporting purposes.



Shropshire

Compliance and Risk Management

We continue to be dedicated to ensuring strong investment and operational resilience across our business to support our Partner Funds.

Overview

During the 2024/25 financial year we have:

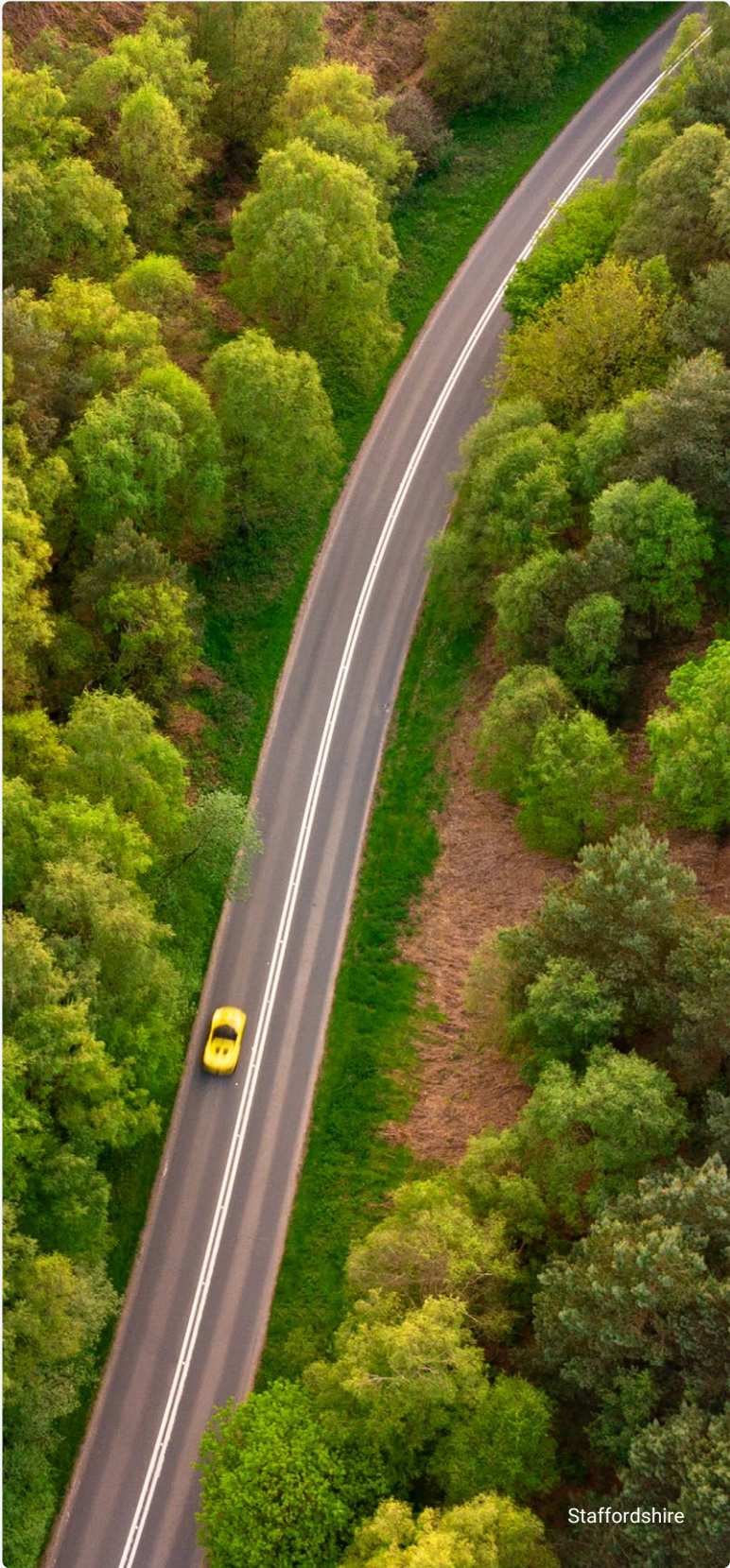
- appointed a new service auditor for our AAF 01/20 internal controls report audit;
- completed a strategic regulatory horizon-scanning exercise against key growth assumptions to support our development and ongoing operational resilience;
- undertaken a periodic external review of our Internal Capital Adequacy and Risk Assessment (ICARA);
- engaged with the market on the implementation of a new combined Governance, Risk and Compliance system;
- carried out a wholesale refresh of our internal compliance policies and procedures;
- further developed our investment risk framework in the areas of transition and credit risk;
- migrated our compliance and enterprise data onto Power BI for improved analytics; and
- sought to strengthen our team via the recruitment of additional senior compliance resource.

Enterprise Risk Management

Our enterprise risk management framework ensures that key risks are escalated and analysed to inform the Board and management’s strategic decisions, so that our Partner Funds’ assets continue to be managed within appropriate risk tolerances. We identify and manage risks across thirteen categories, with the principal risks for this year being summarised below. We also have a dedicated investment risk function which is embedded within the investment team looking across market, credit, counterparty, liquidity and other investment risks.

We operate a three lines of defence risk management model whereby business management, risk and compliance oversight and assurance roles function independent of one another.

Category	Risk	Mitigating the Risk
Client Offering	The risk that our products do not efficiently accommodate our Partner Funds’ developing asset allocation requirements or are not delivered in an appropriate timeframe.	We have established product development processes, involving close engagement with our Partner Funds. We continue to develop our management information in this area to support analysis of our product pipeline and have enhanced Board oversight through the establishment of an Investment Oversight Committee. We are currently engaging with our Partner Funds around implementation of the outcomes of the Government’s ‘Fit for the Future’ consultation.
Environmental and Social	The risk that we fail to track and recognise broader changes in societal dynamics that can affect our business environment and operating model. The current focus is on avoiding any adverse impact on our culture, the relevance of our colleague offering, pace of technological/ systems adaptation, and related controls efficiency and the emissions associated with our business operations.	We have a strong focus on our people offering, and we also keep a close eye on technological developments to regularly review the efficiency of our systems, controls and operating procedures and seek ways to reduce our carbon footprint, incorporating horizon scanning for potential future developments and regulations.
Financial	The risk that we fail to maintain sufficient capital to meet our business and/or regulatory capital requirements, adversely impacting our ability to maintain service delivery and operational resilience.	We closely monitor our budget and ongoing spending, as well as our risk exposure and regulatory capital position, on an ongoing basis. The Company is appropriately capitalised, operates a cost-sharing agreement with our Partner Funds and has appropriate levels of insurance in place.



Staffordshire

Compliance and Risk Management (continued)

Category	Risk	Mitigating the Risk
Governance	The risk that our governance does not meet best practice standards in the asset management sector to reinforce strategic implementation and operational effectiveness.	We review our governance effectiveness annually and an external review is carried out on a triennial basis. We implement any appropriate enhancements arising from those reviews on an ongoing basis.
Investment	The risk that our funds and services do not deliver good performance for our Partner Funds in line with our agreed objective, including our responsible investment and stewardship priorities.	We undertake close oversight of our investment portfolios with the active support of our embedded investment risk monitoring, accompanied by effective engagement and reporting arrangements with our Partner Funds. That is reinforced by the second-line risk and compliance functions.
IT and Information Security	The risk that the stability, resilience and capacity of the IT systems used by the company are compromised or that we are subject to a cyber-attack which materially affects our ability to operate the company and safeguard the funds.	Our IT and security standards are aligned to ISO 27001 and we ensure effective oversight of the provider of our IT infrastructure. We also have effective business continuity and back-up arrangements and protocols in place, which were tested during the year.
Operational	The risk that our operational infrastructure does not keep pace with the development of our business and that we fail to continually assess and adapt our systems, staffing and processes across our business so that our Partner Funds' assets are managed effectively.	As a relatively young organisation, we have an emphasis on our organisational design on an ongoing basis. This year, we have also included an operational resilience review within our internal audit cycle, as well as carrying out an external regulatory horizon-scanning exercise in light of key growth assumptions.

Category	Risk	Mitigating the Risk
People	The risk that we are not able to effectively recruit or retain colleagues to deliver our strategic goals and manage the company within expected market or regulatory standards.	We encourage colleagues to 'live' our values to embed a strong culture within the business and our performance management process involves regular 'conversations' throughout the year to support ongoing people development. We carry out external salary benchmarking and are focussed on succession planning as part of our organisational development.
Political	The risk that a change in central government policy or approach to the LGPS investment pools could change Partner Funds' investment needs and impact the Company's strategy and organisational stability.	We engage with central government and other stakeholders on a range of topics affecting the sector, including the future of pooling, responsible investment and climate change reporting, to contribute to the ongoing development of consistent and long-term policy aligned to best investment practice. We also communicate closely with our Partner Funds and colleagues to support them with developments. The outcome of the Government's 'Fit for the Future' consultation will accelerate the pooling of all our Partner Funds' assets to March 2026. We continue to engage with Partner Funds and the relevant Government departments to manage expectations and to assist in clarifying the requirements where possible.

Compliance and Risk Management (continued)

Category	Risk	Mitigating the Risk
Regulatory	The risk that a failure of our business activities, policies or procedures leads to a breach of the regulations applicable to us.	We ensure our first-line colleagues are suitably expert and trained to operate within the regulatory parameters for our business and have second line compliance and risk teams to check and oversee this. The compliance function has been strengthened through ongoing support from an external compliance consulting arrangement. We constantly scan the regulatory horizon to ensure we are prepared for regulatory change and continue to focus on how we can learn from any risk incidents that occur. As above, this year we have carried out a dedicated external review. We also have the support of third-line reviews (internal audit) and fourth-line reviews (external audit).
Strategic Direction	The risk that our strategy does not adequately address the needs of all our Partner Funds, potentially leading to misaligned product and service delivery, operational inefficiencies and the company not delivering on its core purpose.	We work closely with our Partner Funds on their requirements and longer-term vision for how we can support them best. This year, the outcome of the Government’s ‘Fit for the Future’ consultation will provide medium- to long-term clarity on the strategic direction for the Pool.
Third Party Reliance	The risk that breaks in service, errors or poor engagement lead to significant operational disruption, adverse performance, monetary loss, regulatory breach or adverse reputational impact.	We have established policies, procedures and controls to provide effective oversight of and engagement with our third-party suppliers. We complete annual testing of our key controls under the AAF 01/20 framework which is conducted by an independent external service auditor and includes testing the oversight controls of our key suppliers.

Internal audit and other assurance

This year, our rolling internal audit programme has focussed on our enterprise risk management framework, delegated manager oversight, financial crime and operational resilience.

We continue to carry out an AAF 01/20 controls audit, which involves external review by Grant Thornton LLP of the key controls within investment management, private markets and related information technology. This is an important additional assurance exercise around the robustness of our control environment. With the launch of our direct and indirect property funds, we have now also included coverage of our property investment management controls.

Compliance

During the year, we carried out our new annual Compliance Monitoring Programme (CMP), which reviewed key elements of our ongoing compliance obligations on an ongoing basis throughout the year. This involved moving from a thematic approach to one where we engage throughout the year to carry out 45 ‘routines’ comprising 194 underlying ‘tests’ across all key areas of compliance. This represents a key enhancement to our internal controls and second line oversight, building in tandem with the growth and development of the business. We update and tailor this programme to the business with support from BDO LLP.

We continue to monitor the regulatory landscape and implement any necessary measures in response to regulatory change. There was a particular focus towards the end of the 2024/25 financial year on the impact of the Government’s ‘Fit for the Future’ consultation and assessing when the Company may become an ‘enhanced firm’ for the purposes of the FCA’s SMCR and Operational Resilience regimes.





