



For the year ended
31 March 2026



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Images (front cover):

Birmingham, West Midlands	Ludlow, Shropshire
Castleton, Derbyshire	M6 Motorway, Staffordshire
Chester, Cheshire	Nottingham, Nottinghamshire
Cromer, Norfolk	Oxford, Oxfordshire
Ipswich, Suffolk	Portsmouth, Hampshire
Leicester, Leicestershire	Salisbury, Wiltshire
Lower Slaughter, Gloucestershire	Worcester, Worcestershire

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Peak District National Park, Derbyshire
Coventry, West Midlands
Leicester, Leicestershire
Worcestershire Countryside
Nottingham, Nottinghamshire
The Roaches, Staffordshire
Telford, Shropshire

Strategic Report

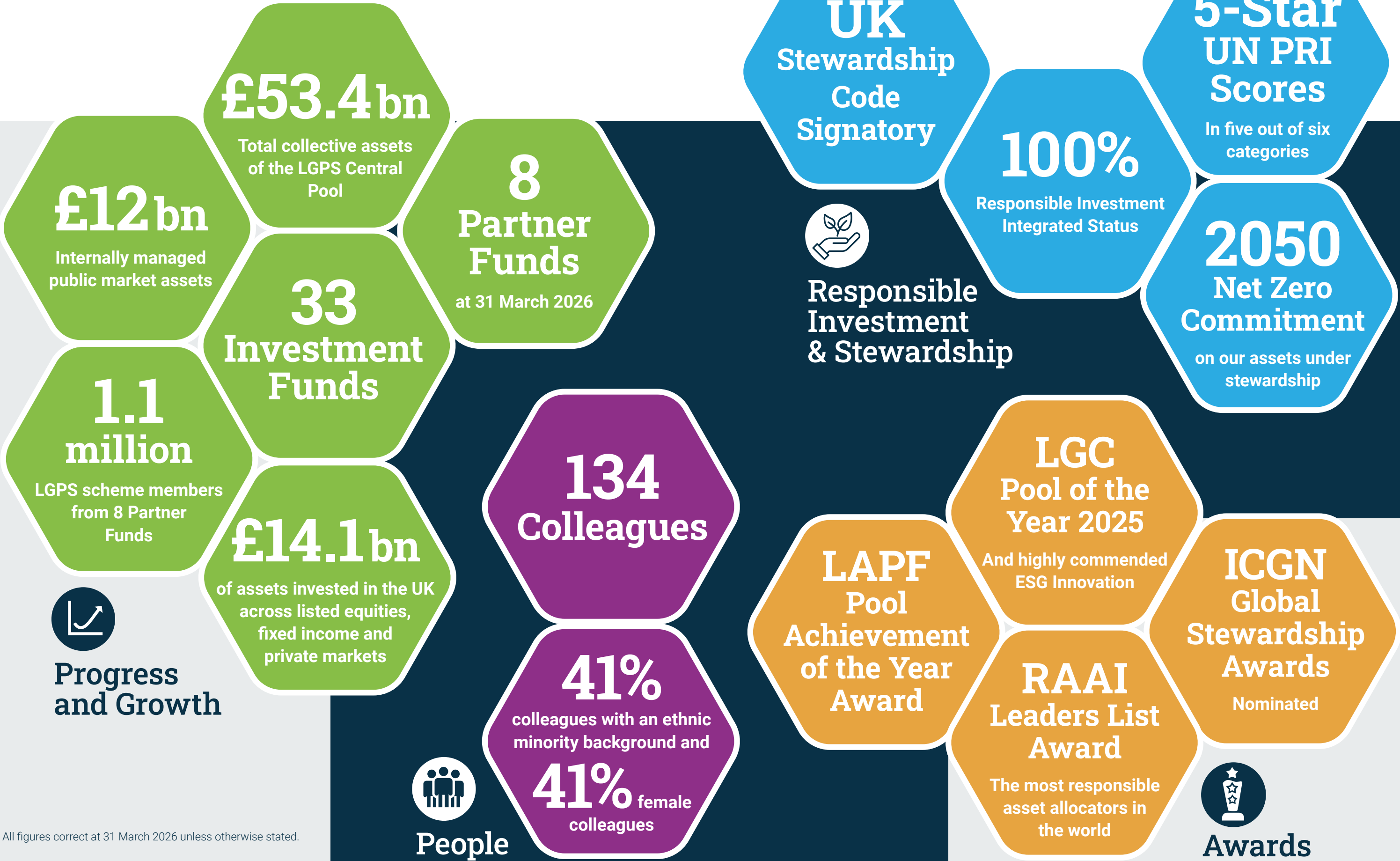
1 About LGPS Central Limited

LGPS Central Limited (the Company) was established in 2018 as an FCA authorised firm to manage the pooled investment assets of eight Local Government Pension Scheme (LGPS) funds across the Midlands and was jointly owned by the eight related administering local authorities. The value of the combined assets of those Partner Funds at 31 March 2026 was approximately £69 billion (2025: £63 billion), of which £53.4 billion was under the Company's stewardship (2025: £44.9 billion).

On 1 April 2026, the LGPS Central pool was expanded to include a further six LGPS funds and the ownership of the Company was also extended to include six additional administering authorities, all on the same equal basis. Total combined assets under our stewardship are expected to be over £100 billion.



2 Highlights of the Year



All figures correct at 31 March 2026 unless otherwise stated.



Nemone Wynn-Evans,
Chair

3 Chair’s Statement

I am pleased to present the Annual Report and Financial Statements for LGPS Central Limited (LGPSC/‘the Company’) for 2025/26.

I was delighted to take on the role of Chair of the Board at LGPSC during this financial year, at an inflection point in the evolution of the LGPS Central pool as it experiences the most significant change since launch. The Company has already achieved a huge amount in its relatively short life, thanks in no small part to the efforts of all our colleagues and the support of our Partner Funds. It was already benefitting from strong foundations, rooted in our status as an FCA-authorised investment company, from which we have grown rapidly over the year, led by our Chief Executive Richard Law-Deeks and his executive team.

At 1 April 2026, we had expanded the number of Partner Funds participating in our pool and we now manage assets on behalf of Cheshire, Derbyshire, Gloucestershire, Hampshire, Leicestershire, Norfolk, Nottinghamshire, Oxfordshire, Shropshire, Staffordshire, Suffolk, West Midlands, Wiltshire and Worcestershire. The expanded Pool offers us significant scope to achieve even better value for money through our increased scale, as well as an increased potential for collaboration, knowledge sharing and innovation.

The Government has made their vision for the future of pooling clear, with increased pace, a greater role to play in promoting local and regional economic development, and clear distinction on investment strategy and implementation. The Company has demonstrated that it already has all the core ingredients required, and we have invested significantly this year to strengthen our Midlands-based team, attracting high-quality talent to support the delivery of our expanding service offering.

Fit for the Future represents a significant transformation for the Company, increasing the scale and complexity of our activities and reinforcing the importance of strong governance and oversight. A huge amount of work has already taken place to prepare for Fit for the Future implementation during the year, and this will continue into 2026/27, as we transition and embed our new Partner Funds.

The Company and all our Partner Funds have worked incredibly hard together to deliver to the Government’s agenda. We are grateful for our Partner Funds’ ongoing support through what has been a demanding year and look forward to continuing to work in partnership with them during 2026/27 and beyond. I would also like to note the significant contribution of our LGPS Central colleagues, who have worked with skill, diligence and enthusiasm to ensure that the pool’s implementation of Fit for the Future was a success.

The Company has experienced a number of other significant successes during the year, including:

- **Successfully managing two major corporate change programmes, ‘Compass’ and ‘Bridge’, to oversee the implementation of Fit for the Future and the expansion of the Pool respectively.**
- **The development of new services in line with the Fit for the Future agenda, including advisory services and total fund management, and local investment services.**
- **Significant recruitment activity, with the number of colleagues increasing from 89 to 134.**
- **A comprehensive review of our target operating model to ensure that it will continue to be effective, efficient and resilient in the context of the Company’s expanded responsibilities.**
- **A full review of pool governance, in conjunction with our Partner Funds.**
- **Accelerated transition of assets, taking total assets under stewardship to £53.4 billion at 31 March 2026, being 77.3% of total Partner Fund assets.**
- **The launch of a number of new products to meet Partner Funds’ investment needs:**
 - **The Global Active Investment Grade Credit Multi Manager Fund (net asset value of £1.7 billion at 31 March 2026).**
 - **LGPS Central Private Equity Primary Partnership 2025 (£355 million committed by our Partner Funds at 31 March 2026).**
 - **LGPS Central Infrastructure Co-Investments Partnership 2025 (£148 million committed by our Partner Funds at 31 March 2026).**
- **The development and adoption of a new Strategic Business Plan for 2026-29, reflecting the Company’s updated strategic framework.**

3 Chair’s Statement continued

Although much of the Company’s focus has rightly been on Fit for the Future implementation and pool expansion during the year, we have continued to maintain a strong focus on the effective management of ‘business as usual’. This is reflected in our performance against the Corporate Scorecard, which has generally been very good, with 10 of 15 measures achieving their target for the year. I would particularly like to draw attention to:

- **Responsible investment:** we have engaged with 100% of stewardship priority companies, reflecting our commitment to putting responsible investment at the heart of our approach to investment management.
- **Pulse survey:** our culture index stands at 7.6, above the target of 7.5. We believe strongly that the key to success is having the right culture, which makes the achievement of this target particularly pleasing.
- **Colleague attrition rate:** this stood at 6.1% at the year end, well ahead of the target of 10%, reflecting the fact that LGPS Central is a place where people want to work.
- **Value for money:** our operating costs relative to AUM were 4.8 basis points, ahead of the target of 5.0 basis points, which we believe represents excellent value for money.
- **Investment performance:** we have experienced mixed results during the year. Whilst all our three fixed income ACS sub-funds are ahead of benchmark (and one ahead of its outperformance target), our active equities sub-funds are behind benchmark. We understand the reasons for this and remain confident in our strategy over the long term. Further details can be found in the Chief Investment Officer’s report.

During the year, a key focus for the Board has been ensuring that, as the pool grows, governance arrangements remain clear, proportionate and effective. The Board has also maintained a strong focus on risk management and regulatory oversight, reflecting our position as an FCA- authorised investment company and our progression towards enhanced firm status.

Looking forward, while the implementation of Fit for the Future represents a major milestone, it is only the first step on the next stage of the pool’s journey.

I would like to place on record my thanks to my fellow Board members, including my predecessor, Joanne Segars, for their hard work, insight and support during the year. In particular, Joanne’s leadership over more than eight years; her commitment, judgement and influence have been instrumental in making the Company the success that it is today. She has steered the Company from no more than an idea to a thriving multi-asset manager providing a range of services to an expanded pool, and a true regional success story. Her contribution to the Company will always be remembered as a key driver of its accomplishments, and she leaves it in a strong position for the future: the best legacy any Chair could provide.

The external environment remains dynamic, with the Pensions Scheme Bill having recently received Royal Assent and increasing political and regulatory interest in the LGPS. Financially, the Company remains in a strong position, with robust capital and liquidity metrics and assets under stewardship expected to exceed £100 billion. I am hugely optimistic about the future for our Pool and have confidence in the ability of the Company and our Partner Funds, as we enter the next phase of our evolution from a position of strength, not only to respond to the challenges immediately ahead of us, but also to grow into a Pool that realises the full potential of LGPS pooling, and is central to the LGPS.



Nemone Wynn-Evans
Chair



Nemone Wynn-Evans

4 Report from the Chief Executive Officer

2025/26 has been a historic year for LGPS Central.



Richard Law-Deeks,
Chief Executive Officer

It has been a year defined by delivery and transformation, where we have delivered against our Strategic Business Plan and successfully implemented the Government’s Fit for the Future reforms.

As a result, we enter 2026/27 as a materially larger, stronger and more strategically important organisation within the LGPS, with assets under stewardship expected to exceed £100 billion.

Importantly, this growth reflects not just policy direction, but choice. Our founding Partner Funds chose to come together to create LGPS Central, and more recently, incoming Partner Funds have chosen to join us. In a collaborative model such as ours, trust is fundamental, and this year we have made significant progress in strengthening that trust across our partnership.

Our core objective was clear: to strengthen stakeholder relationships, enhance investment performance and demonstrate value for money, thereby supporting growth in assets under stewardship.

Despite the need to rebase elements of the plan during the year to deliver Fit for the Future, we have successfully delivered against these objectives. However, we recognise that performance in some active equity portfolios has been disappointing and remains an area of focus for management and the Board.

Stakeholder relationships have strengthened significantly. Our engagement with Partner Funds has improved materially, with trust increasingly reflected in both feedback and outcomes. We have also strengthened our relationship with Government, securing ministerial backing for our growth and ensuring LGPS Central is represented at key national forums and events, including the Regional Investment Summit in the West Midlands. Across the wider pensions industry, our profile continues to grow, with increasing participation in major conferences and policy discussions.

Alongside this, we have focused on strengthening the foundations required to deliver consistently at greater scale, including improving core operational delivery, embedding a clearer client mindset across the organisation and responding directly to Partner Fund feedback.

Demonstrating value for money remains central to our purpose as an LGPS pool. Our work with CEM Benchmarking confirms that LGPS Central is positioned within the value-add, low-cost quadrant compared to global peers, reflecting our ability to deliver strong net outcomes for Partner Funds while maintaining cost discipline.

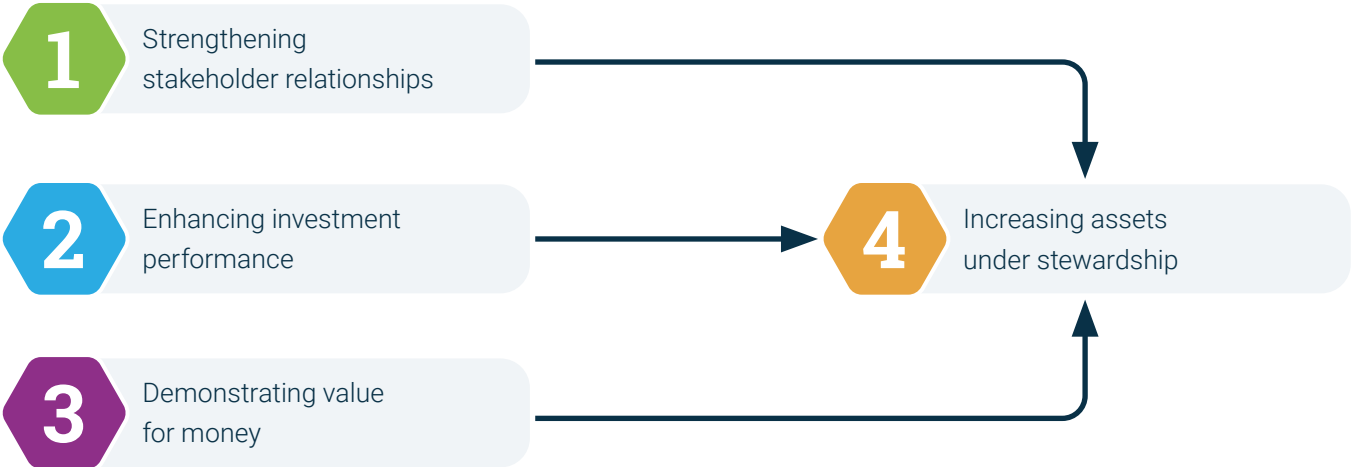
This reflects the strength of the pooling model, combining scale, expertise and efficient implementation to improve long-term outcomes for our Partner Funds.

