London LGPS CIV Limited

Annual Report and Financial Statements

For the reporting year ended 31 March 2025

Registered company number 09136445

Authorised and regulated by the Financial Conduct Authority No. 710618

London CIV | Working **together** to deliver sustainable prosperity for the communities that count on us all

www.londonciv.org.uk

Contents

Overview

1 Our Purpose, Values, Business Model and Progress

Strategic Report

3 Chair's Statement
4 CEO's Statement
6 Our Key Performance Outcomes
7 Our Key Deliverables for 2025/26
8 Our Investment Services
11 Our Investment Beliefs
12 Overview of London Local Authority Assets
13 Our Fund Range and Assets Under Management
14 Serving Our Communities
15 Investing in London: Our Case Studies
16 Our Responsible Investment and engagement
18 Our Stewardship
20 Our Engagement in Action
22 Our People
24 Our Principal Risks and Mitigation
26 Our Financial Review
29 Approval of Strategic Report

Governance

31 Our Governance Framework
32 Our Governance Bodies
34 Our Board of Directors
36 Our Stakeholders: Section 172 Statement
38 Our Directors' Report

Financial Statements

41 Independent Auditor's Report
44 Statement of Comprehensive Income
45 Balance Sheet
46 Statement of Changes in Equity
47 Statement of Cashflows
48 Notes to the Financial Statements

Additional Information

55 Glossary
57 Company information

Our Purpose

Working together to deliver sustainable prosperity for the communities that count on us all

Our Values

Collaboration

We work together to build and sustain strong partnerships both internally and externally

Responsibility

We are committed to deliver on our promises, meet the needs of our stakeholders and go the extra mile

Diversity

We respect and celebrate our differences and create an inclusive environment where everyone feels welcome

Integrity

We act with honesty, ethics, and respect in everything we do

Our Business Model

London CIV was established as a collective venture to pool LGPS pension assets. Our shareholders are the 32 London Local Authorities (our "Partner Funds").

A high engagement business model is central to our collaborative approach to working with our Partner Funds. Our business model includes the use of outsourced services and delegated investment managers to provide flexibility. We act as the portfolio manager for some funds and, for others, the portfolio management is delegated. All of our funds use UK authorised and unauthorised structures.

Our purpose statement- *working together to deliver sustainable prosperity for the communities that count on us all*- reflects our determination to maximise the value that the LGPS provides to its pension beneficiaries. We balance this with the aim of reducing the costs of managing the LGPS in support of the local authorities using those savings to deliver local government services.

In response to the evolving needs of our Partner Funds and in response to the LGPS changes introduced by the Government, we are working to expand the services we provide.

Our Progress: The Year at a Glance

London CIV: Asset Growth

£14.9bn (+2.8%)	£19.3bn (+12.9%)	£34.2bn (+8.2%)	£3.8bn (+22.6%)
Total value of passive assets deemed pooled	Total value of assets actively managed by London CIV (£17.1 bn Public Markets + £2.2 bn drawn within Private Markets)	Total value of London CIV assets: pooled and deemed pooled	Total AUM committed to LCIV Private Market Funds during the year

London CIV: Savings Achieved

£0.1m	£1.2m	£25.2m	0.4%
Fixed fee (DFC) reduction for shareholders during the year.	Annualised Fee Savings generated this year	Net fee savings for ACS and passives for the year	Revenue weighted fossil fuel exposure for London CIV funds is 25% lower than the MSCI World as at 31 Dec 2024

London's LGPS landscape

756,511	£51.0bn	£283.9m
No. of London LGPS members as at March 2025	Total asset value of London's LGPS as at March 2025	Total annual running costs of London's LGPS (source: MHCLG) as at March 2025

Strategic Report

In this section

3	Chair’s Statement
4	CEO’s Statement
6	Our Key Performance Outcomes
7	Our Key Deliverables for 2025/26
8	Our Investment Services
11	Our Investment Beliefs
12	Overview of London Local Authority Assets
13	Our Fund Range and Assets Under Management
14	Serving Our Communities
15	Investing in London: Our Case Studies
16	Our Responsible Investment and engagement
18	Our Stewardship
20	Our Engagement in action
22	Our People
24	Our Principal Risks and Mitigation
26	Our Financial Review
29	Approval of Strategic Report

Chair's Statement
Mike Craston

"In 2015, London CIV was established as a voluntary venture by its Partner Funds and the London LGPS community. Working together is fundamental to London CIV's purpose as an organisation. When I reflect on the past year, it is immediately evident that this approach permeates across the business."

2024 was a year of substantial change not just in the UK but globally. Following the UK General Election, the Government issued the highly anticipated "LGPS Fit for the Future" consultation. You will read more about our response to the consultation and the subsequent implementation plan throughout this report but suffice to say our plan remains the same: *we will continue to innovate collaboratively as the LGPS ecosystem evolves.*

Board Priorities

An effective governance framework is key to London CIV's long term success and sustainability. The Board approved strategy is designed to ensure that London CIV remains well positioned to deliver for its Partner Funds, who are also are our shareholders.

In reviewing progress against the strategy, the Board takes time to reflect on how London CIV's culture is aligned with the strategy and that of the wider LGPS eco-system. Recognising the importance of tone from the top, the Board has been pleased to see how changes to the executive team have positively reinforced the values expected across the wider workforce.

In addition to oversight of the strategy, the Board ensured that management remained focused on improving fund performance, including the appointment of a new Chief Investment Officer. We were pleased to welcome Jenny Buck to London CIV in early 2025 and you can read more from Jenny in the CIO report.

Board Composition

A robust business relies on having the right people in place and the Boardroom is no exception. I am pleased to confirm that the Board approved the re-appointment of Mark Laidlaw and Yvette Lloyd to serve as independent non-executive directors for additional three-year terms.

During the year, our Shareholder-nominated non-executive directors, Cllrs Ravi Govindia and Peter Mason, stood down from the Board. I would like to take the opportunity to thank Ravi and Peter for their contributions to the Board. During their tenures, they both dedicated time to London CIV's success and were respected colleagues. At the time of writing this report, recruitment was underway to fill the vacancies left by their departures.

We welcomed London CIV's Chief Operating Officer, Martin Gloyne, to the Board as an executive director. Martin was appointed following the retirement of Brian Lee as Chief Financial Officer ("CFO") in late 2024. Christopher Gardiner was appointed as CFO following Brian's decision to retire. I would like to thank Brian for his stewardship of the London CIV's finances during his time here.

Finally, we bid a fond farewell to Kristina Ingate who retired from her role as Director of Governance and Company Secretary in early 2025. On behalf of my fellow directors, I would like to extend our thanks to Kristina for her support and wish her the best for a well-deserved retirement.

London CIV has a robust governance model that meets the requirements and expectations of an FCA regulated business. However, the Board recognises that an evolution of this model is likely, as the proposition and scale of the business expands as a result of the LGPS review. This includes plans to enhance shareholder and Partner Fund touchpoints with the Board, and continuing to strengthen beneficiary representation.

Board Diversity

The Board remains committed to the benefits that a diverse workforce brings across an organisation. The Board approved Diversity Policy sets targets in respect of senior staff defined as "Head of" level and above and currently we exceed those targets:

- 50% held by women vs 40% target
- 29% held by individuals from a minority ethnic group vs 15% target

At the Board level, we currently have 33% female representation versus our 40% target (excludes Shareholder NED roles).

Concluding Remarks

Change is inevitable. It is one's response to change that makes the difference. At London CIV, our approach is to work closely with our stakeholders to deliver the best possible outcomes. I am enormously proud of all that London CIV has achieved during the year. Thank you to all of our colleagues for their hard work and support. We look forward to embracing the changes to come.

Mike Craston, Board Chair
London CIV

Chief Executive Officer's Statement
Dean Bowden

"Our strategy continues to be focused on working with Partner Funds to improve the management of the London LGPS from start to finish. Better collaboration results in stronger value creation and enhanced resilience for the London LGPS ultimate beneficiaries."

2025 marks 10 years since the London LGPS community agreed to set up London CIV. That alliance has gained in strength since our creation. Indeed, at the start of this financial year a program of enhanced engagement across the London LGPS Community commenced. This cooperation clearly demonstrated that collaboration and convergence could achieve the Government's desired outcomes for the LGPS pools without the upheaval and inherent issues with forced mergers.

This mission to work closely together was the key focus when London's LGPS community gathered at our Annual Conference in September and is embedded this ethos into our culture. It was this collaborative spirit that underpinned our response to the Government's LGPS consultation and feeds the delivery of our Fit for Future implementation plan.

Year in Review

Given the Fit for Future activity towards the end of the financial year, it is easy to overlook what the London LGPS community achieved over the full period. Our performance clearly demonstrates the benefits of our collaborative approach. You can read more about our financial and non-financial performance on the following pages, but some key points to note are outlined in this update.

Robust results

The total net inflows of £2.0bn and total assets deemed pooled of £34.2bn as at 31 March 2025 illustrate our Partner Funds' commitment to London CIV.

During the year, we achieved a further £100,000 of savings in the development funding charge ("DFC") fees.

We launched new solutions to meet the evolving needs of our Partner Funds. This included our first Nature Based Solutions Fund, the continuation of our successful private credit strategy with the launch of LCIV Private Debt II Fund, and the development of an innovative service focused on pooling commercial real estate assets

We expanded our range of public markets funds with the launch of the LCIV Global Equity Value Fund, and the LCIV All Maturities Buy and Maintain Credit Fund. We also strengthened the responsible investment and carbon emissions parameters of the LCIV Global Bond Fund, and the LCIV MAC Fund.

Whilst there is much to celebrate for the year, we acknowledge that investment performance faced headwinds during the period. In response, we adopted an even more stringent monitoring framework, enhanced the investment manager pipeline, and appointed a new CIO.

Investing in the UK

We have a dedicated Private Markets Team in place with the skills to undertake due diligence and ongoing monitoring of appropriate local and UK-wide investment opportunities. During the year, we engaged with London Councils and the Greater London Authority ("GLA") to explore investment opportunities across the capital with the aim of developing investable solutions.

Investing for the future

During the financial year, management agreed a plan to become a Net Zero company across our operational emissions by the end of 2025. I am pleased to report that we are on track to achieve this.

We are committed to being Net Zero from an investment perspective by 2040 in line with the Paris Agreement objectives to limit a global temperature rise to below 1.5°c. However, this can only be achieved through working with Partner Funds and evolving our proposition at a pace that aligns to their ambitions.

Investing in our people

All of this good work would not be possible without our people. We aim to be an employer of choice and are focused on ensuring we have the right proposition in place to support our people. We believe that a truly inclusive culture with the right skills-based talent in place will deliver the best possible results for our Partner Funds. You can read more about our approach in the 'People' section.

During the year we strengthened our Commercial Team. I am delighted to have onboarded over 40 years of LGPS experience into the team. This truly brings the Partner Fund perspective into the business and helps to ensure we are delivering in a way that meets our Partner Funds' needs.

Tone starts from the top and during the year we concluded the refresh of our Executive Committee membership with Jenny Buck joining as CIO. These changes strengthened our expertise and brought a depth of experience, skills, diversity of thought, and a renewed sense of purpose to the business.

Fit for Future

We welcomed the clarity of the proposals provided in the Government's *LGPS Fit for the Future* consultation, especially around matters concerning roles and responsibilities. We submitted our response to that consultation in January 2025 and provided a more detailed implementation plan in February 2025. In these we made it clear that we will continue to focus on cooperating with Partner Funds and the Government to ensure the successful implementation of an agreed way forward.

We highlighted to the Government that any future LGPS strategy must be holistic. It is not just about pooling assets; it is about working together to improve all aspects of the LGPS, in London and across England and Wales. We are particularly keen to support our Partner Funds through this period of change in a way that avoids fragmentation and waste at a time of huge pressure on local government finances.

We were pleased to receive confirmation that the Government is supportive of our proposals as outlined in our implementation plan. The Government commended the work the London CIV and the London LGPS community have undertaken, in particular regarding our combined efforts to improve collaboration within London and invest more in the UK.

Summary

The only constant in life is change. As Mike said in the Chair's statement, what matters most is how we respond and adapt. Our commitment and focus are on supporting our Partner Funds. This is and will remain an unchanging priority for London CIV.

I am truly honoured to be leading this diverse and productive organisation through this period of change. Taking a steady and sure approach will ensure we remain true to our purpose of *working together to deliver sustainable prosperity for the communities that count on us*.

Dean Bowden, Chief Executive Officer
London CIV

Our Key Performance Outcomes
at 31 March 2025

2024 – 2025 Themes	Progress at during the year
Engagement strategy to understand needs of individual Partner Funds and develop tailored pooling programmes to deliver on each of their needs	• Consulted intensively with Partner Funds on our submission to the Government's Fit for Future consultation and the adjoining implementation plan. • Formalised a programme of one to one meetings between our Partner Funds and our CEO. • Evolved the remit and expanded the attendees of the Sustainability Working Group. • Developed tailored pooling programmes to support delivery on our Partner Funds' requirements.
Product and services pipeline that aligns to the needs of Partner Funds	• Strengthened our product range with the delivery of the following sub-funds: Nature Based Solutions, Private Debt 2, Global Equity Value, and a suite of Buy and Maintain Credit funds. • Launched of an Indirect Real Estate Pooling ("IREP") solution in collaboration with CBRE as well as two smaller real estate pooling solutions.
New and enhanced solutions	• Developed a broader service range culminating in the launch of our new Pension Advisory and Support Service (LGPS PASS) which is designed to help reduce costs and strengthen long-term sustainability within the LGPS community. • Introduced a fee free climate reporting service.
Progress delivery of both London CV's and our Partner Funds Net Zero targets	• Nature Based Solutions Fund launched. • Net Zero plan approved by the Board.
Deliver performance in line with expectations based on fund objectives	• Improved performance measures adopted by the Board Investment and Customer Outcomes Committee to support delivery of performance in line with expected investment objectives outcomes. • Recruited new CIO.
Agree a new capital and revenue funding model and reduce London CIV's Development Funding Charge ("DFC"), based on collaborative work with Partner Funds on strategic and pooling plans	• Capital and revenue model agreed by shareholders at the July AGM, including expected changes to the funding model to accommodate the agreed outcomes linked to the LGPS Fit for Future consultation.
Drive down the costs of manufacturing and services	• DFC reduced by another £100,000 during the year.

Our Key Deliverables for 2025/26

1. **Make London LGPS Fit for the Future**
   Delivery on the outcomes of the Government's Pension Investments Review is well underway. Our Fit for Future implementation plan submitted to the Government in early 2025 included: mutually beneficial and realistic asset transition timelines to meet the Government's deadline of March 2026; developing an advice offering; building more local investment opportunities; and developing tangible responsible investment solutions. Following positive feedback from Government, we are progressing according to the plan.

2. **Provide More Tangible Support for Partner Funds**
   In May 2025, we officially launched our new Pension Advisory and Support Service, LGPS PASS. This is designed to help reduce costs and strengthen long-term sustainability within the LGPS community. The next 12 months will see us build out and strengthen these services, which include key investment, strategy and policy support to help our Partner Funds at a time when costs and resourcing are becoming an increasing risk factor for the LGPS.

3. **Strengthen Our People and Culture**
   We will ensure that we have the necessary capacity and capability to meet the needs of both our Partner Fund and the Government's standards for the LGPS. This includes investing in the right resources, systems, and expertise to support delivery against evolving regulatory and operational expectations. By strengthening our internal infrastructure and aligning with policy requirements, we aim to demonstrate compliance, enhance stakeholder confidence, and position us for long-term success in a more demanding and performance-driven environment.

4. **Re-enforce London CIV's Financially Sustainable Pooling Model**
   We will continue engaging in dialogue with shareholders regarding potential changes to our regulatory capital. This approach ensures transparency and alignment with evolving expectations. Additionally, we plan to enhance the financial sustainability of our operations by increasing our retained fee margin by 5 basis points across applicable funds. This adjustment supports our long-term strategy while maintaining competitive positioning and delivering value to both stakeholders and investors.