Governance Report

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Governance Structure

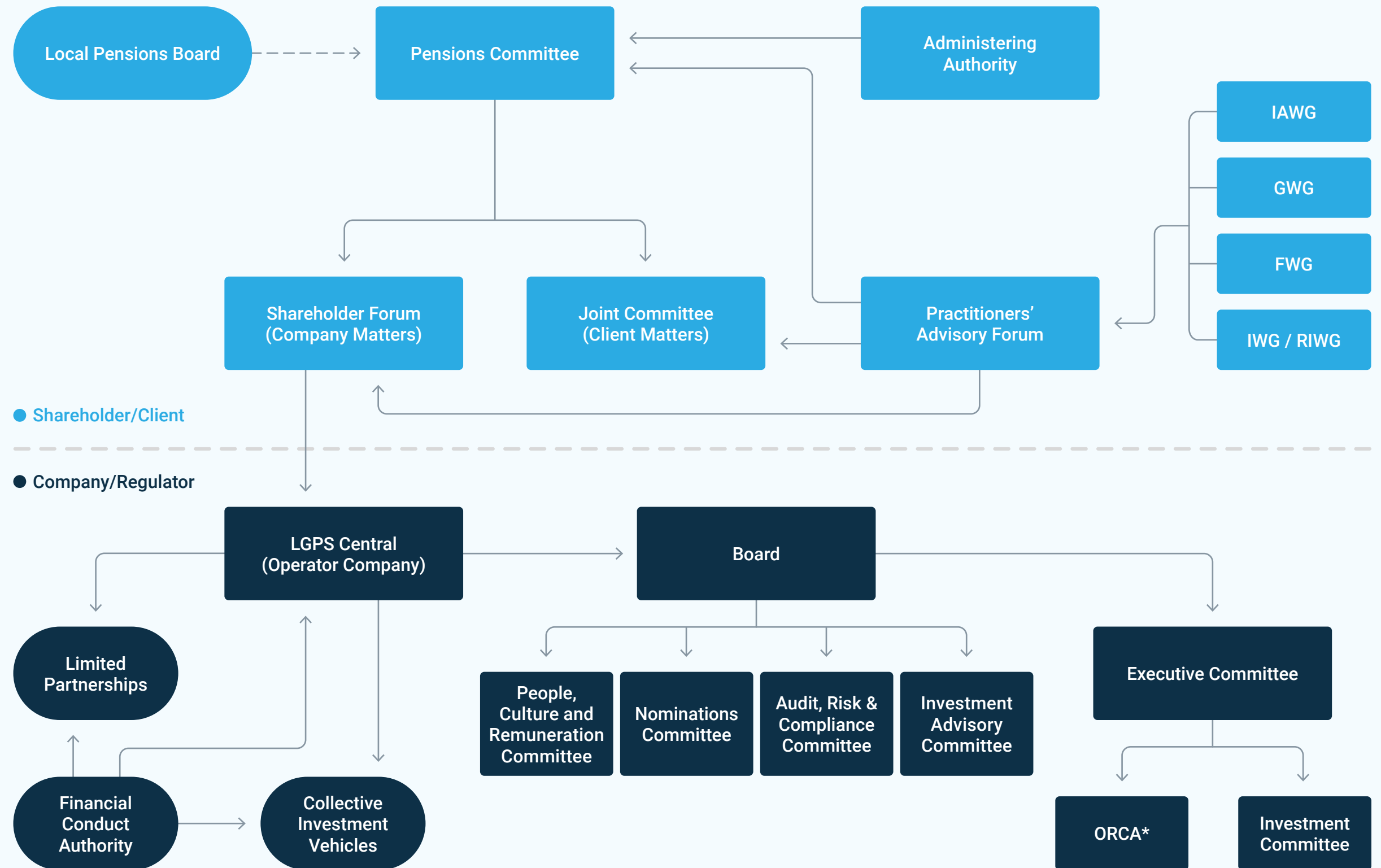
Strong governance is key to the effective operation and success of the Company and in turn stewardship of the Partner Funds' assets.

A governance structure has been in place since the Company's inception that ensures oversight of its activities, strategic agility, the embedding of cultural values and ongoing regulatory compliance. That structure takes account of the Financial Conduct Authority (FCA) and Companies Act 2006 requirements, as well as appropriate levels of shareholder oversight.

This year we have begun the process of reviewing our governance structure with a view to accommodating the outcome of the Government's 'Fit for the Future' consultation. This work will continue to be a key priority in 2025/26.

An overview of the Company's current governance structure is set out in Figure 1.

Figure 1: Governance Structure of the LGPS Central Pool



*ORCA is the Operations, Risk, Compliance and Administration Committee



Governance Initiatives

The Board has continued to promote the success of the Company and its subsidiaries by collectively directing and supervising its affairs, whilst meeting the appropriate interests of its Shareholders.

It is committed to maintaining high standards of corporate governance to ensure accountability and efficient, effective decision making.

It is also committed to reviewing Board effectiveness on an ongoing basis, with a Board evaluation exercise taking place each year.



Worcestershire

The Board

The Board seeks to ensure accountability of the management of the Company and directs and supervises the Company’s affairs to ensure it meets the appropriate interests of its shareholders and other relevant stakeholders.

To support it in considering certain areas in more detail the Board has established four sub-committees; the People Culture and Remuneration Committee, the Audit, Risk and Compliance Committee, the Nominations Committee and the Investment Oversight Committee (which was established in 2024, holding its first meeting in July 2024). Day to day activities of the Company are overseen by the CEO and Executive Committee, which also has a series of sub-committees to consider business in sufficient detail; being the Investment Committee and the Operational, Risk, Compliance and Administration Committee.

Throughout 2024/25, the Board of the Company remained committed to maintaining a robust governance framework, with a focus on Board succession and commencing the search process for the Chair. During the year, the Board comprised a Non-Executive Chair and four further Non-Executive Directors (NEDs), along with a Chief Executive Officer (CEO) who served as an Executive Director (from July 2024) and a Deputy Chief Executive Officer (DCEO) who also served as an Executive Director until he left the Company on 31 January 2025 (and who served as Interim Chief Executive Officer until July 2024).

The Shareholders approved, at their meeting in February 2025, that Anouska Ramsay, the Chief People and Transformation Officer, be appointed an Executive Director, and we are currently awaiting the relevant Financial Conduct Authority (FCA) approvals for this directorship.

Although the Company is not captured by the FCA UK Listing Rule (UKLR 6.6.6R(8)), the Company meets the requirements that at least 40% of the board are women and at that least one of the senior board positions is held by a woman. Further details of the appointments including Executive Director and NED (and Chair Elect) are detailed in the section on Nominations Committee below.

Board Attendance for the Period 1 April 2024 to 31 March 2025

Name	Board <i>(including two Special Board Meetings)</i>	People, Culture and Remuneration Committee	Audit, Risk and Compliance Committee	Nominations Committee <i>(including one Special)</i>	Investment Oversight Committee <i>(including one Special)</i>
Joanne Segars OBE	8/8	n/a	n/a	6/6	4/4
Ian Armfield	8/8	n/a	4/4	n/a	4/4
Ciarán Barr ³	8/8	3/4	4/4	n/a	4/4
John Burns*	7/7	n/a	n/a	n/a	n/a
Richard Law-Deeks**	7/7	n/a	n/a	n/a	n/a
Susan Martin	8/8	4/4	4/4	6/6	n/a
Belinda Moore ⁴	7/8	4/4	n/a	6/6	n/a

³ Ciarán was unable to attend the scheduled meeting in December due to unforeseen circumstances.

⁴ Belinda was unable to attend the Special meeting in September due to unforeseen circumstances.

* John Burns left the Company on 31 January 2025.

** Richard Law-Deeks joined the Company in June 2024 and became an Executive Director in July 2024.

n/a indicates that the Director is not a member of the Committee. Board Sub-Committees comprise Non-Executive Directors only.



Board Biographies



Joanne Segars OBE

Chair and Non-Executive Director and Chair of the Nominations Committee, member of the Investment Oversight Committee

Joanne has over 35 years in the pensions and investment sector and is an experienced chair and non-executive director. She was appointed as the first Chair of LGPS Central Limited in May 2017. She became the chair of now:pensions in 2019, having been appointed to its Board in 2017. Joanne is also the Chair of the Independent Governance Committee at Legal and General and is a member of the Pension Fund Governing Board at CERN in Switzerland. She was chair of the Joint Expert Panel on the USS and a pensions expert to the review of TfL's pension arrangements. She was the Chief Executive of the Pensions and Lifetime Savings Association (PLSA) until June 2017. She joined the organisation from the Association of British Insurers where she was Head of Pensions and Savings and held the pensions brief at the Trades Union Congress for 13 years, having started her career as a pensions researcher and journalist at Incomes Data Services. She was Chair of the Environment Agency Pension Fund (EAPF) from 2017-2019. Joanne was a Board member of Pensions Europe, the EU trade association for pensions, from 2010 – 2017 and its Chair from 2012 – 2015. She was a founding governor of the Pensions Policy Institute. Joanne has a degree in economics from John Moores University and an MA in Industrial Relations from the University of Warwick. She was awarded an OBE for services to pensions in the 2003 Queen's Birthday Honours.



Susan Martin

Non-Executive Director, Senior Independent Director, Chair of the People, Culture and Remuneration Committee, member of the Audit, Risk and Compliance Committee and member of the Nominations Committee

Susan was on the Board of Town and Country Housing where she chaired its Customer Services Committee and was an executive coach, she recently stepped down from the position last year. She is the former CEO of fellow UK local authority pensions pool, Local Pensions Partnership Ltd. Prior to this, she held multiple senior roles at the London Pension Fund Authority, including more than two years as CEO. She has also held director roles at Greenstone Consulting, Queen Victoria Hospital NHS Foundation Trust and Cancer Research UK. She has experience in strategic partnership working, start-ups, acquisitions, mergers, business change and organisational development in several industries. Additionally, she was Pensions Lead and Board Member at the Public Services People Managers Association for three years and a member of the defined benefit council and LGPS committee at the Pensions and Lifetime Savings Association.



Ian Armfield

Non-Executive Director, Whistleblowing Champion, Chair of the Audit, Risk and Compliance Committee, member of the Investment Oversight Committee

Ian has over 40 years of experience in financial services, with his executive career as an audit and risk assurance partner at PwC, particularly focussed on the asset management and pension funds sectors. He brings a deep and extensive knowledge of FCA-regulated asset management, financial accounting and audit, risk management and internal controls. Ian is a Non-Executive Director and Chair of the Audit Committee at Managed Pension Funds, a regulated insurance company providing pooled investment management services to pension schemes. He is also the independent Audit and Risk Committee Chair for Pearson Pension Plan and was previously a board member at NEST Corporation.



Ciarán Barr

Non-Executive Director, Chair of the Investment Oversight Committee, member of the Audit, Risk and Compliance Committee and member of the People, Culture and Remuneration Committee

Ciarán has over 30 years of experience in financial markets spanning economic strategy, pension funds and asset management. In his most recent executive role at a leading UK pension fund, he focussed on improving member outcomes and long-term returns through restructuring and managing the investment architecture, including governance arrangements and multi-asset pooling. Ciarán is dedicated to collaborating with shareholders to deliver positive returns and ensure good value for money for investors. Ciarán is also a Board member at The People's Partnership and chairs the investment subsidiary Board, as well as being a Trustee/Director of two charities: Railway Benefit Fund and Studio Wayne McGregor.



Board Biographies (continued)



Belinda Moore

Non-Executive Director, Workforce Champion, member of the Nominations Committee and member of the People, Culture and Remuneration Committee

Belinda is an experienced non-executive director with a background in FMCG, consumer service and healthcare across FTSE 100 and multi-site plc backed businesses. With over 30 years' experience in the UK and overseas, her expertise encompasses development and execution of successful digital engagement strategies to drive growth and profitability.

Adept at managing complex relationships and effectively engaging key internal and external stakeholders. Belinda has had notable success in improving the customer experience using data, technology, and customer insights to drive change programmes across marketing, commercial and operational teams. Her strategic, commercial, and digital acumen is complemented by a solid understanding of talent, diversity, financial oversight, and risk management within regulated environments. Belinda also holds non-executive roles at Benenden Healthcare, Tipton & Coseley Building Society and Headway.



Richard Law-Deeks

Chief Executive Officer

Richard Law-Deeks joined the Board of LGPS Central Limited as CEO in June 2024, bringing over a decade of experience in both the public and private sectors. Prior to his current role, Richard served as CEO of the Royal Mail Pension Plan. His career spans key roles in corporate finance at Marsh & McLennan Companies and within the Local Government Pension Scheme (LGPS), where he began his career at Hackney Council and Hertfordshire County Council. Richard is a qualified accountant and an active member of the pensions community. He also serves as a trustee for a charity's pension scheme and has been a member of the Pension and Lifetime Savings Association (PLSA) Defined Benefit Committee.



Nemone Wynn-Evans

Non-Executive Director

Nemone joined LGPS Central Limited in June 2025, bringing extensive leadership experience across the financial services and energy sectors. She is strongly committed to sustainability and responsible investment and has served as Chair and non-executive director on the boards of several regulated and listed organisations.

She is currently Chair of Hinckley & Rugby Building Society and a director of Redmayne Bentley LLP and Gresham House Income & Growth VCT plc. Her previous roles include Chair of Shepherds Friendly Society and executive positions in corporate finance, investor relations, and governance.

Based within the central region, Nemone has a genuine local connection. She is a Fellow of the Chartered Institute for Securities and Investment and holds an MBA from Cranfield School of Management.