Taken together, we have delivered against our plan and, in many areas, gone further. That strong platform has enabled us to turn our focus to the next phase of our development through Fit for the Future.

Delivering against the plan

Our Strategic Business Plan for 2025/26 focused on four strategic outcomes, delivered through three key enablers: People, Strategic Partnerships and Technology.

Key Strategic Outcomes



4 Report from the Chief Executive Officer continued

Fit for the Future

In advance of this financial year, we submitted our transition plan to Government, setting out how the LGPS Central pool would deliver the Fit for the Future reforms. This was a genuinely collaborative effort between the Company and our Partner Funds.

Following ministerial support in April 2025, we launched two major programmes:

- **Compass**, to build the target operating model and investment capabilities required for the next phase of pooling
- **Bridge**, to support the transition of new Partner Funds into LGPS Central

Fit for the Future represents a step change for LGPS Central. It increases the scale and complexity of our activities and requires us to evolve how we operate, how we deliver services and how we engage with Partner Funds.

As a result, from 1 April 2026, LGPS Central will have stewardship of more than £100 billion of assets, with an expanded geographic footprint and a broader Partner Fund base.

Central now reflects not just our geographic origins in the Midlands, but our position at the heart of the LGPS.

At this scale, the Company has a clear strategic advantage. It enables us to build deeper internal capability, access better terms from strategic partners and develop investment solutions that smaller organisations cannot.

This milestone represents a significant step forward, but it is very much a starting point, not a finish line.

The team behind the growth

Behind this growth sits a high-performing and committed team.

Over the year, we have strengthened our organisational capability significantly. We have built a dedicated change and transformation function, enhanced our client and advisory capability through both internal development and targeted external hires, and expanded our communications and policy expertise. We have also launched our apprenticeship programme, creating opportunities for local young people to begin careers in financial services and helping to build a more diverse pipeline of future talent.

This has also been a year of leadership evolution, including a seamless Chair transition. Our executive leadership team continues to evolve, combining experienced leaders with emerging talent, and supported by key appointments, including the recruitment of our Chief Investment Officer, Jayne Atkinson, and Chief Operating and Technology Officer, Nicola Dymond, as well as the appointment of Trevor Castledine as Chief Advisory and Clients Officer and David Kane as Chief Finance Officer.

Importantly, much of the transformation delivered this year has been driven by our next generation of leaders. Their contribution has been critical, and I am excited to see their continued development in the years ahead.

Perhaps most importantly, throughout this period of change, we have remained grounded in our values and continue to live them.

Recognition such as LGC Pool of the Year, LAPF Pool Achievement of the Year, and achieving best-in-class PRI ratings reflects the collective effort of colleagues, Partner Funds and stakeholders across the wider ecosystem.



Richard Law-Deeks

4 Report from the Chief Executive Officer continued



Looking forward

The expansion of LGPS Central has provided an opportunity to reset and refine our strategy.

In December 2025, we hosted our first Partner Fund Summit in Birmingham, bringing together both existing and incoming Partner Funds to define our shared purpose, vision and mission. This has informed the development of “The Central Way to 2030”, our Strategic Business Plan and Budget for 2026/27 and beyond.

At its core, our purpose is clear: to bring Partner Funds together to invest collectively, combining scale, expertise and strong governance to deliver long-term value beyond what could be achieved individually.

Looking ahead, our strategy is centred on delivering six key outcomes: strong investment performance, high-quality advisory capability, value for money, local investment, a high-performing culture and, critically, trust and governance excellence.

We will continue to build out our capabilities across investments, advisory services, data and technology, enabling us to operate as a fully integrated, technology-enabled asset manager. Over the medium term, this will see LGPS Central transition to a more mature operating model, with enhanced regulatory status, deeper client engagement and greater accountability for outcomes.

As we move towards 2030, our ambition is to be the partner of choice within the LGPS, recognised for collaboration, alignment and excellence in investment management and advice.

As we scale, risk management becomes even more critical. The Board has placed a strong emphasis on defining and embedding a clear risk appetite, aligned to our strategy and regulatory obligations. We are building a culture where risk is owned across the organisation, not confined to a function, ensuring that decisions are informed, transparent and aligned with our fiduciary responsibilities. This will be increasingly important as we transition towards Enhanced FCA status and operate at greater scale and complexity.

Conclusion

I am incredibly proud of what we have achieved this year.

The scale of delivery, alongside the successful implementation of Fit for the Future, by 1 April 2026, represents a step change for LGPS Central. We enter the next financial year with stronger foundations, enhanced capabilities and increased responsibility within the LGPS, with a focus now on embedding, scaling and delivering sustainable performance.

My sincere thanks go to our colleagues, Partner Funds and stakeholders across the wider ecosystem. Their commitment, collaboration and challenge have been central to this year’s achievements.

We look ahead with confidence, focused on delivery, disciplined in execution and clear in our purpose.

We are building something truly unique at LGPS Central. This year has shown what can be achieved when we align behind a shared purpose and move forward together as One Central Team.



Richard Law-Deeks
Chief Executive Officer



5 Strategy 2026-2029

The Purpose of LGPS Central

The purpose of LGPS Central, developed in conjunction with our Partner Funds, can be described as follows:

To bring Partner Funds together to invest collectively for stakeholders, combining scale, expertise and strong governance to deliver long-term value beyond that which Partner Funds could achieve individually.

This purpose makes clear that LGPS Central is not here solely to meet regulatory requirements under Fit for the Future, but to add real value for our Partner Funds and, ultimately, for employers and scheme members.

Strategic Framework

The diagram on the previous page summarises LGPS Central’s strategic framework. The vision and mission define the direction and purpose guiding the Company as it enters the next phase of growth under Fit for the Future, and form the basis of our strategy.

The vision and mission are supported by the Company’s risk management framework, its strategic goals and its strategic initiatives. Further detail on our risk management framework can be found at section 11.0.

Strategic Initiatives



People
Building capability, performance, engagement, inclusion and leadership across the ‘One Central Team’.



Technology
Building a scalable, resilient data solution and technology-enabled platform to manage over £100 billion AUM across all markets.



Strategic Partnerships
Deepening collaboration with Partner Funds, investment managers and other service providers, to deliver enhanced value.



Policy and Regulation
Implementing reforms that enable growth, onboarding of new Partner Funds and stronger local impact. This includes the implications of becoming an enhanced firm.

Values

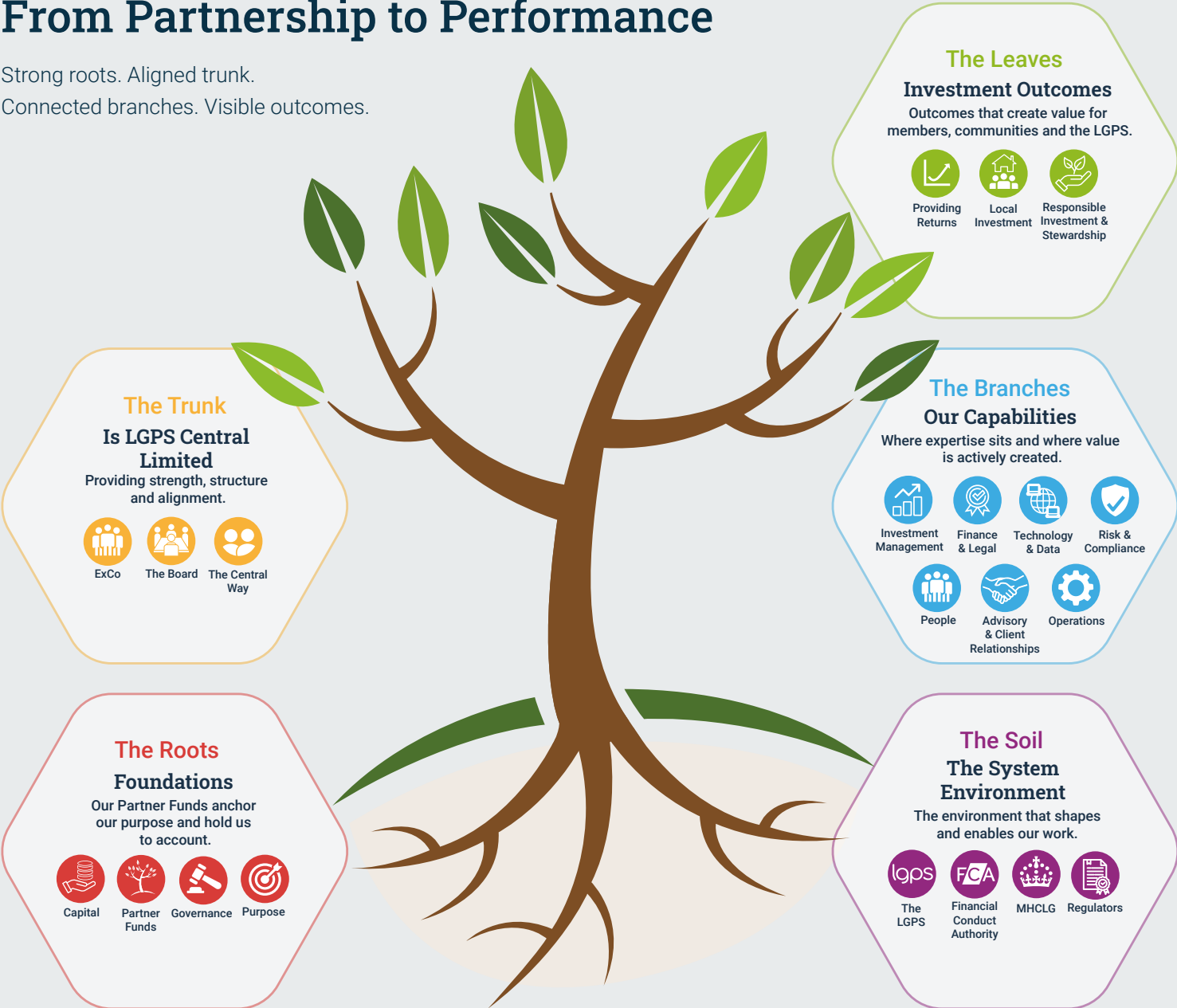
Our values were introduced in 2024, and are embedded in all that we do across the Company. The values and the importance of our ‘how’ are integrated into our performance development approach. We also celebrate demonstration of the values through developing a continuous feedback culture (‘Kudos’) linked to our values, which has been adopted well by our colleagues.

We strongly emphasise the concept of client-centricity with or colleagues and place it at the centre of how we do things. We initially developed this approach by engaging with our colleagues through a working group, whose work helped to deepen our understanding of clients and to deliver the best outcomes for them.



From Partnership to Performance

Strong roots. Aligned trunk.
Connected branches. Visible outcomes.



6 Investments Report



Jayne Atkinson,
Chief Investment Officer

Market Commentary

Since April 2025, global markets have demonstrated remarkable resilience amid policy shocks, geopolitical tensions and shifting monetary conditions. The period opened with volatility triggered by “Liberation Day” on 2 April 2025, when the Trump administration unveiled sweeping tariffs. The policy combined a broad baseline tariff on imports with targeted measures against key trading partners, signalling a renewed willingness by the US to confront the existing global trade framework.

While the immediate economic impact of the tariffs themselves was uncertain, the more significant effect stemmed from the heightened uncertainty they introduced. Investors were forced to reassess assumptions around globalisation, supply chain resilience, corporate cost structures and geopolitical alignment. Fears of retaliatory measures and lower global trade volumes drove an initial sell-off, although markets subsequently recovered as investors focused on the continued strength of corporate earnings and economic activity.

Monetary policy over the period was defined by a cautious transition from restrictive settings towards gradual easing. Inflation had declined from its earlier peaks but remained sufficiently persistent to prevent rapid rate cuts. The Federal Reserve maintained a relatively cautious stance, signalling that policy easing would occur only once there was greater confidence that inflation was returning sustainably towards target. In contrast, the European Central Bank adopted a more accommodative posture as euro area growth softened. By mid-2025, the ECB had already delivered multiple rate cuts and signalled its willingness to support economic activity in the face of trade-related uncertainty and weak industrial production. The Bank of England followed a broadly similar path, gradually shifting its stance as inflation decelerated while remaining mindful of persistent wage pressures.

In the first quarter of 2026, escalation in the US-Iran conflict introduced a material supply-side shock through the Strait of Hormuz, a critical transit route for approximately one quarter of global oil flows. Disruption risks, ranging from shipping constraints to threats against energy infrastructure, drove a sharp increase in oil prices. This increase was amplified through refined products, creating broader inflationary pressures across the global economy. The conflict reintroduced upside risks to inflation at a sensitive stage in the disinflation process and led markets to reassess expectations for further interest rate reductions. The duration of the conflict and the extent of any damage to global energy infrastructure remain key factors shaping the economic outlook.

Private Markets presented a mixed picture during the year. Within Private Equity, exit activity remained constrained, limiting liquidity across parts of the market. However, attractive returns continued to be generated in selected areas, particularly within small and lower mid-market transactions where buyer demand remained more robust. Investors continued to focus on the pace at which distributions would return to historical levels.

Within Private Credit, some concerns emerged regarding liquidity, particularly where investors sought access to capital in what remains an inherently illiquid asset class. Whilst overall fundamentals remain strong, default rates increased modestly in parts of the market and highlighted the importance of disciplined underwriting and manager selection.

Real assets continued to benefit from strong structural demand. Infrastructure attracted significant capital flows, supported by investment themes including decarbonisation, digitalisation, localisation and energy security. Investors also continued to value the defensive and inflation-linked characteristics of many infrastructure assets. Within Property, income remained the primary driver of returns as capital value growth remained subdued across much of the market.

Achievements During 2025/26

The 2025/26 financial year was one of significant change and expansion for LGPS Central Limited’s investment function. Alongside preparing for the Government’s Fit for the Future reforms, the team undertook a substantial programme of organisational development, client transition activity and investment implementation, whilst continuing to oversee existing portfolios across Public and Private Markets.

A key achievement during the year was the development of the Company’s investment advisory capability. In response to evolving Partner Fund requirements and the Government’s pooling reforms, we established a dedicated Investment Advisory team with the expertise, governance framework and operating model required to provide strategic investment advice and fiduciary management services. During the year, five members of the team were recruited alongside the Chief Client and Advisory Officer, with plans to recruit a further three. This represents an important expansion of our service offering and positions the Company to support Partner Funds across a broader range of investment activities.