5. **Work Closely Together as an LGPS Community**
   The Government aims to streamline LGPS operations, reduce costs, and enable more substantial investments in infrastructure and private equity, especially when it comes to UK plc. However, we are realistic about the immediate challenges that lie ahead and will work with our Partner Funds to address them. Achieving further consolidation, particularly of illiquid assets, will take time. Developing the operational infrastructure to support back-office services at scale is complex. Building a cohesive national LGPS culture – when governance models, local priorities, and member demographics vary so widely – requires both patience and trust. We believe that by working as a community and combining respect for local identity with a shared sense of responsibility, we can ensure that the LGPS in England and Wales is not only fit for the future—but leading it.

Partnering for the future

Our Investment Services
Jenny Buck, Chief Investment Officer*

Introduction

Our vision is to create an investment platform of funds and services that meet the requirements of the London LGPS Partner Funds now and in the future. Over the last year we have:

- launched 4 new funds;
- sourced investments for our private funds in deployment phase;
- identified public market fund prospects to strengthen the quality and performance of funds;
- progressed our plans to be able to offer Strategic Asset Allocation ("SAA") advice and implementation, and a Real Estate Pooling solution; and
- developed a framework to provide choice to Partner Funds with respect to responsible investment.

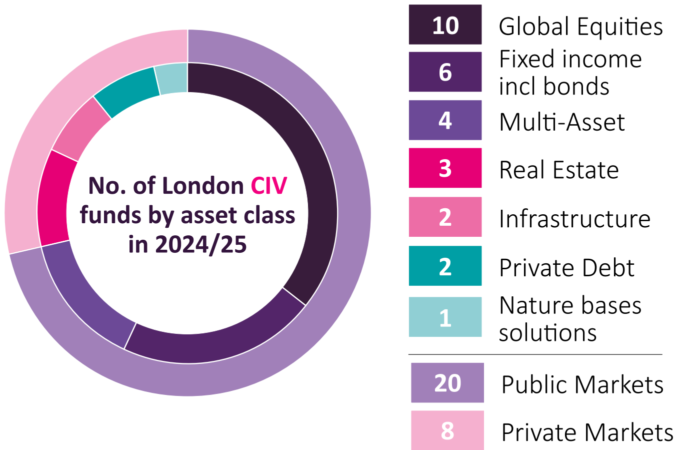
At 31 March 2025 we had a portfolio of 28 funds representing £19.3bn. The public markets portfolio includes one passive fund. A further £14.5bn of passive assets sit with outsourced investment managers, LGIM and Blackrock.

Our investment beliefs (see page 11) provide the high-level framework which directs our investment practices. This is supported by our Responsible Investment framework which includes a Climate Policy and a Stewardship Policy.

* J Buck joined as CIO on 5 March 2025, following the departure of the former CIO in September 2024. The CEO oversaw the Investment Team during the intervening period.

Innovating

The chart below summarises our current suite of funds. We currently have 7 main categories and plan to add another, Private Equity, in the future. More detailed information is provided in this section together with an overview of the total LGPS assets of our Partner Funds. This includes funds deemed pooled, described by the Ministry of Housing, Communities & Local Government ("MHCLG") as "under pool management", and unpooled assets. An analysis of UK investments is shown on page 13.



£19.3bn	£14.9bn	£34.2bn
Total Active Funds	Total Passive Funds (Deemed Pooled)	Total Pooled

Expanding and strengthening the range of products and services offered to Partner Funds was an important theme at our Annual Conference held in September 2024. We achieved important milestones on this journey in the year with the launch of the LCIV Nature Based Solutions Fund, LCIV Private Debt II Fund, the Indirect Real Estate Pooling ("IREP") solution, and the launch of 2 new public markets funds. Important modifications to the flagship credit funds were also made.

Public Markets

The **LCIV Global Equity Value Fund** was funded, as planned, in October 2024. The Sub-fund provides a building block for Partner Funds in implementing their strategic allocations to equities. LCIV Global Equity Value is a multi-manager product which combines complementary approaches to capturing the value premium in equity markets. The Sub-fund was launched with one investment manager, but another investment manager (or managers) will be added as the Sub-fund grows.

The **LCIV Global Equity Value Fund** was launched with a weighted average carbon intensity that is 30% below the level of the MSCI All Country World Index. The Sub-fund is designed to progressively reduce its carbon footprint over time and is expected to achieve Net Zero greenhouse gas emissions by 2050. At least 90% of the assets owned by the Sub-fund should be aligned to a Net Zero pathway by 2027, and that threshold should increase to 100% by 2030. The Sub-fund will not invest in companies which are engaged in harmful activities, as defined in its prospectus, based on the proportion of their revenues linked to those activities.

The **LCIV All Maturities Buy and Maintain Credit Fund** was launched in October 2024. This Sub-fund completes the lineup of products designed to provide Partner Funds with a channel to capture income from the investment grade markets cost effectively, whilst sustaining strong responsible investment parameters and aligning to Net Zero ambitions.

Important modifications to the flagship Credit Funds were made in the year. Steps were taken to implement more stringent ESG and carbon emissions tests in the **LCIV Global Bond Fund** and the **LCIV MAC Fund**. This work sought to capture market advances in the integration of the analysis of ESG risks and opportunities, and the measurement of carbon emissions in the management of credit strategies. The modifications, designed in collaboration with Partner Funds, should ensure that the Sub-funds will not provide debt capital to companies involved in harmful business activities. The Sub-funds will be managed to maintain weighted average carbon intensity levels below their respective benchmark indices and are expected to achieve Net Zero greenhouse gas emissions by 2040 (note: the 2040 target applies to 50% of the assets in the LCIV MAC Fund. The other 50% is managed to achieve Net Zero by 2050). These enhancements did not require changes to the investment objectives for the Sub-funds, and are not expected to have a material impact on the characteristics of the underlying portfolios.

The investment performance of the Public Equity funds was also an area of focus over the year. Work was done in building up a pipeline of alternative/ complementary funds and reviewing fund managers. This work is ongoing and remains an area of focus and prioritisation.

Private Markets

The private market offer currently consists of 8 funds of which 1 is fully committed, the **LCIV Real Estate Long Income Fund**.

As noted above, two new private market funds - the **LCIV Nature Based Solutions** and **LCIV Private Debt Fund II** - were launched during the year raising £273m and £344m each respectively. In addition, £115m of new money flowed into the **LCIV Housing Fund**. The **IREP** solution was also created, with the first Partner Fund adopting it in April 2025 with its £186m real estate portfolio. We anticipate onboarding more Partner Funds into the solution in due course.

The **IREP** is designed to enable the pooling of our Partner Funds' off-pool real estate funds into London CIV. The purpose of this solution is to achieve cost savings and efficiencies for Partner Funds across their real estate holdings. In the future, it will also enable Partner Funds to make new allocations to either UK or global estate through a pooled solution on our platform at cost effective pricing levels. Whilst we have designed the solution and will be responsible for monitoring it, the investment management will be delegated to CBRE, a specialist real estate sub-investment manager.

The **LCIV UK Housing Fund** enables Partner Funds to contribute to a new stock of greener homes required to address under-served parts of the UK housing market. The fund's strategy is underpinned by our ESG principles and seeks to deliver measurable social impact through the provision of affordable, energy-efficient housing for underserved communities.

As at 31 March 2025, the fund had 9 investors and £530m in total commitments. The fund's investment objective is to provide an internal rate of return ("IRR") net of fees of 5-7% p.a. and an annual income of 3-4%. The fund seeks to invest in funds whose strategy is to build, let, and operate good quality affordable homes in the UK. The fund is seeking exposure to three areas:

- General needs social and affordable housing: minimum 50%;
- Specialist housing: 0 – 25%; and
- Transitional supported housing: 0 – 25%

Commitments to 4 funds were made during the year and in aggregate, these investments took the total capital committed to £470m.

- CBRE Affordable Housing Fund; L&G UK Affordable Housing Fund
- Savills Simply Affordable Homes Fund
- Man Community Housing Fund III.

Whilst the current allocations of the LCIV UK Housing Fund are mostly in the general needs, social, and affordable housing categories, the fund's strategy includes modest diversification into transitional supported or specialist housing, providing the opportunities also meet the financial requirements of the fund.

Following the successful launch of the £625m **LCIV Private Credit Fund**, the **LCIV Private Debt Fund II** raised £273m from 4 investors during the year. It will be open for new commitments until June 2026. This fund's objective is to target an IRR (net of fees) of 6-8% for the life of the fund. The fund can invest across the range of risk spectrums including Senior First Lien, First Lien, Unitranche and Senior Second Lien commitments and will be diversified across a broad range of business sectors and regions. This second vintage is a continuation of the private credit strategy focusing on European and North American mid-market senior direct lending, but with a non-core allocation of up to 30% in asset backed lending, a complementary strategy to investing in mid-market senior direct lending.

Commitments to 4 funds were made during the year:

- Churchill Middle Market Senior Loan Fund V
- Arcmont Direct Lending Fund V
- Pollen Street Capital Credit Fund IV
- Pantheon Senior Debt Secondaries Fund III.

The addition of an asset-backed lending fund (the Pollen Street Fund) should further diversify the portfolio. The Pantheon fund – a

Private Markets continued

senior direct lending focused private credit secondaries fund – should facilitate the quicker deployment of capital. Both Churchill and Arcmont are evergreen funds, a benefit of which is increased access to cash.

Investing in private debt can present Environmental, Social and Governance ("ESG") challenges, such as limited sustainability data and influence. As a result, we expect that the investment managers we work with will need to adopt an innovative ESG approach distinct from asset classes with more established ESG practices, such as listed equities and corporate fixed income. By creating incentives for borrowers to report on key ESG metrics or improve sustainability performance, investment managers can contribute through ESG-linked margin ratchets which reduce the loan interest rate if the borrower delivers against pre-defined ESG-related targets.

Investing in the UK

We have 8 private market funds. Private market exposure to the UK totalled £811.3m as at 31 March 2025. Total commitments across the 8 Private Market sub-funds as at 31 March 2025 totalled £3.8bn, of which £2.2bn had been called.

- **LCIV Real Estate Long Income Fund:** 100% invested in UK real estate including hotels, student accommodation, retail units and academic buildings. The fund's NAV was £153.5m and fund commitments were £213m as at 31 March 2025.
- **LCIV UK Housing Fund:** 100% invested in the UK through fund structures, in residential real estate across affordable homes, co-living, student accommodation and private rental. Fund commitments total £530m as at 31 March 2025.
- **LCIV Renewable Infrastructure Fund:** 39% invested in the UK (as of Q3 2024). It has exposure to wind and solar generation as well as battery storage, grid infrastructure and other clean energy initiatives. Total fund commitments were £1.1bn as at 31 March 2025.
- **LCIV Infrastructure Fund:** 25% invested in the UK and approximately 45% of investments are in the renewable energy sector with the remainder in social infrastructure, transport and utilities. Fund commitments remained at £475m as at 31 March 2025.
- **LCIV Private Debt Fund:** 13% invested in the UK (as of 31 Dec 2024). Fund commitment remained at £625m as at 31 March 2025.
- **The London Fund:** predominantly invested in the UK across real estate and infrastructure with a secondary objective to invest in projects with sustainable outcomes that address social needs in Greater London including job creation, area regeneration and a positive environmental impact. Fund commitments remained at £250m as at 31 March 2025.

The London Fund is a collaboration between LPPI and London CIV. It invests in a diverse range of projects including the regeneration of Shepherd's Bush Market, the redevelopment of the Saville Theatre, Virtus Data Centres and Edge, a Net Zero office development in London Bridge.

It seeks to achieve a double bottom line: meeting targeted financial returns whilst contributing to sustainable prosperity to London communities and supporting London's future through its investments.

Fit For Future

There are 4 distinct yet interlinked elements for our investment services: Investment Strategy Advice; Asset Transition; Advice Implementation; and Local Investment.

Investment Strategy Advice: With the relevant FCA permissions in place, we are already delivering advice to some of our Partner Funds. The next step will be to enhance our resources to ensure full in-house investment strategy advice can be delivered to all Partner Funds within the next 3 years.

Asset Transition: The Government has confirmed its aim to ensure all assets are transferred to a London CIV fund or placed under our management by March 2026. We have adopted a two-stage approach to meet this target:

- **Stage 1 (Feb 25 – Feb 26):** Moving all off-pool assets to our existing funds/new funds and putting IMAs in place for any remaining exposures held by Partner Funds.
- **Stage 2 (Feb 26 onward):** Moving any public market assets under IMA to our funds as we evolve our offering; and transferring private market assets under IMA to our funds as the exposures mature.

Advice Implementation: Clearly, developing our investment strategy implementation is explicitly linked with the transition of Partner Fund assets. This transition will dictate the pace at which we can fully develop the future state of the investment proposition. Thrown into the mix are the individual requirements of Partner Funds beyond SAA, such as responsible investment policies and other influencing factors. Our models will be developed further as the proposition evolves.

Local Investment: Our Partner Funds benefit from being the most geographically connected. This makes collective investment in local opportunities immensely more achievable. We have the industry experience in place to critically assess local investment opportunities and already invest c.53% of our private market funds in the UK. To avoid significant fragmentation across our Partner Funds' individual local investment strategies, we intend to create asset class engagement forums to consider this from a pan-London perspective.

Underpinning all of this is the need to ensure that we have the most suitable products in place for our Partner Funds, and that fund performance and expectations are aligned and met.

Our Value Add

We are clear that to be a true partner for the London LGPS Funds it is necessary to go beyond providing products to invest in. We need to provide a broader range of services. This now includes a climate reporting service and a quarterly monitoring service.

We constantly look to improve the ways in which we engage with our Partner Funds on markets, investment performance, and products so that they can make decisions in an informed way. The table below summarises our investment interactions.

Investment Interactions

25 Coffee with the CIO	**2** Meet the Manager Sessions
12 Quarterly Investment Webinars	**1** Annual Investment Conference

Our Suite of Funds – 7 Categories

1. Global Equities
2. Fixed Income
3. Multi- asset
4. Real Estate
5. Infrastructure
6. Private Debt
7. Nature Based Solutions

Our Investment Beliefs

1.

Long term investors earn better returns net of costs.

2.

Careful calibration of risk against objectives, together with robust risk management, leads to better risk-adjusted returns.

3.

Responsible Investment improves outcomes, mitigates risks, and creates opportunities through:

a) Good corporate governance

b) Active stewardship and collective engagement

c) Effective management of climate change risk

d) Promoting diversity and inclusion

4.

Providing value for money is critical and it is essential to manage fees and costs.

5.

Collaboration, clear objectives, robust research, and evidence-based decision-making adds value.

6.

Targeting opportunities across the public and private asset markets is aligned to the needs of Partner Funds.

