

Overview of Financial Statements 2021

LCP's performance for the year at 31 March 2021 is a testament to the firm's culture. For some years we have used the mnemonic "LCP CARES", which stands for "Clients Always Receive Exceptional Service", to articulate our culture and our promise that everyone at all levels will strive to go the extra mile. The three pillars of LCP CARES - caring for our clients, our colleagues and the community - have been particularly relevant in an environment dominated by the Covid-19 pandemic, enabling the firm to continue to grow and deepen our client relationships, expand our range of services, and make a real difference to the causes that matter the most to our people.



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Corporate Consulting

Our Corporate Consulting team scooped 'Best Pension Adviser' in the Corporate Adviser Awards 2020. The team's flagship report "**Accounting for Pensions**" uncovered key trends in the FTSE100's pensions reporting and highlighted the initial impact of Covid-19. Our report "**Leading the Way 2020**" gave practical advice to scheme sponsors about how to work with trustees and navigate the new regulatory requirements in the Pension Schemes Act. The team has launched a number of innovative products to help sponsors deal with ongoing pensions challenges, including a regulatory dashboard and a streamlined escrow account.

Group income

The group achieved a record income of **£142.1m** during the financial year, an increase of **12.3%**.



Looking to the future

LCP's Partners increased their ownership of the firm with the support of Charterhouse Capital Partners who bought out the minority stake held by Inflexion Private Equity. **This means that a larger majority of the firm's equity will be held internally and available to motivate and reward individuals progressing through the ranks of the firm, which is core to LCP's culture and long-term success.**

An award winning consultancy

LCP was named Investment Consultant of the Year at the Pension and Investment Provider Awards (PIPA) 2020 and scooped the awards for Actuarial and Investment Consultants of the year at the UK Pensions Awards 2020. We also won the Investment Consultancy award at the 2020 Financial News Asset Management Awards.



Insurance Consulting



We have had an award-winning year for our Insurance team. Our analytics platform, LCP InsurSight, was named reserving and analytics solution of the year at the Insurance ERM awards 2021. Cat Drummond was named Young Actuarial and Risk Professional of the year and LCP won the award for Diversity & Inclusion Excellence. LCP was also successful in the Contribution to Gender Inclusion category at the 2020 Women in Insurance awards.

LCP InsurSight

Accreditation

We achieved the gold standard of accreditation from the Pensions Administration Standards Association (PASA).

Buy-ins and Buy-outs

LCP was lead adviser on 18 of the 66 buy-in and buy-out transactions over £100m during 2020, including major transactions for the pension plans of Littlewoods, 3i, Deutsche Bank and LV=, the latter including the conversion of a longevity swap into a buy-in.

DC

Our DC team saw further client wins, winning major appointments with firms such as Zurich, Co-op and Cummins. Our **Financial Wellbeing report** released early in 2021 received significant public interest, including "Six million accidental savers 'created by Covid crisis'" appearing at one point as the 'Most Read' article on the BBC website.



For a detailed version of our accounts please [click here](#)

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LCP's positive impact

Since joining LCP in early 2020, Sir Steve Webb, former UK Minister of State for Pensions, spearheaded a campaign to help women claim back their underpaid state pensions after uncovering that many women have been underpaid for years. The issue has received widespread national interest and **has resulted in the government pledging £3 billion to put this right.**

Health analytics

We have launched our new health analytics practice combining our actuarial, data science and technology capabilities to support decision makers across healthcare and life sciences sectors. Our new Head of Health Analytics, renowned epidemiologist Dr Jonathan Pearson-Stuttard, and his team have developed innovative new solutions including a unique Covid-19 tracker to support decision makers within the NHS and government, and partnering with the ONS to launch the 'Health Index Explorer', a new framework for understanding the drivers of health across England.



Energy Analytics

Our Energy Analytics team grew income by over **50%** as an increased focus on meeting our Net Zero ambitions in the power market demanded ever more sophisticated analysis. Our 'Enact' platform is now used by trading teams across the UK, using AI forecasting to predict the supply and demand for power in real time.



I am immensely proud of the team spirit and adaptability demonstrated by my colleagues' achievements over the year.

Aaron Punwani
CEO

Football analytics

Our football analytics practice continues to demonstrate our ability to successfully apply our skills in different markets.



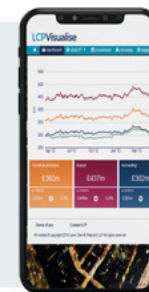
17 high profile European football institutions, including 5 Premier League clubs, are now using our technology and analysis to enhance their player recruitment processes. This year the team launched a dedicated platform for Women's football, the first of its kind.

Investment

Our investment team has continued to demonstrate its commitment to ESG integration by being a signatory of the UN Principles for Responsible Investment. This year we also produced our first Stewardship report, highlighting how we have supported our clients with their stewardship and responsible investment activities through 2020.

Technology

LCP Visualise, our ground-breaking pensions analytics tool, has been adopted by over **350 clients, with assets totalling c£300bn.**



Recruitment

Attracting the best talent is key to our long-term success and we continue to have a highly successful annual graduate recruitment programme which is complemented by our summer intern programme. Despite the lockdown we onboarded 36 graduates virtually and created a virtual summer intern programme that 36 students participated in.

36 graduates

36 summer interns

Supporting our people

We implemented a range of initiatives to help support those facing extra challenges during lockdown. We also carried out a number of surveys to understand how our people were adjusting to working from home and what they were looking for in the future to help shape our decisions on future ways of working.



For a detailed version of our accounts please [click here](#)

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LCP CARES

Our fourth LCP CARES awards in December 2020 once again recognised the efforts of LCP's people who had delivered exceptional service for a client, the community or each other. This year's ceremony not only celebrated those who had been shortlisted for and won awards but gave us an opportunity to reflect and remember all our positive memories of the last year, despite the challenging circumstances for many.



