

# Pension Fund Accounts 2025 to 2026

## Statement of Responsibilities for the Pension Fund Accounts

The Council is required to make arrangements for the proper administration of its pension fund affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer in this Council is the Director of Finance and Corporate Services who has the Section 151 Officer's Responsibilities. Also, it is required to secure the economic, efficient and effective use of resources and safeguard its assets. The Council is also required to approve the Pension Fund Accounts.

The Director of Finance and Corporate Services is responsible for the preparation of the Pension Fund Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing the Pension Fund Accounts, the Director of Finance and Corporate Services has:

1. Selected suitable accounting policies and applied them consistently.
2. Made judgements and estimates that were reasonable and prudent.
3. Complied with the Code of Practice.

Also, the Director of Finance and Corporate Services has:

1. Kept proper accounting records that were up to date.
2. Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## The Statement of the Director of Finance and Corporate Services

The required financial statements for the Pension Fund appear on the following pages and have been prepared in accordance with the accounting policies set out in 3. Accounting Policies.

The Pension Fund Accounts present a true and fair view of the financial position of the Pension Fund at the accounting date and its income and expenditure for the year ended 31 March 2026.



Ross Brown                      Date: 30 June 2026  
Director of Finance and Corporate Services

I confirm that the 2025/26 Statement of Accounts for the London Borough of Bexley and Bexley Pension Fund were approved by the General Purpose and Audit Committee on [REDACTED]

CLlr Peter Reader              Date:  
Chair of the General Purposes and Audit Committee

**Auditor's Report to a LGPS Administering Authority – Report on Pension Fund Financial Statements**

**Independent Auditor's Report to the Members of London Borough of Bexley [PLACEHOLDER]**

## Pension Fund Account

2024/25 £'000		Note	2025/26 £'000
	<b>Dealings with members, employers and others directly involved in the scheme</b>		
(30,738)	Contributions	6	(32,114)
(4,973)	Transfers in from other pension funds	7	(5,067)
-	Other Income		-
<b>(35,711)</b>	<b>Total contributions</b>		<b>(37,181)</b>
44,124	Benefits	8	44,430
10,731	Payments to and on account of leavers	9	8,719
<b>54,855</b>	<b>Total benefits</b>		<b>53,149</b>
<b>19,144</b>	<b>Sub-total: Net additions (-) / withdrawals from dealings with members</b>		<b>15,968</b>
11,069	Management Expenses	10	10,225
<b>30,213</b>	<b>Sub-total: Net additions (-) / withdrawals including fund management expenses</b>		<b>26,193</b>
	<b>Returns on investments</b>		
(23,675)	Investment income	11	(36,057)
(12,938)	Profit (-) and losses on disposal of investments and changes in value of investments	12a	(34,019)
<b>(36,613)</b>	<b>Sub-total: Net return on investments</b>		<b>(70,076)</b>
<b>(6,400)</b>	<b>Net increase (-) / decrease in the net assets available for benefits during the year</b>		<b>(43,883)</b>
<b>1,029,554</b>	<b>Opening Net Assets of the Scheme</b>		<b>1,035,954</b>
<b>1,035,954</b>	<b>Closing Net Assets of the Scheme</b>		<b>1,079,837</b>

## Pension Fund Net Assets Statement

2024/25 £'000		Note	2025/26 £'000
1,018,508	Investment Assets	12	1,047,874
13,972	Cash Deposit	12	27,431
<b>1,032,480</b>	<b>Total Net Investments</b>		<b>1,075,305</b>
6,164	Current Assets	18	8,462
<b>1,038,644</b>	<b>Total Investments and assets</b>		<b>1,083,767</b>
-	Long-term liabilities		-
(2,690)	Current Liabilities	19	(3,930)
<b>1,035,954</b>	<b>Net assets of the scheme available to fund benefits at the end of the reporting period</b>		<b>1,079,837</b>

The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the Fund. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme accounting year. The actuarial position of the scheme, which does take into account such obligations, is detailed in note 17.

# Notes to the Financial Statements

## 1. Introduction to the Fund

The London Borough of Bexley Pension Fund ("the Fund") is part of the Local Government Pension Scheme (LGPS). It is administered by the London Borough of Bexley under the provisions of the Superannuation Act 1972 and the subsequent detailed regulations to provide benefits for employees. These benefits include retirement and spouses' and children's pensions, retirement and death lump-sum grants. All employees who are not eligible to join another public service scheme are eligible for membership of this scheme. Employees of other scheduled and admitted bodies also participate in this scheme.

Further details may be found in the annual report of the Fund, and in the legislation governing the LGPS.

### a. General

The Fund is governed by the Public Service Pensions Act 2013. It is administered in accordance with the detailed regulations of:

- The LGPS Regulations 2013 (as amended)
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds) Regulations 2016 (as amended)

It is a contributory defined benefit pension scheme and operates to provide pension benefits for employees of the London Borough of Bexley and its scheduled and admitted bodies. Teachers are not included as they come within another national pension scheme. The Fund is overseen by the Pensions Committee of the London Borough of Bexley and the Local Pensions Board. Day to day responsibility for the Fund is delegated to the Statutory Section 151 Officer.

### b. Membership

Membership of the LGPS is voluntary but employees are automatically enrolled when they are employed. After they start employment, they have the right to opt-out. They can also make their own personal arrangements outside the scheme.

Organisations participating in the Pension Fund include:

- scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund
- admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

## Numbers of employers and employees in the Fund

31 March 2025		31 March 2026	
75	Number of employers with active members		83
<b>Number of employees in the Fund:</b>			
2,338	London Borough of Bexley		2,468
3,664	Other employers		3,751
<b>6,002</b>	<b>Total</b>		<b>6,219</b>
<b>Number of pensioners in the Fund:</b>			
5,112	London Borough of Bexley		5,973
1,382	Other employers		1,435
<b>6,494</b>	<b>Total</b>		<b>7,408</b>
<b>Number of deferred pensioners in the Fund:</b>			
3,502	London Borough of Bexley		5,024
1,778	Other employers		1,739
<b>5,280</b>	<b>Total</b>		<b>6,763</b>

### c. Funding

In 2025/26, the Fund was financed by contributions from employers and employees and by income from investments. Employees contribute to the Fund at a percentage of their pensionable earnings and emoluments; this ranges from 5.5% to 12.5% depending on the level of their earnings. Employers' contributions are in accordance with the advice of a professionally qualified actuary and have been set so that the Fund will be able to meet the cost of current and estimated future retirement benefits.