During the year, the Investment Advisory team played a central role in supporting the implementation of the Government’s Fit for the Future reforms and preparing LGPS Central Limited and our Partner Funds for the next phase of pooling. The team supported the onboarding of new Partner Funds, worked closely with existing clients to review strategic asset allocations and investment implementation plans, and undertook a comprehensive review of LGPS Central’s investment “building blocks” to ensure the platform remains aligned with emerging Government requirements. Significant progress was also made in establishing the governance structures required to support an expanded service offering, including the creation of the Asset Allocation and Advisory Committee. Together, these developments have strengthened the Company’s ability to deliver investment advice, support Partner Fund decision-making and provide a robust foundation for the future expansion of advisory and fiduciary management services.

6 Investments Report continued

To support future growth, the Investments team was significantly expanded and restructured during the year. The investment function increased from 42 FTEs to 68, reflecting the additional capability required to support increased assets under management, new service offerings and the ongoing implementation of pooling reforms. This included the creation of a Centre of Excellence to support the transformation of our investment service, additional leadership roles in Listed Equities and Fixed Income as well as Private Markets and Real Assets, and the creation of an Alternative Assets team to ensure capability across all the asset classes identified within the Government’s pooling framework.

The year also involved considerable transition activity as Partner Funds continued to increase assets managed through the Pool. During the year, the Company supported the transition and implementation of approximately £2.6 billion of assets across two transition projects. These exercises required close coordination between Partner Funds, external managers, custodians and advisers, and were delivered with a focus on minimising transaction costs, managing market risk and maintaining alignment with client objectives. There was also a significant amount of planning for transition activity that was to take place shortly after 1 April 2026 for incoming Partner Funds, particularly for those from the Brunel Pensions Partnership, which ceased to be a pool on 30 June 2026.

A significant milestone during the year was the successful launch of the Global Active Investment Grade Credit Multi-Manager Fund. Developed in direct response to Partner Fund demand, the strategy provides diversified access to global investment-grade credit and broadens the depth of LGPS Central’s fixed income offering.

Across the Public Markets platform, Partner Funds continued to commit capital to pooled strategies, reflecting confidence in the governance, oversight and investment capabilities of LGPS Central Limited. Public markets assets managed or overseen by the Company increased from approximately £22.9 billion to £27.8 billion during the year. The Emerging Market Equity Active Multi-Manager Fund was a particular area of growth, increasing from approximately £233 million to £964 million as Partner Funds increased allocations to the strategy following changes to the strategy.

Investment Performance

Investment performance across the platform reflected a market environment characterised by continued concentration within global equity markets, heightened geopolitical uncertainty and evolving interest rate expectations.

Our active equity strategies generated positive absolute returns during the year. However, performance relative to benchmark was mixed and, in certain mandates, below expectations. Several strategies underperformed their benchmarks, largely due to the continued dominance of a narrow group of large-cap technology companies within global equity indices. Many active managers maintained diversified portfolios and valuation disciplines that limited exposure to these stocks, which detracted from relative performance as market returns became increasingly concentrated.

Throughout the year, the Investment Oversight Committee maintained regular scrutiny of fund performance, manager activity, portfolio risks and implementation progress. Performance challenges, where identified, were subject to detailed review and engagement with investment managers to ensure that investment outcomes remained consistent with long-term client objectives.

Whilst short-term performance outcomes were disappointing in some areas, our assessment is that the underlying investment philosophies remain consistent with the long-term objectives of Partner Funds and continue to provide diversification benefits within client portfolios.

At the same time, a number of active strategies delivered strong outcomes and added value relative to benchmark, demonstrating the benefits of maintaining a diversified multi-manager structure and a long-term approach to active management.

All passive equity and fixed income funds performed within expected tracking tolerances relative to their benchmarks and continued to provide efficient market exposure at low cost.

Fixed income performance remained resilient despite continued volatility across interest rate markets. Over the three-year period, all fixed income strategies generated

positive excess returns, supported by strong manager selection, disciplined risk management and effective portfolio construction.

Private Markets

Our Private Markets platform continued to expand during the year, with total Partner Fund commitments reaching approximately £8.1 billion, representing an increase of £1.9 billion during the financial year.

Co-investment activity remained a key area of focus. A notable success was Medline, an investment completed alongside Blackstone in 2022, which subsequently completed a successful public listing during 2025, and became one of the largest private equity-backed IPOs ever completed.

The infrastructure programme also continued to develop. During the year, investments were made in infrastructure assets across sectors including transport, utilities and renewable energy. These opportunities provide exposure to long-term structural themes, including energy security, decarbonisation and economic resilience, whilst supporting the delivery of attractive risk-adjusted returns.

The private equity programme continued to mature through investments in a range of UK and international businesses. Alongside deployment activity, significant work was undertaken to monitor portfolio liquidity, manage vintage year diversification and navigate the continued challenges associated with slower private market exit activity.

Case Study: Regional Airports Co-Investment

LGPSC have invested in a portfolio of UK regional airports on behalf of Cheshire Pension Fund, Staffordshire Pension Fund and West Midlands Pension Fund, partnering with Macquarie Asset Management. The portfolio includes Birmingham Airport, Bristol Airport and London City Airport, assets that play a central role in supporting regional economies, trade and connectivity across the UK.

These airports provide essential infrastructure with long-term, resilient demand characteristics, making them well aligned with pension fund liabilities. Beyond financial returns, the investment supports economic growth, regional employment and improved transport links, helping connect businesses and communities across the country.

The investment also demonstrates the strength of collaboration within the LGPS, bringing together pools and partners to deploy capital at scale into nationally significant infrastructure. It reflects our ability to access complex opportunities efficiently, while supporting assets that contribute to the long-term resilience and development of the UK economy.



London City Airport

6 Investments Report continued

Case Study: Energy Transition Infrastructure – Low Carbon Limited

LGPSC have partnered with CVC DIF to co-invest in Low Carbon Limited, a renewable energy platform active across the full project lifecycle, from development and construction through to long-term operation. The business has built a diversified portfolio spanning solar, onshore wind and battery storage across multiple European markets.

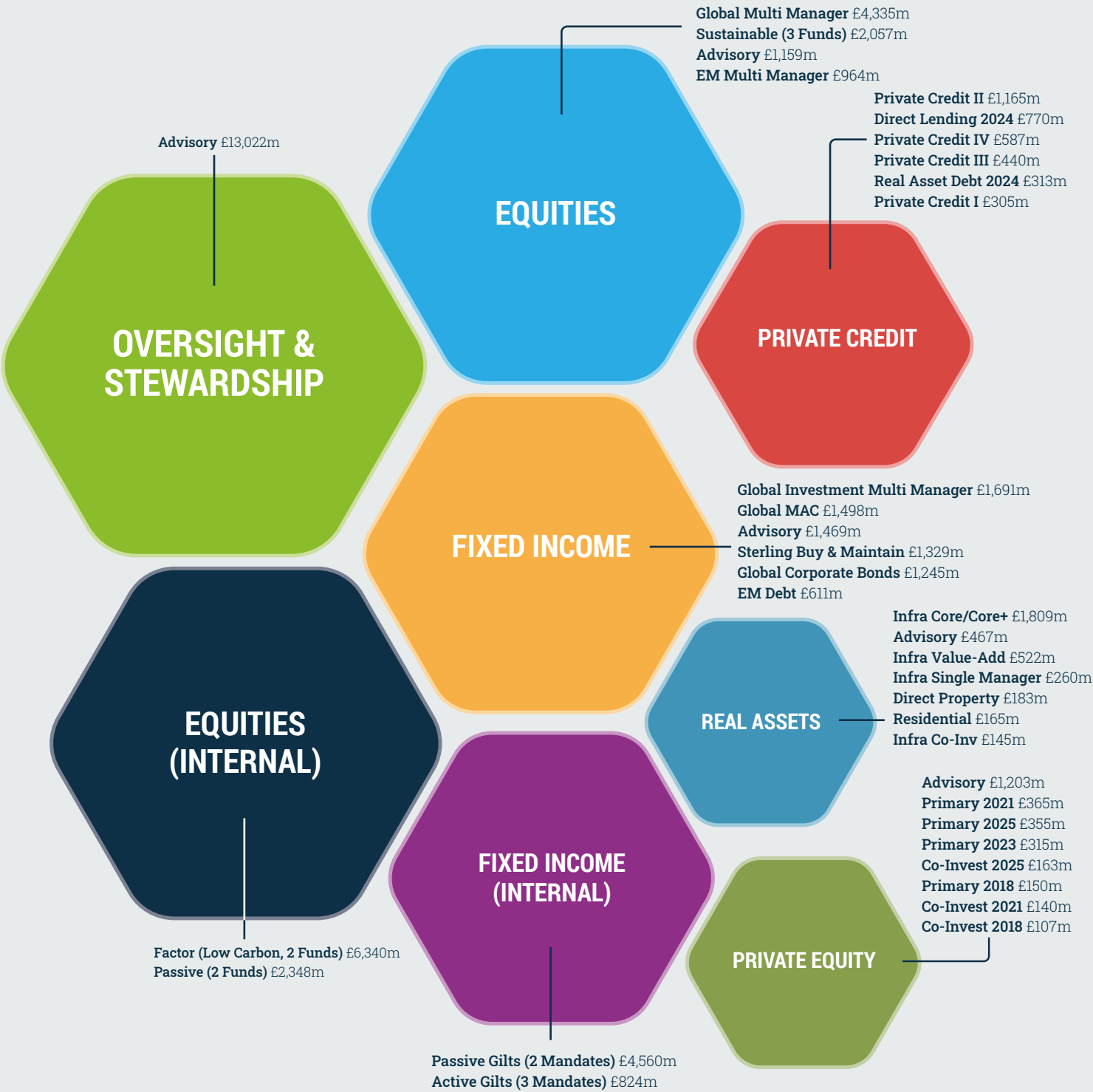
A key feature of the investment is its exposure to long-term, government-backed revenue through contracts for difference, providing predictable and stable cashflows. This structure supports downside protection while enabling participation in the continued growth of renewable energy generation.

The investment reflects our focus on real assets that support the transition to a low-carbon economy, building on an established partnership with CVC DIF. It forms part of a broader infrastructure portfolio targeting assets that enhance energy security, deliver sustainable returns and contribute to the ongoing development of the energy system.



LGPS Central Funds

AUM at 31 March 2026



Looking Ahead

Taken together, these achievements highlight the breadth of work undertaken by the Investments team during a year characterised by structural reform, market uncertainty and increasing client expectations. The team remained focused on strengthening investment capability, delivering new products and services, supporting Partner Funds through transition activity and maintaining robust oversight of existing portfolios.

Looking ahead to 2026/27, the Company will continue to support the implementation of the Government’s pooling reforms whilst strengthening both its investment management and investment advisory capabilities.

The Investments team will undertake a number of strategic asset class reviews and continue to explore opportunities for innovation across the platform. A significant area of focus will be UK Property where, from 1 April 2026, LGPS Central assumed responsibility for overseeing approximately £7.0 billion of Partner Fund property assets.

We will also continue investing in our people, technology, strategic partnerships and governance arrangements to ensure we have the capability required to manage a growing asset base and broader range of services. Throughout this process, we will remain focused on maintaining our client-centric culture and ensuring that our products and services continue to evolve in response to Partner Fund objectives and requirements.

The work undertaken during the year has positioned LGPS Central Limited to meet the Government’s future pooling requirements whilst expanding the range of investment services available to Partner Funds. Through continued investment in people, governance and investment capability, we believe the Company is well positioned to support clients through the next phase of pooling reform and long-term asset growth.

Jayne Atkinson
Chief Investment Officer

7 Responsible Investment and Stewardship

In 2025/2026, the Company continued its focus on the robust governance of our investment process and ensuring that our managers identify, analyse and respond to financially material risks and opportunities across all the asset classes in which we invest. Our approach builds on our Responsible Investment & Stewardship Framework, which encapsulates our long-term approach to investing and recognises responsible investment as a driver of long-term, risk-adjusted returns.

Our approach to responsible investment and stewardship is grounded in the conviction that the comprehensive analysis of material risks and credible opportunities combined with active stewardship are integral to the delivery of our fiduciary responsibilities. As a long-term investor, investing to pay pensions across generations, we have a vested interest in the maintenance of orderly and transparent markets. The stability of investment markets and the instruments traded upon them are influenced by the availability and veracity of financially material information. We believe that investing responsibly not only supports, but is integral to, the generation of long-term, risk-adjusted returns across all asset classes and is therefore the only way to invest. We recognise that perspectives on responsible investment are diverse across our pool. Our focus remains on delivering the performance outcomes our Partner Funds require in a manner that is sensitive to these different perspectives but does not compromise on our fiduciary duty or the overarching objectives of pooling.

2025/26 was marked by several significant achievements, including external recognition of our approach. Notably, the Company has been reconfirmed as a signatory to the UK Stewardship Code, marking five consecutive years of achieving the highest standards in stewardship and responsible investment. The Company's disclosure around manager oversight was recognised by the FRC as market leading in their reporting guidance.

The Company also received 5-star ratings for its 2025 PRI report, the highest possible rating, across all five categories assessed. The PRI scores are a globally recognised benchmark for transparency and accountability in responsible investing. In addition, the Company was shortlisted for the 2025 ICGN Global Stewardship Disclosure Awards. The ICGN noted that our disclosures provide genuine and valuable insight into our stewardship policies. Our commitment to transparency and reporting was noted and recognised as a model that other investors might follow.

We continued to strengthen our internal processes to enhance transparency and deliver improved outcomes for Partner Funds. This is demonstrated by the progress made in our private markets carbon analysis. In 2025, we focused on increasing the proportion of emissions data reported directly by our managers; this increased from 19 per cent to 58 per cent of the data we analysed in that asset class.

Throughout the year, the Responsible Investment and Stewardship team continued to support Investments teams with manager due diligence and monitoring. We completed 46 responsible investment and stewardship reviews covering external managers, funds and co-investments. This collaboration is evidence of our widely held conviction that investing responsibly is integral to delivering long-term (risk-adjusted) performance objectives.

We continued to work closely with our Partner Funds to support their reporting and governance requirements. This included the ongoing delivery of our Climate Risk Monitoring Service, which reached its sixth iteration in 2025. The service supports Partner Funds in identifying and assessing climate-related risks within their portfolios and contributes to the production of their Task Force on Climate-related Financial Disclosures (TCFD)-aligned reporting.

Building on our 2050 net zero commitment, we continued in 2025/26 to expand our analytical tools in public and private markets. This has included surveying our private markets holdings against the Private Markets Decarbonisation Roadmap framework, analysing our sovereign bond holdings against the ASCOR¹ country assessment results, continued oversight of external managers as well as a colleague survey on our operational emissions and the estimation of emissions in 2025 from colleague commuting and homeworking. As a growing business we are conscious of our own footprint and the need to ensure that we follow equivalent standards to those we expect from our investee companies.