Overview of London Local Authority Assets Pooled and Not Pooled by Asset Class – 31 March 2024

Pooling by Asset Class	Not Pooled (Liquid) £m	Not Pooled (Illiquid) £m	Pooled £m	Deemed Pooled (Passives) £m	Total LCIV £m	Total LGPS £m
Growth Assets						
Equity	£4.2bn	-	£9.6bn	£13.0bn	£22.6bn	£26.8bn
Diversified Growth	£0.5bn	-	£1.6bn	-	£1.6bn	£2.1bn
Private Equity	-	£1.1bn	-	-	-	£1.1bn
Income Assets						
Property	-	£4.8bn	£0.3bn	-	£0.3bn	£5.1bn
Infrastructure	-	£2.1bn	£0.9bn	-	£0.9bn	£3.0bn
Private Debt	-	£1.3bn	£0.5bn	-	£0.5bn	£1.8bn
Alternatives	-	£0.2bn	-	-	-	£0.2bn
Balanced assets						
Multi Asset Credit	£1.0bn		£2.3bn	-	£2.3bn	£3.3bn
Fixed Income- Active	£1.6bn	-	£0.9bn	-	£0.9bn	£2.5bn
Fixed Income- B&M	£0.8bn		£1.0bn	-	£1.0bn	£1.8bn
Fixed Income- Passive ILG	£0.2bn	-	-	£1.4bn	£1.4bn	£1.6bn
Fixed Income- Passive	-	-	-	£0.1bn	£0.1bn	£0.1bn
Liquid Credit	£0.2bn	-	-	-	-	£0.2bn
Cash	£1.1bn	-	-	-	-	£1.1bn
Currency	-	£0.0bn	-	-	-	£0.0bn
LDI	-	£0.3bn	-	-	-	£0.3bn
Total	**£9.6bn**	**£9.8bn**	**£17.1bn**	**£14.5bn**	**£31.6bn**	**£51.0bn**

Our Fund Range and Assets Under Management

London CIV Products	AUM £m	Investment Manager	Investors
PUBLIC MARKETS			
Equities			
LCIV Global Alpha Growth Fund	1,393	Baillie Gifford	5
LCIV Global Alpha Growth Paris Aligned Fund	2,256	Baillie Gifford	11
LCIV Global Equity Fund	607	Newton	3
LCIV Global Equity Quality Fund	747	MSIM	3
LCIV Global Equity Focus Fund	1,223	Longview	6
LCIV Emerging Market Equity Fund	533	JP Morgan	8
LCIV Sustainable Equity Fund	1,431	RBC	8
LCIV Sustainable Equity Exclusion Fund	732	RBC	5
LCIV Passive Equity Progressive Paris-Aligned “PEPPA” Fund	1,080	State Street	3
LCIV Global Equity Value Fund	329	Wellington	3
Multi-Asset			
LCIV Global Total Return Fund	106	Pyrford	1
LCIV Diversified Growth Fund	254	Baillie Gifford	6
LCIV Absolute Return Fund	1,048	Ruffer	10
LCIV Real Return Fund	40	Newton	1
Bonds and Fixed Income			
LCIV Global Bond Fund	941	Pimco	10
LCIV MAC Fund	2,233	CQS + Pimco	17
LCIV Alternative Credit Fund	728	CQS	4
LCIV Short Duration Buy and Maintain Fund	139	Insight	2
LCIV Long Duration Buy and Maintain Fund	788	Insight	7
LCIV Buy and Maintain All Maturities	487	Insight	3
PUBLIC MARKETS TOTAL	**£17.1bn**		

	Com’td £m	Drawn £m	Manager	Investors
PRIVATE MARKETS				
Infrastructure				
LCIV Infrastructure Fund	475	434	London CIV	6
LCIV Renewable Infrastructure Fund	1,109	665	London CIV	16
Private Debt				
LCIV Private Debt Fund	625	503	London CIV	8
LCIV Private Debt II Fund	273	70	London CIV	3
Real Estate				
LCIV Real Estate Long Income Fund	213	153	Aviva	3
LCIV UK Housing Fund	530	205	London CIV	9
The London Fund	250	123	LPPI	4
Nature-based Solutions				
LCIV Nature Based Solutions Fund	299	65	London CIV	4
PRIVATE MARKETS TOTAL	**£3.8bn**			

PASSIVE FUNDS (DEEMED POOLED)	
Blackrock + Legal and General Investment Management (LGIM)	£14.9bn
PASSIVE FUNDS (DEEMED POOLED) TOTAL	**£14.9bn**

Total pooled assets	**£34.2bn**

Due to rounding totals may not all be consistent

Serving Our Communities

2025 marks the 10th anniversary since the London local authorities came together to launch London CIV, the dedicated London LGPS investment pool.

- We have a long history of enabling our Partner Funds to investment in projects across the UK.
- We possess strong experience in place-based investing, especially through The London Fund and the LCIV UK Housing Fund.
- We have a variety of UK projects across real estate, housing and renewable infrastructure that are currently underway with the help of investments by the London LGPS Community.
- This work encapsulates our purpose statement: *Working together to deliver sustainable prosperity for the communities that count on us all.*

66%

Percentage of London LGPS assets pooled as at 31 December 2024.

53%

Percentage of assets in our private market funds that are invested in the UK as at 31 December 2024.

22.6%

Percentage increase of LGPS investment into our private market funds between 31 March 2024 and 31 March 2025.

Investing in London: Our Case Studies

The London Fund focuses on investments in the City of London, the 31 London Boroughs, and their immediate surroundings, in assets such as regeneration, residential property, and infrastructure. Current projects include the regeneration of the Shepherd's Bush Market and the Saville Theatre, as well as developments with Virtus Data Centres, and EDGE (a Net Zero development in London Bridge).

CASE STUDY: SHEPHERD'S BUSH MARKET

Key highlights of the Shepherd's Bush Market regeneration:

- The 450,000-square-foot site in Shepherd's Bush Market will be transformed into affordable housing and office space, including incubator spaces for tech and biotech start-ups and studios. Imperial College will be an anchor tenant.
- Existing traders who operate in the 107-year-old market are being protected as the heads of terms are already secured with 90% of the current traders.
- The project aims to connect with local primary schools, on wider community support and to host free events for residents.
- Targets BREEAM Excellent, NABERS 5 and Wired Score Platinum, whilst maintaining the character and heritage of the site.

CASE STUDY: SAVILLE THEATRE

Key highlights of the Saville Theatre regeneration:

- This project aims to transform Saville Theatre, a 110,000 square foot Grade II listed cinema, back into a theatre.
- Work is also being undertaken with prospective theatre operators to secure discounted tickets for local residents.
- The inclusion of additional floors to create a boutique hotel is also being considered.

CASE STUDY: VIRTUS DATA CENTRES

Key highlights of the Virtus Data Centres development:

- VIRTUS is an award-winning, pure-play data centre owner-operator, providing state-of-the-art critical digital infrastructure which provides vital connectivity and access to online services for residents and businesses in London and beyond.
- Established in 2008, VIRTUS currently comprises 11 sites in and around London, including in Enfield, Hayes, Slough and Stockley Park, with a combined capacity of more than 100 megawatts.
- The VIRTUS investment also delivers on its Positive Social Outcomes promise by supporting London's digital ecosystem through a data centre platform which matches its electricity consumption to 100% renewable energy procurement. This is alongside its wider commitment to efficient water and energy usage and to Net Zero carbon emissions by 2030.

CASE STUDY: EDGE LONDON BRIDGE

Key highlights of the EDGE London Bridge development:

- EDGE London Bridge is a 275k sq. ft. sustainable office tower. The design incorporates a new landscaped public park. The base of the building will be publicly accessible with amenities for the local community.
- London Bridge will be Edge's first Net Zero carbon development in the UK, and the first office tower in London with a timber hybrid frame. The goal is to reduce all Scope 1, 2 and 3 emissions to absolute zero by 2050 or earlier.
- Through its innovative design, the building will emit less than half the amount of carbon emissions compared to similar towers and generate some of its own renewable energy onsite.

Our Responsible Investment and Engagement

Jacqueline Jackson & Laura Chapman*, Chief Sustainability Officer

As responsible investors, it is our duty to not only seek sustainable financial returns but also to drive positive change. Active ownership and engagement are essential tools to influence Environmental, Social and Governance factors ("ESG") practices and create long-term value for our Partner Funds and their beneficiaries.

What ESG means for London CIV

We regard consideration of ESG as a fiduciary duty to encourage long-term sustainable investment performance. Contemplating and acting on ESG risks and opportunities is a key component of being good investment stewards. By doing this, we may contribute to improvements in the environment and society. This means working towards a world in which both our investments and our beneficiaries can thrive. Below is our three-step approach which involves: ESG integration into investment decision-making and design; engagement; and disclosure and reporting. Alongside this approach, we have set a series of climate targets aligned with our Net Zero by 2040 commitment, ensuring our investment strategy supports a sustainable future.

Climate change and Net Zero

We believe that climate change is one of the most pressing challenges facing our planet and financial system due to its potential for causing widespread economic disruptions, including increased natural disasters, shifts in asset values, and changes in the cost of doing business. Managing risks associated with climate change is a critical concern for our Partner Funds, with 30 of the London Local Authority Councils having declared a climate emergency.

1. Integration

Embedding responsible investment into investment decision and design

2. Engagement

Collaboration with companies, investment managers, peers and participants

3. Disclosure

Transparent reporting in line with best practice

Our targets

- Net Zero by 2040**
- Emissions intensity reduction targets for equities and corporate fixed income (35% by 2025 and 60% by 2030)***
- Engagement and alignment targets for other asset classes
- Net Zero operationally by end of 2025

**By 31st December 2040, assets in our equities and corporate credit portfolios controlled by LCIV to be Net Zero across Scope 1 and 2 emissions

***Within LCIV ACS funds

As of 2024, 19 of our Partner Funds have announced Net Zero commitments with target years ranging from 2030-2050 (average target year of 2042). We believe that we have a responsibility to manage our impact on the world, to help create a safe and stable future for our Partner Funds' beneficiaries, and for wider society.

In 2024, we agreed a new Climate Action Plan. This expands on the Net Zero targets outlined in last year's report and accounts, setting out further details on the scope, strategy and implementation. We have proposed key updates to expand and improve our data, clarify decision making for investment teams, and build up our work on private markets. We are taking steps to align with leading industry practice, drawing on the IIGCC's Net Zero Investment Framework 2.0, and peer discussion. Our plan is designed to balance the following considerations:

Integrity – Staying true to our existing climate and ESG commitments.

Feasibility – Recognising external dependencies, current mandates, available levers for change, and the need for potential updates to our operating model.

Impact – Prioritising actions that contribute to real-world decarbonisation, not just portfolio emissions reductions.

Fairness and Flexibility – Respecting the diverse priorities of Partner Funds and enabling tailored approaches where appropriate.

Fiduciary Duty – Assessing the potential impact of our actions on long-term investment outcomes and risk-adjusted returns.

Alignment – Keeping pace with the latest regulatory, industry and stewardship guidance, from bodies such as IIGCC and the ISSB.

Broader ESG Objectives – Ensuring climate action complements our wider commitments to social equity, nature, and biodiversity.

Future-Proofing – Designing a strategy that can evolve with emerging data, innovations, and changes to the business.

The plan sets out a series of decarbonisation, disclosure and engagement targets across public and private asset classes, which are summarised in this section. Acknowledging the objective of real-world mark decarbonisation, we note that not all funds will individually be at Net Zero by 2040. Partner Funds want opportunities to contribute to the change through investing in climate solutions and transition financing in hard-to-abate sectors.

Looking ahead, we aim to launch a new workstream on our approach to investing in climate solutions. This will build on our existing work in the renewables and nature-based solutions space and broadly consider how we approach assets with a non-linear path to Net Zero. This plan will continue to evolve to incorporate new guidance and learnings, improvements in data, and changes to our business. For further details, please refer to our latest TCFD report and our Climate Change Policy, which can be found on our website.

*L Chapman provided interim cover for J Jackson between September 2024- March 2025

Our Responsible Investment and Engagement continued

Fit for Future

We have not lost sight that our Partner Funds' responsible investment policies will vary. The Government has indicated that Partner Funds will retain the right to set their individual RI strategy. This will inherently result in a range of investment options to meet the specific Partner Fund requirements. Our approach is to create a matrix style model which provides Partner Funds with alternative and complementary ways to implement SAA decisions and responsible investment goals, while still building the consensus that realises the benefits of pooling.

Our action plan to reach Net Zero by 2040

London CIV Climate Action Plan

Objectives

Decarbonising our funds in line with 1.5oC	Investing in climate solutions	Decarbonise own operations

Targets and KPIs

Listed equity and fixed income[1]	Infrastructure	Real estate	Other asset classes		
Net Zero by 2040 across portfolios controlled by London CIV (Scope 1 and 2 emissions)[2] **35% reduction in emissions intensity** by 2030 and 60% by 2030[3] **70% AUM in material sectors aligning** or better by 2030[4] **90% financed emissions aligning or engaged** by 2030[4]	**Baseline footprint disclosed** by end of 2025[5] **100%** carbon-based energy and transport assets **aligning or engaged** by 2030 Further alignment targets to be set in 2025	**Baseline footprint disclosed** by end of 2025[5] **100% investment managers to be engaged** on emissions reduction New mandates to include **a Net Zero by 2050 target** where possible[6] Further alignment and engagement targets to be set in 2025	**100% private credit managers engaged** by 2025 All new private markets funds to include **best efforts emissions reporting and engagement** on emissions reduction **Disclosure of sovereign footprint** and engagement with managers on lobbying	Launch of a new workstream to assess our existing contributions to climate solutions (across public and private funds), consider the possibility of setting a climate solutions target	To be Net Zero across our own operations and value chain by the end of 2025

Stay abreast of industry guidance and develop additional targets where practical and meaningful

Strategic levers

Investment strategy and asset allocation	Stock / asset selection	Stewardship and engagement	Working with our clients	External engagement and lobbying	Offsetting and insetting[7]

Reporting and disclosure

TCFD Report	Quarterly Investment Reports	Client Climate Analytics Service	Other disclosures (Stewardship Outcomes Report, TNFD etc.)

Governance

Notes:

1 Passive funds held with Blackrock and LGIM but which are deemed pooled are currently considered out of scope of our targets, but will be included in reporting and investment manager engagement activities.

2 Scope 3 emissions will be reported on to the extent possible, but has been excluded from the current target scope due to ongoing concerns about data quality.

3 Relative to 2020 baseline

4 Based on definitions aligned to IIGCC's Net Zero Investment Framework

5 Subject to data availability and quality

6 Excludes inherited portfolios and secondary market positions

7 To be used only as a potential final resort in future

Our Stewardship

We view stewardship and engagement as powerful tools for creating long-term value on behalf of our Partner Funds.

Stewardship is at the heart of our Responsible Investment approach. We engage directly and collaboratively with a diverse range of stakeholders including Partner Funds, investment managers, companies, regulators, and our peers to address specific and systemic issues and achieve collective goals. We have developed a process of research and collaboration through which we identify priority engagement themes and update our policies and guidelines to ensure they remain effective. In 2025, we enhanced our stewardship strategy by introducing a more streamlined approach. We now focus on 3 core themes: Human Rights and Wider Societal Impact; Climate Change; and Nature. Each core theme is supported by a more targeted engagement program.

We undertake ongoing engagement with our own investment managers, to make sure that they understand our stewardship priorities and concerns. To the extent possible we build Responsible Investment principles and reporting into our investment mandates. We then work alongside investment managers (responsible for portfolio-level ESG integration) and EOS at Federated Hermes (providing voting execution and engagement services) to undertake engagement with underlying investments, such as portfolio companies. We also directly engage with companies on specific issues. We amplify our influence further through collaborative initiatives such as Climate Action100+ (page 19 has full list of partnerships and signatories). This combined effort ensures that material ESG issues, including board diversity, climate risk, and human rights due diligence, are meaningfully addressed.

Our engagement partner, EOS, uses a 4-stage milestone system to monitor progress on engagement objectives. This framework tracks company responses from the initial raising of an issue through to acknowledgment, development of a strategy, and implementation of meaningful action. EOS also works with its clients, including us, to get input into priority themes and companies. In line with this, our priority themes include Human Rights, Climate Change, and Nature/Biodiversity. In 2024, 46% of EOS engagements saw progress across thematic areas including environmental, social, governance, and strategy. This report presents insights and quantitative data on our stewardship efforts. Please refer to the Responsible Investment and Stewardship Outcomes Report 2024 on our website for more information about our engagement and voting activity.