The most recent valuation took place as at 31 March 2025 and shows a funding level of 119% (2022 was 114%). This includes an estimate of the expected increase in liabilities following the McCloud court judgement. Further details on the McCloud court judgement can be found in [Note 17](#). The triennial valuation undertaken as at 31 March 2025 covers the three financial years to 2028/29. Whilst the Fund, as a whole, is fully funded, the funding levels for individual employers in the fund varies with some being in a deficit position. The average deficit recovery period is ten years. Currently, Employer contribution rates range from 18.4% to 32.4%, as per the 2022 valuation which applies for the 2025/26 financial year. The results of the 2025 valuation will take effect from 1 April 2026.

Further details on the funding position are contained in [Note 17](#). The next triennial valuation will be as of 31 March 2028 and covers the financial years 2029/30, 2030/31 and 2031/32.

#### d. Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised in the following table.

#### Pension benefits under the LGPS

Benefit type	Service pre-1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth $1/80 \times$ final pensionable salary.	Each year worked is worth $1/60 \times$ final pensionable salary.
Lump-sum	Automatic lump sum of $3 \times$ pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of  $1/49$ th. Accrued pension is adjusted annually in line with the Consumer Prices Index.

A range of other benefits is also provided including early retirement, disability pensions and death benefits, as explained on the [LGPS website](#).

## 2. Basis of Preparation

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made to 31 March 2026 and for a period of at least 12 months from the date of approval of these financial statements, management of the Pension Fund have considered the additional qualitative and quantitative key requirements:

- The basis for preparation is supported by legislation for local authorities, and the Code requirements on the basis of the continuation of services;
- All employers within the fund are paying contributions as per the rates and adjustment certificate.

No employer has requested to defer their payments within the 2025/26 financial year, or within 2024/25 to date;

- The Pension Fund does not have any external borrowing; and

The Pension Fund has net assets of £1.08bn, which are assets that could be liquidated to pay benefits should the need arise. The make-up of assets is included within note 12 to the accounts and includes:

- o Pooled Investments Vehicles £1.048bn
- o Long-term investments (equities) £0.220m
- o Cash/Temporary Deposits £27.431m

On this basis, there is a reasonable expectation that the pension fund will have adequate resources to continue in operational existence throughout the going concern period. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

**Conclusion:**

Considering the above, there are no material uncertainties that cast significant doubt upon the Pension Fund's ability to continue to operate on a going concern basis to 31 March 2026 and for a period of at least 12 months from the date of approval of these financial statements.

### **3. Accounting Policies**

#### **a. Contribution income**

Normal contributions are accounted for on an accruals basis as follows:

- employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay
- employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the Fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose.

#### **b. Transfers to and from other schemes**

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund and are calculated in accordance with LGPS regulations. The timing of these receipts and payments depends on factors such as confirmation of instructions from members and the administrative processes of the previous/new employer. Transfer values are accounted for on a cash basis as opposed to the accrual basis used for the rest of the accounts.

#### **c. Investment income**

**i. Interest income**

Interest income is recognised as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

**ii. Dividend income**

Dividend income is accounted for on the date the shares are quoted ex-dividend. Any amounts not received by the end of the financial year are disclosed in the net asset statement as a current financial asset.

**iii. Distributions from pooled funds**

Distributions from pooled funds are recognised at the date of issue. Any amounts not received by the end of the financial year are disclosed in the net asset statement as a current financial asset.

iv. **Movement in the net market value of investments**

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

**d. Benefits payable**

Pensions and benefits payable include all amounts due as at the end of the financial year; any amounts unpaid show as current liabilities.

**e. Voluntary Scheme Pays, Mandatory Scheme Pays and Lifetime Allowance**

Members are entitled to request the Pension Fund pays their tax liabilities due in respect of annual allowance and lifetime allowance in exchange for a reduction in pension.

Where the Fund pays member tax liabilities direct to HMRC it is treated as an expense in the year in which the payment occurs.

**f. Taxation**

The Fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises. As the Council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment expenses.

**g. Management expenses**

The fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the Fund on an accruals basis as follows:

**Administrative expenses**

All administrative expenses are accounted for on an accruals basis. Costs of the external pension fund administrator and other suppliers are charged directly to the Fund, whereas internal staff, accommodation and other overhead costs are apportioned to the Fund and charged as expenses.

**Oversight and governance costs**

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged directly to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

**Investment management expenses**

All investment management expenses are accounted for on an accruals basis. The fees of the external investment managers are mainly based on the market value of the funds they invest and will increase or decrease with the value of their investments. Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return

on investments. Where fees are netted off quarterly valuations by the investment manager these are shown separately in [Note 10a](#) and grossed up to increase the change in the value of investments.

Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the fund account. In 2025/26 £2.406m of fees is based on such estimates (2024/25 £1.571m).

Private Equity Management fees are estimated by taking a portion of the total management fees of the private equity partnership based on the percentage of the Fund holdings with the partnership. In 2025/26 £0.989m of fees is based on such estimates (2024/25 £0.245m).

## **Net assets statement**

### **h. Financial assets**

Financial assets are included in the net assets statement on a Fair Value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the Fair Value of the asset are recognised by the Fund. The values of investments as shown in the net assets statement have been determined at Fair Value in accordance with the requirements of the Code and IFRS 13 ([See Note 13](#)). For the purposes of disclosing levels of Fair Value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

### **i. Foreign currency transactions**

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

### **j. Cash and cash equivalents**

Cash and cash equivalents are represented by the balance on the Fund's bank accounts together with amounts held by the Fund's external managers and invested in Money Market Funds.