¹ ASCOR is an open-source investor methodology and database to assess the climate action and alignment of sovereigns (<https://www.ascor.org/#introducing>)

7 Responsible Investment and Stewardship continued



Chester, Cheshire

Stewardship Case Study

We are lead engagers in a collaborative engagement with The Sherwin-Williams Company, a global paints and coatings manufacturer operating in a sector that is exposed to nature-related risks. Our engagement encouraged the company to conduct and disclose a nature impacts and dependencies assessment. Companies and sectors that generate revenues that are contingent on natural capital can face material headwinds in the event of natural capital degradation.

Following the engagement, the Company commissioned an independent analysis which was made available to all stakeholders, thereby providing investors with additional information to integrate into investment analysis.

2025 Voting Statistics
Voted at 4,435 meetings (2024: 3,395)
Voted on 51,859 resolutions (2024: 41,351)
Voted against management’s recommendation on one or more resolutions at 59.8% of meetings (2024: 65.5%).

Full disclosure of our stewardship activities and climate commitments is published in our [2025-Annual-Stewardship-Report.pdf](#) and [Task Force on Climate-related Financial Disclosures \(TCFD\) | Responsible Investment | Local Government Pension Scheme Central](#).

Patrick O’Hara
Head of Responsible Investment and Stewardship





8 Our Colleagues

Investing in our People – Growing our teams to deliver for the future

Our colleagues have remained central to delivering the Company’s purpose and strategy, supporting significant growth and helping us build new capabilities at pace over the past year. Their expertise, commitment and shared sense of purpose have played an important role in the progress we have made, particularly as we continue to respond to the opportunities and expectations created by Fit for the Future.

During 2025/26, we continued to strengthen our people foundations as the Company evolved and the pooling landscape developed. Throughout this period, colleagues showed adaptability and commitment, helping the Company deliver at pace while creating lasting value for Partner Funds, clients and wider stakeholders. This is our values in action, with colleagues taking ownership, working together with openness and trust, and helping to shape a positive future.

As the external environment has changed, including the ongoing response to the Fit for the Future reforms, our focus has been on ensuring the Company has the capacity and expertise required to support the next phase of delivery. This has included expanding our teams across both investment and enabling roles to support new and developing business lines such as Advisory, Local Investments and Legacy Assets. As at 31 March 2026, the Company employed 134 colleagues, reflecting continued growth as we build the capabilities required to deliver for our Partner Funds. Alongside recruitment across investment functions, we have strengthened key operational teams to support the Company’s expanding responsibilities.

Our aspiration is for LGPS Central Limited to be recognised as an employer of choice, not only because of the work we do, but because of the experience we create for colleagues and the pride they feel in being part of the Company. Our focus remains on attracting, developing and retaining talented people, while creating an environment where colleagues feel supported to perform at their best and make a lasting impact as the Company grows.

We have remained mindful of the wider LGPS landscape and the impact of Fit for the Future on peers, working in partnership to limit disruption and support positive outcomes for both individuals and the Company.

Our People Strategy

Our People Strategy provides the framework for how we attract, develop, support and reward colleagues. Its four pillars, belonging, growing, performing and rewarding colleagues, continue to guide our approach to building an inclusive, high performing organisation, underpinned by a positive and engaging colleague experience.

During the year, we focused on practical improvements that help colleagues do their best work and strengthen the experience of joining and building a career at the Company. Listening to colleagues and shaping solutions through feedback has been central to this approach, helping us keep our priorities aligned with both organisational strategy and colleague needs. As we continue to grow, helping new colleagues settle in and connect quickly to our purpose and priorities remains an important area of focus.

Growing capability for the future

Building capability for the future remained a priority during the year, alongside continued investment in colleague development. Over the past 12 months, we recruited 56 colleagues across Investments, Advisory, Local Investing and core enabling areas including Data, Finance, Investment Operations and Transformation. This included the appointment of a Chief Investment Officer, a Chief Technology and Operations Officer and our first cohort of four apprentices, strengthening current capability and building future talent pipelines.

Alongside external recruitment, we continued to grow internal talent. Five colleagues were promoted and a further six moved through secondments or internal opportunities, supporting skill development and organisational flexibility as we embed our target operating model. Our partnership

All Hands meeting, Wolverhampton

8 Our Colleagues continued

with Connectr as founding members of the Discover Finance Programme continued to support early careers outreach. We ran two sessions for 50 students, and one of our apprentices had previously taken part in the programme, demonstrating the value of investing in future talent.

We also continued our mentoring and reverse mentoring programme, with 10 mentor and mentee relationships across the business. Learning has been supported through on-demand content, collaborative ‘lunch and learn’ sessions, professional qualifications and internal assignments. During 2025, on-demand learning resources were completed 213 times, and we supported 18% of colleagues through professional development programmes.

Culture, belonging, and engagement

Maintaining a collaborative and supportive culture remains important as the Company grows. We continue to embed our values across the Company, with a strong emphasis on a ‘One Central Team’ ethos, collaboration and client centricity, particularly as colleagues work across functions to support transformation and strategic delivery.

Colleague engagement remains an area of sustained focus. Feedback from our 2025 pulse survey highlighted that colleagues felt a shared sense of purpose, value the culture and are positive about the future following Fit for the Future. As with any period of change, areas for continued focus included workload, the pace of organisational change and a desire for clearer direction as the Company evolves. In response, we continued to recruit at pace across Investments and enabling functions to strengthen capacity, and enhanced communication through quarterly all-hands sessions. These sessions give colleagues the opportunity to hear directly from the Executive, including updates from the CEO on the Company’s vision, priorities and progress.

We also maintained a strong focus on wellbeing and recognition. During the year, we launched a benefits platform, introduced total reward statements, and expanded discounts and salary sacrifice offers through Central Perks, helping

colleagues better understand and access the support available to them.

We have since seen a positive trajectory in our engagement and culture index, reflecting the actions taken in response to colleague feedback during a significant period of change.

Performance and accountability

During the year, we further embedded our continuous, agile approach to performance development. This is centred on business-aligned objectives, with regular conversations and feedback at its core.

This framework helps colleagues understand both what they deliver and how they deliver it, with values and behaviours forming an important part of performance expectations. As the Company grows and priorities evolve, clarity around objectives and expectations remains essential. We continue to review our approach to ensure it stays proportionate, practical and supportive of a high-performing culture in which colleagues are empowered to take ownership of their work and development.

Reward, wellbeing and colleague proposition

We have continued to strengthen our colleague proposition so that it remains competitive, relevant and aligned to colleague needs. Our focus has been on reviewing our total reward offering and structures to provide greater market alignment, personalisation and transparency.

Our approach to reward balances affordability, fairness and market competitiveness, while supporting attraction and retention in a competitive talent market. It also reinforces a performance culture centred on client centricity and strong outcomes for our clients.

Diversity, equity and inclusion

We remain committed to building a diverse and inclusive organisation where colleagues feel valued, respected and able to succeed. Diversity is integral to strong decision-making and better outcomes, and this principle is reflected not only in our people practices but also in our Responsible Investment and Stewardship Framework and Voting Principles.

As at 31 March 2026, the Company employed 134 colleagues, comprising 55 women and 79 men. We also had 55 colleagues from ethnic minority backgrounds and 73 colleagues from non-ethnic minority backgrounds, representing 18 cultural backgrounds across the Company (6 colleagues have not disclosed this information). At Board level, there were four female and three male Directors. We continue to build diverse talent pipelines through partnerships with recruitment agencies that support broader representation, including a specialist agency focused on supporting individuals returning to work following a career break.

During 2025, we introduced UK Equality Act monitoring questions within our recruitment platform and an anonymised diversity, equity and inclusion questionnaire following application submission. As at 31 December 2025, 1,930 candidates had completed the questionnaire.

Our median gender pay gap at 31 March 2026 was 23.0%, compared with 21.9% at 31 March 2025, and our mean gender pay gap was 15.6% (2025: 18.4%). The median ethnicity pay gap stood at 39.6% (2025: 33.9%), while the mean ethnicity pay gap was 35.7% (2025: 31.6%). We also remained active members of The Diversity Project, supported two aspiring female portfolio managers through the 2025 Pathway Programme, and were nominated at the LAPF Awards for Diversity, Equity and Inclusion, Pool Achievement of the Year, and Rising Star for two of our Investments graduates.

Looking ahead

As the Company prepares for the next phase of pooling, it will continue to evolve as it moves from preparation to delivery under the Fit for the Future reforms.

Alongside continued growth in our teams and capabilities, we will continue to consider how our culture evolves as the Company matures. This includes how we integrate new colleagues and teams, refresh our values where appropriate and ensure our culture continues to support collaboration, accountability and long-term delivery. We will also review elements of our organisational framework as we grow, including how our values, behaviours and risk appetite support effective decision-making and organisational resilience.

Through this next phase, our focus remains on ensuring that LGPS Central Limited is a place where talented people can make an impact, fulfil their potential and build their careers in a supportive, collaborative and client-centric culture that delivers strong outcomes for our Partner Funds.

Anouska Ramsay
Chief People and Transformation Officer



9 Financial Review

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

As at 31 March 2026, total assets under stewardship amounted to £53.4 billion (March 2025: £44.9 billion), including pooled assets under management of £30.7 billion (March 2025: £24.9 billion). The Company operates on a cost-recovery basis. Total expenditure for the year amounted to £22.2 million (2024/25: £16.4 million) and the amount payable by the Partner Funds was £23.5 million (2024/25: £17.5 million). These numbers are broadly consistent with our revised budget for 2025/26.

The Company’s financial performance for the year was a net profit before tax of £1.4 million (2024/25: net profit of £1.5 million). Net assets at the year-end stood at £13.0 million, up from £12.3 million as at 31 March 2025.

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 2026 was £16.9 million (31 March 2025: £14.3 million) with short-term working capital held in a current account being £39,245 (31 March 2025: £42,229).

Tax

Corporation Tax payable for the financial year 2025/26 was £292,000 (2024/25: £352,000), with deferred tax expenses amounting to a charge of £15,000 (2024/25: credit of £14,000). 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 advisers, we ensure that our financial procedures remain both compliant and efficient, and we maintain a proactive and transparent relationship with His Majesty’s Revenue and Customs (HMRC).

Projected investment cost savings and value for money

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 £147.2 million at 31 March 2026, compared to £115.4 million at 31 March 2025. The total projected gross saving by the Company for the eight founding Partner Funds over the 16-year period to 2033/34 is £424.4 million. This compares with a projection of £371.9 million as at 31 March 2025. Cumulative net savings at the end of the year stood at £45.5 million (2025: £30.6 million).

We monitor cost savings both with reference to a historical, pre-pooling baseline and on a contemporary basis against a peer group of similar organisations, with the support of CEM benchmarking. On the latter basis, our most recent figures demonstrate that our pooled products are saving approximately £28.2 million per year on behalf of our Partner Funds, and generating a total cumulative net value added of £45.9 million over a five-year period.

We recognise the critical importance of being effective stewards of the Partner Funds’ resources and, to this end, the Company has in place a strong financial control framework with a robust budget-setting process, frequent monitoring and forecasting of expenditure with reference to the budget, and transparent reporting of our financial plans and outcomes to the Partner Funds. These are further strengthened by effective procurement and recruitment processes, ensuring that value for money and effective stewardship of resources are embedded in the Company’s approach at all stages. We also recognise that value for money is about outcomes as well as costs: delivering tangible benefits for our Partner Funds, and this is an integral part of our approach to the setting and monitoring of corporate performance objectives and measures.

10 Stakeholder Engagement

Frequent and regular dialogue and engagement take 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 held two General Meetings during the year. The Annual General Meeting (AGM) was held on 23 September 2025, with a further General Meeting held on 23 March 2026.

At the AGM, as well as a general business update from the executive, the key areas addressed included an introduction to the new Chair, Nemone Wynn-Evans, and the approval of a revised ‘Fit for the Future’ budget for 2025/26. There were also routine updates from the Chair of the Board and the Chair of each underlying sub-committee. Shareholders also had an opportunity to question the Board and to vote on resolutions, including on the approval to enter a 10-year lease with City of Wolverhampton Council for the occupancy of new premises in i10, approval of a revised Budget for 2025/26 for the purposes of Fit for the Future, re-appointment of the External Auditor, re-election of directors and the adoption of the Company’s annual report and financial statements.

A further General Meeting was held on 23 March 2026, which was at a key juncture before the ‘go-live date’ of the Fit for the Future programme of 1 April 2026. A number of resolutions were presented to Shareholders for approval, which included the Strategic Business Plan 2026-29, the Budget 2026-27, the Regulatory Capital Statement for 1 April 2026 to 31 March 2027, the Remuneration Framework and Policies and the remuneration for the Executive and Non-Executive Directors.

Fit for the Future

The Company has been engaging with its shareholders over the course of the year to support updated shareholder and client governance for the Pool to reflect the changing business and service delivery model, and scale/increase in participants, anticipated to arise from the Fit for the Future requirements. Those updates will be implemented during the 2026/27 financial year with the Company meeting its Fit for the Future obligations with effect from 1 April, and the formal legislation anticipated to be in force for 30 June 2026. However, in tandem with that, the Company has continued to operate from its existing model, briefly summarised below.

Shareholder Forum

The Shareholder Forum comprised a representative of each of the Administering Authorities and its primary role was to oversee the operation and performance of the Company and to ensure that the ownership rights and interests of the Administering Authorities were represented. The forum’s purpose was to discuss shareholder matters, including reserved matters under the Shareholders’ Agreement.

Joint Committee

The Joint Committee was a public forum for the Administering Authorities to perform oversight of client matters, made up of one elected member per authority. The Joint Committee’s role was 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 2025 with a general update on pooling, investment performance, manager oversight and responsible investment and stewardship, alongside Pool expansion and collaborations as part of the Government’s Fit for the Future programme.

Practitioners Advisory Forum (PAF)

PAF comprised officers of the Partner Funds, and its overriding objectives were to collectively ensure that the Pool met its statutory requirements for investment pooling and to agree a suite of products (including product development) that met the needs of all Partner Funds. The Company provided PAF with updates on key strategic and business items. Discussions during the year included an update on key elements of the Company’s business plan, the Fit for the Future delivery plan, people strategy, operational resilience and on the ongoing programme of assurance and control reporting.

Investment Working Group (IWG)

The IWG comprised representatives from each of the Partner Funds. The Company provided 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, RI&S Stewardship updates, market outlook, fund factsheets and other reporting.

Internal Audit Working Group (IAWG)

The IAWG comprises representatives from some of the Partner Funds 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 PAF, the Company and Partner Funds. During the year, the IAWG discussed AAF 01/20 controls reporting and

10 Stakeholder Engagement continued

wider partner fund assurance audits on cash management, cyber and data management.