Anouska Ramsay

Chief People and Transformation Officer

As Chief People & Transformation Officer Anouska is responsible for designing and implementing strategies that enhance culture and attract, develop, and retain top talent. With a background in business psychology, Anouska has extensive experience in both consultancy and large organisations, where she has focused on creating programs that deliver business value through people, culture, and talent agendas. Her work spans initiatives from apprenticeships to executive leadership development, culture and digital skills transformation, and inclusive cultures to employer branding. Before joining LGPS Central, Anouska served as HR Director for Culture & Capability at Santander, where she led numerous progressive people initiatives and was an active member of the Gender Equality Leadership team at Business in the Community. She also held the position of Vice President of Talent at Capgemini and began her career in human resources at Capital One Bank.



Audit, Risk and Compliance Committee

Report from the Chair of the Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee supports the Board in scrutinising the Company’s financial reporting, risk management and internal control systems, and the independence and effectiveness of both the internal and external auditors.

The Committee is chaired by Ian Armfield and includes Susan Martin and Ciarán Barr, all of whom are Non-Executive Directors. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee.

The Committee’s authority and duties are clearly defined within its written terms of reference which, together with its effectiveness, are reviewed on an annual basis as part of the Board’s performance evaluation process. At least once a year, the Committee meets with each of the external auditors and internal auditors without the presence of executive officers.

Activities of the Committee

The Committee met four times during the year and the external auditor, Deloitte LLP, attended three of those meetings. The Company’s internal auditor, KPMG LLP, attended on all four occasions.

The Committee was responsible for a range of matters including:

Financial reporting	<ul style="list-style-type: none">• Monitoring the integrity of the Company’s financial statements and reviewing key accounting policies, judgements and estimates.• Reviewing the appropriateness of the going concern basis for preparing the financial statements.• Considering the narrative elements of the annual report.• Reviewing the two ACSs’ annual and half-year financial statements.• Reviewing the private markets investments Limited Partnerships’ financial statements.• Reviewing the Company’s annual regulatory capital adequacy assessment (ICARA) and challenging the methodology, key assumptions and the results of the stress and scenario tests used.
External audit	<ul style="list-style-type: none">• Overseeing the relationship with the external auditor including their appointment, performance and remuneration.• Reviewing the objectivity and independence of the external auditor and the appropriateness of any non-audit services that are provided.• Reviewing the scope, planning and matters arising from the annual external audits of the Company, the two ACSs and the Limited Partnerships’ financial statements, including any findings raised by the external auditor.• Reviewing the effectiveness of the external audit processes.
Internal control and risk management	<ul style="list-style-type: none">• Reviewing the adequacy and effectiveness of the Company’s internal control processes.• Reviewing the process for the Company’s appointment of Grant Thornton as the new Service Auditor and the outcome of the annual AAF 01/20 controls assessment.• Evaluating the outcome of the Company’s annual compliance monitoring programme.• Overseeing the identification and consideration of the Company’s principal risks and mitigating controls.• Reviewing the implementation and operation of the Company’s



Audit, Risk and Compliance Committee (continued)

	<p>enterprise risk management framework, including its risk appetite and tolerances, risk assessments and governance process.</p> <ul style="list-style-type: none">• Reviewing the development of the risk management framework and monitoring its progress.• Receiving updates on developments in and risk associated with cyber security.• Ensuring errors and any regulatory breaches were suitably remediated and root causes analysed.• Reviewing the annual tax risk assessment.
Internal audit	<ul style="list-style-type: none">• Overseeing the relationship with the internal auditors, considering and approving their internal audit plan and providing oversight of its delivery.• Reviewing internal audit reports and monitoring management responses to internal audit recommendations.• Monitoring and evaluating the effectiveness of internal audit.

Financial Reporting

The Committee considers that the most significant issues likely to impact the Company’s financial statements are the completeness and accuracy of operating income receivable from Partner Funds (as calculated using the cost-sharing model), the valuation of the net pension liability and the associated pension reimbursement asset, the valuation of non-current assets, and accounting for leases recognised in accordance with IFRS 16.

The Committee recommended to the Board the appropriateness of the going concern basis in preparing the financial statements, as outlined in Note 2 to the Financial Statements.

External Auditor

The Company’s current external auditor, Deloitte LLP, was re-appointed following a public procurement process for a period of three years to 31 March 2025 (with a possible two-year extension).

Chris Hunter has served as audit partner this year, being his third year as audit partner for the Company.

To assess the effectiveness of the external auditor and the external audit process, the Committee reviewed and considered the audit plan, the fulfilment of the agreed audit plan, a report from the external auditor on the conclusion of the audit, and the Audit Quality Inspection Report on Deloitte LLP issued by the FRC’s Audit Quality Review Team (AQRT).

To fulfil its responsibility regarding the independence and objectivity of the external auditor, the Committee considered Deloitte’s arrangements to manage independence and a report from them at the planning and the conclusion of the audit setting out why they remain independent.

Deloitte LLP has confirmed that it believes it is independent within the meaning of regulatory and

professional requirements and that the objectivity of the audit partner and staff is not impaired. Having carried out the review described above, the Committee is satisfied that the external auditor remains independent and effective for the purposes of this year’s audit.

The Company maintains a formal policy on non-audit services. In terms of such services, there are no inconsistencies between the FRC’s Ethical Standard and the Company’s policy for the supply of non-audit services or any apparent breach of that policy. Appropriate safeguards have been put in place by the external auditor, including the rotation of partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Assurance on Internal Controls

The Committee received assurance from Deloitte LLP, in accordance with the AAF 01/20 standard, on the design and implementation (at 31 March 2024) of controls in place within the Company with respect to investment management services provided to Partner Funds, and related information technology. Some control exceptions were identified, principally in relation to access management, change management and information technology, and remedial action has been taken.

During the year the Company retendered the service auditor role for the AAF 01/20 report, and appointed Grant Thornton LLP to report on the year ended 31 March 2025. This report covered both the design and operating effectiveness of controls applying to investment management, in

public and private markets, and related information technology. Separately, Grant Thornton LLP also reported on the design and implementation of newly introduced controls in relation to property investments and related information technology, as at 31 March 2025.

Internal Audit

The Committee believes that the compliance and internal control systems and the internal audit function in place within the Company provide sufficient assurance that a sound system of internal control, which safeguards Shareholders’ investments and the Company’s assets, is maintained. The retention of an outsourced, specialist internal audit function continues to be a necessary part of the Company’s overall assurance framework and is closely managed to align to the Company’s organisational development.

Risk Management

The Company’s risk appetite, assessment, and the way in which significant risks are managed is a key area of focus for the Committee. The Committee has undertaken its annual assessment of the operation of the Company’s enterprise risk management framework and those risks identified, evaluated and managed through that process. This included reviewing and challenging the risk appetite statements for each of the core strategic risk categories that underpin the enterprise risk management framework, together with a review of the quarterly risk report and dashboard metrics for key strategic risks.

Ian Armfield
Chair of the Audit, Risk and Compliance Committee



Nominations Committee

Report from the Chair of the Nominations Committee

The purpose of the Nominations Committee (NomCo) is to ensure that there is an appropriately skilled and experienced Board; to recruit Executive Directors, Non-Executive Directors and Chief Officers; to oversee the performance of the Board (including that Directors are 'fit and proper persons' including setting performance objectives for the Executive Directors); to review senior succession planning to ensure the effective running of the Company; and to recommend to Shareholders the appointment/re-appointment of Directors.

The current members of the Committee are Joanne Segars (Chair), Susan Martin and Belinda Moore, all of whom are Non-Executive Directors. The Committee's authority and duties are clearly defined within its written terms of reference which, together with the Committee's effectiveness, are reviewed on an annual basis as part of the Board's performance evaluation process. The Committee met six times during the year. The activities of the Committee during this time included:

Recruitment

The Committee approved the formation of a sub-committee, chaired by Susan Martin, Senior Independent Director, and including Belinda Moore, to take delegated responsibility for the recruitment of a new Chair, following the current Chair's term of office which will expire at the end of October 2025. Following a robust recruitment exercise, a new NED and Chair Elect, Nemone Wynn-Evans, was appointed on 1 June 2025, following Board and Shareholder approval.

The Committee also recommended to the Board a re-organisation of the leadership team which included the removal of the Deputy CEO role (following the retirement of John Burns), the creation of Chief Finance Officer and Chief Operations Officer roles alongside approving a revised remit for the Chief People Officer to Chief People and Transformation Officer, which role will also be an Executive Director on the Board. The Chief People and Transformation Officer role will bring together People, Technology, Programmes and Internal Communications. The Chief Finance Officer role was appointed to David Kane, on an interim basis in April 2025. David is a Chartered Public Finance Accountant with over 20 years' experience in investments, pensions and local government.

The Nominations Committee is responsible for recruitment of all Chief Officers, in liaison with the CEO, and we successfully recruited Jayne Atkinson as Chief Investment Officer, who joined the Company in April 2025. Jayne is an actuary by training and has over 20 years' experience across the pensions and investment industry.

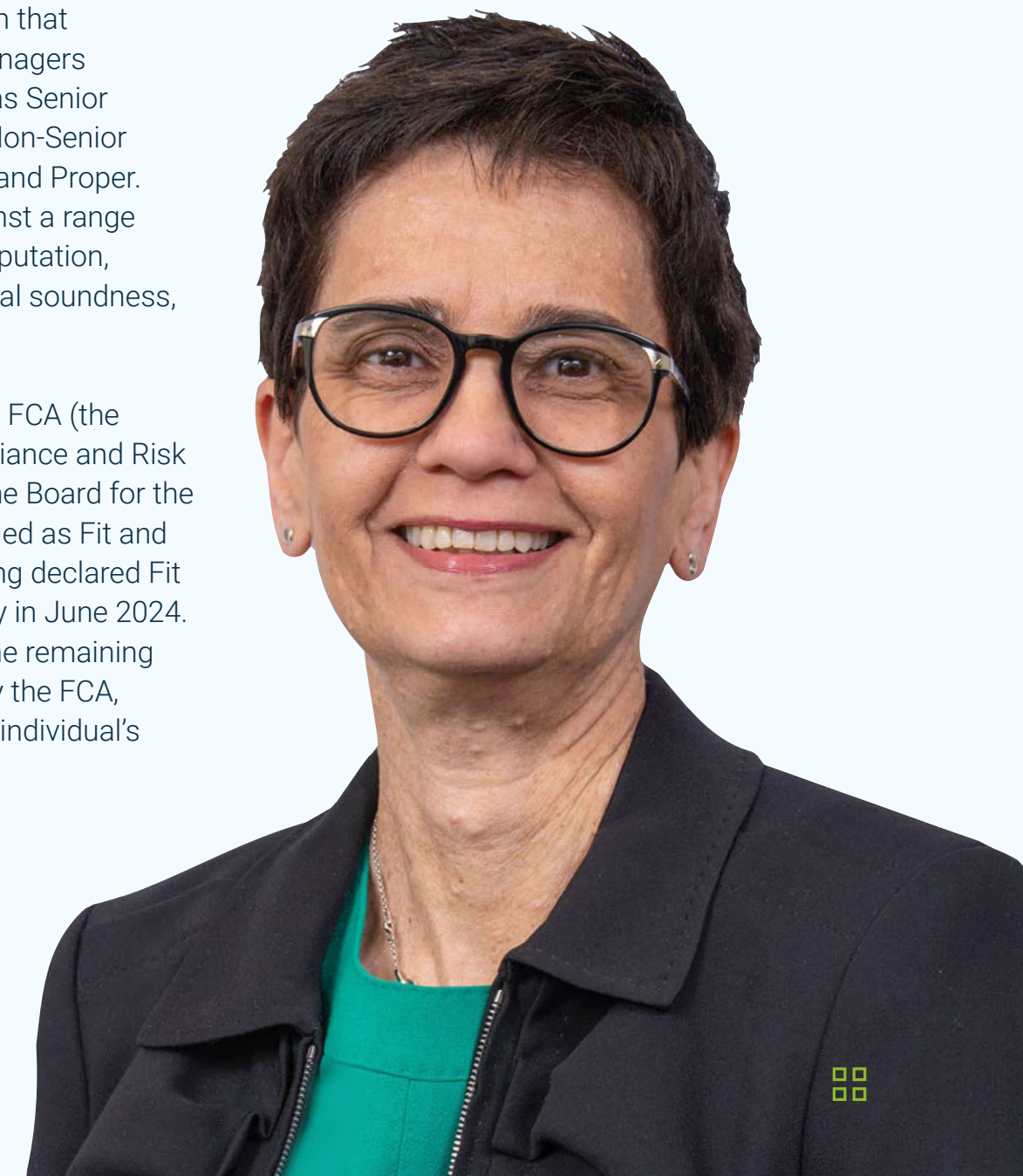
Succession Planning

The Committee reviewed the senior succession plan during the year to ensure there would be continuity of service and business operations if a key colleague were unavailable for a short period or left the business before a replacement could be appointed. The Committee, minus the Chair (Joanne Segars), also discussed the Chair Succession Plan, with recruitment for this role taking place during 2024/25.