### **k. Financial liabilities**

The Fund recognises financial liabilities at Fair Value as of the reporting date. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the Fair Value of the liability are recognised by the Fund.

### **l. Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund's actuary in accordance with IAS 19 and relevant actuarial standards. As permitted under the code, the Fund has opted to disclose the actuarial present value of promised retirement benefits as a note to the net assets statement ([See Note 17](#)).

### **m. Additional voluntary contributions**

Scheme members can also make arrangements for separate investments into their personal Additional Voluntary Contribution (AVC) accounts with an AVC provider recommended by the Fund. The Fund is only involved in collecting and paying over these amounts on behalf of scheme members and the separately invested amounts are not included in these pension fund accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The AVC provider is Prudential and contributions are also collected for life assurance policies provided by Utmost Life and Pensions (Previously managed by Equitable Life).

### **n. Prepayment of Employer Contributions**

Following the 2022 valuation, no prepayment option has been taken by the Council.

### **o. Contingent Assets and Contingent Liabilities**

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes.

## **4. Critical judgements in applying accounting policies**

### **Unquoted investments**

It is important to recognise the highly subjective nature of determining the fair value of private equity, infrastructure, pooled property, and private credit investments. They are inherently based on forward-looking estimates and judgements involving many factors. Unquoted investments are valued by the investment managers. Private equity and pooled property valuations are based on similar market available evidence as it has been judged that this evidence is comparable to the holdings in the Fund.

### **Pension Fund liability**

The Fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the actuary and are summarised in [Note 17](#). This estimate is subject to significant variances based on changes to the underlying assumptions.

## **5. Major sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, because

amounts cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the accounts at 31 March 2026 for which there is a significant risk of material adjustment in the following financial year are:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Actuarial present value of promised retirement benefits</b>	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Fund assets. The Fund employs a professional actuary to provide expert advice about the assumptions to be used.	The effects on the net pension liability of changes in individual assumptions can be measured. For example: <ul style="list-style-type: none"> <li>a 0.5% p.a. increase in discount rate assumption would reduce the pension liability by £51m.</li> <li>a 0.25% p.a. reduction in salary inflation would reduce liabilities by £2m, and</li> <li>a 1 year increase in member life expectancy would increase the liability by around £18m.</li> </ul>
<b>Unquoted investments</b>	The Fund's assets include investments in unquoted assets such as property, infrastructure and private equity on a pooled basis. These assets are valued by investment managers at fair value in accordance with relevant industry standards and guidelines. Managers may use comparable market data, indices and data from third parties, as well as projected revenue, to determine the fair value of these assets. As such, there is a degree of estimation involved in these valuations.	The total value of unlisted investments in the financial statements is £353.246 (2024/25 £359.242m), as broken down below: <ul style="list-style-type: none"> <li>Private equity £96.090m</li> <li>Infrastructure £103.101m</li> <li>Property £119.683m</li> <li>Illiquid Credit £34.372m</li> </ul> There is a risk that these investments may be under- or overstated in the accounts.

## 6. Contributions receivable

### By category

2024/25 £'000		2025/26 £'000
7,845	Employees' contributions	8,287
	<b>Employers' contributions:</b>	
21,729	Normal contributions	22,915
-	Special employer contributions	-
905	Deficit recovery contributions	870
259	Augmentation Contributions	42
<b>22,893</b>	<b>Total Employers' contributions:</b>	<b>23,827</b>
<b>30,738</b>	<b>Total contributions receivable</b>	<b>32,114</b>

### By type of employer

2024/25 £'000		2025/26 £'000
14,297	Administering Authority	15,199
15,556	Scheduled bodies	16,124

885	Admitted bodies	791
<b>30,738</b>	<b>Total contributions receivable</b>	<b>32,114</b>

## 7. Transfers in from other pension funds

2024/25		2025/26
£'000		£'000
3,088	London Borough of Bexley	3,703
1,774	Scheduled bodies	1,345
111	Admitted bodies	19
<b>4,973</b>	<b>Total</b>	<b>5,067</b>

All transfers in relate to individual transfers from other schemes as there were no bulk transfers in these periods.

## 8. Benefits Payable

### By category

2024/25		2025/26
£'000		£'000
36,912	Pensions	37,855
5	Augmented Service	5
6,229	Commutation of pensions and lump sum retirement benefits	5,510
978	Lump sum death benefits	1,060
<b>44,124</b>	<b>Total</b>	<b>44,430</b>

### By authority

2024/25		2025/26
£'000		£'000
35,992	London Borough of Bexley	35,711
4,592	Scheduled bodies	5,274
3,540	Admitted bodies	3,446
<b>44,124</b>	<b>Total</b>	<b>44,430</b>

## 9. Payments to and on account of leavers

### By category

2024/25		2025/26
£'000		£'000
61	Refunds of contributions	86
6,912	Individual transfers out to other schemes	8,633
3,758	Bulk transfers out	-
<b>10,731</b>	<b>Total</b>	<b>8,719</b>

### By authority

2024/25 £'000		2025/26 £'000
4,367	London Borough of Bexley	6,561
2,435	Scheduled bodies	2,125
3,929	Admitted bodies	33
<b>10,731</b>	<b>Total</b>	<b>8,719</b>

There were no bulk transfers in 2025/26

## 10. Management expenses

2024/25 £'000		2025/26 £'000
675	Administrative costs	771
9,633	Investment management expenses	8,524
761	Oversight and governance costs	930
<b>11,069</b>	<b>Total</b>	<b>10,225</b>

### 10 (a) Investment Management expenses

2024/25 £'000		2025/26 £'000
9,333	Management fees	8,224
300	Custody and performance measurement fees	300
-	Transaction costs	-
<b>9,633</b>	<b>Total</b>	<b>8,524</b>

In addition to these costs, indirect costs are incurred through the bid-offer spread on investment sales and purchases. These are reflected in the cost of investment acquisitions and in the proceeds from the sales of investments (See Note 12a).