Responsible Investment Working Group (RIWG)

The RIWG includes representatives from the Partner Funds and the Company’s Responsible Investment and Stewardship 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.

Forum / Committee / Meeting	Number of meetings in 2025/26
Company General Meeting	2
Shareholder Forum	4
Joint Committee (JC)	1
Practitioners Advisory Forum (PAF)	12
Investment Working Group (IWG)	11
Responsible Investment Working Group (RIWG)	5

The Finance Working Group and the Governance Working Group were both disbanded during 2025/26 with a review of the forums and committees being part of the outcome of the external governance review (client, Shareholder and Company).

Fostering Strong Relationships through Stakeholder Engagement

Stakeholders	How the Company Engages with its Stakeholders
Shareholders	The Board and management engage directly with Shareholders through our AGM and usually a further Company General Meeting, where the Company provides key updates and answers any questions raised. 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 November 2025 and Partner Fund Summit involving all Partner Funds in December 2025, with a follow-up session held in March 2026. During 2025/26, the Board and Executive have attended additional ad hoc meetings with representatives of Partner Funds and Shareholders to consider wider strategic and collaborative initiatives, including the Fit for the Future Programme. Management also engages with Shareholders on an ongoing basis and through the relevant governance groups set out above.
Clients	Listening to our clients is important to us, and we regularly engage with all our 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. We also attend and present at Partner Fund Committee meetings and sometimes, on request, support with investment training.
Colleagues	We have established a forum, the Colleague Voice Group, to hear suggestions and feedback from colleagues, which we also do via regular pulse surveys. 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. We hold regular featured events including ‘lunch and learn’ sessions on, for example, climate change and net zero and brain tumour awareness, the latter presented by one of our Graduates. The Board looks to engage with colleagues through the Company’s meeting cycle and any colleague events such as ‘All Hands’, involving all colleagues within the Company.
Government	Regular engagements have taken place this year between the Company and MHCLG (Ministry of Housing, Communities and Local Government) and HM Treasury, in particular during the implementation of the Fit for the Future programme. 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. We provide responses to key consultation papers, ensuring that our voice is heard within the industry.
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 on implementation of the Fit for the Future programme.
Industry Peer Group	The CEO, People, Legal, Finance, Operations and Communications teams from the LGPS pension pools 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 use for volunteering activities that support personal interest, charitable causes and our local communities and other good causes. This year, we have had a total of 163 volunteering hours, supporting causes in our community such as local Scout groups and a local hospice. The time dedicated to such activities is recorded on a centralised system for monitoring and reporting purposes.

11 Compliance and Risk Management

This has been a year of significant growth and business transformation which has been a driver for a continued focus on and development of our critical second-line functions, systems and processes.



Leicester, Leicestershire

Overview

The 2025/26 financial year saw the Company deliver on its initial Fit for the Future commitments by 1 April 2026, which has involved investing in the Company’s platform for service delivery via its people, governance, resources, supplier partnerships and systems. With the significant increase in Assets under Management (AuM), personnel and new service lines, the Company is now projecting that it will become an ‘Enhanced Firm’, for the purposes of Financial Conduct Authority (FCA) categorisation, by 1 April 2028.

The legal, enterprise risk, compliance and governance (LRC&G) functions have continued to deliver second-line advice and oversight for the Company’s business-as-usual (BAU) activities, as well as looking to mature our organisational structure, frameworks and systems ahead of taking on new services and the additional regulatory commitments that will accompany those. The financial year has therefore seen the delivery of the following key initiatives:

- Recruiting seven additional colleagues across the four LRC&G functions.
- Procurement of a new Governance, Risk and Compliance (GRC) system.
- External review and rebasing of the Company’s Target Operating Model, including key enhancements around LRC&G.
- A comprehensive external review and refresh of our shareholder, client and Company governance.
- Onboarding six new shareholder-clients.
- An AAF 01/20 internal controls report (with no exceptions) for our clients.

- Externally managed internal audit assurance on our Fit for the Future programme implementation.
- Regulatory perimeter analysis and Enhanced Firm readiness initiatives.
- Closer engagement with the FCA.

Enterprise Risk Management

The Company’s enterprise risk management framework ensures that key risks are escalated, carefully managed and analysed to inform the Board and management’s strategic decisions, so that our Partner Funds’ assets continue to be managed within our risk appetite. Critically, this also feeds into our ongoing regulatory capital assessments, to ensure that the Company remains suitably capitalised as we deliver our strategy. The Company also has a dedicated ‘1.5’-line investment risk function which is currently embedded within the Investments team looking across market, credit, counterparty, liquidity and other investment risks.

This year, the enterprise risk function has been working particularly closely with the Programmes team to ensure that risks separately tracked through critical business transformation programmes are integrated into our wider framework and managed accordingly. In parallel, the procurement of a new GRC system has progressed, which will automate key risk and compliance workflows and improve integration with wider business processes. This is expected to be implemented between Q2 and Q4 2026.

11 Compliance and Risk Management continued

An overview of the key programme risks tracked throughout the year is as follows:

Programme Category	Risk	Mitigating the Risk
Delivery timelines and complexity	The risk of working to a very challenging externally imposed timeline, with the enhanced operational complexity of onboarding clients and receiving assets from two ceding pools with very different operating models.	Specialist programme resource recruited. Programme set up under three core delivery priorities: (i) Fit for the Future compliance, (ii) onboarding new funds/assets, and (iii) maintaining BAU. Effective deployment of consultancy. Interim budget and business plan. External programme assurance.
Transitional certainty	The risk of having to adapt transition plans, timelines and arrangements to accommodate a fluid and uncertain position on the ongoing wind-down plans of the two ceding pools.	Close engagement with ceding pools under managed programme structure. Agile internal governance to allow for ‘real time’ strategic decision making. Leveraging from key strategic partners.
Transition of assets	The risk around the scale and timing of the asset transitions themselves i.e. that they are not executed in an effective and orderly nature mindful of market timing, internal capacity and (where necessary) specialist third-party support.	Asset transitions carefully managed under a phased plan. External transition support brought on board early, leveraging from existing internal capability.
Stakeholder alignment	The risk around building stakeholder alignment (within very short timelines) on the future direction of the Pool amongst incumbent funds and new Partner Funds.	Client services and advisory team recruited and onboarded early in the process. Close, open and structured collective stakeholder engagement. Early Memorandum of Understanding for strategic alignment then taken forward into well-structured legal process.
Resourcing and capacity	The risk that neither the company nor Partner Funds have sufficient resource and capacity to effectively manage the additional programme requirements alongside BAU.	Interim budget and business plan deployed alongside external reviews of our Target Operating Model, Governance arrangements and Regulatory Impact. Outcomes addressed via recruitment and other resource/systems deployment. Additional Partner Fund support via expanded client services capability.
Regulatory certainty	The risk around the uncertainty of the timing and content of the final regulatory requirements on the company and Partner Funds.	Close engagement with the relevant government departments and the consultation processes. Internal regulatory tracking process and mapping, augmented by external legal support.
Operational due diligence and readiness	The risk of not carrying out sufficient levels of operational due diligence on inbound assets/funds or that the company’s Target Operating Model is not sufficiently geared up for that take-on.	Developing phased delivery approach as part of our overarching Fiduciary Management services arrangement. TOM review and subsequent resource deployment.
Phased service delivery approach and regulatory exposure	The risk that the company’s phased approach to bringing services on-stream either (i) does not meet the government’s regulatory requirements, or (ii) otherwise presents challenges in term of meeting the FCA’s rules and expectations.	Detailed close engagement with government and the FCA. Internal and external legal/regulatory advice and input into the phased strategy.
Technology and supplier dependency	The risk of not retaining or having in place sufficient systems or outsourced support to continue to effectively manage onboarded assets at the scale required.	Target Operating Model (TOM) review informed technology strategy. Tactical transition arrangements with suppliers from ceding pools. Prioritising system/supplier support from TOM outcomes.

11 Compliance and Risk Management continued

Our business-as-usual risk oversight continued to have a focus on the following:

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.	Ongoing oversight and client engagement on fund performance and alignment with client requirements. This year, that has included a review aligned to the new Fit for the Future requirements, including asset transitions.
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.	Target Operating Model included a review of core growth and other assumptions, including those relating to external factors. The Technology and Culture strategies incorporate the output from this work. Governance and oversight of those initiatives.
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.	Regular in-year monitoring of our current regulatory capital position, including detailed scenario testing and workshops around Wind-Down and Risk Management, and scrutiny through the governance framework.
Governance	The risk that our governance does not meet best practice standards in the asset management sector to reinforce strategic implementation and operational effectiveness.	Regular ongoing internal assessments of governance effectiveness were undertaken during the period. This year we also carried out a comprehensive external review to inform TOM and Fit for the Future readiness.
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.	Regular monitoring and analytics around our fund performance, with sufficiently agile processes to adapt managers or underlying assets should that be required. Ongoing client engagement. Challenge and oversight from our 1.5 line investment risk function, as well as the second line.

Category	Risk	Mitigating the Risk
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.	Regular in-year systems oversight was performed by our internal IT function, alongside oversight of any critical suppliers. This year we included Cyber within our internal audit cycle, to ensure we received assurance on our relevant frameworks and keep those in line with the fast-moving developments in this area.
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 above, this year we carried out a comprehensive review of our Target Operating Model (TOM) and ensured that the outcomes of that review are aligned/phased-in as part of our strategy and Fit for the Future build-out.
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 have continued to develop and adapt our People and Culture strategy/ policies in line with the growth of the business, also informed by the review of our TOM. Regular ‘pulse’ surveys were conducted to ensure that this strategy is also informed and shaped by the input from our own colleagues.
Political	The risk that a change in central government policy or approach to the LGPS investment pools could change Parter Funds’ investment needs and impact the Company’s strategy and organisational stability.	We have been engaging closely with the government, FCA, our strategic partners and other stakeholders this year, with a particular focus on the Fit for the Future initiative, but also more widely.
Regulatory	The risk that a failure of our business activities, policies or procedures leads to a breach of the regulations applicable to us.	We have carried out detailed horizon scanning and regulatory perimeter analysis to ensure that we are keeping pace with changing regulations, and that we are equally factoring in the growth of our own business. As above, we have had regular close contact with the FCA on this during this period and have leveraged from external support when required.

11 Compliance and Risk Management continued

Category	Risk	Mitigating the Risk
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 have been closely liaising with our Partner Funds throughout the year on the strategic direction of our business, with a particular focus on the strategic shift and business transformation arising from the Fit for the Future initiative. As above, that has been informed by detailed reviews of our investment platform, Target Operating Model, Governance, Regulatory overhead and control environment.
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 continue to maintain a tiered supplier oversight model, focused on our critical suppliers and strategic partners. This year we have also prioritised enhancing the resourcing of our internal supplier and procurement team, as well as the procurement of a Governance Risk and Compliance (GRC) tool that will support enhancements to our third-party supplier oversight framework and underlying procedures.

The Company is currently in the process of updating its Enterprise Risk Management Framework to align to the Operational Resilience regulations that will impact the business when it becomes an Enhanced Firm, and which will place a more direct emphasis on its new fiduciary management core services.

Internal audit and other assurance

This year, the Company's internal audit programme has focused on the Investment Risk framework, Cyber Security controls, programme set-up for Fit for the Future delivery and the Company's readiness criteria for subsequently bringing new services on-stream.

The Company also continues to carry out an AAF 01/20 controls assessment, which involves external review by Grant Thornton LLP of the key controls within investment management, property management, private markets and related information technology. This is an important additional assurance exercise around the robustness of our control environment, and one which benchmarks our operations to the standards of the asset management sector.

Compliance

This year, there has been a significant focus on building the Company's platform towards the standards required of an Enhanced Firm, including the associated Senior Managers Certification Regime (SMCR) and Operational Resilience requirements. That has involved feeding into and working closely alongside the review of our Target Operating Model. We have also had close engagement with the FCA around our readiness for Fit for the Future, how we are managing the associated transitions of assets and the manner in which we are structuring our services.

We continue to deliver our annual Compliance Monitoring Programme (CMP), which reviewed key elements of our ongoing compliance obligations on an ongoing basis. This involved engaging throughout the year on 44 'routines' comprising 185 underlying 'tests' across all key areas of compliance. We continue to update and tailor this programme to the Company on a rolling basis, with support from BDO LLP.

The Company is also closely tracking a significant amount of upcoming regulatory change, including the new non-financial misconduct rules (effective from September 2026), operational incident and third-party reporting requirements (effective from March 2027), settlement of transferrable securities on a T+1 basis (effective from October 2027), and reforms to the Senior Managers and Certification Regime, which have been consulted on by the FCA in 2026.

Governance Report

12 Governance

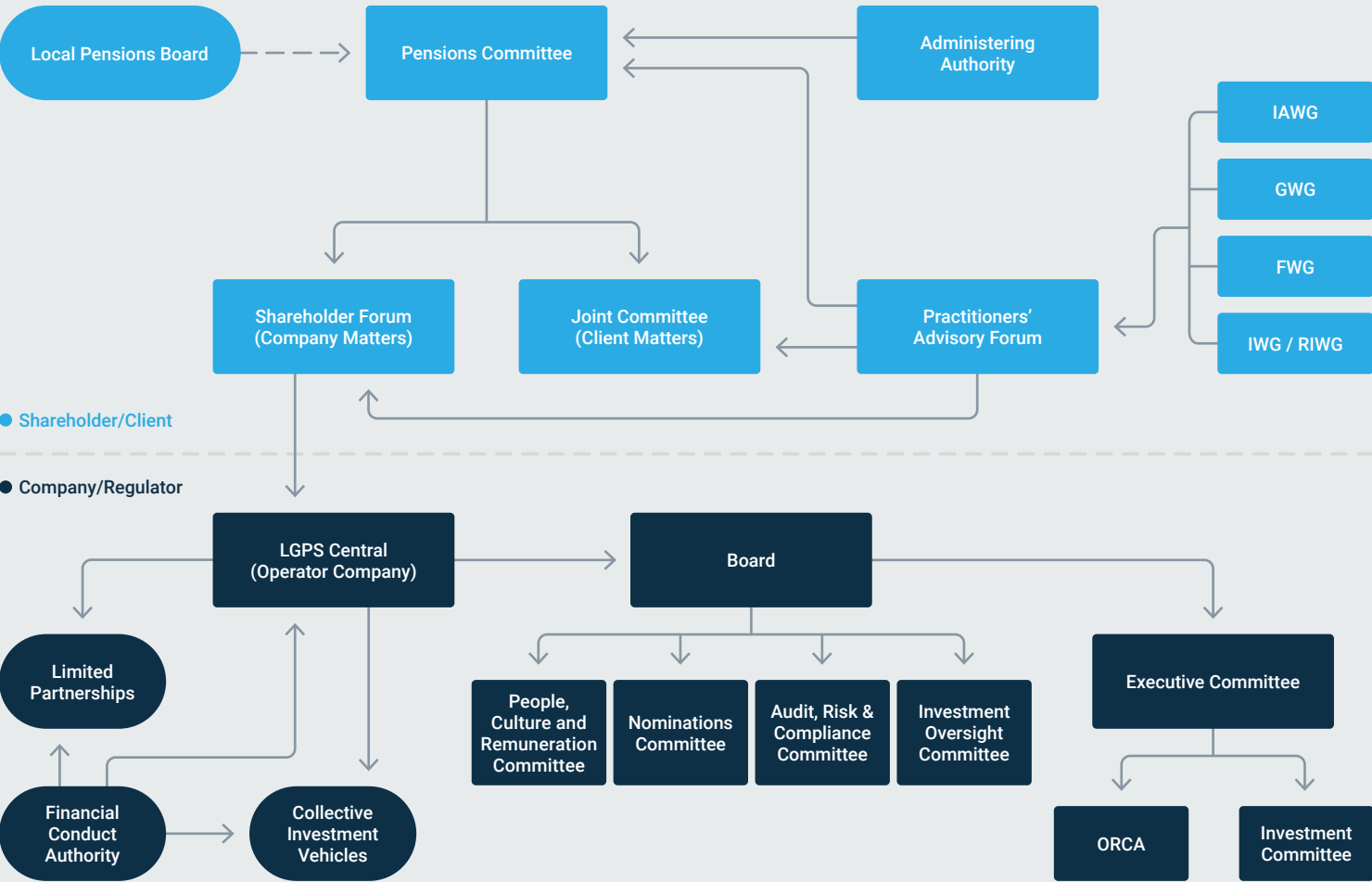
The Company has had a significant focus on Governance this year as it has looked to maintain its existing governance cycle, to effectively support ongoing service delivery, whilst evolving its structures and practices to prepare for Fit for the Future obligations and the operating model required to accompany that.