Fit and Proper Review

The Company continues to confirm that those defined under the Senior Managers and Certification Regime (SMCR) as Senior Managers, Certified Persons and Non-Senior Manager NEDs are certified as Fit and Proper. This includes an assessment against a range of criteria: honesty, integrity and reputation, competence and capability, financial soundness, and personal characteristics.

Senior Managers as defined by the FCA (the acting CEO, the Chief Legal, Compliance and Risk Officer (CLCRO) and the Chair of the Board for the financial year 2024/25) were certified as Fit and Proper, with the incoming CEO being declared Fit and proper on joining the Company in June 2024. Non-Senior Managers (including the remaining NEDs) self-declared, as required by the FCA, followed by an assessment by the individual's line manager.





Nominations Committee (continued)

Board Effectiveness Review

Each year since inception, the Board has undertaken a review of its performance. This covers individual Board member performance and of the Board and its committees as a whole. In line with best governance practice, every third year that review is conducted by an independent external third party and, in the intervening years, an internal Board evaluation exercise takes place. The review for the 2024/25 financial year was an internal review and concluded that, overall the Board was operating effectively, had an appropriate mix of skills and continued to act with integrity and transparency. Some of the areas identified for improvement included improvement of Board reporting.

Performance 2024/25

The Committee discussed and approved the objectives for the Executive Director (CEO) alongside reviewing and approving the performance development review ratings for the Executive Director and Chief Officers. This then fed into the remuneration proposal for the Executive Directors and Chief Officers, to be discussed and approved by the People Culture and Remuneration Committee and thereafter by the Board and Shareholders.

Board Committees' Membership

Each year, the Committee reviews the composition of the Board committees to ensure they have the right configuration, taking account of skills, diversity and experience. A review was undertaken in December 2024, and it was decided to maintain the current membership. Membership is described on page 27.

Joanne Segars OBE

Chair of the Nominations Committee

“The review for the 2024/25 financial year was an internal review and concluded that, overall the Board was operating effectively, had an appropriate mix of skills and continued to act with integrity and transparency.”



Cheshire



People, Culture and Remuneration Committee

Report from the Chair of the People, Culture and Remuneration Committee

The responsibilities of the People, Culture and Remuneration Committee (PCRC) are to consider the Company's culture and people strategy and to approve the Company's Remuneration and Benefits Framework and policies, including its pensions arrangements. It also recommends pay and benefits for the Executive Directors and pay for the Non-Executive Directors for Shareholder approval.

The current members of the Committee are Susan Martin (Chair), Ciarán Barr and Belinda Moore, all of whom are Non-Executive Directors. The Committee's authority and duties are clearly defined within its written terms of reference which together with its effectiveness are reviewed on an annual basis as part of the Board's performance evaluation process. The Committee met four times during the year. The activities of the Committee during this time included:

Salary and Colleague Benefits

The Committee reviewed the pay and benefits available to colleagues in line with the agreed framework.

The Committee worked with the People and Finance teams to develop and agree proposals for the annual pay award, in line with the agreed principles of the Remuneration Framework. This helped inform the pay budget recommendation to the Board and subsequently to Shareholders. The proposals for colleague remuneration, Executive Director and Non-Executive Director remuneration were agreed by Shareholders in February 2025.

In June 2024, the Committee approved a change in benefits for colleagues and Chief Officers, from a health cash plan to private medical insurance. The Committee considered the rationale for this change, noting that this type of benefit was important to maintain our wellbeing proposition and was also the most cost-effective option. This provision was subsequently extended to Executive Directors, following Shareholder approval in February 2025.

Culture Framework and Engagement

Members discussed the Culture Framework and progress in relation to the Company's Culture Plan. This specifically focussed on the results from regular pulse surveys, exit surveys and broader feedback from colleagues including the Colleague Voice Group. The Committee were updated on the development of the Company's People Strategy and Culture Plan undertaken during 2024/25, alongside the embedding of our new values and behaviours, launched at the start of the financial year. This

included how we are embedding the approach by bringing colleagues on the journey through applied design thinking and conducting focus groups to co-create solutions.

Performance Development

Members reviewed the analysis from the performance development review process. A distribution of ratings for the pay award were approved within the proposed budget. Performance development reviews across the business are monitored for alignment with remuneration principles and assessment criteria, as well as for any potential adverse impact on equality and diversity.

Review of the Gender Pay Gap and Ethnicity Pay Gap/Equality, Diversity and Inclusion (EDI) and Social Mobility

The Gender Pay Gap and Ethnicity Pay Gap were reviewed and noted by the Committee. It was acknowledged that given the size of the workforce, small changes in workforce have notable changes in the figures. However, it was reported to the Committee in June 2024 that there had been a decrease in the mean and median gender pay gaps, alongside a decrease in the mean and median ethnicity pay gaps, following the implementation of the 2023/24 pay award and benchmarking exercise. This is kept under review, specifically following the pay award and promotions processes, to understand and to take action as required on any impact.





People, Culture and Remuneration Committee (continued)

The Company is building a more diverse pipeline for senior appointments and continues to seek a diverse range of applicants, while appointing on merit. The Committee has been looking at the Company strategy for Equity, Diversity and Inclusion within the changing global context, with the Company remaining committed to our EDI ambitions.

Annual Review of Regulatory Remuneration Policy

The Regulatory Remuneration Policy was also reviewed during the year. The Company is subject to two remuneration codes, the Alternative Investment Fund Manager (AIFM) Remuneration Code and the Bank, Building Societies, and Investment Firms Prudential Sourcebook (BIPRU) Remuneration Code.

Mandatory Training

The Committee is updated at each meeting on completion rates for mandatory training.

Update from Workforce NED

The Committee is provided with an update each year from the Workforce NED, Belinda Moore, on her interactions with colleagues, which have included events such as 'Breakfast with Belinda' and a Lunch and Learn session on International Women's Day.

Susan Martin

Chair of the People, Culture and Remuneration Committee

“The Company is building a more diverse pipeline for senior appointments and continues to seek a diverse range of applicants, while appointing on merit.”



Derbyshire



Investment Oversight Committee

Report from the Chair of the Investment Oversight Committee

Establishment of the Investment Oversight Committee at LGPS Central Limited

During the year, the Company has taken significant steps to enhance its governance and oversight mechanisms by establishing the Investment Oversight Committee (IOC). This initiative underscores our commitment to robust investment management and fiduciary responsibility.

The committee is chaired by Ciarán Barr, a Non-Executive Director, who brings over 30 years of experience in financial services, encompassing economic strategy, pension funds, and asset management. The other members of the committee are Joanne Segars and Ian Armfield, both Non-Executive Directors.

Purpose and Responsibilities

The IOC plays a crucial role in enhancing the strategic oversight of the company's investment activities. The IOC supports the Board by ensuring that the Company's investment products and strategies are aligned with the Partner Funds' beliefs and best interests. The committee is

responsible for overseeing the development and execution of investment strategies, including the introduction of new asset classes and product development.

Additionally, the IOC monitors fund performance, client service levels and compliance with investment processes. It also provides strategic guidance on cost-saving measures, investment risk and derivatives activities, while liaising with other committees to address operational resilience, investment risk and staff resourcing. Through its comprehensive oversight, the IOC ensures that the Company's investment activities are conducted in a manner that supports the broader strategic initiatives. The Committee met three times during the year and examples of some of the activities undertaken by the Committee include fund deep dives into active and passive equity funds, a review of the RI&S Framework and Policy, a review of the investment delegations schedule and providing input to the Fit for the Future proposals.

Over the past year, the IOC has conducted thorough examinations of various funds, focusing on their construction, performance, risk budgeting and

future positioning. These reviews included the Global Equity Active Multi-Manager Fund, the Emerging Market Equity Active Multi-Manager Fund, and internally managed Climate Aware Multi-Factor Index solutions. Additionally, discussions were held regarding potential solutions for Partner Funds' Legal & General index investments, encompassing the agreed Oversight and Stewardship mandate. The Committee also deliberated on the Company's approach to Local Investment, a key pillar of the Government's Fit for the Future proposals. The effectiveness of the IOC is bolstered by the diverse expertise of its members.

Looking Ahead

The formation of the Investment Oversight Committee marks a pivotal enhancement in our governance framework. We are confident that the IOC will play a crucial role in ensuring the continued success and integrity of our investment activities, ultimately benefiting all stakeholders involved.

Ciarán Barr

Chair of the Investment Oversight Committee

“During the year, the Company has taken significant steps to enhance its governance and oversight mechanisms by establishing the Investment Oversight Committee (IOC).”



Directors' Report

The Directors present their annual report on the affairs of LGPS Central Limited, together with the financial statements and auditor's report, for the year ended 31 March 2025.

Incorporation

LGPS Central Limited ('the Company') is incorporated in the United Kingdom and registered in England and Wales, registration number 10425159.

Principal activity

The principal activity of the Company is that of investment management, including acting as the alternative investment fund manager (AIFM) for the LGPS Central Authorised Contractual Schemes (ACSSs) and general partner to a number of limited partnerships to facilitate the Partner Funds' investment in alternative assets.

Future developments

Details of the strategic direction can be found in the Chair's Statement on pages 6 to 7.

Going concern

The annual report and financial statements have been prepared on the going concern basis. Details of the considerations that the Company has considered in determining that the Company should be accounted for on the going concern basis are set out in note 2 to the financial statements.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in the Report from the Chief Executive Officer on pages 8 to 10 and in note 19 to the financial statements, as well as the Chair's statement.

Existence of branches outside the UK

The Company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

Operational risk

The Risk Framework is operated on a three lines of defence model. The Company has taken out Legal and Professional Indemnity insurance including Directors and Officers Liability Insurance to mitigate the financial impact of any loss event.

Financial risk management objectives and policies

The nature of the shareholder structure and the client relationship mitigates much of the Company's financial risk exposure; specific risks are detailed below. The Company does not use derivative financial instruments.

Cash flow risk

The Company's activities expose it primarily to the financial risks of delayed or disputed trade receivables. However, this is mitigated by the joint and several obligations of Shareholders to bear the costs of the Company.

Credit risk

The Company's principal financial assets are bank balances, trade receivables, and other receivables.

The Company's credit risk against its trade receivables is minimal as at 31 March 2025, as the only trade receivables were income

due from Partner Funds, and therefore local government backed.

The credit risk on liquid funds is limited because the counterparty at the year end is a UK bank and a small number of Money Market Funds (MMFs) with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

To maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term capital and medium-term debt finance.

Further details regarding liquidity risk can be found under the going concern heading in note 2 to the financial statements.

Dividends

The Directors do not recommend a final dividend on ordinary shares in relation to the year 2024/25 (2023/24: nil).

Directors

The Directors, who served throughout the year and up to the date of signing except as noted, were as follows:

	Position	Date of Appointment
Joanne Segars	Chair, Non-Executive Director	1 May 2017
Nemone Wynn-Evans	Non-Executive Director	1 June 2025
Ian Armfield	Non-Executive Director	1 November 2022
Ciarán Barr	Non-Executive Director	1 November 2022
John Burns*	Executive Director and Deputy Chief Executive Officer	21 September 2017
Richard Law-Deeks	Executive Director and Chief Executive Officer	2 July 2024
Anouska Ramsay	Executive Director and Chief People and Transformation Officer	8 July 2025
Susan Martin	Non-Executive Director	3 February 2020
Belinda Moore	Non-Executive Director	26 June 2023

* John Burns resigned as a director on 31 January 2025.





Directors' Report (continued)

Political contributions

No political donations were made during the year (2023/24: nil).

Engagement with stakeholders

The Company's engagement during the year with customers, suppliers and other relevant parties is set out on pages 18 to 20 (Section 172).

Modern Slavery Act

In adherence to the Modern Slavery Act 2015, the Board approved a zero-tolerance policy on slavery and human trafficking. Our Modern Slavery Statement was reviewed and approved by the Board in 2022 and is available on our website lgpscentral.co.uk.