London Collective Investment Vehicle (LCIV) has negotiated a performance-related fee element with its global equity sub-fund manager Newton. An estimated performance fee of £0.989m was paid during 2025/26 in relation to the Partners Private Equity fund.

## 11. Investment income

2024/25 £'000		2025/26 £'000
-	Income from Equities	-
18,631	Income from Pooled Investments - unit trusts and other managed funds	30,992
950	Private Equity Income	1,278
3,302	Pooled Property Investments	3,490
792	Interest on cash/temporary deposits	297
<b>23,675</b>	<b>Total</b>	<b>36,057</b>

## 12. Investments

31 March 2025 £'000		31 March 2026 £'000
150	Long term investments: Equities *	220
1,018,358	Investment assets: Pooled investment vehicles	1,047,317
13,972	Cash/temporary investments	27,431
-	Investment income due	337
<b>1,032,480</b>	<b>Total investment assets</b>	<b>1,075,305</b>

\*Includes additional regulatory capital investment in LCIV of £70,312 (approved by the Pension Fund Committee in June 2025), increasing the Fund's B shareholding from £150k to £220k in line with FCA capital requirements.

## 12 (a) Reconciliation of movements in investments

### Movements in investments 2025/26

	Value at 31 March 2025	Purchases during the year	Sales during the year	Change in market value	Value at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Equities	150	70	-	-	220
Pooled investment vehicles (LCIV)	532,688	22,188	-	9,550	564,426
Pooled investment vehicles (non-LCIV)	393,945	9,690	(28,613)	16,806	391,829
Pooled Property investment	91,725	12,545	(7,075)	(6,133)	91,062
<b>Total</b>	<b>1,018,508</b>	<b>44,493</b>	<b>(35,688)</b>	<b>20,223</b>	<b>1,047,537</b>
<b>Other investment balance:</b>					
Cash/temporary investments	13,972	-	-	13,459	27,431
Investment income due	-	-	-	337	337
<b>Net Investment Assets</b>	<b>1,032,480</b>	<b>-</b>	<b>-</b>	<b>34,019</b>	<b>1,075,305</b>
Current Net Assets/(Liabilities)	-	-	-	-	-
<b>Net Assets</b>	<b>1,032,480</b>	<b>-</b>	<b>-</b>	<b>34,019</b>	<b>1,075,305</b>

### Movements in investments 2024/25

	Value at 31 March 2024	Purchases during the year	Sales during the year	Change in market value	Value at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Equities	150	-	-	-	150
Pooled investment vehicles (LCIV)	550,441	14,611	(54,009)	21,645	532,688
Pooled investment vehicles (non-LCIV)	365,332	62,560	(23,177)	(10,771)	393,945
Pooled Property investment	96,378	11,133	(18,039)	2,254	91,725
<b>Total</b>	<b>1,012,301</b>	<b>88,304</b>	<b>(95,255)</b>	<b>13,128</b>	<b>1,018,508</b>
<b>Other investment balance:</b>					
Cash/temporary investments	9,045	-	-	(190)	13,972
Investment income due	206	-	-	-	-
<b>Net Investment Assets</b>	<b>1,021,551</b>	<b>-</b>	<b>-</b>	<b>12,938</b>	<b>-</b>

	Value at 31 March 2024	Purchases during the year	Sales during the year	Change in market value	Value at 31 March 2025
Current Net Assets/(Liabilities)	-	-	-	-	-
<b>Net Assets</b>	<b>1,021,551</b>	-	-	<b>12,938</b>	<b>1,032,480</b>

**12 (b) Analysis of investments**

<b>31 March 2025 £'000</b>		<b>31 March 2026 £'000</b>
	<b>Equities:</b>	
150	UK unquoted	220
<b>150</b>	<b>Total equities</b>	<b>220</b>
120,506	<b>Pooled investment vehicles:</b>	
	Managed funds - UK property unquoted	119,683
138,506	Managed funds - UK GILTS	144,346
106,860	Managed funds - Overseas Equities & Bonds	114,188
102,439	Managed funds - Overseas limited liability partnership unquoted	98,923
46,140	Illiquid Credit	34,372
<b>285,166</b>	<b>London Collective Investment Vehicle (LCIV) Pooled Sub-Funds - Global Unquoted:</b>	
	Global Equity Fund	307,247
78,572	Global Bond Fund	78,396
90,160	Infrastructure Fund	100,268
50,010	Multi-Asset Credit	49,894
<b>1,018,358</b>	<b>Total pooled investment vehicles</b>	<b>1,047,317</b>
13,972	Cash/temporary investments	27,431
-	Investment income due	337
<b>13,972</b>	<b>Total other</b>	<b>27,768</b>
<b>1,032,480</b>	<b>Total investment assets</b>	<b>1,075,305</b>