12.1 GOVERNANCE STRUCTURE

Strong governance is key to the effective operation and success of the Company and in turn stewardship of Client assets. The Company’s Client-Shareholders during the financial year were the Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire County, Staffordshire, West Midlands and Worcestershire local government pension funds acting through their respective Administering Authorities.

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

Figure 1 – Governance Structure of the LGPS Central Pool



Footnote: ORCA is the Operations, Risk, Compliance and Administration Committee.

12.2 GOVERNANCE INITIATIVES

A key priority for the year has been implementing the Fit for the Future programme following the Government’s Pension Investment review. This has involved the expansion of the shareholder base of the Company by admitting six additional Shareholder Partner Funds to participate in the Pool with effect from 1 April 2026, i.e., immediately following the end of the 25/26 financial year.

In support of that, the Company has carried out a comprehensive governance review during this financial year to ensure that its governance keeps pace with its forthcoming Fit for the Future obligations and the expanded operating model required to support those. The Company instructed an external partner, PwC, to conduct this review, which looked at shareholder, client and company governance, and how those interrelate. The Company engaged closely with its existing and incoming shareholders on the outcomes from this review and, where appropriate, built them into an updated set of constitutional documents. This lays a strong platform for the Company’s success as it moves forward into the next stage of its development with an expanded shareholder and client base and under a new fiduciary management model of service delivery.

12 Governance continued



Nemone Wynn-Evans at Partner Fund Summit, Birmingham

12.3 THE BOARD

Throughout 2025/26, the Board of the Company remained committed to maintaining a robust governance framework.

During the year, the Board comprised a Non-Executive Chair and five additional Non-Executive Directors (NEDs) (which included Nemone Wynn-Evans, who joined the Company as NED and Chair Elect from June 2025), alongside two executive directors, the CEO and the CPTO. The CPTO’s Executive Director role commenced on 8 July 2025, following FCA approval.

The Company’s founding Chair, Joanne Segars OBE, stepped down as Chair on 31 October 2025 and Nemone Wynn-Evans assumed responsibility as Chair of the Company from 1 November 2025.

Board Attendance for the Period 1 April 2025 to 31 March 2026

Name	Board (inc. 4 Specials)	People, Culture and Remuneration Committee	Audit, Risk and Compliance Committee	Nominations Committee (including 1 Special)	Investment Oversight Committee
Joanne Segars OBE*	5/5	n/a	n/a	2/2	4/4
Nemone Wynn-Evans**	8/8	n/a	n/a	2/2	3/3
Ian Armfield	9/10	n/a	4/4	n/a	6/7
Ciarán Barr	9/10	5/5	4/4	n/a	7/7
Richard Law-Deeks	10/10	n/a	n/a	n/a	n/a
Susan Martin	8/10****	5/5	4/4	4/4	n/a
Belinda Moore	9/10	4/5	n/a	3/4	n/a
Anouska Ramsay***	6/8	n/a	n/a	n/a	n/a

* Joanne Segars left the Company on 31 October 2025.

** Nemone Wynn-Evans joined the Company as NED from 1 June 2025 and was appointed Chair from 1 November 2025.

*** Anouska Ramsay became an Executive Director on 8 July 2025.

**** It should be noted that the majority of the missed meetings were Special meetings, scheduled at shorter notice.

‘n/a’ indicates that the Director is not a member of the Committee.

Board Sub-Committees comprise Non-Executive Directors only.

12 Governance continued

12.4 BOARD BIOGRAPHIES



NEMONE WYNN-EVANS

Chair (from 1 November 2025) and Non-Executive Director, Chair of the Nominations Committee, member of the Investment Oversight Committee

Nemone joined the Company 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 holds non-executive director positions at Redmayne Bentley LLP and Gresham House Income & Growth VCT plc, and is an independent member of the Risk, Audit & Finance Committee at the Royal Shakespeare Company. Her previous roles include Chair of Hinckley & Rugby Building Society, 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.



RICHARD LAW-DEEKS

Chief Executive Officer & Executive Director

Richard Law-Deeks joined the Board of the Company 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.



ANOUSKA RAMSAY

Chief People and Transformation Officer & Executive Director

As Chief People and 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 programmes 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 and 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.



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 previously on the Board of Town and Country Housing where she chaired its Customer Services Committee and was an executive coach, stepping down from this 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.

12 Governance continued



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.



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 fast-moving consumer goods, 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 the 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.



Hucknall, Nottinghamshire

13 Board Sub-Committees

13.1 AUDIT, RISK AND COMPLIANCE COMMITTEE

REPORT FROM THE CHAIR OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee (ARCC/the 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. It should be noted that the Company has undertaken an external company governance review and, as part of this, an external evaluation of all the Company’s committee terms of reference is being independently reviewed with the outcomes being implemented during 2026.

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 with the external auditor, Deloitte LLP, and the internal auditor, KPMG, attending on three of those occasions.

The Committee was responsible for a range of matters including:

Financial reporting	- 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	- 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.

13 Board Sub-Committees continued

Internal control and risk management	• Reviewing the adequacy and effectiveness of the Company’s internal control processes. • Reviewing 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, operation and development of the Company’s enterprise risk management framework, including its risk appetite and tolerances, risk assessments and governance process. • 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	• 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, which was activated in 2025, taking the contract to 31 March 2027). Chris Hunter has served as audit partner this year, being his fourth 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 Grant Thornton, in accordance with the AAF 01/20, by way of a Type 2 report on its control framework for investment management, property investment management and related technology, which covered design and operational effectiveness during the year to 31 March 2026. This was presented to the Committee in June 2026 for approval.

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 and incorporated within its regulatory capital assessments are key areas 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 (alongside the Board) the risk appetite statements, together with a review of the quarterly risk report and dashboard metrics for key strategic risks. It has also involved engaging on future development and enhancement of the framework in line with the work on the Company’s Target Operating Model and other initiatives for readiness to be an Enhanced firm following the Fit for the Future initiative.

Ian Armfield
Chair of the Audit, Risk and Compliance Committee



13 Board Sub-Committees continued

13.2 NOMINATIONS COMMITTEE

REPORT FROM THE CHAIR OF THE NOMINATIONS COMMITTEE

The purpose of the Nominations Committee (NomCo/ the Committee) 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 members of the Committee during 2025/26 were Nemone Wynn-Evans (Chair) (effective from 1 November 2025), Susan Martin and Belinda Moore, all of whom are or were Independent Non-Executive Directors. Joanne Segars previously served as Chair of the Committee until she left the Company on 31 October 2025, following the end of her term of office.

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. It should be noted that the Company has undertaken an external company governance review and, as part of this, an external evaluation of all the Company’s committee terms of reference are being independently reviewed therefore an internal annual review did not take place during this period. Any outcomes of the review will be implemented during 2026.

The Committee met five times during the year. The activities of the Committee during this time included:

Expansion and Appointments to the Executive team

The Committee approved the creation of the Chief Client and Advisory Officer as a revised remit for the Chief Commercial Officer held by Trevor Castledine, alongside the appointment of David Kane to Chief Finance Officer following a successful period as Interim Chief Finance Officer. The Committee also supported the appointment of Nicola Dymond into a newly-created Executive team role as Chief Operating and Technology Officer.

Annual Review of Board and Sub-Committee Membership

Each year, the Committee reviews the composition of its sub-committees to ensure they have the right configuration, taking account of skills, diversity and experience. The Company reviewed this in December 2025 and it was agreed to maintain the current memberships. Details of membership can be found in section 12.3.

Succession Planning

The Committee reviewed the Chair Elect Induction Plan ahead of Nemone Wynn-Evans taking on the role of Chair of the Board in November 2025. The Non-Executive Director succession plan was reviewed. Belinda Moore, who reached the end of her term of office during July 2026, and Susan Martin, who will be reaching the end of her term of office during December 2026, will not renew for a further term. It was agreed to undertake a skills assessment of the Board and to align the Board accordingly through the recruitment of two new NEDs during 2026/27.

The Executive succession plan was also reviewed during this period, which is key to ensure continuity of service and business operations and to establish a view on internal talent development.

Board Training Plan

The Committee reviewed the Board training plan, which is in place to support the Board members in their role by providing adequate understanding and oversight of LGPS Central. The training plan covers topics that are relevant to the interests of the Company, be those external factors, trends, policy or legislative changes. Maintaining relevant and up-to-date knowledge across the Board is deemed an important part of fulfilling the role successfully.

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 CEO, the CLCRO and the Chair of the Board) were certified as fit and proper, with Nemone Wynn-Evans as NED and Chair Elect being declared fit and proper on joining the Company in June 2025.

Anouska Ramsay, Chief People and Transformation Officer (CPTO), also achieved FCA approval ahead of her appointment as an Executive Director of the Company in July 2025 (following Board and Shareholder Approval in February 2025).

Non-senior managers (including the remaining NEDs) self-declared, as required by the FCA, followed by an assessment by the individual’s line manager.

External Governance review

The Company instructed an external third party to conduct a full governance review during 2025 which included client, shareholder and company governance reviews, the outcomes of which are being discussed with the Company and shareholders, with a view to implementing changes during 2026/27.

Performance 2025/2026

The Committee discussed and approved the objectives for the Executive Directors (CEO and CPTO), alongside reviewing their performance development review ratings during 2025/26. This then fed into the remuneration proposal for the Executive Directors, to be discussed and approved by the PCRC and thereafter by the Board and Shareholders.

Nemone Wynn-Evans
Chair of the Nominations Committee



13 Board Sub-Committees continued



Ironbridge, Shropshire

13.3 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/the Committee) 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 (ED) The remuneration for the Non-Executive Directors (NED) is recommended by the Chair and Board for Shareholder approval.

The members of the Committee during 2025/26 were Susan Martin (Chair), Ciarán Barr and Belinda Moore, all of whom are or were independent Non-Executive Directors. The Committee’s authority and duties are clearly defined within its written terms of reference which, together with the effectiveness of the Committee, are reviewed on an annual basis as part of the Board’s performance evaluation process. It should be noted that the Company has undertaken an external company governance review and, as part of this, an external evaluation of all the Company’s committee terms of reference is being independently reviewed; therefore, an internal annual review did not take place during this period. Any outcomes of the review will be implemented during 2026.

The Committee met five times during the year. The activities of the Committee during this time included:

Annual Review of Regulatory Remuneration Policy

The annual review of the Regulatory Remuneration Policy was carried out. 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.

Review of the Remuneration Framework

The annual review of the Remuneration Framework was conducted by the Committee, which included the annual reviews of the NED Remuneration Policy, the ED Remuneration Policy and the Colleague Remuneration Policy.

Remuneration and Reward Review

The Committee reviewed and approved for onward Board approval the remuneration proposals for 2026/27, alongside discussing the remuneration strategy for 2027/28 and beyond. An external partner has been engaged to assist with the remuneration and reward strategy, with recommendations being presented to the Board for their review and approval during 2026.

Pay Gap Reporting Update – Gender and Ethnicity

While the Company is not required to report on pay gap data, it nonetheless has chosen to do so and keeps these measures under review, to ensure that it is managing its approach to pay, especially in key moments such as recruitment, promotion, and performance and reward reviews. The impacts were considered from both a gender and ethnicity perspective, but also with a lens on intersectionality of gender and ethnicity.

People, Strategy and Culture

The Committee reviewed progress on delivering the planned People Strategy and how this was changed or reprioritised in light of the delivery of the Fit for the Future programme, providing their input into the changes in the Company’s target operating model. Given the period of change and transformation, impacts on culture, resourcing and wellbeing were reviewed by the Committee.

Mandatory Training

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

Susan Martin
Chair of the People, Culture and Remuneration Committee



13 Board Sub-Committees continued



Stoke-on-Trent, Staffordshire

13.4 INVESTMENT OVERSIGHT COMMITTEE

REPORT FROM THE CHAIR OF THE INVESTMENT OVERSIGHT COMMITTEE

The Investment Oversight Committee (IOC/the Committee) 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’ strategy 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.

The current members of the Committee are Ciarán Barr (Chair), Ian Armfield and Nemone Wynn-Evans (from 1 November 2025). Prior to 1 November 2025, Joanne Segars was a member of this Committee.

The Committee’s authority and duties are clearly defined within the 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. It should be noted that the Company has undertaken an external company governance review and, as part of this, an external evaluation of all the Company’s committee terms of reference is being independently reviewed with the outcomes being implemented during 2026.

The Committee met seven times during the year. This included a number of special meetings convened in order to offer support, input and oversight during the intensive period of activity as the company prepared for the Fit for the Future launch.

The activities of the Committee during this time included:

Performance

The Committee reviews the performance of all the funds at each meeting, discussing how and whether active funds are meeting their mandates and ensuring that passive funds are within their agreed limits. While acknowledging that short-term volatility in the performance of active funds is inevitable as a long-term investor, the Committee seeks to understand the drivers behind the returns and whether the funds are performing as expected. There has been a particular focus recently on the sustainable equity funds and how these have been impacted by the wider market environment (e.g., technology stocks).

Fund Deep Dives

Deep dives of various funds were undertaken by the Committee, reviewing investment criteria, investment beliefs, commitments, process and portfolio construction, and performance.