Our Stewardship continued

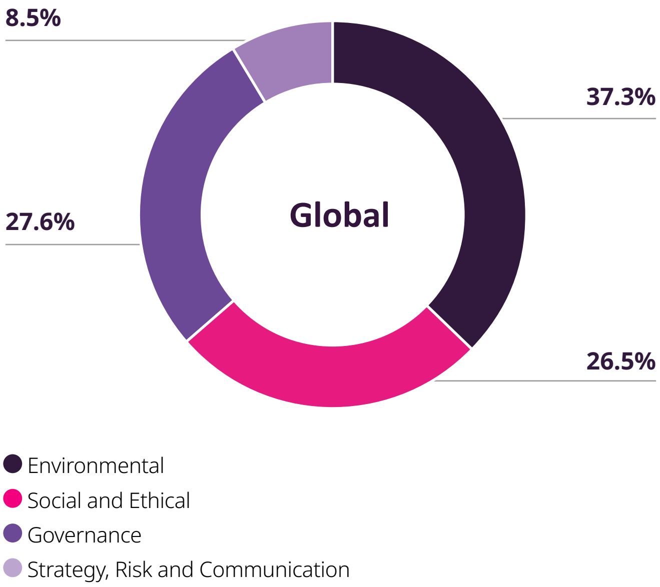
Engagement

- **EOS engaged** with **456 companies** across **2,351 ESG issues and objectives** on our behalf, in addition to the engagements carried out by our investment managers.
- **1,468 engagement objectives and issues** were **linked** to one or more SDG.
- In 2024, our investment managers held **2,086 engagement meetings** with portfolio companies.
- Specific areas of interest were **climate change** (discussed in **59% of 1,258 meetings**) and **human rights and human capital** concerns (raised with issuers on **248 separate occasions (20%)**).

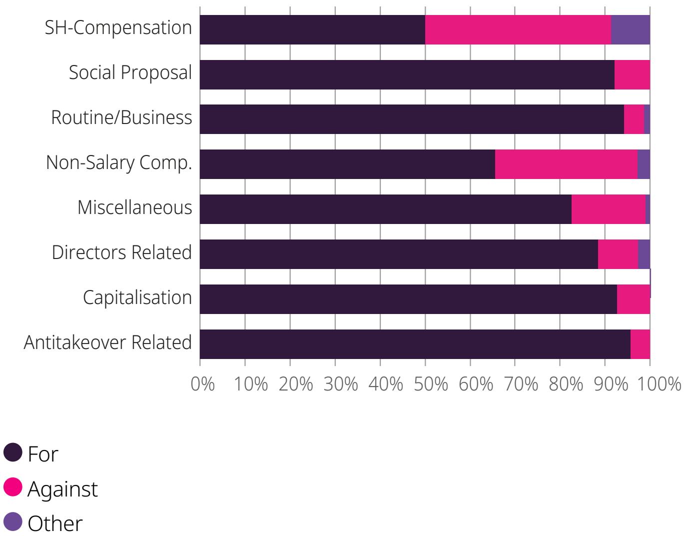
Voting

- In 2024, our **investment managers and EOS** voted on **21,746 proposals**. This represents a 98% voting execution in 2024.
- **Investment managers and EOS** voted **against management** propositions on **2,183** occasions.
- **Director-related** and **non-salary compensation** remain the areas of highest dissent.
- Our investment managers and EOS also voted on **1,096 shareholder proposals** in 2024 and supported 51% of the proposals.

Engagement in 2024



Voting Instruction Breakdown



Source: EOS 2024, ISS 2024 and Investment Manager Data 2024

Our Partnerships and Signatories during the year

- Asset Owner Diversity Charter
- Climate Action 100+
- Cost Transparency Initiative
- Deforestation Free Pensions Working Group
- Diversity Project
- Investor Action for Human Rights
- LAPFF
- Marine Conversation Society
- Pensions for Purpose
- Share Action
- TCFD
- TNFD
- UK Stewardship Code
- UNPRI

Our Engagement in Action

Co-Filing Shareholder Proposal for Climate Action

Background: We worked with ShareAction and other investors to support a co-filing opportunity regarding Barclay's energy policy. The group engaged with the bank requesting it to issue a report describing how they 1) address stranded asset risk associated with financing new oil and gas infrastructure and; 2) systemic risk to the financial system of stranded assets.

Action and Outcome: Following engagement and applying pressure, Barclays updated its climate policy to include:

- No project finance, or other direct finance to energy clients, for upstream oil and gas expansion projects or related infrastructure.
- Restrictions on non-diversified energy clients engaged in long lead expansion.
- Additional restrictions on unconventional gas and oil, including Amazon and extra heavy oil.
- Requirements for energy clients to have 2030 methane reduction targets, a commitment to end all routine/ non-essential venting and flaring by 2030 and near-term Net Zero aligned scope 1 and 2 targets by January 2026.
- Expectation for energy clients to produce transition plans or decarbonisation strategies by January 2025.

Following these major announcements and after engaging with Barclays and informing them of the shareholder proposal, ShareAction and the group of investors decided that the new updates to Barclays' climate policy sufficiently addressed their concerns. A decision was made to withdraw the shareholder resolution before it went to a vote at the Barclays Annual General Meeting.

Climate Enhancements for Fixed Income

Background: In 2024, we enhanced the ESG requirements for both our LCIV Global Bond Fund and LCIV MAC Fund, based on our own Net Zero ambitions, Partner Fund feedback, and progress observed across the fixed income market.

Action and Outcome: ESG enhancements for our Global Bond Fund were first introduced in 2022, including normative screens, exclusions related to global norms, and the introduction of sustainable bonds.

In 2024, we further enhanced the ESG guidelines for both the Global Bond Fund and the MAC Fund, omitting corporations that score poorly on ESG criteria, particularly those with low environmental scores.

Additional exclusions have been implemented, aimed at restricting exposure to fossil fuels, cannabis production, gambling and other areas. Most importantly, the fund is now on a pathway to achieving Net-Zero.

Additional exclusions have been implemented, aimed at restricting exposure to fossil fuels, cannabis production, gambling and other areas. Most importantly, the fund is now on a pathway to achieving Net Zero.

"Our people are motivated by a common purpose: to make a sustainable difference to the Partner Fund communities we support, and to the wider LGPS sector."

Our People
Victoria Davies, Chief People Officer

Our people are motivated by a common purpose: to make a sustainable difference to the Partner Fund communities we support, and to the wider LGPS sector.

In 2023 we launched a fresh purpose statement providing focus and clarity about our strategic direction. Since then, we have taken an even more considered approach in collaborating with our Partner Funds, enhancing our services, and supporting them in meeting their obligations to their pension beneficiaries and their wider communities.

We are now into the second year of this journey and are focused on retaining and attracting people who are committed to this purpose. We could not have delivered our achievements to date without the dedication and commitment of our people.

During the year our employee turnover has remained low, averaging below 5% per quarter. During this period and in line with business growth, we created 9 new roles, recruited individuals with exceptional capability, and increased capacity in the business.

Our Leadership Team

A priority for the year has been building a team with a renewed sense of purpose, who collectively bring with them a diversity of thought, experience, and leadership skills to the Executive Committee.

Our final appointment took place in March 2025 with Jenny Buck joining as Chief Investment Officer. The team of 8 are all highly skilled experts in their own field and united in taking responsibility for delivering our long-term goals. Our recruitment practices have enabled us to build a team with a make-up of 50/50 female to male ratio and brings both ethnic and neuro diversity to the Executive Committee.

With the appointment of Andrien Meyers as Chief Commercial Officer, we have reshaped the Commercial Team and our offering to better meet the evolving needs of our Partner Funds. We have expanded the team's skill base with over 40 years' of LGPS sector experience through the recruitment of Andrien and two others, allowing us to work even more closely as a community. We are providing investment advice to a small number of our Partner Funds and have built an operating model where this can increase in line with our Partner Funds' needs. Our intention remains to provide value for money and generate savings for our Partner Funds.

Our values

Collaboration
We work together to build and sustain strong partnerships both internally and externally

Responsibility
We are committed to deliver on our promises, meet the needs of our stakeholders and go the extra mile

Integrity
We act with honesty, ethics, and respect in everything we do

Diversity
We respect and celebrate our differences and create an inclusive environment where everyone feels welcome

Our Employee Engagement

We are cognisant that change in any form can have an impact. Accordingly, during our recent period of leadership team changes, we strengthened employee communication across the business. Our CEO attended every Employee Voice Forum so that employees could raise items directly with him, and to support problem solving in a timely manner. In addition, we evolved our internal communications to include monthly all-employee townhall meetings that were honest and transparent about the successes, challenges and progress of our business model evolution.

Our Employee Benefits

Our intention is to make our employees feel valued for their hard work and commitment.

Last year we expanded our benefits to include private medical insurance. This has made a tangible positive impact upon employee engagement and satisfaction with c.70% of our employees drawing the benefit. The improvements to our inclusive family-friendly leave and pay policies have also been appreciated by employees.

Our People continued

Inclusive Culture

We are committed to fostering an inclusive culture that promotes equality, values diversity, and maintains a positive working environment where all employees are treated with dignity and respect. We are dedicated to providing a safe, professional and harassment-free working environment where every individual can thrive. Accordingly, we undertook a number of enhancements during this period, including:

- Following new legislation from the Equality & Human Rights Commission ("EHRC") regarding expanding employers' duties to take reasonable steps to prevent sexual harassment in the workplace, we have undertaken a thorough risk assessment. We are in the process of rolling out several initiatives including employee training and improved engagement and awareness with our Partner Funds and third parties about this legislation.
- Improvements to our Whistleblowing / Speak up process through refresher training for employees and the introduction of functionality to report concerns anonymously.
- Ongoing improvements to our learning and development programme including focused support for those employees in leadership positions, and smoother onboarding experiences, such that more thought and planning goes in to welcoming new joiners to our hybrid workspace.

Fit for Future

Looking ahead, activity is underway to ensure we have the capability and capacity to fully meet the needs of our Partner Funds in light of the impending changes.

As expected, we are adopting a prudent approach to spending, which reflects our operating environment. Nonetheless, we recognise that increased investment is required in our people proposition. We want to ensure that our business evolves sustainably and remains beneficial for our communities in the long term.

This means strengthening our ability to attract and retain valuable financial services expertise, particularly as we expand our Investment and Advisory Service teams.

We aspire to improve our skills-based learning culture. This will be a priority for the years ahead. We aim to contribute to the creation of more career opportunities for those from economically disadvantaged backgrounds and we are already considering our approach to this.

Diversity

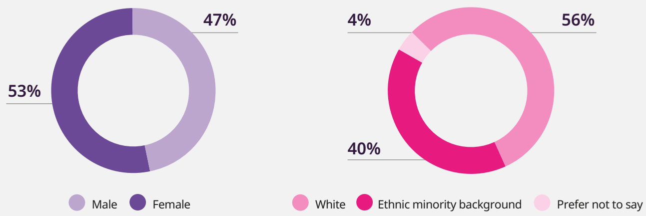
We value diversity and recognise the value it brings- from reflecting the communities we support, improving innovation, the quality of our decision making, and, ultimately, to the financial outcomes for Partner Funds' beneficiaries.

We embrace diversity initiatives through several ways:

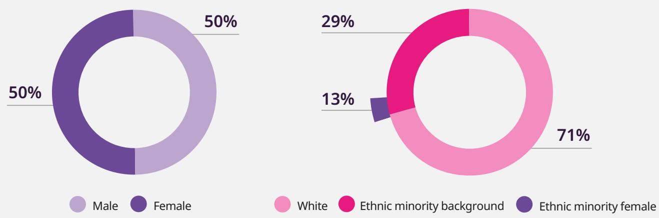
- **Our targets:** Senior Leaders target is 40% of role holders to be female (achieved) and at least 15% to be of ethnic minorities (achieved).
- **Our memberships with external bodies:** Member of the Diversity Project and a founding member of the Asset Owners Diversity Charter.
- **Embracing diversity in the day to day:** 55% of new hires this year were female. Recruitment activity reporting continues to improve.

55 employees

Total number of staff as at 31 March 2025



Senior leadership



Our Principal Risks and Mitigation
Sarah Nowell, Chief Risk Officer

We recognise the importance of good risk management to prevent harm whilst maximising returns.

This section outlines the principal risks and uncertainties that could impact our operations, financial performance, and overall business strategy. By identifying and assessing risks at both macro and enterprise levels, we aim to enhance our decision-making processes and increase resilience.

Our Enterprise Risk Management Framework is designed to systematically identify, evaluate, and mitigate risks across all levels of the organisation. This framework is integral to our strategic planning and operational processes, helping us to achieve our strategic objectives while safeguarding our Partner Funds' assets and reputation.

The Board is ultimately responsible ensuring that our risk management is adequate and for setting the Company's risk tolerance in the context of our strategic objectives. The Board delegates oversight to its Compliance, Audit and Risk Committee ("CARCO") which is informed by the work of the Executive Risk and Compliance Committee.

Fit for Future

As a business, we are energised by the changes arising from the consultation. However, it is acknowledged that any material change programme will naturally result in modifications to our risk profile. Risk assessments related to the consultation outcome are underway to ensure that the risk impacts are duly considered and mitigated to remain within the Board-approved risk appetite.

Key Components of the framework:

1. **Risk Tolerance:** The Board approves the Company's risk tolerance levels on an annual basis to guide business activities and to shape the controls framework. Risk Tolerance is taken into consideration in establishing the Medium-Term Financial Strategy and is integrated with its operational controls and culture.
2. **Risk Identification:** We systematically identify potential risks across all areas of our business, including: Strategic, People, Operational, Technology, Financial Stability and Regulatory risks.
3. **Risk Assessment:** Each identified risk is evaluated based on its likelihood and potential impact. This helps us prioritise risks and allocate resources effectively to manage them.
4. **Risk Mitigation:** We implement ways to mitigate identified risks through preventive measures, or contingency plans.
5. **Risk Monitoring and Reporting:** We have established reporting mechanisms to ensure that risk information is communicated to risk governance forums regularly to assist with decision making.