**12 (c) Investments analysed by fund manager**

<b>31 March 2025 £'000</b>			<b>31 March 2026 £'000</b>	
<b>£'000</b>	<b>%</b>		<b>£'000</b>	<b>%</b>
150	0.0%	LCIV - Shareholding	220	0.0%
159,225	15.4%	LCIV – Newton Global Equity Fund	167,897	15.6%
125,941	12.2%	LCIV – Sustainable Equity Exclusion	139,350	13.0%
54,169	5.2%	LCIV – Stepstone Infrastructure Fund	60,704	5.6%
35,990	3.5%	LCIV – Renewable Infrastructure Fund	39,564	3.7%
78,572	7.6%	LCIV – PIMCO Global Bond Fund	78,396	7.3%
28,780	2.8%	LCIV – Inflation Plus Fund	28,621	2.7%
50,010	4.8%	LCIV – Multi-Asset Credit Fund	49,894	4.6%
<b>532,838</b>	<b>51.6%</b>	<b>LCIV Sub total (London Collective Investment Vehicle)</b>	<b>564,646</b>	<b>52.5%</b>
138,506	13.4%	BlackRock - Index linked gilt fund / corporate bond fund	144,346	13.4%
43,007	4.2%	Ninety-One - Global Environment Equities Fund	49,461	4.6%
61,583	6.0%	BlackRock Composite Index Fund	64,727	6.0%
46,140	4.5%	M&G – Illiquid Credit	34,372	3.2%
91,725	8.9%	La Salle	91,062	8.5%
97,530	9.4%	Partners Group	96,090	8.9%
2,270	0.2%	AON Liquid Credit	-	0.0%
4,909	0.5%	UBS infrastructure Fund	2,833	0.3%
13,972	1.4%	Cash Held at Custodian (Northern Trust)	27,431	2.6%
-	0.0%	Cash Held at Fund Managers (in transit)	-	0.0%
-	0.0%	Money Market Funds	-	0.0%
-	0.0%	Investment Income Due	337	0.0%
<b>1,032,480</b>	<b>100.0%</b>	<b>Total investments</b>	<b>1,075,305</b>	<b>100%</b>

All fund managers operating the pooled investment vehicles are registered in the UK.

The managed funds overseas unquoted limited liability partnerships are investments in funds of private equity funds, infrastructure, property, and illiquid credit funds.

The LCIV unit trusts are unquoted, however, all investments within the Global Equity, Sustainable Equity, Global Bond and LCIV MAC sub-funds are quoted.

**The following investments represent more than 5% of the net assets of the scheme in 2025/26**

<b>Asset Class / Security Name</b>	<b>Manager</b>	<b>Value at 31 March 2025 £'000</b>	<b>Value at 31 March 2025 % of inv assets</b>
Global Equity Fund	Newton	167,896.79	15.6%
Index linked gilt fund / corporate bond fund	Blackrock	144,345.95	13.4%
Global Equity Fund	RBC	139,350.12	13.0%
Private Equity	Partners	96,090.34	8.9%
Property	LaSalle	91,062.39	8.5%
Global Bond Fund	Pimco	78,395.77	7.3%
Blackrock Composite	Blackrock	64,726.78	6.0%
Infrastructure Fund	Stepstone	60,704.14	5.6%

**The following investments represent more than 5% of the net assets of the scheme in 2023/24**

<b>Asset Class / Security Name</b>	<b>Manager</b>	<b>Value at 31 March 2024 £'000</b>	<b>Value at 31 March 2024 % of inv assets</b>
Global Equity Fund	Newton	159,225.30	15.4%
Index linked gilt fund / corporate bond fund	Blackrock	138,506.02	13.4%
Global Equity Fund	RBC	125,940.51	12.2%
Private Equity	Partners	97,530.30	9.4%
Property	LaSalle	91,725.23	8.9%
Global Bond Fund	Pimco	78,572.35	7.6%
Blackrock Composite	Blackrock	61,583.25	6.0%
Infrastructure Fund	Stepstone	54,169.39	5.2%

### 13. Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

#### Basis of the valuation of each class of investment asset

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable	Key sensitivities affecting the valuations provided
<b>Market quoted investments</b>	Level 1	Published bid market price ruling on the final day of the financial year.	Not required	Not required
<b>Unquoted bonds funds</b>	Level 2	Average of broker prices.	Evaluated price feeds	Not required
<b>Pooled LCIV – ACS*</b>	Level 2	Quoted investments are valued at mid-market value as at close of business on the last working day of the relevant period. Unquoted investments or if a quotation is not available at the time of valuation, the fair value shall be estimated on the basis of the probable realisation value of the investment. Collective investment schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the relevant period.	Evaluated Price Feeds	Not required
<b>Pooled investments – overseas unit trusts and property funds</b>	Level 3	Closing bid price where bid and offer prices are published. Closing single price where single price published.	NAV-based pricing set on a forward pricing basis	Significant changes in rental growth, vacancy levels or the discounted rate could affect valuations as could more general changes to market prices.
<b>Unquoted private equity</b>	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines.	EBITDA multiple Revenue multiple Discount for lack of marketability.	Valuations could be affected by material events occurring between the date of the financial

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable	Key sensitivities affecting the valuations provided
			Control premium	statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.
<b>Unquoted Infrastructure Managed Funds</b>	Level 3	The Fair Value of the investments has been determined using valuation techniques appropriate to each investment. These techniques include discounted cash flow analysis and comparable transaction multiples in accordance with the International Private Equity and Venture Capital Valuation Guidelines.	Significant unobservable inputs and observable inflation	
<b>Pooled LCIV - EUUT**</b>	Level 3	The Fair Value of the investments has been determined using valuation techniques appropriate to each investment. These techniques include discounted cash flow analysis and comparable transaction multiples.	Significant unobservable inputs and observable inflation.	

\*The term ACS refers to Authorised Contractual Scheme

\*\*The term EUUT refers to Exempt Unauthorised Unit Trust

### Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with investment managers and independent advisors, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

### Impact on closing value of investments 31 March 2026

Investments	Assessed valuation range (+/-)	Value at 31/03/2026 £'000	Value on increase £'000	Value on decrease £'000
Private Equity	5.0%**	69,090	101,471	90,709
UBS Infrastructure Fund	2.5%**	2,833	2,937	2,728
LCIV Renewable Infrastructure Fund	15.0%**	39,564	41,028	38,100
LCIV Infrastructure Fund	15.0%**	60,704	62,950	58,458
LCIV Aviva Inflation Plus	10.0%**	28,621	29,422	27,820
La Salle Pooled Investment Property	10.0%**	91,062	93,430	88,695
M&G Illiquid Credit	4.0%**	34,372	39,768	28,975
<b>Total</b>		<b>353,246*</b>	<b>371,007</b>	<b>335,485</b>

\*This value only takes into consideration assets at level 3.