Whistleblowing

The Board has ensured that a culture of ethical behaviour is encouraged with a whistleblowing policy, as well as internal compliance, independent monitoring and quality procedures supported by training. The Company has appointed the Chair of the Audit, Risk and Compliance Committee as the Whistleblowing Champion. This role has the responsibility for ensuring and overseeing the integrity, independence and effectiveness of the Company's policies and procedures on whistleblowing.

The Company's Approach to Sustainability

The Board is responsible for approving and monitoring the Company's approach to Responsible Investment and Stewardship (RI&S) as part of its oversight of our policies, including the Responsible Investment and Engagement Framework (the Framework). The Framework is the overarching governing document for all responsible investment activities at the Company. The Board also reviews and approves the Company's Voting Principles, Annual Stewardship Report and Annual Climate Report.

The Company has established a Board-level KPI that 100% of relevant funds integrate responsible investment. This is done through an internal Responsible Investment Integrated Status (RIIS) certification. Regular updates on progress are provided to the Board.

Throughout the year, the RI&S team provided the Board with an overview of the Company's latest RI&S activities including stewardship and the Climate Risk Monitoring Service.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Richard Law-Deeks
Chief Executive Officer
LGPS Central Limited

9 July 2025

First Floor
i9 Wolverhampton Interchange
Wolverhampton
WV1 1LD



Leicestershire



Directors' Responsibilities Statement

Directors' Responsibilities with respect to the annual report and financial statements



The Directors are responsible for preparing the annual report 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 are required to prepare the financial statements in accordance with United Kingdom adopted international financial reporting standards (IFRS) in conformity with the requirements of the Companies Act 2006.

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 of the Company and of the profit or loss of the Company for that financial year. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- make an assessment of the Company's ability to continue as a going concern.

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 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 are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Financial Report

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Independent auditor's report to the members of LGPS Central Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of LGPS Central Limited (the 'Company'):

- 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;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss and other comprehensive income;
- the statement of financial position;
- the statement of total changes in equity;
- the statement of cash flows; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

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 Financial Reporting Council's (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

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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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 course of 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 this gives rise to 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, directors and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

Independent auditor's report to the members of LGPS Central Limited

(continued)

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the regulation set by the Financial Conduct Authority and regulatory capital requirements.

We discussed among the audit engagement team including relevant internal specialists such as pensions specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas:

- Revenue recognition and in particular the accuracy of investment management and monitoring fee revenue, focusing on any changes to existing or new agreements introduced during the year to ensure they had been implemented accurately. There is a fraud risk over the application of such changes to potentially inflate the amount of revenue recorded.
- Defined benefit pension scheme obligation and in particular the inaccurate valuation of the pension liability based on the materiality of the scheme, inherent complexity involved, and level of judgement required in determining key assumptions.

Our specific procedures performed to address the above risks are described below:

- Revenue recognition:
 - obtaining an understanding of the process around revenue recognition and the relevant controls in place;
 - testing investment management and monitoring fee revenue through developing an independent expectation of the revenue recorded;
 - independently verifying the assets under management by inspection of investment valuations statements and custodian reports;
 - agreeing the investment management and monitoring fee percentages to approved agreements; and
 - substantively testing investment management and monitoring fee revenue by agreeing details to source documentation on a sample basis and focusing on any changes to pricing schedules to ensure agreed management fee percentages had been updated for and applied accurately.
- Defined benefit pension scheme obligation:
 - obtaining an understanding of the process around the defined benefit pension scheme obligation and the relevant controls in place;
 - obtaining and inspecting the IAS 19 actuarial report prepared by Hymans Robertson LLP, and assessing their competence, capabilities and independence;
 - making inquiries of the actuary regarding the calculation of their liability;
 - utilising our actuarial specialists to assess the key valuation assumptions such as the discount rate, inflation assumptions (RPI/CPI)

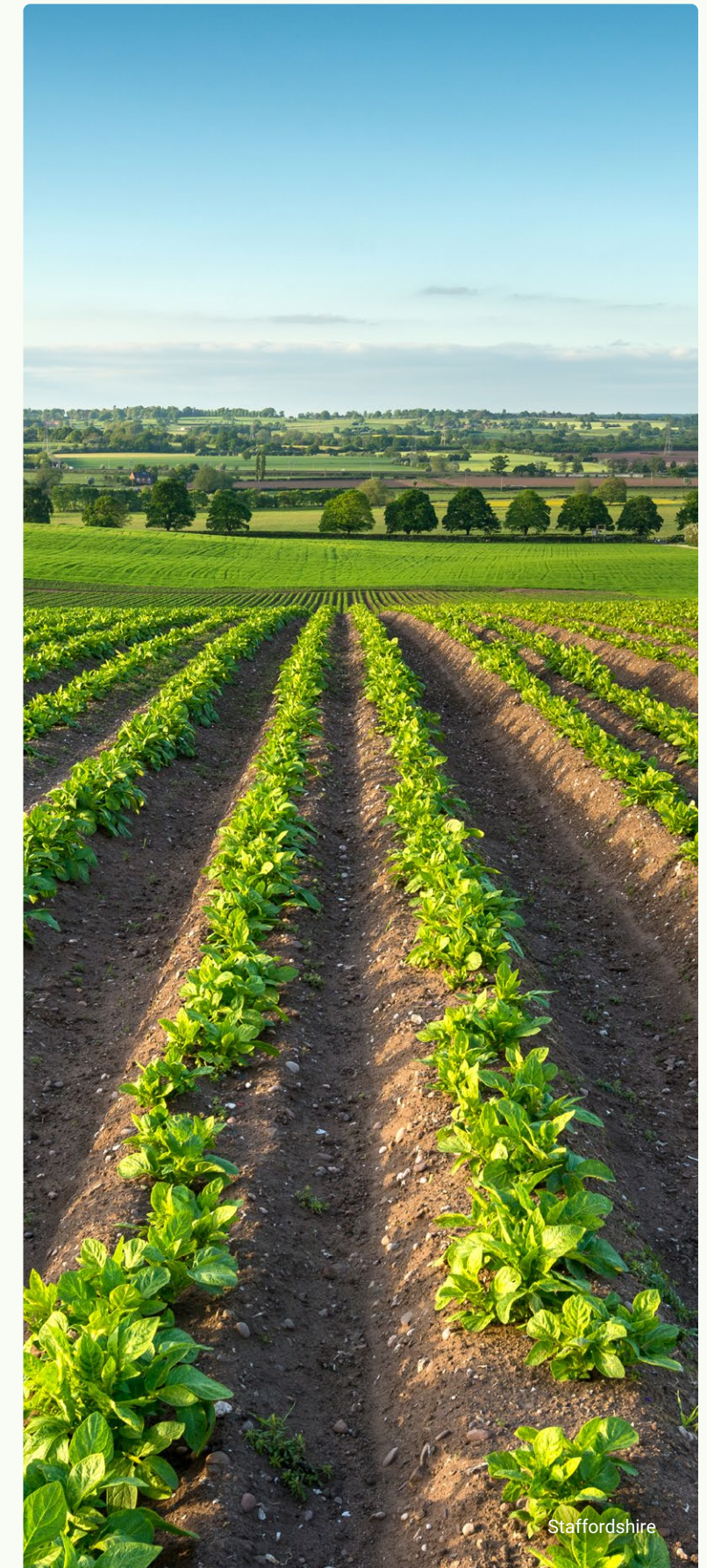
and mortality assumptions to ensure they were within an acceptable range;

- recalculating the expected return on the pension scheme assets over the period to ensure this was consistent with market trends; and
- benchmarking the assumptions used by the scheme actuary with other Local Government entities for consistency.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.



Staffordshire

Independent auditor's report to the members of LGPS Central Limited

(continued)

Report on other legal and regulatory requirements

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.

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

Matters on which we are required to report by exception

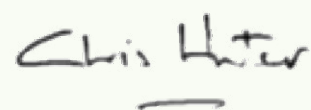
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Chris Hunter CA
Senior Statutory Auditor

For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom

9 July 2025



West Midlands

Financial Statements

for the Year Ended 31 March 2025

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2025

	Notes	2025 £000	2024 £000
Revenue			
Operating Income		17,460	15,685
Total Revenue	5	17,460	15,685
Expenses			
Staff Costs		(8,917)	(7,746)
Other Operating Expenses		(7,451)	(6,997)
Total Expenses	6	(16,368)	(14,743)
Operating Profit		1,092	942
Interest Receivable and Similar Income		1,011	518
Interest Payable	12, 13	(588)	(605)
Profit Before Taxation		1,515	855
Taxation	7	(338)	(232)
Profit for the Year		1,177	623
Other Comprehensive Income			
Net Actuarial (Loss) / Gain on Defined Benefit Schemes	15	(662)	664
Remeasurement of Pension Reimbursement Asset	15	(33)	(126)
Total Comprehensive Income for the Year		482	1,161

The net actuarial loss/gain reported under other comprehensive income will not be reclassified to profit or loss in a future period. There is no tax relating to other comprehensive income.

Statement of Financial Position as at 31 March 2025

	Notes	31 March 2025 £000	31 March 2024 £000
Assets			
Non-Current Assets			
Right-of-Use Assets	8	875	1,023
Property and Equipment	8	179	202
Post-Employment Benefits	15	-	47
Deferred Tax Asset	7	4	-
Pension Reimbursement Asset	15	497	536
Total Non-Current Assets		1,555	1,808
Current Assets			
Trade and Other Receivables	9	7,038	5,948
Cash and Cash Equivalents	10	39,942	13,962
Total Current Assets		46,980	19,910
Total Assets		48,535	21,718
Liabilities			
Current Liabilities			
Trade and Other Payables	11	(28,283)	(2,285)
Borrowing	12	(636)	(614)
Other Financial Liabilities	16	(320)	(255)
Total Current Liabilities		(29,239)	(3,154)
Non-Current Liabilities			
Borrowing	12	(5,882)	(6,051)
Other Financial Liabilities	16	(685)	(685)
Deferred Tax Liabilities	7	-	(10)
Post-Employment Benefits	15	(429)	-
Total Non-Current Liabilities		(6,996)	(6,746)
Total Liabilities		(36,235)	(9,900)
Net Assets		12,300	11,818
Capital and Reserves			
Called-up Share Capital	16	10,520	10,520
Pension Reimbursement Reserve		580	613
Retained Surplus		1,200	685
Total Capital and Reserves		12,300	11,818

The financial statements on pages 44 to 60 were approved by the Board of Directors and authorised for issue on 9 July 2025 and were signed on their behalf by:



Richard Law-Deeks, **Chief Executive Officer**, Company Registration Number 10425159

Financial Statements (continued)

for the Year Ended 31 March 2025

Statement of Total Changes in Equity for the Year Ended 31 March 2025

	Share Capital	Retained Surpluses	Pension Reimbursement Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2024	10,520	685	613	11,818
Profit for the Year	-	1,177	-	1,177
Other Comprehensive Income				
Net Actuarial Gain on Defined Benefit Schemes	-	(662)	-	(662)
Remeasurement of Pension Reimbursement Asset	-	-	(33)	(33)
Total Other Comprehensive Income	-	(662)	(33)	(695)
Balance at 31 March 2025	10,520	1,200	580	12,300

Statement of Total Changes in Equity for the Year Ended 31 March 2024

	Share Capital	Retained Surpluses	Pension Reimbursement Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2023	10,520	(602)	739	10,657
Profit for the Year	-	623	-	623
Other Comprehensive Income				
Net Actuarial Gain on Defined Benefit Schemes	-	664	-	664
Remeasurement of Pension Reimbursement Asset	-	-	(126)	(126)
Total Other Comprehensive Income	-	664	(126)	538
Balance at 31 March 2024	10,520	685	613	11,818

Statement of Cash Flows for the Year Ended 31 March 2025

	Notes	2025 £000	2024 £000
Net Cash Flows from Operating Activities	17	26,268	926
Net Cash Flows used in Investing Activities			
Purchase of Property and Equipment		(50)	(20)
Total Net Cash Flows Used in Investing Activities		(50)	(20)
Net Cash Flows used in Financing Activities			
Contractual Amounts Payable for Leases Recognised under IFRS 16		(238)	(200)
Total Net Cash Flows Used in Financing Activities		(238)	(200)
Net Increase in Cash and Cash Equivalents		25,980	706
Cash and Cash Equivalents at the Beginning of the Year		13,962	13,256
Cash and Cash Equivalents at the End of the Year		39,942	13,962

Notes to the Financial Statements

for the Year Ended 31 March 2025

1 Company Information

LGPS Central Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. Its registered office is First Floor, i9, Wolverhampton Interchange, Wolverhampton, WV1 1LD.