Our Principal Risks and Mitigation continued

Key Risks and Mitigations

Definition	Risk Tolerance	Assessment
Strategic		
Failure to deliver the business strategy. This may be due to poor execution, decision making, governance or a failure to deliver due to poor investor engagement, inadequate offering, or external industry dynamics.	MEDIUM	Pooling progress continued in 2024/25 which supported us in achieving our targets and achieve our second consecutive reduction in the DFC. As set out in the CEO's report, we received confirmation that the Government is supportive of our proposals as outlined in our Fit for the Future implementation plan. This allows us to confidently move forward with a clear business strategy. A robust program structure has been put in place to ensure effective implementation and to help ensure that strategic and implementation risks arising are managed within the Board's risk appetite and with the best interests of clients and shareholders in mind. We have already been working with our Partner Funds on a collaborative convergence approach. This will continue and intensify as we work together to implement the relevant aspects of the new Pension Schemes Bill and ensure we remain in a strong position and can plan effectively to deliver good outcomes for the beneficiaries.
Investment and Product Risk		
Risk of failure to conduct effective investment oversight, to deliver on investment objectives or to develop and maintain products that meet the objectives, characteristics, and best interests of clients	LOW	Continuous improvement in the quality and consistency of our investment and product range remains a focus, as described in the Investment section of this report. As we set out, significant work is ongoing to meet our vision of creating a suite of funds and services that meet the requirements of our Partner Funds. We continue to develop this in line with our investment beliefs, supported by our Responsible Investment framework, under the invigorated leadership of our new CIO. Given the importance of delivering value and investment performance, we have identified public market fund prospects to strengthen the quality and performance of funds and will continue to engage with Partner Funds. This work and engagement with Partner Funds on the outcomes will continue and intensify into next year.
Legal and Compliance Risk		
The risk that the Company does not comply with the applicable regulatory framework or does not adhere to applicable laws.	LOW	The Company continues to promote its compliance and risk culture led by the CEO and promoted by our purpose and values. We obtained a variation of permissions from the FCA in December 2023, enabling us to offer a wider range of solutions to support the pooling requirements of its Partner Funds including segregated management. During this financial year we began to utilise these permissions to offer discretionary portfolio management services and other advisory services. To the extent that such new services may add to our risk profile through new processes, we seek to mitigate this through enhancing our own controls and the engagement of suitably expert outsourcing partners. The risk appetite for each new service is assessed before it is launched, and the effectiveness of controls reviewed on an ongoing basis. We use third party lawyers to mitigate legal and tax risks as deemed necessary. The annual due diligence by the independent Depository of our processes and controls related to the management of the funds found no material issues and reconfirmed us as operating at the Depository's lowest risk rating.
Firmwide Operations including Outsourcing and IT		
The risk of loss as a result of inadequate internal processes, poor internal controls or contingency plans or poor operational oversight (internal and 3rd party).	MEDIUM	Our Risk Management and Compliance frameworks continue to develop in line with business growth and are subject to the challenge of our independent NEDs via the CARCO. Focus has tightened on ensuring that business change, including the Fit for the Future programme, and new funds and services are delivered in such a way that we continue to operate in a safe and compliant manner whilst meeting the needs of our shareholders and Partner Funds. Northern Trust remains the key supplier of Custody, Transfer Agency, and Fund Accounting services. We are satisfied with the overall level of service. Part of our ongoing oversight of Northern Trust includes the review of its Business Continuity and Operational Resilience frameworks. We revalidated our CyberEssentials certification with the audit process for CyberEssentials+ completing in April 2025.
People Risk		
The ability to attract and retain talent and the ability to maintain appropriate employment practices alongside a suitable remuneration framework.	MEDIUM	As set out in the People section of this report, we have been on a journey to reinvigorate its leadership team to ensure we have the skills, diversity and experience needed to steer the firm through upcoming changes. This led to a period of heightened People change risk in 2024/25, which was carefully managed to minimise loss of corporate knowledge, to maintain employee engagement, and support positive internal morale. Whilst we believe we have a strong 'tone from the top', we recognise that continuous vigilance is needed to ensure a healthy and thriving workplace culture and avoid complacency. Key initiatives such as strengthening the Whistleblowing / Speaking Up processes and ongoing focus on learning all contribute to helping maintain a culture in line with our values.
Financial Strength, Capital and Liquidity		
The risk that the Company does not have sufficient regulatory capital reserves or does not achieve sufficient income to remain a going concern or is unable to meet payment obligations in a timely manner.	VERY LOW	New regulatory permissions enabling plans for business growth and in assets under management result in increased focus on the adequacy of resources and regulatory compliance which include liquidity provisions, liquidity and capital stress tests as well as a costed, actionable wind-down plan. When we were established, it was envisioned that there was sufficient capital for £15bn of AUM. AUM growth both from positive markets and Partner Fund inflows to the pool have now increased AUM to £20bn as at 31 March 2025. This has reduced our regulatory capital surplus below the targeted 150% and the trend will continue with further AUM growth. There is therefore a need to grow the capital base for the business. As set out in the CEO's report, we agreed the capital and revenue model with shareholders at the July AGM, including expected changes to the funding model to accommodate the agreed outcomes linked to the LGPS Fit for Future consultation.

Our Financial Review
Christopher Gardiner, Chief Financial Officer

Financial Highlights

Despite the challenging macroeconomic environment, the Company has performed well delivering a strong set of financial results whilst continuing to deliver against strategic objectives. Implementation of our Fit for the Future plan commenced towards the end of the financial year, with support from Partner Funds. As a result, we are already enjoying an acceleration in asset inflows. For the second consecutive year, positive net fund inflows were greater than the budget, and revenues increased by 21% on the prior year to £11.0m (2024: £9.1m).

Successful renegotiation of third-party investment manager fees in the past 12 months has allowed us to pass on annualised fee savings of approximately £1.2m to beneficiaries, whilst shareholders have also benefited from a further £0.1m reduction in the DFC.

Key financial indicators for the year to March 2025 include:

- Revenues £11.0m (2024: £9.m)
- Profits after tax of £0.2m (2024: £1.2m). Noting that 2024 included a VAT reclaim of £1.3m)
- Net Partner Fund investments of £2.0bn achieved in the year
- AUM increased by 13%, rising from £17.1bn to £19.3bn (ACS funds)
- Annualised Fee savings of £1.2m generated for LGPS beneficiaries
- £100k DFC reduction
- Regulatory capital surplus at 133% of the requirement

Income statement

Operating Income

Management fees were higher in the year, a result of growth in AUM driven by positive market movements and net client inflows of £2.0bn (2024: £1.6bn). The higher management fees have supported the additional reduction in the DFC during year, building on the £0.3m reduction in the DFC in 2024.

Passive fees at £0.6m (2024: £0.7m) are based on assets held with LGIM and Blackrock. The passive assets are deemed as pooled by MHCLG.

We are now using a Partially Exempt Special Method ("PESM") to allow us to apply a VAT recovery methodology on an ongoing basis, therefore the 2024 VAT refund of £1.3m in Other Income, below, is a one-off occurrence related to prior year recoveries.

Income Statement	Mar-24 £m	Mar-25 £m
Fixed Fees	3.2	3.1
Management Fees	5.2	7.3
Passive Fees	0.7	0.6
Total Turnover	**9.1**	**11.0**
Other income	1.5	0.2
Total Operating income	**10.6**	**11.2**
Expenses		
Staff costs	6.1	7.1
Non staff costs	3.1	4.0
Total Admin Expenses	**9.2**	**11.1**
Operating Profit	**1.4**	**0.1**

Operating Expenses

Our operating expenses include staff costs of £7.1m (2024: £6.1m), the increase driven by additional headcount in the year and the replacement of several senior retirees.

Non-staff costs of £4.0m (2024: £3.1m) cover expenses relating to office facilities, external professional fees, technology systems costs and general business expenses. Growth in non-staff costs versus the prior year was driven by additional legal and professional fees, recruitment costs, office lease costs increasing post COVID, and inflationary increases on business running costs.

Capital and Revenue Funding Review

The ability of the Company to support the pooling requirements of our Partner Funds needs to be underpinned by a robust capital and revenue funding framework. A key deliverable for 2024/25 was a financially sustainable pooling model to support the Government's ambition to progress pooling. In collaboration with Partner Funds, our plans in this area have progressed well.

Additional regulatory capital will be provided from the allotment of the remaining authorised B shares (total value of £2.2m). The B share subscription process is currently underway, and targeted for completion by the end of June 2025. A post balance sheet event is noted in the financial accounts towards the end of this report to update on progress made in relation to the new share allotment (note 19).

To secure the ongoing funding of capital from retained revenues, we are focused on achieving an increase in the management fees we receive. This will be funded by savings made from investment management fees charged by external managers crucially at no additional cost to Partner Funds.

Change in auditor

Grant Thornton UK LLP were appointed as auditor to the Company and funds managed by the Company for the financial year ending 31 March 2025. The appointment followed a robust procurement process, culminating with shareholder approval in December 2024 by written resolution. Grant Thornton LLP bring the benefit of a different approach and new perspective for our audit.

Savings and reduced costs

- Annualised net fee savings of **£1.2m**
- Annual fixed fee reduced by **£100,000**

"We remain focused on delivering value for money for investors and our Partner Funds"

Assets Under Management

The net asset value of AUM as at March 2025 was £19.3bn (March 2024 £17.1bn) and a further £14.9bn (March 2024 £14.5bn) was invested in passive funds managed by LGIM and Blackrock and deemed pooled.

- Public markets assets managed by us increased by 10% in the year, rising from £15.6bn to £17.1bn through a combination of net new Partner Fund investment (£1.2bn) and favourable market movement (£0.4bn).
- Commitments to private markets assets managed by us increased by 24% (£687m) in the year, leading to total commitments of £3.8bn.
- The overall level of assets considered pooled (including assets managed and passive investments managed by LGIM and Blackrock) increased from £31.6bn to £34.2bn.
- We were successful in sourcing £2.0bn of net Partner Fund inflows and commitments in the year, which was a £0.4bn increase on the previous year total of £1.6bn.

Private market commitments have increased to over £3bn since the launch of the Private Debt II and Nature Based Solutions Fund.

Net inflows for the public markets funds totalled £1.2bn in the year, including the launch of the All Maturities and Global Equity Value funds.

Assets Under Management	Actual Mar-24 £bn	Actual Mar-25 £bn
AIFM AUM- ACS	15.5	17.1
AIFM AUM- Private Markets	1.6	2.2
Total AUM AIFM	17.1	19.3
Passive Funds managed by LGIM/Blackrock	14.5	14.9
Total AUM	**31.6**	**34.2**
Total LGPS AUM (at March 2024)	**51.0**	**51.0**

Client flows	Actual Mar-24 £bn	Actual Mar-25 £bn
Gross New Inflows (incl commitments)	2.3	2.3
Client Outflows	(0.8)	(0.3)
Net client flows	1.5	2.0

The latest available figures for total London LGPS assets are £52.1bn at 31 March 2024.

Regulatory Capital and Liquidity Requirements

We are an established Financial Conduct Authority ("FCA") regulated asset manager, authorised as a collective portfolio management company. As such we are subject to the requirements of the Alternative Investment Fund Managers Directive ("AIFMD") capital requirements. Additionally, as we move to fall under the scope of the Investment Firms Prudential Regime ("IFPR"), the Markets in Financial Instruments Directive ("MiFID") also applies.

The Shareholder Agreement requires that a regulatory capital statement is put to shareholders for approval in writing at least annually and this is done as part of the AGM business. The next FCA return in July 2025 is for the June 2025 position, informed by the audited 31 March financial statements.

The tables below summarise the capital and liquidity positions under AIMD and MiFID and confirm that us in meeting out regulatory obligations. For AIFMD and MiFID, the capital adequacy requirement is the same. The capital adequacy or "Own Funds Requirement" based on the audited financial statements as at 31 March 2025 is as follows:

AIFMD Own Funds Requirement – March 2025 based on audited financial statements	£m
Own Funds	8,239
Own Funds Requirement	6,217
Surplus	2,022
% Surplus over Requirement	**133%**

The liquidity requirements under AIFMD and MiFID are presented in the table below.

AiFMD Liquidity Requirement – March 2025	£m
Liquid Assets	8,382
Liquid Assets Requirement	6,114
Liquid Assets Surplus	**2,268**

MiFID Liquidity Requirement – March 2025	£m
Core Liquid Assets	8,124
Liquid Asset Threshold Requirement	699
Liquid Assets Surplus	**7,424**

We are required to prepare an Internal Capital Adequacy and Risk Assessment ("ICARA") at least annually. The purpose of the ICARA is to demonstrate how we have assessed our regulatory obligations, including potential harms for our Partner Funds. The ICARA also assesses and quantifies appropriate levels of capital and liquidity required to address the potential harms identified during business as usual, in stressed conditions and in the execution of an orderly wind-down. We have not identified that it requires additional capital to support its ongoing operations.

Fee Savings

We launched our first fund in 2015 and since then have been monitoring and reporting on fee savings delivered for our Partner Funds.

This year we achieved annualised cost savings to investors of over £1.6m in the last 12 months and reduced the DFC this financial year by £100,000 per annum.

We have achieved cumulative net savings in respect of the ACS and passive funds of £86.8m since 2015.

Going Concern

Each year we carry out a detailed financial analysis which considers the ability of the Company to meet its current and future liabilities. In preparing the going concern analysis, Directors have considered the:

- Current financial position of the Company
- Three-year medium-term financial strategy ("MTFS") approved by shareholders in January 2025
- Capital adequacy position of the company under AIFMD and MiFID regulations
- Financial impacts of a stressed market on the MTFS and resulting capital and liquidity positions
- Potential impacts of the Government's response to the recent Pension Consultation
- Going concern assessments for London CIV's ACS and private market funds

The Directors determined that it had the financial resources to operate as a going concern for the foreseeable future.

Increased investment by Partner Funds

- Public and Private markets assets managed increase by **12.9%**
- Total assets pooled and deemed pooled rose by **8.2%**
- Commitments to private markets funds in the year increased by **22.6%**

Approval of Strategic Report

The Strategic Report is a statutory requirement to inform and assist our shareholders in assessing how the directors have performed their duty under section 172(1) of the Companies Act. The report provides our shareholders with an analysis of our performance during the financial year, to provide insight into our business model, strategies, objectives and principal risks, and to provide context for the financial statements.

The Directors consider that the report meets the statutory purpose and objectives of the strategic report.

On behalf of the Board:

Dean Bowden, Chief Executive Officer
London CIV

19 June 2025

Governance

In this section

31 Our Governance Framework
32 Our Governance Bodies
34 Our Board of Directors
36 Our Stakeholders: Section 172 Statement
38 Our Directors' Report

Our Governance Framework
Liz Lynxwiler, Company Secretary

This section consolidates governance reporting, providing context that explains our governance arrangements and activities through the year. As a result, you will find reporting in this section that may be found elsewhere in other companies' reports, including the section 172(1) statement.

Governance Overview

Company Background

London LGPS CIV Limited ("London CIV") is an FCA authorised and regulated company limited by shares. Our 32 Partner Funds are also our shareholders. We were established as a collective venture in 2015 for the specific purpose of pooling the LGPS pension assets of the London Local Authorities.

In addition to our Articles of Association, there is a Shareholder Agreement in place which outlines the matters reserved to shareholders. These matters include items such as the approval of the budget, objectives, and the business plan.

Shareholder Relations

Positive engagement with our shareholders is central to our success. There are a number of formal and informal touchpoints throughout the year, including:

- **General Meetings (2 per year):** all shareholders invited; exercising of shareholder rights.
- **Shareholder Committee (4 per year):** sub-set of shareholders; consults on items such as our strategy, business plan, corporate performance, and shareholder reserved matters.
- **Sustainability Working Group (4 per year):** sub-set of shareholders invited; consults on responsible investment and sustainable strategies.

Governance Overview

The Board is collectively responsible for our long-term success within a framework of prudent and effective controls. The Board's non-executive directors bring a level of independent challenge to the CEO and the management team. To support the Board in its oversight and leadership, there is an established committee framework (details below).

The CEO is responsible for the day-to-day management of the London CIV. The CEO is supported in this by an Executive Committee which includes other senior managers.

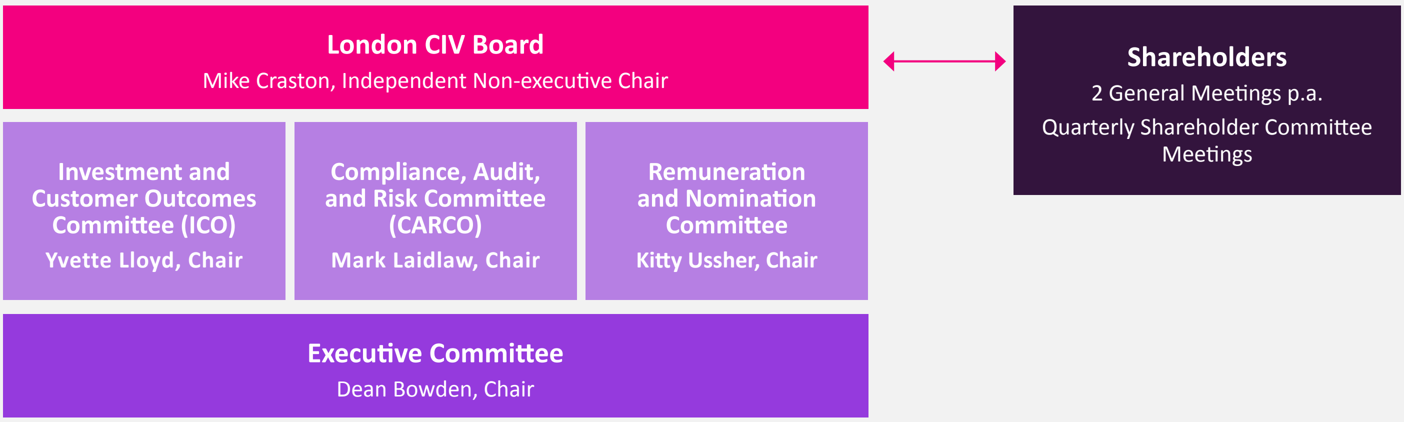
Under the FCA's Senior Management & Certification Regime ("SMCR") certain individuals hold responsibility as Senior Management Function Holders ("SMFs"). The current SMFs are the Board Chair, the CEO, the Chief Operating Officer ("COO") and the Chief Risk Officer ("CRO"), covering compliance and risk.