\*\*Data for these managers was unavailable therefore 2024/25 range applied

### a. Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

#### Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified at this level comprise quoted equities, quoted fixed securities, quoted index-linked securities and quoted unit trusts.

#### Level 2

Financial instruments at level 2 are those where quoted market prices are not available. This may be where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and those techniques use inputs that are based significantly on observable market data.

#### Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The following table provides an analysis of the financial assets and liabilities of the Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

### Analysis 2025/26

	Quoted market price Level 1 £'000	Using Observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
<b>Values at 31 March 2026</b>				
Financial assets at Fair Value through profit and loss	-	694,070	353,466	1,047,536
<b>Net investment assets</b>	-	<b>694,070</b>	<b>353,466</b>	<b>1,047,536</b>

\*Note that this figure does not contain any cash held at custodian or fund managers.

### Analysis 2024/25

	Quoted market price Level 1 £'000	Using Observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
<b>Values at 31 March 2025</b>				
Financial assets at Fair Value through profit and loss	-	659,114	359,394	1,018,508
<b>Net investment assets</b>	-	<b>659,114</b>	<b>359,394</b>	<b>1,018,508</b>

\*Note that this figure does not contain any cash held at custodian or fund managers.

### Reconciliation of Fair Value Measurements within Level 3

2025/26	Market Value 01/04/2024	Transfer into level 3	Transfer out of level 3	Purchases during the year and derivative movements	Sales during the year and derivative receipts	Unrealised gains/ (losses)	Realised gains/ (losses)	Market Value 31/03/2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
London CIV Share Capital	150	-	-	70	-	-	-	220
UBS Infrastructure Fund	5,744	-	-	-	-	(2,911)	-	2,833
LCIV Infrastructure Fund	53,745	-	-	6,535	-	424	-	60,704
LCIV Renewable Infrastructure Fund	35,990	-	-	4,674	(1,101)	-	-	39,563
LCIV Aviva Inflation Plus	28,804	-	-	-	-	(183)	-	28,621
Partners Private equity	97,530	-	-	7,939	(3,127)	(6,253)	2	96,091
La Salle Pooled Investment Property	91,725	-	-	3,007	(7,075)	3,319	86	91,062
M & G Illiquid Credit	46,140	-	-	-	-	(11,768)	-	34,372
<b>Total</b>	<b>359,828</b>	<b>-</b>	<b>-</b>	<b>22,225</b>	<b>(11,303)</b>	<b>(17,372)</b>	<b>87</b>	<b>353,466</b>

Unrealised and realised gains and losses are recognised in the profit and losses on disposal and changes in the market value of investments line of the fund account.

## 14. Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities (excluding cash) by category and Net Assets Statement heading.

### Classification of financial instruments

2024/25			2025/26		
Fair Value through profit and loss £'000	Assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Fair Value through profit and loss £'000	Assets at amortised cost £'000	Financial liabilities at amortised cost £'000
150			220		
344,894			338,544		
532,688			564,426		
140,776			144,346		
	16,863			30,765	
	3,273			5,465	
		(2,691)			(3,929)
1,018,508	20,136	(2,691)	1,047,536	36,230	(3,929)

#### 14 (a) Net gains and (losses) on financial instruments

2024/25 £'000	Financial Assets	2025/26 £'000
12,938	Fair Value through profit or loss	34,019

## 15. Nature and Extent of Risks Arising from Financial Instruments

The financial instruments used by the Fund involve a variety of financial risks:

### (a) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of movements in market prices. To mitigate market risk, the Committee and its investment advisors undertake regular monitoring of market conditions and benchmark analysis. Market risk may be sub-divided into interest rate risk, price risk and currency risk, although these are to some extent inter-linked.

- **Interest rates** may vary which will impact on the valuation of fixed interest holdings. The coupon and the duration of such investments will be spread to minimise this risk.

- **Currency risk** is the risk that the value of financial instruments will vary with the foreign exchange rate of pounds sterling. This particularly affects the Fund's holdings in overseas equities, private equity and infrastructure. This is mitigated by the spread of investments across different countries and consideration given to hedging the risk where it is thought necessary.
- **Prices** of equity and other investments will vary as the prices on the stock exchange respond to factors specific to particular stocks or factors affecting stock markets as a whole. This is mitigated by having a diverse portfolio of investments across different managers, asset classes, countries and industries.

The tables below demonstrate the potential change in net assets available following movements in market risk. The percentage used for the movement in price is based on ten-year volatility assumptions for each asset class and is, therefore, more forward-looking and informative.

## Potential change in net assets 2026

### (i) Interest Rate Risk

Asset Type	Average Duration Years	Market Value 31 March 2026	Value on 1% increase £'m	Value on 1% decrease £'m
Global Bonds (Investment Grade Credit)	6.32	78.40	83.35	73.44
Liquid Credit	-	-	-	-
Multi-Asset Credit (Fixed Income)	2.82	49.89	51.30	48.49
UK Bonds (Gilts)	14.10	144.35	164.70	123.99
Private Credit*	2.60	34.37	35.27	33.48
Fixed Income	5.30	13.40	14.11	12.69

\*This uses floating interest

### ii) Currency Risk

Asset Type	Market Value 31 March 2026	% movement	Movement on Increased Value 2026	Movement on Decreased Value 2026
Global Equities	403.36	7%	430.93	375.79
Private Equity	96.09	7%	102.66	89.52
Infrastructure	103.10	7%	110.15	96.05
Private Credit	34.37	7%	36.72	32.02

### iii) Price Risk

Asset Type	Market Value 31 March 2026	% movement	Movement on Increased Value 2026	Movement on Decreased Value 2026
Global Equities	403.36	11%	446.06	360.66
Private Equity	96.09	11%	106.26	85.92

Asset Type	Market Value 31 March 2026	% movement	Movement on Increased Value 2026	Movement on Decreased Value 2026
Infrastructure	103.10	3%	106.03	100.17
Property	119.68	3%	122.74	116.63
Bonds and Fixed Income	272.64	7%	290.82	254.45
Private Credit	78.40	3%	80.62	76.17
Multi-Asset Credit (Fixed Income)	49.89	7%	53.22	46.57

### (b) Credit risk

Credit risk is the risk that counterparties to the financial instruments will fail to pay the amounts due to the Fund, thereby causing financial loss. This may arise if the value of a particular stock falls substantially or if a dividend is not paid out. Investment managers will usually assess this risk when making investments on behalf of the Fund. The market price of investments generally also includes a credit assessment and risk of loss into the valuations. In essence, therefore, the Fund's entire investment portfolio is exposed to some form of credit risk. There is a lower credit risk involved in the Fund's allocation to private equity (5.6% at 31 March 2026 and 9.4% at 31 March 2025).