The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 37 to 38.

2 Basis of Preparation

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. In adopting IFRS, LGPS Central Limited is consistent with its eight shareholders.

The financial statements have been prepared on the historical cost basis. The material accounting policies adopted by the Company are set out in Note 4.

a) Basis of Consolidation

LGPS Central Limited has control over the assets held by LGPS Central ACS. However, since these are held on behalf of investors, and LGPS Central Limited has no right to the economic benefits arising from these assets, the assets, and the investment income and expenses associated with them, have not been consolidated into the Company's financial statements.

Similarly, LGPS Central Limited has control over the assets held by LGPS Central GP LLP (registered address: 13 Queens Road, Aberdeen AB15 4YL), and

in turn the underlying Limited Partnerships in which that LLP is a partner. These were set up to manage alternative investments through partnerships. However, since these are held on behalf of investors, and LGPS Central Limited has no right to the economic benefits arising from these assets, the assets, and the investment income and expenses associated with them, have not been consolidated into the Company's financial statements.

The Company is also the sole owner of a subsidiary entity, LGPS Central LP (Feeder) Limited (registered address: i9, Wolverhampton Interchange, Wolverhampton, WV1 1LD), which was established for the same purpose of managing alternative investments. However, this entity had no material assets, liabilities, income, or expenditure during the financial year and therefore has not been consolidated into the Company's financial statements.

There are no other entities whose relationship with LGPS Central Limited would require consolidation with the Company's financial statements.

b) Going Concern

The Company's charging model, being built on a cost-plus basis with charging in arrears, coupled with its secure client base, provides for a stable income stream. After reviewing the Company's budget and medium-term forecasts, including review of regulatory requirements and consideration of stress scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

In addition, available assets are anticipated to be sufficient to fulfil the regulatory capital requirement following a review of the same. There are therefore no concerns around regulatory capital which may impact on the Company's ability to continue in operation for the foreseeable future.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

c) New and Amended IFRS Accounting Standards that are Effective for the Current Year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes—International Tax Reform—Pillar Two Model Rules
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
- Amendments to IFRS 10 and IAS 28—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- Amendments to IAS 1—Classification of Liabilities as Current or Non-current
- Amendments to IAS 1—Non-Current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7—Supplier Finance Arrangements
- Amendments to IFRS 16—Lease Liability in a Sale and Leaseback
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

d) New and Revised IFRS Standards in Issue but Not Yet Effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS standards that have been issued but are not yet effective:

- Amendments to IFRS 18 Presentation and Disclosures in Financial Statements
- Amendments to IFRS 19 Subsidiaries without Public Accountability Disclosures

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the process of applying the Company's accounting policies, which are described in Note 4, the Directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements that have been made in the current year.

Pension Asset/Liability

There is a source of estimation uncertainty in respect of the pension asset/liability: estimates of the net pension obligation depend 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. Because these judgements cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. Further detail about the potential impact of these assumptions is included in Note 15 (Pension Benefits).

4 Material Accounting Policies

Revenue

Revenue from the provision of services is recognised in the period in which services are delivered, provided that the amount of revenue can be measured reliably, that there is an underlying contract or other agreement, with commercial substance and identified payment terms, and it being considered probable that the Company will receive the consideration due, in accordance with IFRS 15.

The Company's principal source of revenue is from its Partner Funds and Shareholders, in the form of investment management and monitoring fees,

recharges of governance costs and operator running costs and other recharges. The Company and the Shareholders have entered into a Cost-Sharing Agreement, which provides a commitment by the Shareholders to meet the Company's costs and sets out how those costs will be shared between the Shareholders. This is supplemented by the Pricing Schedule, which sets out the exact prices that apply to each fund or service line at a particular time, and which is subject to review at least twice per year to reflect changes in costs, the make-up of funds and services, and the value of assets under management during the course of the financial year.

Foreign Currency

The Company's functional and presentational currency is sterling (GBP). Transactions entered into by the Company in a currency other than sterling are recorded at the rates ruling when those transactions occurred. Monetary assets and liabilities are translated at the prevailing exchange rate on the Balance Sheet date.

Financial Instruments

The Company has classified its assets in accordance with IFRS 9, as set out in the following paragraphs.

Financial Assets

LGPS Central Limited classifies its financial assets as set out below, based on the purpose for which the asset was acquired.

a) Trade Receivables

Trade receivables are classified as financial assets at amortised cost and are initially recognised at transaction price. They are subsequently measured at their amortised cost using the effective interest method, less any allowance for credit losses

(the simplified approach has been adopted). The Company has determined that performing individual-impairment assessments is not cost-effective given the low historical default rate and the relatively low credit risk associated with its trade receivables.

b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and other highly-liquid short-term deposits held by the Company with maturities of less than three months. Bank overdrafts, where applicable, are presented within loans and borrowings in current liabilities.

Financial Liabilities

LGPS Central Limited classifies its financial liabilities as set out below, based on the purpose for which the liability was acquired.

a) Trade Payables

Trade payables are classified as financial liabilities at amortised cost and are accordingly recognised at fair value and subsequently measured at amortised cost.

b) Borrowings

Borrowings are classified as financial liabilities at amortised cost and are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or

coupon payable while the liability is outstanding. Finance costs are recognised in profit or loss using the effective interest method.

Preference Shares

Preference shares issued by the Company are classified as financial liabilities at amortised cost and are measured at amortised cost using the effective interest method. This classification is deemed appropriate because the Company has a contractual obligation to deliver cash to another entity in the form of preference dividends.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity investments.

The Company manages both its ordinary and preference shares as capital. It is subject to the regulatory capital regime of the Investment Firms Prudential Regime (IFPR), which includes the Internal Capital and Risk Assessment (ICARA) process, and in accordance with that determines and monitors its regulatory capital requirement on an ongoing basis, including regular reporting both internally, to the Executive Committee and the Audit, Risk and Compliance Committee, and externally, to the Financial Conduct Authority (FCA).

In addition to reserves and equity, the debt provided by the Shareholders prior to the Company's launch is treated as capital for these purposes. There have been no changes in the level of equity and debt provided by the Shareholders from the previous financial year.

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

Defined Contribution Pension Schemes

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate.

Defined Benefit Pension Schemes

Defined benefit pension scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less:
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high-quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations; less:
- The effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined benefit obligation are recognised directly within other comprehensive income.

The re-measurements include:

- Actuarial gains and losses;
- Return on plan assets (excluding interest); and
- Any asset ceiling effects (excluding interest).

Service costs are recognised in profit or loss and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (or income) is recognised in profit or loss and is calculated by applying the discount rate used to measure the defined benefit obligation (or asset) at the beginning of the year to the balance of the net defined benefit obligation (or asset), considering the effects of contributions and benefit payments during the year.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in other comprehensive income.

The Directors have decided not to recognise any surplus in the scheme and have acknowledged the agreed additional service costs, therefore applying an asset ceiling adjustment, resulting in an overall liability.

In accordance with the supplementary agreement between the Company and the eight shareholders, the agreement guarantees reimbursement of any pension liability. The agreement guarantees both current and future deficits. Reimbursement from shareholders would be through recharges.

The agreement gives rise to a reimbursement asset and is recognised separately from the defined benefit liability. The pension reimbursement asset has been valued as being equal to the present value of future amounts reimbursable by the Partner Funds. Remeasurements of the value of the pension reimbursement asset are recognised in Other Comprehensive Income. In addition, the Pension Reimbursement Reserve has been created to act as a store of the net remeasurements of the pension reimbursement asset.

Leases

The Company has accounted for leases in accordance with IFRS 16. This has resulted in the recognition of right-of-use assets in respect of leased assets, and the recognition of corresponding lease liabilities. The assets are depreciated over the life of the lease, on a lease-by-lease basis. Amounts payable under leases are separated into interest expense, which is recognised in profit or loss, and the amount by which the balance of the lease is

reduced. Assets have not been recognised where they would be of low value.

Further details of the right-of-use assets can be found at Note 8, and details of the lease liabilities can be found at Note 14.

In calculating the net present value of the Company's future obligations under lease agreements, the Company has applied a discount rate equal to the rate of interest payable on the loans provided by its Shareholders.

Property and Equipment

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Impairment reviews on tangible fixed assets are carried out annually.

Depreciation is charged on a straight-line basis over the expected useful life of the asset. The depreciable amount of an asset is equal to the cost of the asset less estimated residual value. The expected useful life and residual values of assets are reviewed at least annually.

The expected useful lives used for tangible fixed assets are as follows:

- Leasehold improvements – 10 years
- Fixtures and fittings – 10 years
- Audio-visual equipment – 5 years
- Other IT hardware – 3 years

Right-of-use assets are depreciated over the life of the lease.

Taxation

Tax expense comprises current and deferred tax, it is recognised in profit or loss except to the extent that

it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affected neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interests may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5 Revenue

The Company’s principal source of income is fees and recharges payable by its Partner Funds and Shareholders. Income for the year ended 31 March 2025 is analysed as follows:

	2025 £000	2024 £000
Investment Management and Monitoring		
- Authorised Contractual Schemes	4,340	3,202
- Limited Partnerships	1,638	1,001
- Discretionary	325	100
- Advisory and Advisory-with-Execution	261	228
- Execution-Only	25	(5)
- Product Development	642	821
Governance	2,257	2,324
Operator Running Costs	7,972	7,915
Other Recharges	-	99
Total	17,460	15,685

In accordance with IFRS 8 segmental reporting, all revenue is derived from a single operating segment, with 100% of the revenue generated within the United Kingdom. All the Company’s income streams are linked to a particular time period, meaning that benefits are received and consumed simultaneously by its customers, which in turn means that there are no income streams for which performance obligations are partially complete. Furthermore, invoices are only issued after the end of the time period to which they relate, and the Company therefore has an unconditional right to such income. Considering these factors, the Company has not identified any contract assets or contract liabilities.

6 Expenses

The Company’s expenses for the year ended 31 March 2025 are analysed as follows:

	2025 £000	2024 £000
Staff costs		
- Salaries	7,143	6,220
- Social Security Costs	907	782
- Pension Costs	867	744
Audit Fees (Financial Statements)	49	32
Non-Audit Fees – CASS	11	10
Non-Audit Fees – AAF 01/20 Reporting	-	80
Other Assurance Fees – AAF 01/20 Reporting	134	-
Depreciation	248	236
Other Administrative Expenses	7,009	6,639
Total	16,368	14,743

Employees of LGPS Central Limited are members of one of two pension schemes: the Local Government Pension Scheme (LGPS), administered by West Midlands Pension Fund and a Defined Contribution (DC) scheme operated by Aviva. Further details about the pension schemes can be found in Note 15. The number of employees increased during the year to 89 (31 March 2024: 80). The average number of employees over the course of the 2024/25 year was 86 (2023/24: 80). The following table provides a breakdown of the average number of persons employed by the Company (including Directors) during the year.

	31 March 2025	31 March 2024	Average 2024/25	Average 2023/24
Board	6	6	6	6
Investments	42	40	40	39
Support Services	41	34	40	35
Total	89	80	86	80

Details of Directors’ remuneration are included in Note 18.

The Company has a policy regarding the provision of non-audit services by the external auditor. This specifies that the fees payable in respect of non-audit services shall be considered in the context of the



Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

yearly average of the total audit fees payable over the preceding three financial years. The Audit, Risk and Compliance committee approved the fees for both audit and non-audit services for the year ended 31 March 2025 at its meeting on 11 March 2025. No fees were payable to the external auditor other than for the audit of the financial statements, the AAF 01/20 reporting and CASS reporting requirements.

7 Taxation

Current and deferred tax payable for the year are as follows:

	2025 £000	2024 £000
Current tax:		
Adjustment in respect of previous years	(5)	(12)
Total current tax	352	244
Deferred tax	(14)	(12)
Total deferred tax	(14)	(12)
Total tax expense	338	232

	2025 £000	2024 £000
Profit before taxation	1,515	855
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023/24: 25%)	379	214
Effect of tax adjustments to profit for the year	(22)	42
Adjustment in respect of previous years	(5)	(12)
Tax expense for the year	352	244

The standard rate of corporation tax applied to reported profits is 25% (2023/24: 25%).