The Board Governance Committees are ICO, CARCO, and RemNomCo. Details on the activities of these governance bodies can be found in this section.

Fit for Future

Our current governance model meets the requirements and expectations of an FCA regulated business. The consultation outcome did not prescribe a specific governance model for pools. However, we are reviewing our current position to ensure that we continue to have sufficient shareholder voice at the Board, as well as any appropriate escalation routes for Partner Funds.

Our High-Level Governance Framework



Our Governance Bodies
The Board

Collectively responsible for the long-term sustainable success of the Company, the Board's role is to provide leadership of London CIV within a framework of prudent and effective controls which enables risks to be assessed and managed effectively. You can read about how the Board discharged its duties in the s172 Statement.

The Board has 4 non-executive and 2 executive directors. There are currently 2 vacancies for shareholder-nominated NEDs. The biographies of the Board can be found on pages 34-35. Damon Cook attends each meeting as the Treasurer Observer.

Principal Areas of Board Focus

In addition to regular updates on corporate and financial performance, stakeholder engagement and feedback, and governance matters, key agenda topics in the year included:

- Fit for Future LGPS consultation: submission of response and the corresponding implementation plan
- Annual budget, business plan and objectives set in the context of the medium-term financial plan
- Appointment of new auditors
- Approval of the ICARA and Assessment of Value reports
- Reviewing strategic challenges and risks to delivering the strategy and specific proposals
- Responsible Investment and Stewardship reporting
- Year-end financial report and annual review

In early 2024, an internally conducted Board evaluation was performed. The evaluation assisted the Board in identifying enhancements to its operations, management information, and areas of focus. In line with corporate governance best practice, the Board undertakes an externally facilitated evaluation every 3 years.

All directors must meet FCA fitness to serve requirements and are specifically approved by the FCA where required by the SMCR regime.

The Committees

Compliance, Audit and Risk Committee (CARCO)
Mark Laidlaw, Chair

CARCO is responsible for the risk and control framework, overseeing compliance obligations, for the integrity of financial statements and reporting, and for external auditor engagement.

Principal areas of focus

- Review of London CIV's Annual Report and Financial Statements
- Reviewing the ongoing compliance monitoring programme and challenging management on outstanding actions
- Business resilience, cybersecurity and the information systems programme
- Approval of the report and financial statements for the Authorised Collective Scheme (which contains reports on the funds) and EUUT
- External auditor reporting, including going concern requirements
- Internal control environment
- Annual Report of the Depositary
- Oversight of Outside Business Interests and Conflicts of Interests policies
- Overseeing the procurement and appointment of the Company's External Auditors

CARCO Members: Mark Laidlaw, Dean Bowden, Kitty Ussher

CARCO Attendees: Chief Risk Officer, Chief Financial Officer

Investment and Customer Outcomes Committee (ICO)
Yvette Lloyd, Chair

ICO is responsible for the oversight of investment activity and investment risk appetites, reviewing progress of London CIV's Responsible Investment Strategy and Stewardship, including climate change in respect of activity and progress towards Net Zero. ICO was pleased that we were once again approved as an asset owner signatory to the UK Stewardship Code.

Principal areas of focus

- New fund development and launches
- Fund performance, investment manager selection metrics and oversight of investment risk in funds
- Assessment of Value Report
- Responsible Investment, in particular progress in achieving London CIV's Net Zero ambition in respect of climate change and TCFD reporting including the new climate analytics service
- Stewardship and Engagement, including the three priority stewardship themes

ICO Members: Yvette Lloyd, Dean Bowden, Mark Laidlaw

ICO Attendees: Chief Investment Officer, Chief Operations Officer, Head of Responsible Investment

Remuneration and Nominations Committee (RemNomCo)
Kitty Ussher, Chair

RemNomCo is responsible for the remuneration framework and remuneration of key staff, nomination matters (Board appointments), and succession planning for key staff and the Board. ExCo remuneration is delegated to the Senior Staff Pay Panel, a sub-set of the RemNomCo.

Principal areas of focus

- Undertook the annual review of the remuneration policy to enable London CIV to attract, retain and motivate the quality staff required to deliver services to Partner Funds
- Challenged and reviewed the pay award for the 2024 performance year
- Considered succession planning in respect of the Board and key staff, taking into account the Board-agreed Diversity Policy
- Undertook appraisal and reappointment of Board Chair
- Considered arrangements for the annual Board evaluation and programme of Board development events

RemNomCo Members: Kitty Ussher, Mike Craston, Mark Laidlaw, Yvette Lloyd, and Rishi Madlani (co-opted member as Chair of Shareholder Committee)

RemNomCo Attendees: CEO, Chief People Officer

Shareholder Committee (SHCo)
Cllr Rishi Madlani, Chair

SHCo plays an important role in identifying emerging issues and realistic solutions which will ensure that we can continue to meet the needs of the London LGPS.

SHCo is consulted on: London CIV's strategy, budget and business plan (MTFS); emerging issues and shareholder priorities; financial and corporate performance; Responsible Investment, and Reporting & Transparency.

SHCo Members: 12 members from London Local Authorities (8 London Local Authority Pension Investment Committee Chairs or equivalent and 4 Treasurers), a Trade Union Member and the London CIV Board Chair.

SHCo Attendees: London CIV CEO, COO, CFO, Company Secretary, and Assistant Governance Manager.

Our Board of Directors

Mike Craston
Independent Non-Executive Director
Appointed September 2021

Mike is the Board Chair and is a member of the RemNomCo. Mike is non-executive Chair of Railpen and Vanguard UK. Prior to this, he held a number of roles at Legal and General, Aegon Asset Management, Scottish Equitable, and Schroders and most recently as Chair of Aviva Investors Holdings and a non executive director of AVIVA plc.

Dean Bowden
Chief Executive Officer
Appointed December 2022

Dean joined London CIV as Chief Executive in 2022. Dean is a member of the CARCO and ICO. He has over 25 years' experience in the investment sector, most recently as CEO of Quilter Investors Portfolio Management and Managing Director of Quilter Investors Limited, while also undertaking the role of Quilter's Group Head of Responsible Investment. Dean began his career as an Investment Manager at Thesis Asset management, personally managing individual client portfolios and a range of funds, before moving to Skandia (now Quilter) in 2007 as Chief Investment Officer of the International Division, spending 15 years with the group undertaking a number of senior leadership positions.

Martin Gloyne
Chief Operating Officer
Appointed November 2024

Martin has over 30 years' experience within FCA authorised investment management firms largely working within the pensions industry and supporting multiple client and product types. This includes previous experience at COO level and consultancy roles. Martin has significant experience in business risk management, control frameworks and associated management reporting and in managing key service suppliers, including fund administrators, depositaries and IT infrastructure.

Most recently Martin was COO of Quilter Investors Limited where he had responsibility for the day to day administration of the Quilter Investors funds. During his career, he spent a number of years at Aviva Investors in senior roles continuously adapting the operating model to support the changing business and corporate needs. Martin also spent several years as an Operations Consultant helping a range of investment managers solve their operational challenges.

Mark Laidlaw
Non-Executive Director
Appointed 10 January 2022

Mark is the CARCO Chair and a member of ICO and RemNomCo. Mark has over 30 years' experience in financial services primarily within life, pensions and asset management and is a qualified actuary. Mark held a number of roles including as Chief Financial Officer (CFO) and Chief Risk Officer (CRO) at AEGON UK and is a Non-Executive Director of Omnilife, Kilter Finance and Scottish Friendly as well as a Trustee of the LV= pension scheme and a chair of the investment committee of TPT (a DB/DC Master Trust).

Yvette Lloyd
Non-Executive Director
Appointed January 2022

Yvette is the ICO Chair and a member of RemNomCo. Yvette has over 25 years' experience in asset management and investments in senior leadership and non-executive positions at asset managers, banks, insurance companies and pension schemes. She brings expertise in equity, fixed income, multi-asset, and real estate asset classes in both public and private markets vehicles, for both retail and institutional investors globally including the implementation of sustainability factors in client driven strategies.

Yvette has served as a Member Nominated Director and Trustee of a large UK pension scheme and an as advisor to the Income Generation and Investment Committee of the Royal College of Nursing Foundation. Yvette is currently Head of Product Structuring Solutions and Responsible Investment Strategy for BNY Investments EMEA and a Trustee of Mellon Europe Pension (Nominees) Limited.

Kitty Ussher
Non-Executive Director
Appointed September 2020

Kitty is the RemNomCo Chair and a member of CARCO. Kitty is an economist, former Lambeth councillor and MP who served as Economic Secretary to the Treasury (City Minister) during the financial crisis of 2007-08. In parliament she was a member of the Public Accounts Committee, the 2006 Companies Act and several Finance Bill committees. She has also served on the Financial Services Consumer Panel of the FCA and as a Non-Executive Director at Revolut NewCo UK Ltd. Kitty is currently Group Head of Policy Development at Barclays and a member of The Times shadow monetary policy committee.

Damon Cook
Board Observer

Damon is not a member of the Board but attends every meeting as the Treasurer Observer. He is the Royal Borough of Greenwich's statutory Chief Finance Officer (s151) and Director of Finance. His wider responsibilities include ICT, pensions and payroll, procurement, advice and benefits, and governance.

Cllr Rishi Madlani
Shareholder Committee Chair

Rishi serves as Chair of the Shareholder Committee. He also chairs the London Borough of Camden's Pension Committee and is an elected Councillor in Camden, representing the Bloomsbury ward. Beyond his political roles, Rishi serves as UK Head of Sustainability at Investec where he leads the firm's approach to climate and sustainable finance and contributes to a range of organisations in the education and sustainability sectors.

Directors Resigned During the Year

Cllr Ravi Govindia, Non-Executive Director: Cllr Govindia served on the Board as a Shareholder-nominated director from 2018 to 2024
Brian Lee, Chief Financial Officer: Brian Lee was the Chief Financial Officer of London CIV and a director from 2015 to 2024.
Cllr Peter Mason, Non-Executive Director: Cllr Mason served on the Board as a Shareholder-nominated director from 2021 to 2024.

Our Stakeholders
Section 172 Statement

The Companies Act 2006 (the "Act") requires the Annual Report to provide information that enables our stakeholders to assess how the London CIV Board of Directors (the "Board") have performed their duties under section 172 of the Act.

The Act provides that the Board must act in a way that they consider in good faith would be most likely to promote the success of the Company for the benefit of shareholders as a whole. In doing so, the Board must have regard to, amongst other things, the factors set out below:

- the likely consequences of any decision in the long term;
- the interests of colleagues;
- the need to foster our business relationships;
- the impact of our operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly for all our members.

Our high engagement business model is designed to ensure the Board takes into account its key stakeholders when developing our strategy. The Board's safeguarding of stakeholder interests takes two approaches: direct interactions, and oversight of management's efforts. The Board understands the value of stakeholder engagement beyond statutory obligations. The examples provided in this s172 statement therefore illustrate a broad view of how we pay regard to, and interacted with, some of our key stakeholders during the year.

The Board acknowledges that decisions are not made in isolation and are often made against a backdrop of competing interests. One of the Board's roles is to navigate the complexities of the various stakeholder priorities and perspectives. The Board uses our purpose statement - *working together to deliver sustainable prosperity for the communities that count on us all* - as a touchstone for decision-making to ensure consistent outcomes.

The Board is supported in the discharging of its duties by the Governance and Secretariat function. For the year ending 31 March 2025, the Board considers that, as individuals and a collective, it acted in accordance with s172.

Shareholders	**Our approach** Our Partner Funds, as shareholders and clients, are central to our success. Board engagement is primarily through the two annual general meetings, and the quarterly Shareholder Committee meetings. Beyond this, the Board delegates shareholder engagement to the CEO and wider London CIV workforce, who then provide shareholder feedback to the Board. This indirect engagement provides insights that inform the Board's discussions and decision making. Throughout the year management leveraged forums such as the quarterly business updates, Seed Investor Groups ("SIGs"), and the Sustainability Working Group ("SWG") to obtain feedback and shape strategy and decisions. **Our focus this year** A key focus for the year has been engagement around the Government's consultation on LGPS pooling. The Board oversaw management's work with Partner Funds to understand and represent their views in the development of the Fit for the Future implementation plan. The Board also engaged with shareholders on financial sustainability. This led to the Board's decision to seek shareholder approval of a new funding model designed to increase retained earnings through adjustments to the investment fee structure. The Board acted to protect shareholder interests through prudent financial planning, transparent performance monitoring, and inclusive strategic engagement. The decisions taken particularly on capital resilience and the Implementation Plan reflect our intention to balance regulatory compliance with commercial flexibility and cost-efficiency.

Our Stakeholders continued

Wider Community (including ESG considerations, LGPS beneficiaries and the taxpayer)	**Our approach** Beyond supporting our Partner Funds, we aim to deliver value for LGPS beneficiaries, the UK taxpayer and the wider communities in which we operate. Our engagement includes direct involvement with LGPS stakeholders (e.g. civil society partners), participation in sector-wide discussions on community-related financial pressures, and collaboration with Partner Funds through the SWG. We also take a proactive approach to corporate stewardship, using our voting rights and investment influence to promote socially and environmentally responsible practices across the companies we invest in. **Our focus this year** A central focus has been the development and endorsement of our Human Rights in Conflict Zones Framework, and our Net Zero Action Plan. The Net Zero Action Plan outlines a structured pathway for reducing emissions across various asset classes, reinforcing our role as a responsible investor and aligning our approach with the wider responsible investment agenda. Both are grounded in robust targets and informed by industry standards and legal guidance. The Board engaged with pressing social issues facing local authorities, including rising costs in adult social care and the ongoing challenge of homelessness. These discussions ensured that the Board remained aware of the real-world impacts of our investment and policy decisions and informed our connection with broader public service priorities. By ensuring our investment practices are aligned with long-term environmental and social objectives, the Board ensures risks are actively managed and opportunities that are material to Partner Funds. This alignment demonstrates that the Board's approach to stewardship is not only values-led, but also value-creating by seeking to create stable, sustainable returns and reputational integrity in the long term.
People	**Our approach** We foster a working culture where engagement between senior leadership, people managers and employees is supportive. We have an open-plan office environment, hybrid working model, and monthly all-staff Town Hall sessions providing regular opportunities for open communication and feedback. The Employee Voice forum, which includes a representative from every team, remains a valued channel for employees to share their views and influence decisions. **Our focus this year** This year, a significant area of focus has been on refining our internal structure, governance, and culture. As part of this, the Board discussed and supported changes aimed at strengthening the organisation's leadership and reinforcing accountability. The revised Remuneration Policy was approved to ensure alignment with MiFIDPRU regulatory requirements and best practice, helping to retain and attract high-quality staff. The Board evaluation process highlighted improvements in collaboration between executive management and the NEDs. Strengthening leadership was also prioritised, with the reappointment of key directors on the Board. Additionally, the refresh of the Executive Committee enhanced internal leadership and supported operational delivery.
Policy makers and Regulators	**Our approach** Our engagement with policymakers and regulators remains a core part of how we anticipate and respond to changes in the LGPS landscape. We have maintained regular, constructive dialogue with the MHCLG through formal consultations and informal channels. The aim was to ensure our views were raised and we were leading on issues of strategic importance with respect to the evolving LGPS expectations. We continued to engage with HM Treasury and the LGPS Scheme Advisory Board ("SAB"), as well as direct engagement with Partner Funds to ensure alignment with our response. We also maintained regular contact with the FCA, to ensure our obligations and permissions remain appropriate and up to date. **Our focus this year** A key area of focus for the Board this year has been the Government's consultation on accelerating LGPS pooling as part of the pension reform. The Board invested considerable time in shaping and reviewing the response, with management working closely with Partner Funds and engaging in dialogue with ministers and Government officials. Our strategic input into the consultation response was shaped by a focus on governance stability, fiduciary duty, and the long-term sustainability of the investment framework. By engaging early and consistently with regulators and policymakers, we aimed to ensure any proposed reforms would support not undermine our ability to deliver consistent value to Partner Funds. This included advocating for practical, well-communicated changes and preserving operational autonomy where appropriate.