The selection of high-quality fund managers, counterparties, brokers, and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner. The table below details the Fund's cash holding.

### Fund's Cash Holding

Balance as at 31 March 2025 £'000		Balance as at 31 March 2026 £'000
<b>Bank Account:</b>		
2,891	NatWest Account	2,997
<b>2,891</b>	<b>Total</b>	<b>2,997</b>

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. To mitigate this risk, the Fund regularly monitors the state of employers in the fund.

### (c) Liquidity risk

Liquidity risk is the risk that the Fund might not be able to meet its payment obligations as they fall due (such as pension payments to members). The 2025/26 accounts show that the benefits and administrative expenses paid out exceeded the contributions to the Fund. The balance was met from investment income; cash received from return of capital and accessing liquid assets. The Fund operates its own separate bank account, and the liquidity position is monitored on a day-to-day basis. The Fund is also permitted to borrow for up to 90 days if its cash flow is insufficient to meet short term commitments.

The Fund defines liquid assets as those that can be easily converted to cash within three months. Illiquid assets are those assets that will take longer than three months to convert to cash. As at 31 March 2026

the value of illiquid assets was £353.246, which represented 33% of total fund assets (31 March 2025: £359.242 which represented 35% of total fund assets).

## **16. Funding Arrangements**

The Fund's actuary carries out a funding valuation every three years to set employer contribution rates for the following triennial period. The last such valuation took place as of 31 March 2025.

The key elements of the funding policy are to:

- enable employer contribution rates to be kept as nearly constant as possible and at reasonable cost to the taxpayers, scheduled and admitted bodies
- manage employers' liabilities effectively
- ensure that sufficient resources are available to meet all liabilities as they fall due, and
- maximise the likelihood of reaching 100% funding on an ongoing basis over the next three valuation periods subject to an acceptable level of downside risk.

At the 2025 actuarial valuation the Fund was assessed as 119% funded (114% at the March 2022 valuation). This represented a surplus of £162m (£126m surplus in 2022) at that time. At the 2025 valuation, contribution rates were set for the three-year period ending 31 March 2029 for scheme employers and admitted bodies.

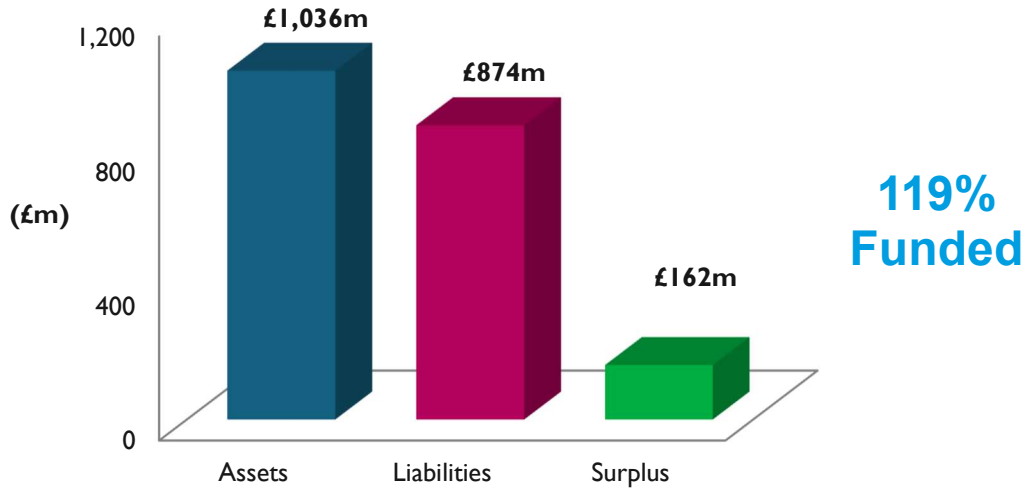
Individual employers' rates vary from the primary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2025 actuarial valuation report on the Fund's website.

## **17. Actuarial Present Value of Promised Retirement Benefits**

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the London Borough of Bexley Pension Fund was carried out as at 31 March 2025 to determine the contribution rates with effect from 1 April 2026 to 31 March 2029.

On the basis of the assumptions adopted, the Fund's assets of £1.036 million represented 119% of the Fund's past service liabilities of £874 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £162 million.



The valuation also showed that a Primary Contribution Rate of 17.8% of pensionable pay per annum was required from employers. The Primary Rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the contributions in respect of any deficit / surplus for each employer. At the 2025 actuarial valuation the average recovery period adopted for employers in deficit was 12 years, and the run off period for employers with a recoverable surplus was also 12 years. The resulting total "Secondary Rate" for 2026/29 was, on average, a surplus offset of approximately £7m per annum (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2026.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The valuation was carried out using the projected unit actuarial method. Full yield curves were used in calculating the liabilities and the approximate single equivalent rates for the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary Contribution Rate, were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
<b>Rate of return on investments (discount rate)</b>	5.20% per annum	4.70% per annum
<b>Rate of pay increases (long term)</b>	4.10% per annum	4.10% per annum
<b>Rate of increases in pensions in payment (in excess of GMP)</b>	2.60% per annum	2.60% per annum

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2028. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2029.

## Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes. The assumptions adopted are shown in Appendix B.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows:

<b>Start of period liabilities</b>	<b>£814m</b>
<b>Interest on liabilities</b>	£46m
<b>Net benefits accrued/paid over the period*</b>	(£26m)
<b>Actuarial (gains)/losses (see below)</b>	£17m
<b>End of period liabilities</b>	<b>£851m</b>

*\*this includes any increase in liabilities arising as a result of early retirements*

Key factors leading to actuarial gains above are:

- **Change in financial assumptions:** Corporate bond yields increased over the year, with a corresponding increase in discount rate from 5.8% p.a. to 6.1% p.a. The long-term assumed CPI also increased over the year from 2.6% p.a. to 2.9% p.a. The combined effect of these changes is broadly no change in the liabilities.
- **Change in demographic assumptions:** As noted in Appendix B, the mortality assumptions have been updated to reflect the latest mortality study carried out for the 2025 actuarial valuation. This acts to slightly reduce the liabilities.
- **Pension increases / inflation experience:** The figures allow for the impact of actual CPI over the year compared to the start of period assumption (experience to September 2025 fed into the April 2026 pension increase of 3.8%, and actual inflation from that point will feed into the 2027 increase). As inflation over the year was higher than the long-term assumption, this slightly increases the liabilities.
- **Allowance for 2025 actuarial valuation results:** The figures allow for the now completed 2025 actuarial valuation of the Fund. The effect of this is an increase in liabilities.

Clive Lewis

Fellow of the Institute and

Faculty of Actuaries

Mercer Limited

June 2026

Mark Wilson

Fellow of the Institute and

Faculty of Actuaries

# Appendix - additional considerations

**The “McCloud judgment”:** The figures above allow for the impact of the judgment based on the remedy and the data provided for the 2025 actuarial valuation.

**GMP indexation:** The above figures allow for the provision of full CPI pension increases on GMP benefits for members who reach State Pension Age after 6 April 2016.

**Market volatility:** There was significant volatility in markets both shortly before and after the accounting date. The period-end figures reflect market conditions as at the accounting date, but do not allow for any subsequent experience.

**Virgin Media Court Case:** Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Given this, and the unknown impact on benefits even if it were to be required, we have not made any allowance for the Virgin Media judgment.

## 18. Current Assets

31 March 2025		31 March 2026
£'000	Debtors	£'000
644	Contributions due - employees	738
1747	Contributions due - employers	1,968
<b>2,391</b>	<b>Total contributions</b>	<b>2,706</b>
882	Sundry debtors	2,759
<b>3,273</b>	<b>Total</b>	<b>5,465</b>
2,891	Cash balances	2,997
<b>6,164</b>	<b>Total</b>	<b>8,462</b>

## 19. Current and Long-Term Liabilities

### Current Liabilities

31 March 2025		31 March 2026
£'000	Liabilities	£'000
(145)	Sundry creditors	(582)
(647)	Benefits payable	(2,537)
(1,898)	Accrued expenses	(811)
-	Employer contributions prepayments	-
<b>(2,690)</b>	<b>Total</b>	<b>(3,930)</b>

## 20. Additional Voluntary Contributions

### Value of funds

Market Value 31 March 2025 £'000	Market Value 31 March 2026 £'000
1,470*	1,902*

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

\*The main pension provider of AVC investments provided a draft update of the market value of funds as of 31 March 2025 pending final revisions so this may be subject to change.

## 21. Related Party Transactions

As the London Borough of Bexley administers and is the largest employer of members in the Fund, there is a strong relationship between the Council and the Fund.

Information in respect of material transactions with related parties is disclosed elsewhere within the Fund accounts. Of particular note is the £370,278 recharge in 2025/26 from the London Borough of Bexley to the Fund included in administration and oversight and governance costs (£333,743.22 in 2024/25). This year, London Borough of Bexley have also entered a short-term oversight and governance arrangement with Westminster City Council, recharging £251,407 and with London Borough of Southwark £36,000 to the Pension Fund.

The Director of Finance and Corporate Services allocates 2.5% of their time to the Fund and is the only officer that is regarded as holding a key management post in respect of the Fund. In 2025/26 costs relating to the Director of Finance post totalled £6,782.54 in respect of the allocation to the Fund (£7,465.88 in 2024/25). This includes employer pension fund contributions of £713.22 (£1,127.34 in 2024/25).

The Director of Finance contributes 12.5% of their gross salary to the LGPS in employee contributions. No Councillors of the London Borough of Bexley are members of the Local Government Pension Scheme. During the year, no Council Members or Designated Officers have declared any transactions with the Fund that they are required to. Each Member of the Pensions Committee is required to declare their interests at each meeting. As of the Committee meeting held in September 2024, Councillor Howard Jackson declared that he works for the Financial Ombudsman and sometimes has dealings with fund managers as part of his role. In addition, at the June 2024 and September 2024 meetings, Councillor Adams declared that LPPI is one of his clients.

All Fund transactions are recorded in a separate part of the financial ledger system of the administering authority and pass through the Fund bank accounts.

## 22. Contingent Liabilities and Contractual Commitments

The Fund has a commitment to contribute a further £37.7m to the fund of private equity funds (£57.3m as of 31 March 2025) as there was a further tranche this year. There is also a further £12.9m (£22.2 as at 31 March 2025) into infrastructure funds. These contributions will be financed from sales of existing investments. The timing for paying over these commitments over the next few years is uncertain. The overall amount invested in private equity is not expected to change significantly as new drawdowns are likely to be offset by increased distributions.

There were no other material contingent liabilities or contractual commitments at 31 March 2026, or material non-adjusting events subsequent to this.

## 23. External Audit Cost

2024/25 £'000		2025/26 £'000
127	External Audit fees	94
<b>127*</b>	<b>Total</b>	<b>94</b>

\*This consists of £93,895 24/25 Scale Fee, £45,158 23/24 fee and a refund of prior year Audit Grants of £11,559.

## **24. Events after the Reporting Period**

Management have reviewed and can confirm that there are no significant events occurring after the reporting period.