LCP Foundation

The LCP Foundation has continued to support LCP's chosen charities, the West London Mission and Trinity Winchester, with charitable grants to support their day-to-day activities for homeless people. Supporting a better future for our local community is important to LCP. Our people have fundraised for a huge range of charities from hospices to medical research to youth development. They have engaged and voted for grants to support the Mental Health Foundation, Missing People, Generating Genius, Blueprint for All, SCRATCH and Rose Road.

Our Winchester office

We are currently refurbishing our Winchester office and have taken the opportunity to undertake changes to improve environmental efficiency. This includes introducing solar panels and using renewable energy providers.



Diversity & Inclusion



LCP's Diversity & Inclusion (D&I) Group continues to go from strength to strength. Some of our key initiatives this year were:

- Our partner champion campaign is an individual commitment made by senior leaders to challenge barriers to D&I, with each individual stepping forward to be a visible advocate and supporter for one of our four networks. Over the first two years of this programme, over half of our partners and principals have either become a Partner Champion or are directly involved in leading the D&I Group or one of our four networks.
- Women across the firm took part in our mentoring pods where groups of 5 or 6 women, each including two senior women in the business, could talk frankly and share experiences. The programme was exceptionally well received by junior and senior women alike and was felt to be a valuable way of learning from others and building relationships across the firm. Our Multicultural and LGBT+ Networks also ran reverse mentoring sessions including senior people throughout the firm.
- We have now held three Women's Talent Academies – our unique undergraduate mentorship and educational programme giving undergraduates access to a network of women working within investment consulting and aiming to improve gender diversity in the investment industry, in pensions and at LCP. 60 mentees have come through the programme with 7 going on to join LCP after graduation and more expected from our later programmes.
- To support our employees' mental health, we have rolled out Unmind, a workplace mental health platform that allows people to track their mood and access tips and support to maintain good mental health. We have worked hard to get over 10% of our people qualified as mental health first aiders.
- We made a number of improvements to our family leave policies including providing access to the same level of benefits for all new parents as well as increasing the period during which enhanced pay is received.
- Our Wellbeing Network, alongside other groups within the firm, have introduced a range of initiatives to support good mental, physical and nutritional health. This included a number of inclusive physical challenges, including a summer virtual relay, which began in mental health awareness week in May where over 360 members of staff ran/walked/cycled/travelled 65,000 km and then nominated colleagues to keep the relay going, as well as making a donation to the mental health charity "Mind", which raised over £11,000.
- We participated in the Diversity Project's Classroom to Boardroom initiative to help connect businesses directly with students to tackle the underrepresentation of Black talent and collaborate with social mobility charity UpReach to offer 8 University students work experience in the investment team. We have also had workshops and virtual insight days with SEO London, a charity that works in Universities and schools across the UK to get people from ethnically and socioeconomically diverse backgrounds into the workplace.
- Our Multicultural Network developed a six week 'Let's Talk About Race' programme, which was open to all across the firm and tackled important topics around race, racism and allyship. It allowed us to have conversations that were difficult but essential to have in order to move forward.
- To celebrate LGBT+ Allies, we ran an LGBT+ allies training session for the whole firm. This was led by LGBT Great which was created out of the Diversity Project.

For a detailed version of our accounts please [click here](#)

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Our continuing investments in people, services and technology leave LCP well positioned to meet and exceed the needs of our current and future clients, as well as creating a stimulating and rewarding environment for talented individuals to develop long term careers.

For further information please go to: <https://www.lcp.uk.com/about-us/annual-reports/>

Consolidated statement of comprehensive income

| | 2021 £ | 2020 £ |
|---|--------------------|--------------------|
| GROSS FEES | 142,084,988 | 126,493,448 |
| Staff costs | (48,659,032) | (41,508,178) |
| Depreciation and amortisation | (1,056,498) | (1,161,097) |
| Other costs | (16,716,687) | (17,688,382) |
| OPERATING PROFIT | 75,652,771 | 66,135,791 |
| Interest receivable | (17,863) | 107,745 |
| Tax | (111,447) | (85,814) |
| PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES | 75,523,461 | 66,157,722 |

NOTES:

| | | |
|---|------------|------------|
| Profit attributable to the corporate member | 12,704,634 | 10,710,991 |
| Average number of members (partners) | 142 | 129 |
| Average number of employees | 655 | 619 |

Consolidated Group statements of financial position

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Intangible assets | 36,407 | 95,704 |
| Tangible assets | 5,869,950 | 5,127,717 |
| TOTAL FIXED ASSETS | 5,906,357 | 5,223,421 |
| Debtors | 43,767,872 | 42,910,395 |
| Cash at bank and in hand | 32,654,483 | 20,231,106 |
| TOTAL CURRENT ASSETS | 76,422,355 | 63,141,501 |
| CREDITORS: amounts falling due within one year | (19,004,376) | (16,941,349) |
| NET CURRENT ASSETS | 57,417,979 | 46,200,152 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 63,324,336 | 51,423,573 |
| Creditors: amounts falling due after more than one year | (2,662,110) | (3,083,443) |
| NET ASSETS ATTRIBUTABLE TO MEMBERS | 60,662,226 | 48,340,130 |

Represented By:

| | | |
|--------------------------------|-------------------|-------------------|
| Members' capital | 6,321,859 | 6,069,904 |
| Non-controlling interest | 594,355 | 530,462 |
| Members' other interests | 53,746,012 | 41,739,764 |
| MEMBERS' FUNDS EMPLOYED | 60,662,226 | 48,340,130 |

For a detailed version of our accounts please [click here](#)