Deferred tax net asset/(liability)

The deferred tax net asset/(liability) is provided for at 25% in the financial statements as set out below:

	2025 £000	2024 £000
Balance at 1 April	(10)	(22)
Deferred tax credit in profit or loss	14	12
Balance at 31 March	4	(10)

The balance at 31 March 2025 represents temporary differences attributable to the following:

	Carrying amount £000	Tax base £000	Difference £000	Tax asset at 25% £000
Property, plant and equipment	211	109	(102)	(26)
Pension contribution adjustment	119	-	119	30
Total	330	109	221	4

The balance at 31 March 2024 represents temporary differences attributable to the following:

	Carrying amount £000	Tax base £000	Difference £000	Tax liability at 25% £000
Property, plant and equipment	202	75	(127)	(32)
Pension contribution adjustment	88	-	88	22
Total	290	75	215	(10)

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

8 Right-of-use asset and Property and Equipment

The Company has recognised assets arising from leases under IFRS 16 (details of commitments under those leases are provided in Note 14). These assets are depreciated on a straight-line basis over the life of the lease contract (the useful life of the asset being at least as long as the life of the lease in each case). There was no impairment of assets during 2024/25 or 2023/24.

	Premises £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2024	1,745	437	2,182
Additions	-	77	77
Balance at 31 March 2025	1,745	514	2,259
Accumulated Depreciation			
Balance at 1 April 2024	(669)	(288)	(957)
Depreciation	(157)	(91)	(248)
Balance at 31 March 2025	(826)	(379)	(1,205)
Net Book Value			
Balance at 1 April 2024	1,076	149	1,225
Additions	-	77	77
Depreciation	(157)	(91)	(248)
Balance at 31 March 2025	919	135	1,054
Balance at 31 March 2024	1,076	149	1,225

9 Trade and Other Receivables

	31 March 2025 £000	31 March 2024 £000
Trade receivables	6,315	5,469
Prepayments	723	479
Total	7,038	5,948

The trade and other receivables balances above all fall due within one year.

10 Cash at Bank

	31 March 2025 £000	31 March 2024 £000
Money Market Funds	14,305	13,702
Cash At Bank	25,637	260
Total	39,942	13,962

The cash at bank included £25 million in the LGPS Central Dealing Account, being funds received for a Partner Fund subscription to the ACS that was in progress on 31 March 2025. These funds were transferred to the ACS on 1 April 2025. This was matched by a trade creditor of £25 million, representing the obligation to transfer those funds to the ACS. The dealing account balance at 31 March 2024 was nil.

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

11 Trade and Other Payables

	31 March 2025 £000	31 March 2024 £000
Trade Creditors	2,389	1,549
Social Security Costs	72	59
VAT	470	433
Corporation Tax Payable	352	244
Other creditors	25,000	-
Total	28,283	2,285

The amounts shown above are all due within one year. The trade creditors balance includes £25 million in the LGPS Central Dealing Account, being an obligation to transfer funds received for a Partner Fund subscription to the ACS that was in progress on 31 March 2025. These funds were transferred to the ACS on 1 April 2025.

12 Borrowing

	31 March 2025 £000	31 March 2024 £000
Loans	4,795	4,795
Accrued Interest Payable on Borrowing	453	459
Sub Total Loans	5,248	5,254
Finance Leases	1,270	1,411
Total	6,518	6,665

In January 2018, the Company entered into loan agreements with seven of its Shareholders amounting to £4.795 million. These loans, all of which were entered into on identical terms, have a life of ten years and initially bore interest of LIBOR plus 4.5% per year, with the first payment being due on 31 March 2019 and payments annually thereafter (due by 30 April of the following year, from 2022). On 1 January 2022, the interest rate was updated to the Bank of England Base rate plus 4.5% per year.

Interest of £453,000 has been accrued in respect of the 2024/25 year (2023/24: £459,000).

13 Interest Payable

	2025 £000	2024 £000
Interest Payable on Borrowing	453	459
Interest Payable on Finance Leases	70	75
Net Interest Payable on Net Defined Benefit Asset/Liability	-	5
Preference Dividends Payable	65	66
Total	588	605

14 Leases and Lease Commitments

The following table summarises LGPS Central Limited’s payments under leases during 2024/25 and the year-end balance. The total amount payable under leases for 2024/25 was £238,000 (2023/24: £200,000).

	Premises £000	IT Equipment £000	Total £000
Balance at 1 April 2024	1,328	83	1,411
Additions	-	27	27
Interest Payable	62	8	70
Amounts Payable under Leases	(194)	(44)	(238)
Balance at 31 March 2025	1,196	74	1,270

	Premises £000	IT Equipment £000	Total £000
Balance at 1 April 2023	1,418	118	1,536
Interest Payable	67	8	75
Amounts Payable under Leases	(157)	(43)	(200)
Balance at 31 March 2024	1,328	83	1,411

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

The following table analyses the year-end balances by the lease maturity date.

	31 March 2025 £000	31 March 2024 £000
Within One Year	14	-
Between One and Five Years	59	83
More Than Five Years	1,197	1,328
Net Total	1,270	1,411

15 Pension Benefits

Defined Benefit Pension Scheme

LGPS Central Limited is an employer member of West Midlands Pension Fund ('the Fund'), a fund of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit scheme for employees of local authorities and other related organisations. Benefits are defined by statute and are based on the length of membership and final salary (until March 2014) and on revalued career average salary (from April 2014).

Employees made contributions according to a tiered structure which ranges from 5.5% to 12.5% of pensionable pay, and in addition LGPS Central Limited made a contribution of 18.4% of pensionable pay for 2024/25 (2023/24: 18.4%).

Some of the Company's employees were members of the LGPS before joining the Company and transferred their membership on a continuing service basis. At the time of their joining the Company, LGPS Central Limited was allocated notional shares of the Fund assets equal to 100% of the value of the associated liabilities. As such, the Company's pension liabilities were fully funded at the date of transfer.

The LGPS is accounted for as a defined benefit scheme. The liabilities of the fund attributable to LGPS Central Limited are included in the Statement of Financial Position on an actuarial basis using the projected unit method – that is, an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of earnings for current employees.

As at 31 March 2025, the net pensions liability was £429,000 (31 March 2024: net asset of £47,000). The Company did not apply an asset ceiling adjustment in 2023/24, notwithstanding that there was a net defined benefit obligation asset, because the value of that net asset was not material. The following table sets out the movements in the net asset/liability during 2024/25.

	Assets £000	Liabilities £000	Net £000
Balance as at 1 April 2024	5,809	(5,762)	47
Amounts recognised in Profit and Loss			
Current service cost	-	(442)	(442)
Past service cost	-	-	-
Interest on assets	302	-	302
Interest cost	-	(295)	(295)
Total amounts recognised in Profit and Loss	302	(737)	(435)
Other balances			
Contributions by employer	621	-	621
Contributions by employees	259	(259)	-
Benefits paid net of transfers in	(31)	31	-
Total other balances	849	(228)	621
Amounts recognised in Other Comprehensive Income			
Return on assets less interest	(280)	-	(280)
Change in financial assumptions	-	1,714	1,714
Change in demographic assumptions	-	10	10
Movement in asset ceiling	-	(2,157)	(2,157)
Other actuarial gains/(losses)	-	-	-
Experience (loss)/gain on liability	-	51	51
Total amounts recognised in Other Comprehensive Income	(280)	(382)	(662)
Balance as at 31 March 2025	6,680	(7,109)	(429)

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

	Assets £000	Liabilities £000	Net £000
Balance as at 1 April 2023	4,636	(5,301)	(665)
Amounts recognised in Profit and Loss			
Current service cost	-	(427)	(427)
Past service cost	-	-	-
Interest on assets	236	-	236
Interest cost	-	(266)	(266)
Total amounts recognised in Profit and Loss	236	(693)	(457)
Contributions by employer	505	-	505
Contributions by employees	213	(213)	-
Benefits paid net of transfers in	(28)	28	-
Total other balances	690	(185)	505
Amounts recognised in Other Comprehensive Income			
Return on assets less interest	247	-	247
Change in financial assumptions	-	542	542
Change in demographic assumptions	-	34	34
Other actuarial gains/(losses)	-	-	-
Experience (loss)/gain on liability	-	(159)	(159)
Total amounts recognised in Other Comprehensive Income	247	417	664
Balance as at 31 March 2024	5,809	(5,762)	47

The amount included in the Balance Sheet arising from the Company's obligations in respect of its defined benefit retirement scheme is as follows:

	31 March 2025 £000	31 March 2024 £000
Present Value of Defined Benefit Obligations	(4,952)	(5,762)
Fair Value of Plan Assets	6,680	5,809
	1,728	47
Asset Ceiling Adjustment	(2,157)	-
Net (Liability) /Asset Arising from Defined Benefit Obligation	(429)	47

The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:

Asset Class	31 March 2025		31 March 2024	
	£000	%	£000	%
Quoted Equities	2,572		2,630	
Unquoted Equities	411		440	
Total Equities	2,983	44%	3,070	53%
Gilts	846	13%	710	12%
Other Bonds	1,602	24%	986	17%
Property	451	7%	391	7%
Cash	480	7%	306	5%
Other	318	5%	346	6%
Total	6,680	100%	5,809	100%

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

The following table sets out the proportion of assets which have a quoted market price, and those which do not (based on 31 March 2025 valuations).

		Quoted %	Mar 25 Unquoted %	Quoted %	Mar 24 Unquoted %
Equities	All	38.4%	-	45.2%	-
Debt Securities	Corporate Bonds	-	6.4%	-	5.3%
	UK Government	-	12.7%	-	12.2%
	Other	-	17.6%	-	11.7%
Property	UK Property	-	6.8%	-	6.7%
Investment Funds and Unit Trusts	Infrastructure	-	4.8%	-	5.2%
	Other	-	-	-	0.8%
Derivatives	Foreign Exchange	-	-	-	-
	Other	-	-0.1%	-	-
Other	Absolute Returns	-	-	-	-
	Private Equity	-	6.2%	-	7.6%
Cash and Cash Equivalents	Cash/Temporary Investments	-	7.2%	-	5.3%
Net Current Assets	Debtors	-	-	-	-
	Creditors	-	-	-	-
	Other Long-Term Assets	-	-	-	-
Total		38.4%	61.6%	45.2%	54.8%

The scheme exposes LGPS Central Limited to a number of risks, including the following:

- Investment risk** – the present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently, the plan has well-diversified investments in equity securities, fixed income and a range of alternative assets. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that

a reasonable portion of the plan assets should be invested in equity securities and other return-seeking investments in order to leverage the return generated by the fund.

- Interest rate risk** – a decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's fixed income investments.
- Longevity risk** – the present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their

employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

- Salary risk** – the present value of the defined benefit plan 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.
- 'Last person standing' risk** – as many unrelated employers participate in West Midlands Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.
- Inflation risk** – the benefits payable under the Scheme are linked to inflation, and therefore there is a risk that deficits may emerge to the extent that assets are not linked to inflation.

The Company has entered into an agreement regarding LGPS matters with its Shareholders known as the 'Supplementary Agreement'. The Supplementary Agreement, amongst other matters, includes an undertaking from each Partner Fund to pay to the Company its share of an amount equal to the employer contributions and expenses due from the Company to West Midlands Pension Fund (WMPF), and sets out the actions to be taken in the event that the Company is unable to pay any amount due to WMPF.

The Pension Reimbursement Asset has been valued as being equal to the present value of future amounts reimbursable by the Partner Funds. The table below shows the valuation of the asset at the year end.

	31 March 2025 £000	31 March 2024 £000
Opening Balance	536	665
Receipts from Partner Funds	(31)	(28)
Unwinding of Discount	25	25
Remeasurement of Asset	(33)	(126)
Closing Balance	497	536

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

There are a number of assumptions to which the value of the net pensions asset is particularly sensitive, as set out below. To illustrate the impact of changes in these assumptions, each assumption is changed in isolation with all other assumptions unchanged. The resulting impact is the impact of that assumption on the calculation of the net pensions liability.

Assumption Used		Change in Assumption	Effect £000
Net Pensions Liability			(429)
Discount Rate Decrease	5.85%	+ / - 0.1%	(143)
Life Expectancy (from age 65) Increase	Retiring today Male: 19.8 years Female: 23.5 years	+ / - 1 year	(198)
	Retiring in 20 years Male: 22.5 years Female: 25.2 years		
Long-Term Salary Increases	5.00%	+ / - 0.1%	(5)
Pensions Increases	2.70%	+ / - 0.1%	(141)

Other assumptions used by the Scheme Actuary are as follows:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age;
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

The principal demographic assumption is the longevity assumption (i.e., member life expectancy). For sensitivity purposes, it is estimated that a one-year increase in life expectancy would approximately increase the defined benefit obligation by around 3-5%. In practice, the actual cost of a one-year increase in life expectancy will

depend on the structure of the revised assumption (i.e., if improvements to survival rates predominantly apply at younger or older ages).