Our Directors' Report
Dean Bowden

The directors present their annual report and the audited financial statements for London LGPS CIV Limited (the "Company") for the year ended 31 March 2025.

Principal activities

London CIV manages the Local Government Pension Scheme ("LGPS") assets of the London Local Authorities (including the City of London). As their investment partner the Company provides a portfolio of products and services. A detailed explanation of the Company's principal activities and business model can be found throughout the report.

Strategic Report

The Company is required by the Companies Act 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement, which considers past performance, risks and uncertainties and future developments, can be found in the CEO report, the financial review, and the Risk Section. Please refer to our Section 172 Statement for examples of how the Board of directors (the "Directors") took into account the Company's stakeholders when making decisions.

Going concern

The Directors have reviewed the financial results for the year ending 31 March 2025, and the annual budget for the year to 31 March 2026 which covers income and expenses, regulatory capital and the cashflow requirements of the business. The Directors are of the opinion that the Company has sufficient financial resources to meet its ongoing obligations as they fall due over the next 12 months from the date of signing the financial statements. Accordingly, the Directors believe it is reasonable for the Company to continue to adopt the going concern basis in preparing the financial statements for a period of at least 12 months from the date of signing the financial statements.

Pension scheme

The Company participates as an Admitted Body in the City of London Corporation Pension Fund ("the Fund") which operates a defined benefit scheme. The funding of the scheme by the Company is determined by the Actuary to the Fund. The Company is obliged to account for its participation in the Fund under FRS 102. As at 31 March 2025, the Actuary has reported an FRS 102 pension surplus of £2.2m (31 March 2024: £1.4m). The scheme surplus is not recognised as an asset in the financial statements since the Company does not have a right to a refund or, in light of their funding commitments, to reduce future contributions.

The Company closed its defined benefit scheme to new entrants with effect from the 1 June 2020. The Company continues to offer pension provision for eligible employees through defined contribution arrangements.

Subsidiary Companies

The Company's subsidiaries during the year were: LCIV Nominee (1) Limited; LCIV Nominee (2) Limited; London LGPS CIV GP Limited; The London Fund GP LLP; and The London Fund LP. The principal activities are described in note 10. The subsidiary companies were dormant during the period under review. The directors do not anticipate that the subsidiary companies will trade in the foreseeable future.

Directors

The Directors who served during the year were:

- Michael Craston (Board Chair)
- Dean Bowden
- Martin Gloyne (appointed 28 November 2024)
- Cllr Ravi Govinda CBE (resigned 31 August 2024)
- Mark Laidlaw
- Brian Lee (resigned 31 October 2024)
- Yvette Lloyd
- Cllr Peter Mason (resigned 17 July 2024)
- Kitty Ussher

Director indemnity provision

The Company has made qualifying third-party indemnity provisions for the benefit of its directors, which remain in force at the date of this report.

Board Attendance

The list below shows the attendance at board meetings by Directors during the year. There were 6 formal Board meetings and 1 strategy session held during the course of the financial year ending 31 March 2025.

Director	Meetings
Michael Craston (Chair)	7/7
Dean Bowden	7/7
Martin Gloyne (appointed 28 November 2024)	2/3
Cllr Ravi Govinda CBE (resigned 31 August 2024)	2/2
Mark Laidlaw	6/7
Brian Lee (resigned 31 October 2024)	3/3
Yvette Lloyd	7/7
Cllr Peter Mason (resigned 17 July 2024)	1/2
Kitty Ussher	7/7

Directors' responsibilities statement

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 have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Section 1A, and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors 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.

Disclosure of information to auditor

At the time when this Directors' Report was approved, each Director has confirmed 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 ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Independent auditor

Grant Thornton UK LLP were appointed as auditor to the Company and funds managed by the Company for the financial year ending 31 March 2025, for a maximum period of five years. The appointment followed a robust procurement process, culminating with shareholder approval in December 2024 by written resolution.

This report was approved by the Board and signed on its behalf by:

Dean Bowden, Chief Executive Officer
London CIV

19 June 2025

Financial Statements

In this section

41 Independent Auditor's Report
44 Statement of Comprehensive Income
45 Balance Sheet
46 Statement of Changes in Equity
47 Statement of Cashflows
48 Notes to the Financial Statements
57 Company Information

Independent Auditor's Report
to the Members of London LGPS CIV Limited

Opinion

We have audited the financial statements of London LGPS CIV Limited (the "Company") for the year ended 31 March 2025, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', collectively United Kingdom Generally Accepted Accounting Practice ("UKGAAP").

In our opinion:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors, management and the compliance officer. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', relevant tax and pensions legislation, the Companies Act 2006 and the Financial Services and Markets Act 2000 as applied to the Company.
- We enquired of the directors and management including compliance to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board meetings, inspection of the complaints and breaches registers, inspection of legal and regulatory correspondence and reports to the regulator, the FCA.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;

  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Company's operations, including the nature of its investments, sources of income, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
  - the Company's control environment to mitigate risks of fraud or non-compliance with the relevant laws and regulations.

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

Use of our report

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

Paul Flatley FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
19 June 2025

Statement of Comprehensive Income
for the year ended 31 March 2025

Registered Number: 09136445

	Note	2025 £'000	2024 £'000
Turnover	4	10,987	9,088
Administrative expenses		(11,057)	(9,167)
Other operating income	7	189	1,504
Operating profit		119	1,425
Interest receivable and similar income		141	388
Interest payable and similar expenses		–	(274)
Profit before taxation		260	1,539
Tax on profit	8	(67)	(382)
Profit the financial year		193	1,157
Other comprehensive expenses:			
Actuarial loss on defined benefit pension scheme		–	(4)
Deferred tax charge relating to items of other comprehensive income		(1)	1
Other comprehensive expense for the financial year		(1)	(3)
Total comprehensive income for the financial year		192	1,154

The notes on pages 48 to 54 form integral part of these financial statements.

Balance Sheet
as at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible assets	9	74	64
Investments	10	–	–
		74	64
Current assets			
Debtors: amount falling due within one year	11	2,384	3,719
Cash at bank and in hand	12	102,996	117,295
		105,380	121,014
Creditors: amounts falling due within one year	13	(97,081)	(112,828)
Net current assets		8,299	8,186
Debtors: amounts falling due after more than one year	11	66	–
Total assets less current liabilities		8,439	8,250
Deferred taxation	14	(8)	(11)
Net assets		8,431	8,239
Capital and reserves			
Share capital	16	4,950	4,950
Profit and loss account		3,481	3,289
Total shareholders' funds		8,431	8,239

The financial statements on pages 41 to 54 were approved by the board of directors and were authorised for issue on 19 June 2025. They were signed on its behalf by:

D. Bowden

Dean Bowden, Director
19 June 2025

The notes on pages 48 to 54 form integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 March 2025

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 April 2023	–	2,135	2,135
Comprehensive income for the financial year			
Profit for the financial year	–	1,157	1,157
Other comprehensive expense for the financial year	–	(3)	(3)
Other comprehensive income for the financial year	–	(3)	(3)
Total comprehensive income for the financial year	–	1,154	1,154
Reclassification of share capital	4,950	–	4,950
Total transactions with owners, recognised directly in equity	4,950	–	4,950
Balance as at 31 March 2024 and 1 April 2024	4,950	3,289	8,239
Profit for the financial year	–	193	193
Other comprehensive expense for the financial year	–	(1)	(1)
Total comprehensive income for the financial year	**–**	**192**	**192**
Balance as at 31 March 2025	**4,950**	**3,481**	**8,431**

Statement of Cashflows
for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Operating profit		119	1,425
Adjustments for:			
Depreciation of tangible assets		45	34
Decrease/(increase) in trade and other debtors		1,269	(1,699)
(Decrease)/increase in trade creditors		(15,438)	108,499
Cash generated from operations		(14,005)	108,259
Income taxes paid		(380)	(19)
Interest received		141	109
Net cash generated from operating activities		(14,244)	108,349
Cash flow from investing activities			
Purchase of tangible asset		(55)	(54)
Net cash used in investing activities		(55)	(54)
Net (decrease)/increase in cash and cash equivalents		(14,299)	108,295
Cash and cash equivalents at the beginning of the year		117,295	9,000
Cash and cash equivalents at the end of the year		102,996	117,295

The negative operating cash flow reflects a significant reduction in subscription balances, as outlined in Note 2.18, following their investment into underlying funds

The notes on pages 48 to 54 form an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 March 2025

1. General information

London LGPS CIV Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 4th Floor, 22 Lavington Street, London, SE1 0NZ and Registered Number: 09136445. Authorised and regulated by the Financial Conduct Authority No. 710618.

The principal activity of the Company is the provision of FCA regulated investment management and advisory services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The figures presented in these financial statements are stated in thousands of pounds sterling (£'000). In the current year, the Company has changed the presentation of figures from whole pounds to thousands; comparative figures have been restated accordingly to ensure consistency.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Going concern

As disclosed in the Directors' Report, the Company continues to adopt the going concern basis in preparing its financial statements. The directors believe it is reasonable for the Company to continue to adopt the going concern basis in preparing the financial statements for a period of at least 12 months from date of signing the financial statements.

2.3 Exemption from preparing consolidated financial statements

The Company is not required to prepare consolidated financial statements by virtue of the exemption under section 402/405 of the Companies Act 2006.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The service charge and development funding charge are billed to each shareholder annually and recognised over the year to which they relate.

Asset management fees are ad valorem fees calculated daily and invoiced in arrears. Turnover also includes the reimbursement of certain fund related expenses which are also included in administrative expenses.

2.5 Equity instruments

Equity instruments issued by the Company are recorded at a level representing the value of proceeds received. Share capital represents the nominal value of shares that have been issued.

2.6 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements – 3 years

Fixtures and fittings – 3 years

Computer equipment – 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Investments

Investments in subsidiaries are stated at cost, less provision for any impairment. Dividends, impairment losses and reversals of impairment losses are recognised in the Statement of Comprehensive Income in 'Net gains/(losses) on investments'.

Dividends from investments which would be classified as financial liabilities by the investee are classified as interest and recognised in the Statement of Comprehensive Income in 'Interest income'.

2. Accounting policies (continued)

2.8 Impairment of investments

Impairment losses on investment in subsidiaries are measured as the difference between cost and the current estimated recoverable amount. When the recoverable amount is less than the cost, an impairment is recognised within the Statement of Comprehensive Income in 'Net gains/(losses) on investments' and is reflected against the carrying amount of the impaired asset on the Balance Sheet.

2.9 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short- term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.13 Leased assets: the Company as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

2.14 Pensions

Defined benefit pension plan

The Company participates in a defined benefit plan operated by the City of London Corporation. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The amounts recognised in respect of the defined benefit plan is the estimated present value of the Company's share of the estimated defined benefit obligation at the Balance Sheet date less the Company's share of the fair value of plan assets at the Balance Sheet date out of which the obligations are to be met. If the present value of the defined benefit obligation at the Balance Sheet date is less than the fair value of plan assets at that date, the plan has a surplus. Under FRS 102, London CIV is not able to recognise a plan surplus as it is not recoverable. The surplus is evaluated in line with restrictions which are known as a ceiling test, on the basis that a Minimum Funding Requirement is generally accepted to exist for the LGPS.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to estimate the defined benefit obligation.

The fair value of plan assets and liabilities are measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

2. Accounting policies (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.18 Cash at bank and in hand

Where subscription monies are received from investors pending investment into funds managed by the Company, the monies are held on a bank account that forms part of the Company's cash balances until the monies have been invested and are not subject to segregation in a separate client money bank account. Investors in funds managed by the Company have agreed that client money rules are not applicable.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements and assumptions regarding the valuation of defined benefit post-employment obligation and the pension reimbursement asset that affect the financial statements and related disclosures. The Company believes that the estimates utilised in preparing the financial statements are reasonable, relevant and reliable. Actual results could differ from these estimates.

The Directors do not believe any accounting judgements or estimates have been applied to this set of financial statements other than regarding the valuation of defined benefit post-employment obligations (refer note 15) that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notes to the Financial Statements continued

4. Turnover

	2025 £'000	2024 £'000
Management Fee	6,413	4,626
Service charge and development funding charge	3,120	3,220
Other fee income	748	661
Reimbursement of certain private market funds expenses	706	581
	10,987	9,088

Reimbursement of private market funds expenses relates to the recovery of fees and expenses charged to investors in those funds.

5. Auditor's remuneration

	2025 £'000	2024 £'000
Audit fees payable to the Company's current auditors for the audit of the Company's annual financial statements	44	–
Audit fees payable to the Company's previous auditor	–	39

	2025 £'000	2024 £'000
Fees payable to the current auditor in respect of other audit-related services	13	–
Fees payable to the previous auditor in respect of other audit-related services	–	15

Other audit related services relate to the provision of a client assets report to the Financial Conduct Authority.

6. Directors' and employees

Staff costs including Directors' remuneration during the year as follows:

	2025 £'000	2024 £'000
Wages and salaries	5,899	5,070
Social security costs	709	615
Other pension costs	517	415
	7,125	6,100

As noted previously, the Company operates a defined benefit pension for the benefit of certain employees and executive directors. The assets of the scheme are administered by the City of London Pension fund. Employer contributions are recognised as an expense during the year, these amounted to £113k (2024: £132k).

The Company also provides a Defined Contribution Scheme provided by Nest Pensions, the accounting treatment is to expense the employer's contributions to the scheme which amounted to £404k for the year (2024: £284k).

The average monthly number of employees, including executive directors, during the year was 51 full time equivalent (2024: 46).

Remuneration in respect of directors was as follows:

	2025 £'000	2024 £'000
Emoluments	691	920
Social security costs	83	105
Pension contributions	19	37
	793	1,062

The average number of directors during the year was 2 (2024: 3).

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2025 £'000	2024 £'000
Emoluments	351	339
Social security costs	47	45
	398	384

7. Other operating income

	2025 £'000	2024 £'000
Other operating income	189	246
VAT refund	–	1,258
	189	1,504

Other operating income includes £189k (2024: £246k) relates to income received from annual sponsorships for London CIV annual conference event.

8. Tax on profit

	2025 £'000	2024 £'000
Corporation tax		
Current tax on profit for the financial year	66	376
Adjustment in respect of previous periods	4	–
Total current tax	70	376
Deferred tax		
Origination and reversal of timing differences	1	6
Effect of changes in tax rates	(4)	–
Total deferred tax	(3)	6
Total tax charge for the financial year	67	382

Notes to the Financial Statements continued

8. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £'000	2024 £'000
Profit before taxation	260	1,539
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	65	384
Effects of:		
Expenses not deductible	2	–
Income not taxable	–	(3)
Tax rate changes	–	1
Total tax charge for the financial year	67	382

Factors that may affect future tax rate charges

There are no factors which may affect future tax rate changes to be disclosed.

9. Tangible assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At 1 Apr 2023	45	13	202	260
Additions	–	–	54	54
At 1 April 2024	45	13	256	314
Additions	–	17	38	55
Disposal	–	–	(132)	(132)
At 31 March 2025	45	30	162	237
Accumulated depreciation				
At 1 April 2023	45	11	160	216
Charge for the year	–	1	33	34
At 1 April 2024	45	12	193	250
Charge for the year	–	6	39	45
Disposal	–	–	(132)	(132)
At 31 March 2025	45	18	100	163
Net book value				
At 31 March 2025	–	12	62	74
At 31 March 2024	–	1	63	64

10. Investments

	Investments in subsidiary companies £'000
Cost	
At 1 April 2024	–
At 31 March 2025	–

Investment held in subsidiary company at £21 (2024: £21).