Outcome from Three-Year Manager Reviews

Outcomes from external manager reviews were presented to the Committee. These reviews provided extensive analysis of the relevant funds in order to ensure effective oversight and confidence in the manager selection for the agreed client strategy.

Asset Class Solution Design

Following the Government’s Fit for the Future programme and the Company taking on fiduciary management responsibilities, updates on asset class solution design were presented to the Committee. This included initial design principles, asset class characteristics, investment and responsible investment (RI) beliefs, followed by specific solution designs for equities and fixed income. Further solution designs, including for private markets, will be presented for discussion during 2026. The Committee, along with the Board, has discussed the set-up of the new client advisory team and how it is expected to work with the existing investment arrangements, ensuring co-operation and challenge as appropriate.

Transitions

A high-level plan for transitions into the Company’s public market products and progress against this plan were provided to the Committee regularly.

Risk and Responsible Investment

An update on investment risk and RI, including stewardship, were presented at each meeting for noting, with certain policies approved. The Committee also discussed the resources made available for investment risk and welcomed the expansion of the team given rising assets under management and additional investment responsibilities.

Ciarán Barr
Chair of the Investment Oversight Committee





Richard Law-Deeks,
Chief Executive Officer

14 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 2026.

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 and advisory services (the latter from 1 April 2026), including acting as the alternative investment fund manager (AIFM) for the LGPS Central Authorised Contractual Schemes (ACSs) and general partner to a number of limited partnerships to facilitate the Partner Funds' investment in alternative assets, investment advisory services, total fund management and the oversight of all legacy (not yet pooled) assets.

FUTURE DEVELOPMENTS

Details of the strategic direction can be found in the CEO's Statement on pages 7 to 9.

GOING CONCERN

The annual report and financial statements have been prepared on the going concern basis. In making their assessment, the Directors have considered the Company's ability to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Further details regarding this assessment are provided 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 7 to 9 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 2026, 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.

14 Directors’ Report continued

DIVIDENDS

The Directors have approved a dividend payment of £397,000 in respect of the ‘C’ preference shares that were previously held by West Midlands Pension Fund, for the period from 12 January 2018 (the date of receipt of funds) to 31 March 2026 (2024/25: nil). The preference shares were cancelled on 30 March 2026, with the par value (£685,000) being converted to a loan from West Midlands Pension Fund on that date. (see Note 16 to the financial statements for further details).

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 (to 31 October 2025), Non-Executive Director	1 May 2017
Nemone Wynn-Evans	Chair (from 1 November 2025), Non-Executive Director	1 June 2025
Ian Armfield	Non-Executive Director	1 November 2022
Ciarán Barr	Non-Executive Director	1 November 2022
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

* Joanne Segars resigned as a Director on 31 October 2025.

** Belinda Moore resigned as a Director on 17 July 2026.

POLITICAL CONTRIBUTIONS

No political donations were made during the year (2024/25: nil).

ENGAGEMENT WITH STAKEHOLDERS

The Company’s engagement during the year with Partner Funds, suppliers and other relevant parties is set out in Section 10.

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: www.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 its 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 and measures performance against a target 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 Board were provided 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
24 July 2026

2nd Floor, i10,
Railway Drive,
Wolverhampton,
WV1 1LH

15 Directors' Responsibilities Statement

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



Birmingham, West Midlands

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.

This report was approved by the Board of Directors on 24 July 2026 and signed on its behalf by Richard Law-Deeks, Chief Executive Officer.

Financial Report

16 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 2026 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 flow;
- 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.

16 Independent Auditor’s Report to the Members of LGPS Central Limited continued

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: 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, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company’s business sector.

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; and
- 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.

16 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

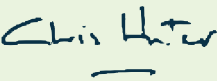
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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
24 July 2026



Grosvenor Park, Cheshire

17 Financial Statements

Financial Statements for the Year Ended 31 March 2026

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2026

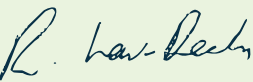
	Notes	2026 £000	2025 £000
Revenue			
Operating Income		23,494	17,460
Total Revenue	5	23,494	17,460
Expenses			
Staff Costs		(12,468)	(8,917)
Other Operating Expenses		(9,703)	(7,451)
Total Expenses	6	(22,171)	(16,368)
Operating Profit		1,323	1,092
Interest Receivable and Similar Income		790	1,011
Interest Payable	12, 13	(674)	(588)
Profit Before Taxation		1,439	1,515
Taxation	7	(307)	(338)
Profit for the Year		1,132	1,177
Other Comprehensive Income			
Net Actuarial Gain/(Loss) on Defined Benefit Schemes	15	102	(662)
Remeasurement of Pension Reimbursement Asset	15	(488)	(33)
Total Comprehensive Income for the Year		746	482

The net actuarial gain/loss 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 2026

	Notes	31 March 2026 £000	31 March 2025 £000
Assets			
Non-Current Assets			
Right-of-Use Assets	8	703	875
Property and Equipment	8	252	179
Deferred Tax Asset	7	-	4
Pension Reimbursement Asset	15	-	497
Total Non-Current Assets		955	1,555
Current Assets			
Trade and Other Receivables	9	9,595	7,038
Cash and Cash Equivalents	10	16,911	39,942
Total Current Assets		26,506	46,980
Total Assets		27,461	48,535
Liabilities			
Current Liabilities			
Trade and Other Payables	11	(7,427)	(28,283)
Borrowing	12	(654)	(636)
Other Financial Liabilities	16	-	(320)
Total Current Liabilities		(8,081)	(29,239)
Non-Current Liabilities			
Borrowing	12	(6,323)	(5,882)
Other Financial Liabilities	16	-	(685)
Deferred Tax Liability	7	(11)	-
Post-Employment Benefits	15	-	(429)
Total Non-Current Liabilities		(6,334)	(6,996)
Total Liabilities		(14,415)	(36,235)
Net Assets		13,046	12,300
Capital and Reserves			
Called-up Share Capital	16	10,520	10,520
Pension Reimbursement Reserve		92	580
Retained Surplus		2,434	1,200
Total Capital and Reserves		13,046	12,300

The financial statements on pages 40 to 55 were approved by the Board of Directors and authorised for issue on 24 July 2026 and were signed on their behalf by:


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

17 Financial Statements continued

Statement of Total Changes in Equity for the Year Ended 31 March 2026

	Share Capital £000	Retained Surpluses £000	Pension Reimbursement Reserve £000	Total £000
Balance at 1 April 2025	10,520	1,200	580	12,300
Profit for the Year	-	1,132	-	1,132
Other Comprehensive Income				
Net Actuarial Gain on Defined Benefit Schemes	-	102	-	102
Remeasurement of Pension Reimbursement Asset	-	-	(488)	(488)
Total Other Comprehensive Income	-	102	(488)	(386)
Balance at 31 March 2026	10,520	2,434	92	13,046

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

	Share Capital £000	Retained Surpluses £000	Pension Reimbursement Reserve £000	Total £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 Loss 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 Cash Flows for the Year Ended 31 March 2026

	Notes	2026 £000	2025 £000
Net Cash Flows (used in)/from Operating Activities	17	(22,634)	26,268
Net Cash Flows used in Investing Activities			
Purchase of Property and Equipment		(153)	(50)
Total Net Cash Flows Used in Investing Activities		(153)	(50)
Net Cash Flows used in Financing Activities			
Contractual Amounts Payable for Leases Recognised under IFRS 16		(244)	(238)
Total Net Cash Flows Used in Financing Activities		(244)	(238)
Net (Decrease)/Increase in Cash and Cash Equivalents		(23,031)	25,980
Cash and Cash Equivalents at the Beginning of the Year		39,942	13,962
Cash and Cash Equivalents at the End of the Year		16,911	39,942

17 Financial Statements continued

Notes to the Financial Statements for the Year Ended 31 March 2026

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 2nd Floor, i10, Railway Drive, Wolverhampton, WV1 1LH.

The nature of the Company’s operations and its principal activities are set out in the Directors’ Report on pages 34 to 35.

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 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:

2nd Floor, i10, Railway Drive, Wolverhampton, WV1 1LH), 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, taking into account the expansion of the Pool from 1 April 2026 and 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.

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 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- 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
- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

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 IAS 21 Translation to a Hyperinflationary Presentation Currency
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments
- 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.

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

17 Financial Statements continued

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 (until 30 March 2026; see note 16) 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 some changes in the level of equity and debt provided by the Shareholders during the year, as described in Note 16.

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 neither an asset nor a liability at 31 March 2026 (2025: net liability).

In accordance with the supplementary agreement between the Company and the fourteen 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.

17 Financial Statements continued

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.

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 2026 is analysed as follows:

	2026 £000	2025 £000
Investment Management and Monitoring		
– Authorised Contractual Schemes	3,976	4,340
– Limited Partnerships	1,726	1,638
– Discretionary	420	325
– Advisory and Advisory-with-Execution	277	261
– Execution-Only	-	25
– Product Development	681	642
Governance	2,853	2,257
Operator Running Costs	11,182	7,972
Fit for the Future Implementation and Pool Expansion	2,401	-
Other Income (Reversal)	(22)	-
Total	23,494	17,460

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.

17 Financial Statements continued

6. Expenses

The Company’s expenses for the year ended 31 March 2026 are analysed as follows:

	2026 £000	2025 £000
Staff costs		
– Salaries	10,067	7,143
– Social Security Costs	1,411	907
– Pension Costs	990	867
Audit Fees (Financial Statements)	35	49
Non-Audit Fees – CASS	13	11
Depreciation	252	248
Other Administrative Expenses	9,403	7,009
Total	22,171	16,368

The audit costs for 2024/25 include overrun costs of £15,000 relating to the 2023/24 audit.

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 134 (31 March 2025: 89). The average number of employees over the course of the 2025/26 year was 108 (2024/25: 86). The following table provides a breakdown of the average number of persons employed by the Company (including Directors) during the year.

	31 March 2026	31 March 2025	Average 2025/26	Average 2024/25
Board	7	6	7	6
Investments	68	42	45	40
Support Services	59	41	56	40
Total	134	89	108	86

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 yearly average of the total audit fees payable over the preceding three financial years. No fees were payable to the external auditor other than for the audit of the financial statements and CASS reporting requirements.

7. Taxation

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

	2026 £000	2025 £000
Current tax:	287	357
Adjustment in respect of previous years	5	(5)
Total current tax	292	352
Deferred tax	15	(14)
Total deferred tax	15	(14)
Total tax expense	307	338

	2026 £000	2025 £000
Profit before taxation	1,439	1,515
Profit multiplied by standard rate of corporation tax in the UK of 25% (2024/25: 25%)	360	379
Effect of tax adjustments to profit for the year	(73)	(22)
Adjustment in respect of previous years	5	(5)
Tax expense for the year	292	352

The standard rate of corporation tax applied to reported profits is 25% (2024/25: 25%).

Deferred tax net (liability)/asset

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

	2026 £000	2025 £000
Balance at 1 April	4	(10)
Deferred tax (charge)/credit in profit or loss	(15)	14
Balance at 31 March	(11)	4

17 Financial Statements continued

The balance at 31 March 2026 represents temporary differences attributable to the following:

	Carrying amount £000	Tax base £000	Difference £000	Tax liability at 25% £000
Property, plant and equipment	275	100	(175)	(44)
Pension contribution adjustment	131	-	131	33
Total	406	100	(44)	(11)

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	17	4

8. Right-of-use Assets 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 2025/26 (2024/25: none).

	Property £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2025	1,745	514	2,259
Additions	-	153	153
Balance at 31 March 2026	1,745	667	2,412
Accumulated Depreciation			
Balance at 1 April 2025	(826)	(379)	(1,205)
Depreciation	(154)	(98)	(252)
Balance at 31 March 2026	(980)	(477)	(1,457)
Net Book Value			
Balance at 31 March 2026	765	190	955
Balance at 31 March 2025	919	135	1,054

9. Trade and Other Receivables

	31 March 2026 £000	31 March 2025 £000
Trade receivables	8,945	6,315
Prepayments	650	723
Total	9,595	7,038

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

10. Cash at Bank

	31 March 2026 £000	31 March 2025 £000
Money Market Funds	16,872	14,305
Cash At Bank	39	25,637
Total	16,911	39,942

The cash at bank at 31 March 2025 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 2026 was nil.

11. Trade and Other Payables

	31 March 2026 £000	31 March 2025 £000
Trade Creditors	3,304	2,389
Social Security Costs	125	72
VAT	1,084	470
Corporation Tax Payable	292	352
Other creditors	2,622	25,000
Total	7,427	28,283

The amounts shown above are all due within one year. As at 31 March 2026, the other creditors balance includes £2.0 million to match £2.0 million held in money market funds, which reflects early payment of capital contributions by one of the incoming Partner Funds before the creation of new equity and debt on 1 April 2026.

The other creditors balance at 31 March 2025 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.

17 Financial Statements continued

12. Borrowing

	31 March 2026 £000	31 March 2025 £000
Loans	5,480	4,795
Accrued Interest Payable on Borrowing	410	453
Sub Total Loans	5,890	5,248
Finance Leases	1,087	1,270
Total	6,977	6,518

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, had 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). These loans were terminated early and in March 2026, the Company entered into renewed loan agreements with eight of its Shareholders amounting to £5.480 million which have the same terms as the previous loans.

Interest of £410,000 has been accrued in respect of the 2025/26 year (2024/25: £453,000).

13. Interest Payable

	2026 £000	2025 £000
Interest Payable on Borrowing	410	453
Interest Payable on Finance Leases	61	70
Preference Dividends Payable	77	65
Interest Payable on Asset Ceiling Adjustment	126	-
Total	674	588

The Directors have approved a dividend payment of £397,000 in respect of the ‘C’ preference shares that were previously held by West Midlands Pension Fund for the period from 12 January 2018 (the date of receipt of funds) to 31 March 2026. The preference shares were cancelled on 30 March 2026 with the accrued dividend of £378,000 and a compensatory dividend of £19,000 being paid to West Midlands Pension Fund on that date, while the par value (£685,000) was applied to the new loan agreement entered into with West Midlands Pension Fund on the same date (see Note 16).

14. Leases and Lease Commitments

The following table summarises LGPS Central Limited’s payments under leases during 2025/26 and the year-end balance. The total amount payable under leases for 2025/26 was £244,000 (2024/25: £238,000).

	Premises £000	IT Equipment £000	Total £000
Balance at 1 April 2025	1,196	74	1,270
Additions	-	-	-
Interest Payable	56	5	61
Amounts Payable under Leases	(197)	(47)	(244)
Balance at 31 March 2026	1,055	32	1,087

	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

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

	31 March 2026 £000	31 March 2025 £000
Within One Year	-	14
Between One and Five Years	32	59
More Than Five Years	1,055	1,197
Net Total	1,087	1,270

17 Financial Statements continued

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 2025/26 (2024/25: 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 2026, the net pension asset/liability was nil (31 March 2025: net liability of £429,000). The Company applied an asset ceiling adjustment in 2025/26 and 2024/25 as the value of the net assets was materially higher than the net liability. The following table sets out the movements in the net asset/liability during 2025/26.