In order to quantify the impact of a change in the financial assumptions used, the value of the scheme obligations at the accounting date on varying bases has been calculated and compared. The approach taken is consistent with that adopted to derive the value of the obligation in the financial statements, based on the profile (average member ages, retirement ages, etc.) of the Company as at the date of the most recent actuarial valuation.

As at the date of the most recent actuarial valuation, the duration of the Company's funded obligations is 30 years.

The projected amount to be charged to operating profit for the financial year ended 31 March 2026 is as follows:

	Assets £000	Obligations £000	Net Asset/(Liability) £000	% of Pay
Projected Current Service Cost *	-	255	(255)	(7.6%)
Past Service Cost Including Curtailments	-	-	-	-
Effect of Settlements	-	-	-	-
Total Service Cost	-	255	(255)	(7.6%)
Interest Income on Plan Assets	415	-	415	12.3%
Interest Cost on Defined Benefit Obligations	-	303	(303)	(9.0%)
Total Net Interest Cost	415	303	112	3.3%
Total Included in Profit and Loss	415	558	(143)	(4.3%)

* The current service cost includes an allowance for administrative expenses of 0.5% of payroll. The monetary value is based on a projected payroll of £3.4 million.

Defined Contribution Pension Scheme

LGPS Central Limited also provides defined contribution (DC) pension benefits to some of its employees through a scheme administered by Aviva. For most employees in the scheme, LGPS Central Limited contributes 15% of pensionable pay; employee voluntary contributions may be made. For Chief Officers, the Company makes contributions of 7.5% and employees contribute 0.5% of pensionable pay. The cost to the Company of employer contributions during the year has been recognised in full in the profit and loss account (2024/25: £404,000; 2023/24: £323,000).

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

16 Called-Up Share Capital

	'A' Shares Ordinary £	'B' Shares Ordinary £	Total £
Balance as at 31 March 2024	8	10,520,000	10,520,008
Balance as at 31 March 2025	8	10,520,000	10,520,008

All shares have been authorised, issued and are fully paid.

'A' shares carry voting rights and dividend entitlements and are held in equal share by LGPS Central Limited's eight Shareholders. There are eight 'A' shares, each with a par value of £1.

'B' shares are held in equal share by LGPS Central Limited's eight Shareholders. There are 10,520,000 'B' shares, each with a par value of £1.

'C' shares are preference shares and are held by West Midlands Pension Fund only, paying a dividend of 4.5% above LIBOR per year until 31 December 2021 and 4.5% above the Bank of England base rate since 1 January 2022. The preference shares are classified in the Statement of Financial Position as other financial liabilities (and not share capital); the table below shows movements in these during the year. There are 685,000 'C' shares, each with a par value of £1.

Dividends of £320,000 in respect of the 'C' shares have been accrued for the period from 12 January 2018 (the date of receipt of the funds) to 31 March 2025 (comprising £65,000 in 2024/25, £66,000 in 2023/24, £46,000 in 2022/23, £32,000 in 2021/22, £32,000 in 2020/21, £36,000 in 2019/20, £36,000 in 2018/19 and £7,000 in 2017/18). No other dividends were payable for 2024/25 or 2023/24. The Board has approved a £320,000 dividend payment on preference shares to West Midlands. This payment will be made in 2025/26.

	'C' Shares Preference £000
Balance as at 31 March 2023	874
Accrued dividends 2023/24	66
Balance as at 31 March 2024	940
Accrued dividends 2024/25	65
Balance as at 31 March 2025	1,005

17 Reconciliation of Net Cash from Operating Activities

	2025 £000	2024 £000
Profit before Taxation	1,515	855
Movement in Trade and Other Receivables	(1,090)	(353)
Movement in Trade and Other Payables	25,646	(41)
Movement in Interest Payable	59	199
Net Defined Benefit Pensions Costs	(186)	(48)
Depreciation	248	236
Interest Payable for Leases Recognised under IFRS 16	70	75
Revenue Credited to the Pension Reimbursement Asset net of Unwinding of Discount	6	3
Net Non-Cash Items	24,753	71
Net Cash from Operating Activities	26,268	926

Net cash from/(used in) operating activities includes the net cashflows of acting as manager of the LGPS Central Authorised Contractual Scheme (ACS). At 31 March 2025, an ACS subscription of £25 million had been received into the LGPS Central Dealing Account but it did not clear the account until the following day.

Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

18 Related Party Transactions

LGPS Central Limited is a joint venture, owned in equal share by eight local authorities who are administering authorities of LGPS pension funds. Each authority owns ‘A’ ordinary shares to the value of £1 and ‘B’ ordinary shares to the value of £1,315,000 (see note 16).

- Cheshire West and Chester Council (Cheshire Pension Fund)
- Derbyshire County Council (Derbyshire Pension Fund)
- Leicestershire County Council (Leicestershire County Council Pension Fund)
- Nottinghamshire County Council (Nottinghamshire Pension Fund)
- Shropshire Council (Shropshire County Pension Fund)
- Staffordshire County Council (Staffordshire Pension Fund)
- Wolverhampton City Council (West Midlands Pension Fund)
- Worcestershire County Council (Worcestershire Pension Fund)

Those eight pension funds are also LGPS Central Limited’s investors (known as the ‘Partner Funds’). They are therefore the source of all the Company’s revenue.

There is no controlling party.

Wolverhampton City Council provide a number of services to the Company, including the Wolverhampton office and associated running costs, IT infrastructure and payroll services.

Seven of the eight local authorities listed above (excluding Wolverhampton City Council) have provided loan capital to LGPS Central Limited. The balance of principal outstanding at 31 March 2025 was £4.8 million, and accrued interest on these loans stood at £453,000 (31 March 2024: £459,000).

During 2017/18, the Shareholders incurred setup costs on behalf of the Company, which were subsequently paid during 2018/19. This charge amounted to £4.0 million.

At 31 March 2025, preference share dividends of £320,000 (31 March 2024: £255,000) were accrued in respect of Wolverhampton City Council’s holding of ‘C’ shares (see Note 15).

The following tables show the amounts receivable from and payable to each authority, as recognised in the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position as appropriate. In respect of debtors and creditors balances, these are unsecured and non-interest bearing. With the exception of accrued preference share dividends payable to Wolverhampton City Council (see note 16), all of these amounts were or are expected to be settled within one year of the balance sheet date.

Administering Authority	2025		2024	
	Income £000	Expenditure £000	Income £000	Expenditure £000
Cheshire West and Chester Council	1,957	(65)	1,675	(65)
Derbyshire County Council	1,639	(65)	1,414	(70)
Leicestershire County Council	2,053	(65)	1,833	(65)
Nottinghamshire County Council	1,677	(65)	1,590	(65)
Shropshire Council	874	(65)	816	(65)
Staffordshire County Council	2,232	(65)	1,824	(65)
Wolverhampton City Council	6,055	(605)	5,546	(337)
Worcestershire County Council	1,024	(65)	1,016	(65)
Total	17,511	(1,060)	15,714	(797)

Administering Authority	2025		2024	
	Debtor £000	Creditor £000	Debtor £000	Creditor £000
Cheshire West and Chester Council	619	(65)	424	(65)
Derbyshire County Council	467	(65)	344	(65)
Leicestershire County Council	1,084	(65)	928	(65)
Nottinghamshire County Council	508	(65)	410	(65)
Shropshire Council	255	(65)	227	(65)
Staffordshire County Council	676	(65)	503	(65)
Wolverhampton City Council	2,254	(65)	1,828	(112)
Worcestershire County Council	258	(65)	473	(65)
Total	6,121	(520)	5,137	(567)



Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

Key Management Personnel

Key management personnel are defined as members of the Board or the Executive Committee. The total payments made to and on behalf of key management personnel during the year were £1.6 million (2023/24: £1.5 million). No bonuses or termination payments were payable during the year.

The Directors’ remuneration, analysed under the headings required by Company Law, is set out below.

Remuneration	2025 £000	2024 £000
Emoluments	745	755
Employer’s National Insurance Contributions	94	93
Amounts Receivable (other than shares and share options) under Long-Term Incentive Schemes	-	-
Company Contributions to Money Purchase Pension Schemes	-	-
Compensation for Loss of Office	-	-
Sums Paid to Third Parties in Respect of Directors’ Services	-	-
Excess Retirement Benefits of Directors and Past Directors	-	-
Total	839	848

Number of Directors Who:	2025 Number	2024 Number
Are Members of a Defined Benefit Pension Scheme	-	-
Are Members of a Money Purchase Pension Scheme	1	-
Exercised Options over Shares in the Parent Company	-	-
Had Awards Receivable in the Form of Shares in the Parent Company under a Long-Term Incentive Scheme	-	-

Remuneration of the Highest-Paid Director	2025 £000	2024 £000
Emoluments	273	326
Employer’s National Insurance Contributions	36	44
Company Contributions to Money Purchase Pension Schemes	20	-
Total	329	370

The Company does not make share options available to any individuals, and shares are not available under any long-term incentive scheme. Accordingly, the highest-paid director did not exercise any share options in the year and had no shares receivable under long-term incentive schemes.

The highest-paid director is not a member of the Company’s defined benefit pension scheme.

The Company has an approved PAYE Settlement Agreement (“PSA”) with HMRC which includes taxable directors’ travel and subsistence expenses. The amount of directors’ taxable travel and subsistence expenses during the year was £26,000, of which £13,000 related to the associated tax and national insurance contributions, (2023/24: £11,000/ £7,000).

19 Post Balance Sheet Events

No post balance sheet events have occurred which impact upon the balances and transactions reported for the year.



Notes to the Financial Statements (continued)

for the Year Ended 31 March 2025

20 Financial Instruments

The Company did not have any gains or losses arising from financial instruments during the year. The only expenditure in relation to financial instruments was interest payable of £518,000 as analysed in Note 13 (excluding interest payable on leases and in relation to defined benefit pension liabilities) (2023/24: £525,000).

Balances as at the year end are set out in the following table.

	31 March 2025 £000	31 March 2024 £000
Financial Assets		
Financial Assets Measured at Amortised Cost		
Trade and Other Receivables	7,038	5,948
Total Financial Assets	7,038	5,948
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost		
Trade and Other Payables	(28,283)	(2,285)
Borrowing	(6,518)	(6,665)
Preference Shares	(1,005)	(940)
Total Financial Liabilities	(35,806)	(9,890)
Net Total	(28,768)	(3,942)

Classification of Assets Measured at Amortised Cost

Trade debtors are amounts due from the Company’s shareholders for investment management and monitoring services or under the Cost-Sharing Agreement. They are due for settlement within 30 days and are therefore classed as current. They are recognised at the amount of consideration due and, due to their short-term nature, their fair value is considered to be equal to their carrying amount. The Company holds trade debtors solely for the purpose of collecting contractual cash flows and therefore has classified them as measured at amortised cost.

Liabilities Measured at Amortised Cost

All of the Company’s financial liabilities are measured at amortised cost. Trade creditors are generally payable within 30 days and are therefore classified as current. Due to their short-term nature, their fair value is considered to be equal to their carrying amount.

The following table analyses financial liabilities by maturity:

	31 March 2025 £000	31 March 2024 £000
Within One Year	29,070	2,983
Between One and Five Years	4,854	5,517
More Than Five Years	1,882	1,219
Net Total	35,806	9,719





Key Advisers and Service Providers

External Auditor

Deloitte LLP
8th Floor
The Silver Fin Building
455 Union Street
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AB11 6DB

Internal Auditor

KPMG LLP
15 Canada Square
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E14 5GL

Banker

Lloyds Bank
125 Colmore Row
Birmingham
B3 3SF

Tax Adviser

PwC LLP
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1 Hardman Square
Manchester
M3 3EB

Legal Adviser

**Eversheds Sutherland
(International) LLP**
One Wood Street
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EC2V 7WS

Depository and Asset Servicer to the ACS

**Northern Trust Global Services
SE UK Branch**
50 Bank Street
Canary Wharf
London
E14 5NT

Administrator for the Limited Partnerships

**State Street Bank and
Trust Company**
20 Churchill Place
Canary Wharf
London
E14 5HJ

Directors

Joanne Segars
Chair

Nemone Wynn-Evans
Non-Executive Director
(appointed 1 June 2025)

Richard Law-Deeks
Chief Executive Officer
(appointed 2 July 2024)

Anouska Ramsay
Chief People and
Transformation Officer
(appointed 8 July 2025)

Susan Martin
Non-Executive Director

Ian Armfield
Non-Executive Director

Ciarán Barr
Non-Executive Director

Belinda Moore
Non-Executive Director





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