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
LCIV Nominee (1) Limited**	22 Lavington Street, 4th Floor, London, SE1 0NZ	Dormant	Ordinary	100%
LCIV Nominee (2) Limited**	22 Lavington Street, 4th Floor, London, SE1 0NZ	Dormant	Ordinary	100%
London LGPS CIV GP Limited**	22 Lavington Street, 4th Floor, London, SE1 0NZ	Dormant	Ordinary	100%
The London Fund GP LLP*	22 Lavington Street, 4th Floor, London, SE1 0NZ	General partner for The London Fund LP	Ordinary	51%
The London Fund LP*	Brodies LLP, Capital Square 58 Morrison Street Edinburgh, EH3 8BP			–

* Indirect dormant subsidiary.

** These subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

11. Debtors

	2025 £'000	2024 £'000
Due after more than one year		
Rent deposits	66	–
	66	–

The rent deposit of £66k has been reclassified from current to long-term debtors in 2025, reflecting revised lease terms to expiry.

	2025 £'000	2024 £'000
Due within one year		
Trade debtors	491	562
Other debtors	436	1,898
Prepayments	228	208
Accrued income	1,229	985
Rent deposit	–	66
	2,384	3,719

The reduction in other debtors reflects a one-off VAT refund of £1,200k received during the year. Accrued income of £1,229k (2024: £985k) relates to revenue earned but not yet invoiced, with the increase driven by additional assets under management.

Provisions of £107k and £48k have been recognised against trade debtors and accrued income respectively and are included within the related balances on the balance sheet.

Notes to the Financial Statements continued

12. Cash at bank and in hand

	2025 £'000	2024 £'000
Cash at bank and in hand	102,996	117,295

Cash at bank and in hand includes subscription monies totalling £95,105k (2024: £110,682k) received from investors pending investment into London CIV managed funds.

13. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	247	315
Corporation tax	67	375
Other taxation and social security	290	486
Other creditors	95,936	111,367
Accruals and deferred income	541	285
	97,081	112,828

Amounts owed to group undertakings are interest free and repayable on demand. Other creditors balance includes subscription monies £95,105k (2024: £110,682k) received from investors pending investment in London CIV managed funds

14. Deferred taxation

	2025 £'000	2024 £'000
At beginning of the year	11	6
Adjustment in respect of prior years	(5)	–
Charged to profit and loss	1	6
Charged to other comprehensive income	1	(1)
At the end of the year	8	11

The deferred taxation balance is made up as follows:

	2025 £'000	2024 £'000
Fixed asset timing differences	18	16
Short term timing differences	(10)	(5)
	8	11

15. Pension commitments

The Company participates in the City of London Pension Fund (the "Fund") which is part of the Local Government Pension Scheme. This is a multi-employer defined benefit pension scheme with assets held in a separately administered fund. The Fund provides retirement benefits on the basis of members' earnings over their careers. The Fund is administered by the City of London, which is responsible for ensuring that the Fund is sufficiently funded to meet current and future obligations. The Company has agreed a funding plan with the City of London, whereby contributions made by the Company into the Fund are equal to 15% of active employees' salaries. Additional contributions may be agreed with the City of London to reduce any funding deficit ascribed to the Company if necessary. A comprehensive actuarial valuation of the Fund, using the projected unit credit method, was carried out as at 31 March 2022 by the Fund Actuary.

Actuarial Valuation

To assess the FRS 102 surplus as at 31 March 2025, the actuary has based the value of the Company's surplus calculated for the funding valuation as at 31 March 2022 and the results of the previous FRS 102 report as at 31 March 2024, allowing for benefits paid and further benefits to accrue to members and for benefits established in respect of transfer values received, using financial assumptions that comply with FRS 102. Mortality projections have been updated to use the Continuous Mortality Investigation ("CMI") 2023 model. To calculate the Company's asset share as at 31 March 2025, the actuary has used the assets allocated to the employer as at 31 March 2024 allowing for investment returns, contributions and transfers paid in, and estimated benefits paid from, the Fund by and in respect of the employer and its employees.

Reconciliation of fair value of plan liabilities were as follows:

	2025 £'000	2024 £'000
Opening defined benefit obligation	5071	4,828
Current service cost	116	140
Interest cost	251	233
Change in financial assumptions	(967)	(158)
Change in demographic assumptions	(12)	(61)
Experience (loss)/gain on defined benefit obligation	(14)	18
Estimated benefits paid net of transfer in	(70)	(17)
Contributions by Scheme participants and other employers Unfunded pension payments	69	88
Closing defined benefit obligation	4,444	5,071

Reconciliation of fair value of plan assets were as follows:

	2025 £'000	2024 £'000
Opening fair value of scheme assets	6,427	5,687
Interest income on plan assets	321	278
Return on assets less interest	(192)	251
Administrative expenses	(4)	(4)
Contributions by employer	113	144
Contributions by scheme participants	69	88
Benefits paid plus unfunded transfers in	(70)	(17)
Closing fair value of scheme assets	6,664	6,427

15. Pension commitments (continued)

Composition of plan assets:

	2025 £'000	2024 £'000
Equities	3,388	3,584
Cash	101	56
Property and Infrastructure	1,222	845
Multi-asset fund	1,065	1,028
Bonds	888	914
	6,664	6,427

	2025 £'000	2024 £'000
Fair value of plan assets	6,664	6,427
Present value of plan liabilities	(4,444)	(5,071)
Asset ceiling adjustment	(2,220)	(1,356)
Net pension scheme asset	–	–

The amounts recognised in profit or loss are as follows:

	2025 £'000	2024 £'000
Current service cost	116	140
Net interest on the defined asset	(3)	(4)
Administrative expenses	4	4
Total loss	117	140

Defined benefit costs recognised in other comprehensive income

	2025 £'000	2024 £'000
Return on plan assets less interest	(192)	251
Change in financial assumptions	967	158
Change in demographic assumptions	12	61
Experience loss on defined benefit obligation	14	(18)
Asset ceiling adjustment	(797)	(456)
Remeasurement of the net assets / (defined benefit liability)	4	(4)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2025	2024
Discount rate	5.90%	4.95%
Future salary increases	3.85%	3.90%
Future pension increases	2.85%	2.90%
Future RPI inflation	3.10%	3.15%
Mortality rates (in years):		
– for a male aged 65 now	20.7	20.8
– at 65 for a male aged 45 now	22.0	22.0
– for a female aged 65 now	23.3	23.3
– at 65 for a female member aged 45 now	24.7	24.7

16. Called up share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid Share Capital treated as Equity comprising		
33 (2024: 33) Ordinary A shares of £1 each	–	–
4,950,000 (2024: 4,950,000l) Ordinary B shares of £1 each	4,950	4,950
	4,950	4,950

17. Commitments under operating leases

As at 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2025 £'000	2024 £'000
Not later than 1 year	348	200
Later than 1 year and not later than 5 years	574	–
	922	200

During the year, the Company entered into a new 3 year office lease, resulting in a significant increase in future minimum lease payments as at 31 March 2025. Lease expenses are recognised on a straight-line basis over the lease term.

18. Related party transactions

During the year, each of the 32 (2024: 32) shareholders paid an amount to London LGPS CIV Limited which totalled £800k (2024: £800k) for service charge fees and £2,320k (2024: £2,420k) for the development funding charge (DFC).

During the year, the Company accrued fee income of £54k (2024: £45k) from The London Fund LP. At the year end, £28k (2024: £11k) was outstanding.

Parent and subsidiary relationships

The parent and ultimate controlling entities are disclosed in note 1 to the financial statements. The Company's subsidiary undertakings as at 31 March 2025 and 31 March 2024 are disclosed in note 10.

19. Post balance sheet event

On 28 April 2025 and following approval from the Board, the Company issued a subscription letter to all shareholders to purchase new B shares to the value of £70k per client and £2,250k in total. Since the year end close date of 31 March 2025, additional funds to the value of £1,898k has been received in relation to the share issue as of 16 June 2025. The contribution from shareholders increases the amount of regulatory capital held by the Company.

Glossary

Acronyms and Terms	Definition
ACS – Authorised Contractual Scheme	A UK authorised, tax transparent collective investment scheme. . It is essentially a pool of assets held and managed on behalf of a number of participants (the investors) who are co-owners of the assets.
AIF – Alternative Investment Fund	A type of collective investment where funds are raised from a number of investors with a view to investing them in accordance with a defined investment policy for the benefit of those investors.
AIFM – Alternative Investment Fund Manager	Defined as an entity that provides, at a minimum, portfolio management and risk management services to one or more AIFs as its regular business irrespective of where the AIFs are located or what legal form the AIFM takes.
AIFMD – Alternative Investment Fund Managers Directive	Directive reference 2011/61/EU – A regulatory framework for alternative investment fund managers (AIFMs), including managers of hedge funds, private equity firms and investment trusts.
AoV – Assessment of Value	An annual report that provides investors with our assessment of the value each sub-fund within the ACS is delivering against seven criteria set out by the FCA.
Asset Owner Diversity Charter	A commitment by signatory firms to work together to build an investment industry which represents a more balanced and fair representation of diverse societies.
AUM – Assets Under Management	Total market value of the investments that we manage on behalf of investors.
CARCO – Board Compliance, Audit, and Risk Committee	CARCO oversees our activity in respect of compliance, audit and risk.
Climate Action100+	An investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Over 700 investors with >$35 trillion in assets under management ("AUM") are engaging 170 companies worldwide on improving governance, curbing emissions and strengthening disclosures.
Cost Transparency Initiative (CTI)	Industry standard for institutional investment cost data designed to provide transparent information on costs and charges and help investors decide whether investments represent value for money.
Deforestation Free Pensions Working Group	A working group of 12 pension funds that informed and contributed to shaping guidance to assist the identification and mitigation of deforestation-related risks.
DFC – Development Funding Charge	The DFC and service charge together comprise our fixed income stream and are paid by all shareholders contributing to the core costs of the company. When introduced the intention was that the DFC would be a short to medium term measure until management fee income had risen sufficiently to contribute to core costs.
Diversity Project	A cross-company initiative championing a truly diverse, equitable and inclusive UK investment and savings industry.
ESG – Environmental, Social and Governance	Issues that are identified or assessed in responsible investment processes. Environmental factors are issues relating to the quality and functioning of the natural environment and natural systems. Social factors are issues relating to the rights, well-being and interests of people and communities. Governance factors are issues relating to the governance of companies and other investee entities.
EUUT – Exempt Unauthorised Unit Trust	An unauthorised unit trust (UUT) is any unit trust which has not been authorised under Section 243 of the Financial Services and Markets Act (FSMA) 2000 by the Financial Services Authority and, a UUT can qualify as EUUT if: the trustees are UK resident, the investors are exempt from capital gains tax or corporation tax on chargeable gains (for reasons other than residency) and, approved by HMRC.
FCA – Financial Conduct Authority	Regulates the conduct of nearly 45,000 businesses in the UK to ensure that financial markets work well.
ICO – Board Investment and Customer Outcomes Committee	Oversees our investment activity in line with our strategy and business plan, with a focus on customer outcomes.
Investor Action for Human Rights	A collective action platform for responsible investment that is grounded in respect for people's fundamental rights.
LAPFF – Local Authority Pension Fund Forum	A voluntary association of public sector pension funds based in the UK. LAPFF promotes the highest standards of corporate governance to protect the long-term value of local authority pension funds.
Marine Conservation Society	A marine conservation charity working to protect marine ecosystems and promote sustainable management of marine resources by combining scientific research, advocacy, education, and community engagement.

Glossary continued

Acronyms and Terms	Definition
MiFID- Markets in Financial Instruments Directive	A directive that aims to increase transparency and investor protection in financial markets including by setting standards of conduct and standardising disclosures.
MHCLG – Ministry of Housing, Communities & Local Government	Government department responsible for local authorities including LGPS pension asset pooling policy (previously known as the DLUHC).
MTFS – Medium Term Financial Strategy	A financial strategy which outlines investment and other financial goals within an annual and 5-year timescale.
NED – Non-Executive Director	Board members who do not perform an executive role within London CIV and are not involved in the day-to-day management of the company. They are involved in strategic direction, governance, setting the company's risk appetite, and monitoring corporate and financial performance. They are expected to provide challenge and act in the interests of our stakeholders.
Pensions for Purpose	A collaborative initiative of impact managers, pension funds, social enterprises and others involved or interested in impact investment. Its aim is to promote understanding of impact investment by effectively sharing news stories, blogs, case studies, academic research and thought leadership papers.
QIR – Quarterly Investment Report	Sent quarterly to all Partner Funds detailing the performance of our funds.
RemNomCo – Board Remuneration and Nomination Committee	Responsible for our remuneration policy, remuneration of key staff and, nominations and succession planning for key staff and the board.
RMF – Risk Management Framework	Used to identify threats and outlines the process for mitigating those risks. The RMF is embedded in the Company's overall business strategy, operational policies, and practises.
SAB – Scheme Advisory Board	A body set up under Section 7 of the Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 110-113. The purpose of the Board is to be both reactive and proactive. It will seek to encourage best practice, increase transparency, and coordinate technical and standards issues in respect of the LGPS.
Share Action	Share Action is a registered charity that promotes Responsible Investment with the aim to improve corporate behaviour on environmental, social and governance issues.
SMCR – FCA's Senior Management & Certification Regime	Aims to reduce harm to consumers and strengthen market integrity and sets a new standard of personal conduct for everyone working in financial services. Replaced the Approved Persons Regime for solo- regulated firms from 9 December 2019.
SMF – Senior Manager Functions	A type of controlled function under Financial Services and Markets Act 2000 ("FSMA"). They are prescribed in the Handbook and apply to UK-authorised firms and EEA Branches.
SWG – Sustainability Working Group	A forum which informs our approach to stewardship, responsible investment and ESG across our Partner Funds.
TCFD – Financial Stability Board's Task Force on Climate Related Financial Disclosures	Established with the goal of developing a set of voluntary climate-related financial risk disclosures which can be adopted by companies so that those companies can inform investors and other members of the public about the risks they face related to climate change.
TNFD – Taskforce on Nature-related Financial Disclosures	A set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities.
UK Stewardship Code	Stewardship standards for asset owners and asset managers, and for service providers that support them. The Code comprises a set of 'apply and explain' principles for asset managers and asset owners, and a separate set of principles for service providers.
UNPRI – the UN Principles for Responsible Investment	6 principles that provide a global standard for responsible investing as it relates to environmental, social and corporate governance factors. Organisations follow these principles to meet commitments to beneficiaries while aligning investment activities with the broader interests of society.
UN SDGs – UN Sustainable Development Goals	These include the SDG targets and indicators, thresholds set by the UNFCCC 2015 Paris Agreement, expectations set out in the Universal Declaration of Human Rights, and other environmental, social, governance, and development objectives established by political or socio-economic institutions.

Company Information

Directors

Michael Craston (Independent Non-Executive Director, Chair)
Dean Bowden (Executive Director)
Martin Gloyne, (Executive Director, appointed 28 November 2024)
Brian Lee (Resigned 31 October 2024)
Mark Laidlaw (Independent Non-Executive Director)
Yvette Lloyd (Independent Non-Executive Director)
Kitty Ussher (Independent Non-Executive Director)
Cllr Peter Mason (Shareholder-nominated Director, resigned on 17 July 2024)
Cllr Ravi Govindia CBE (Shareholder-nominated Director, resigned on 31 August 2024)

Company secretary

Liz Lynxwiler – (Appointed on 10 January 2025)

Registered number

09136445
Authorised and regulated by the Financial Conduct
Authority No. 710618

Registered office

4th Floor
22 Lavington Street
London
SE1 0NZ

Business address

4th Floor
22 Lavington Street
London
SE1 0NZ

Independent auditor

Grant Thornton UK LLP
8 Finsbury Circus
London
EC2M 7EA

London CIV

Working together to deliver sustainable prosperity for the communities that count on us all

London LGPS CIV Limited
Fourth Floor,
22 Lavington Street,
London, SE1 0NZ
Company No. 9136445