	Assets £000	Liabilities £000	Asset Ceiling Adjustment £000	Net £000
Balance as at 1 April 2025	6,680	(4,952)	(2,157)	(429)
Amounts recognised in Profit and Loss				
Current service cost	-	(293)		(293)
Past service cost	-	-		-
Interest on assets	417	-		417
Interest cost	-	(306)		(306)
Interest on surplus cost	-	-	(126)	(126)
Total amounts recognised in Profit and Loss	417	(599)	(126)	(308)
Other balances				
Contributions by employer	635	-	-	635
Contributions by employees	263	(263)	-	-
Benefits paid net of transfers in	(1)	1	-	-
Total other balances	897	(262)	-	635
Amounts recognised in Other Comprehensive Income				
Return on assets less interest	277	-	-	277
Change in financial assumptions	-	232	-	232
Change in demographic assumptions	-	131	-	131
Movement in asset ceiling	-	-	(1,065)	(1,065)
Other actuarial gains/(losses)	-	-	-	-
Experience (loss)/gain on liability	15	512	-	527
Total amounts recognised in Other Comprehensive Income	292	875	(1,065)	102
Balance as at 31 March 2026	8,286	(4,938)	(3,348)	-

	Assets £000	Liabilities £000	Asset Ceiling Adjustment £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)	1,775	(2,157)	(662)
Balance as at 31 March 2025	6,680	(4,952)	(2,157)	(429)

17 Financial Statements continued

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 2026 £000	31 March 2025 £000
Present Value of Defined Benefit Obligations	(4,938)	(4,952)
Fair Value of Plan Assets	8,286	6,680
	3,348	1,728
Asset Ceiling Adjustment	(3,348)	(2,157)
Net Asset/(Liability) Arising from Defined Benefit Obligation	-	(429)

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 2026 £000	31 March 2026 %	31 March 2025 £000	31 March 2025 %
Quoted Equities	3,750		2,572	
Unquoted Equities	430		411	
Total Equities	4,180	51%	2,983	44%
Gilts	1,113	13%	846	13%
Other Bonds	2,047	25%	1,602	24%
Property	513	6%	451	7%
Cash	-	0%	480	7%
Other	433	5%	318	5%
Total	8,286	100%	6,680	100%

The following table sets out the proportion of assets which have a quoted market price, and those which do not (based on 31 March 2026 valuations).

		Mar 26 Quoted %	Mar 26 Unquoted %	Mar 25 Quoted %	Mar 25 Unquoted %
Equities	All	45.3%	-	38.4%	-
	Corporate Bonds	-	8.1%	-	6.4%
	UK Government	-	13.4%	-	12.7%
Debt Securities	Other	-	16.6%	-	17.6%
Property	UK Property	-	6.2%	-	6.8%
Investment Funds and Unit Trusts	Infrastructure	-	5.2%	-	4.8%
	Other	-	-	-	-
	Foreign Exchange	-	-	-	-
Derivatives	Other	-	-	-	-0.1%
	Absolute Returns	-	-	-	-
Other Cash and Cash Equivalents	Private Equity	-	5.2%	-	6.2%
	Cash/Temporary Investments	-	-	-	7.2%
	Debtors	-	-	-	-
	Creditors	-	-	-	-
Net Current Assets	Other Long-Term Assets	-	-	-	-
Total		45.3%	54.7%	38.4%	61.6%

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.

17 Financial Statements continued

- 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. As the 2025 actuarial valuation concluded that there was no longer a past service deficit in respect of the Company’s membership of WMPF, and that therefore, from 1 April 2026, past service contributions were no longer required to be paid by the Company and reimbursed by the Partner Funds, the asset has been valued at nil as at 31 March 2026.

	31 March 2026 £000	31 March 2025 £000
Opening Balance	497	536
Receipts from Partner Funds	(37)	(31)
Unwinding of Discount	28	25
Remeasurement of Asset	(488)	(33)
Closing Balance	-	497

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 effect of that assumption on the calculation of the net pensions liability.

	Assumption Used	Change in Assumption	Effect £000
Net Pensions Asset /Liability			-
Discount Rate Decrease	6.30%	+ / - 0.1%	(139)
Life Expectancy (from age 65) Increase	Retiring today Male: 21.2 years Female: 24.1 years	+ / - 1 year	(198)
	Retiring in 20 years Male: 23.4 years Female: 25.8 years		
Long-Term Salary Increases	5.00%	+ / - 0.1%	(5)
Pensions Increases	3.00%	+ / - 0.1%	(134)

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.

17 Financial Statements continued

The projected amount to be charged to operating profit for the financial year ended 31 March 2027 is as follows:

	Assets £000	Obligations £000	Net Asset/(Liability) £000		% of Pay
Projected Current Service Cost *	-	269	(269)		(7.0%)
Past Service Cost Including Curtailments	-	-	-		-
Effect of Settlements	-	-	-		-
Total Service Cost	-	269	(269)		(7.0%)
Interest Income on Plan Assets	545	-	545		14.1%
Interest Cost on Defined Benefit Obligations	-	327	(327)		(8.5%)
Total Net Interest Cost	545	327	218		5.7%
Total Included in Profit and Loss	545	596	(51)		(1.3%)

* 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 £3.8 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 made contributions of 7.5% and employees contributed 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 (2025/26: £558,000; 2024/25: £404,000).

16. Called-Up Share Capital

	'A' Shares Ordinary £	'B' Shares Ordinary £	Total £
Balance as at 31 March 2025	8	10,520,000	10,520,008
Balance as at 31 March 2026	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 Shareholders. At 31 March 2026, there were eight 'A' shares, each with a par value of £1.

'B' shares are held in equal share by LGPS Central Limited's Shareholders, of which there were eight at 31 March 2026. At that date, there were 10,520,000 'B' shares, each with a par value of £1.

'C' shares were preference shares and were 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 from 1 January 2022. The preference shares were cancelled on 30 March 2026, with the par value (£685,000) being converted to a loan from West

Midlands Pension Fund. 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. At 31 March 2025, there were 685,000 'C' shares, each with a par value of £1.

Dividends of £397,000 in respect of the 'C' shares, for the period from 12 January 2018 (the date of receipt of the funds) to 31 March 2026 (comprising £58,000 in 25/26, £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, in addition to a 'compensatory dividend' of £19,000), were paid in March 2026.

Additional shares were created and issued on 1 April 2026: see Note 19 (Post-Balance Sheet Events) for further details.

	'C' Shares Preference £000
Balance as at 31 March 2024	940
Accrued dividends 2024/25	65
Balance as at 31 March 2025	1,005
Accrued dividends 2025/26	77
Dividends paid 2025/26	(397)
Return of capital to shareholder on cancellation of shares	(685)
Balance as at 31 March 2026	-

17 Financial Statements continued

17. Reconciliation of Net Cash from Operating Activities

	2026 £000	2025 £000
Profit before Taxation	1,439	1,515
Movement in Trade and Other Receivables	(2,557)	(1,090)
Movement in Trade and Other Payables	(21,148)	25,646
Movement in Interest Payable	(363)	59
Net Defined Benefit Pensions Costs	(327)	(186)
Depreciation	252	248
Interest Payable for Leases Recognised under IFRS 16	61	70
Revenue Credited to the Pension Reimbursement Asset net of Unwinding of Discount	9	6
Net Non-Cash Items	(24,073)	24,753
Net Cash (used in)/from Operating Activities	(22,634)	26,268

Net cash (used in)/from 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.

18. Related Party Transactions

LGPS Central Limited is a joint venture, owned in equal share by eight local authorities at 31 March 2026, 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). At the date the financial statements were approved, there were fourteen shareholders, all local authorities who are administering authorities of LGPS pension funds.

Partner Fund Shareholders at 31 March 2026

- 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)

Incoming Partner Fund Shareholders from 1 April 2026

- Gloucestershire County Council (Gloucestershire Pension Fund)
- Hampshire County Council (Hampshire Pension Fund)
- Norfolk County Council (Norfolk Pension Fund)
- Oxfordshire County Council (Oxfordshire Pension Fund)
- Suffolk County Council (Suffolk Pension Fund)
- Wiltshire Council (Wiltshire Pension Fund)

The eight Partner Fund Shareholders were also LGPS Central Limited’s investors (known as the ‘Partner Funds’) during 2025/26. The Partner Funds were the source of all the Company’s revenue during the year.

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 provided payroll services for part of the year. The payroll service contract ended in September 2025.

The local authorities listed above have provided loan capital to LGPS Central Limited. The balance of principal outstanding at 31 March 2025 was £5.4 million, and accrued interest on these loans stood at £410,000 (31 March 2025: £453,000).

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.

The preference shares were cancelled on 30 March 2026 and accrued dividends of £397,000 (31 March 2025: £320,000) paid to Wolverhampton City Council (see Note 16).

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. All these amounts were or are expected to be settled within one year of the balance sheet date.

17 Financial Statements continued

	2026 Income £000	2026 Expenditure £000	2025 Income £000	2025 Expenditure £000
Administering Authority				
Cheshire West and Chester Council	2,351	(59)	1,957	(65)
Derbyshire County Council	2,226	(59)	1,639	(65)
Leicestershire County Council	2,628	(59)	2,053	(65)
Nottinghamshire County Council	2,303	(59)	1,677	(65)
Shropshire Council	1,221	(59)	874	(65)
Staffordshire County Council	3,036	(59)	2,232	(65)
Wolverhampton City Council	7,120	(1,219)	6,055	(605)
Worcestershire County Council	1,444	(59)	1,024	(65)
Incoming Partner Funds				
Gloucestershire County Council	204	-	-	-
Hampshire County Council	204	-	-	-
Norfolk County Council	204	-	-	-
Oxfordshire County Council	204	-	-	-
Suffolk County Council	204	-	-	-
Wiltshire Council	204	-	-	-
Total	23,553	(1,632)	17,511	(1,060)

The income from the incoming Partner Funds relates to the Fit for the Future implementation costs incurred in the year ended 31 March 2026.

	2026 Debtor £000	2026 Creditor £000	2025 Debtor £000	2025 Creditor £000
Administering Authority				
Cheshire West and Chester Council	473	(59)	619	(65)
Derbyshire County Council	573	(59)	467	(65)
Leicestershire County Council	801	(59)	1,084	(65)
Nottinghamshire County Council	681	(59)	508	(65)
Shropshire Council	396	(59)	255	(65)
Staffordshire County Council	893	(59)	676	(65)
Wolverhampton City Council	1,530	(59)	2,254	(65)
Worcestershire County Council	442	(59)	258	(65)
Incoming Partner Funds				
Gloucestershire County Council	204	-	-	-
Hampshire County Council	204	-	-	-
Norfolk County Council	204	-	-	-
Oxfordshire County Council	204	-	-	-
Suffolk County Council	204	-	-	-
Wiltshire Council	204	(2,000)	-	-
Total	7,013	(2,472)	6,121	(520)

17 Financial Statements continued

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 £2.2 million (2024/25: £1.6 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	2026 £000	2025 £000
Emoluments	780	745
Employer’s National Insurance Contributions	111	94
Amounts Receivable (other than shares and share options) under Long-Term Incentive Schemes	-	-
Company Contributions to Money Purchase Pension Schemes	39	-
Compensation for Loss of Office	-	-
Sums Paid to Third Parties in Respect of Directors’ Services	-	-
Excess Retirement Benefits of Directors and Past Directors	-	-
Total	930	839

Number of Directors Who:	2026 Number	2025 Number
Are Members of a Defined Benefit Pension Scheme	-	-
Are Members of a Money Purchase Pension Scheme	2	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	2026 £000	2025 £000
Emoluments	331	273
Employer’s National Insurance Contributions	49	36
Company Contributions to Money Purchase Pension Schemes	25	20
Total	405	329

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 £20,000, of which £10,000 related to the associated tax and national insurance contributions, (2024/25: £26,000/ £13,000).

19. Post Balance Sheet Events

In line with the Fit for the Future initiative, the Company admitted six new Shareholder Partner Funds on 1 April 2026, issuing additional ordinary equity consisting of six ‘A’ ordinary shares at par (£1 each). In addition, it issued a further 7,890,000 ‘B’ ordinary shares at par (£1 each) (£1,315,000 per incoming Partner Fund). On the same day, the Company entered into loan agreements with the six incoming Shareholder Partner Funds, amounting to £4,110,000 (£685,000 each). These loans, all of which were entered into on identical terms, have a life of ten years and bear interest equal to the Bank of England base rate plus 4.5% per year, with payments being due annually thereafter. The shareholdings and loan agreements with the eight Partner Funds remain unchanged from the position as at 31 March 2026 (note the changes regarding West Midlands Pension Fund during 2025/26 described in Note 16).

These changes to the Company’s capital were informed by an updated assessment of the Company’s own funds and liquid assets requirements, reflecting the expansion in the Company’s client base and therefore the value of the assets under its management, along with its plans for the forthcoming financial year and the medium term, including its financial projections. This assessment concluded that the level of regulatory capital contributed by the Partner Funds should be increased to £28 million, with the six incoming Shareholder Partner Funds contributing £2 million each.

With effect from 1 April 2026, and in line with legislative requirements, the Company took on responsibility for the management or oversight of all its Partner Funds’ investment assets, with services being provided under a Fiduciary Management Agreement entered into with each Partner Fund. This includes the provision of new services, including investment advisory services, total fund management and the oversight of all legacy (not yet pooled) assets.

The matters described in this note will be accounted for with effect from 1 April 2026, and are therefore not reflected in the 2025/26 financial statements.

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

17 Financial Statements continued

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 £487,000 as analysed in Note 13 (excluding interest payable on leases and in relation to defined benefit pension liabilities) (2024/25: £518,000).

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

	31 March 2026 £000	31 March 2025 £000
Financial Assets		
<i>Financial Assets Measured at Amortised Cost</i>		
– Cash and Cash Equivalents	16,911	39,942
– Trade and Other Receivables	9,595	7,038
Total Financial Assets	26,506	46,980
Financial Liabilities		
<i>Financial Liabilities Measured at Amortised Cost</i>		
– Trade and Other Payables	(7,427)	(28,283)
– Borrowing	(6,977)	(6,518)
– Preference Shares	-	(1,005)
Total Financial Liabilities	(14,404)	(35,806)
Net Total	12,102	11,174

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 2026 £000	31 March 2025 £000
Within One Year	7,837	29,070
Between One and Five Years	5,512	4,854
More Than Five Years	1,055	1,882
Net Total	14,404	35,806

Key Advisers and Service Providers

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ADMINISTRATOR
FOR THE LIMITED
PARTNERSHIPS
**State Street Bank
& Trust Company**
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Canary Wharf
London
E14 5HJ

Current Directors



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



Richard Law-Deeks
Chief Executive Officer



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

