

# Overview of Financial Statements 2022

The year to 31 March 2022 has been transformational for LCP, not just through consolidating the outstanding growth we achieved last year but also through investing for the future. As we cautiously emerge from the pandemic, our people have gone above and beyond to provide an exceptional service to our clients, to each other, and to the wider community. As a result, LCP's reputation has gone from strength to strength. We're now more than ever seen as a firm that is making a real difference to some of the biggest challenges facing our clients and the wider world. Some highlights are as follows:



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## Developments across the business

### Group income

The group achieved record income of **£149m** during the financial year, an increase of **5%**, building on the market-leading 13% growth rate we achieved the previous year



### Pensions

Within pensions, we are developing approaches for assessing the impact of climate risk on all aspects of a pension scheme, including investment, funding and employer covenant. This underwrites both our support to clients who need to comply with TCFD requirements and more generally to form a key input to strategic journey planning.



### Trustee Consulting

Our Trustee consulting team continued to develop client-centric and market leading technology for the pensions industry with the launch of LCP Advance for clients who want seamless integration between administration, actuarial and investment services; and the re-launch of LCP Sonar, our DB pension scheme risk profiling tool.

### Corporate Consulting

Our Corporate consulting team continued to innovate, working closely with LCP's health analytics practice to help companies understand the potential impact of Covid-19 on long term mortality rates, to make better informed decisions on funding and de-risking. Our M&A team led the pensions advice for many of the high-profile corporate transactions over the past year.

### Acquisitions

Shortly after the year-end, we acquired Delta-EE with a clear vision to become a leading energy transition practice globally. LCP and Delta-EE's combined skills and expertise will **create a unique offering for companies within the energy sector, including utilities, operators, traders, investors and manufacturers**. With LCP's wider experience in providing institutional investors with financial advice and modelling, the combined teams will be able to advise institutional investors on the new landscape and how to invest responsibly.

DELTA-EE

### DC and Financial Wellbeing

Our DC and Financial Wellbeing team saw further client wins this year, winning major appointments with large supermarkets and high profile medical firms. The team also won their first Master Trust trustee appointment. **Our latest Financial Wellbeing report**, released in March 2022, highlighted the importance of employer benefits in the cost of living crisis received media attention including coverage by BBC news.



### Insurance

We have had another successful year in our Insurance team. **The award-winning LCP**

**InsurSight** is now licensed by some of the largest international insurers, and is used to analyse over £100bn of reserves. The insurance team also won a wide range of other exciting new projects during the year – including to support Part VII transfers, full actuarial function support and expert witness work.



### Investment

Our Investment team has continued to expand its reach, with client wins across the pension, charity and broader global institutional market. Notable developments to support this expansion include: **the launch of LCP Monitor**, our real-time monitoring and analytics dashboard; and expansion of our manager research team, with particular focus on private markets and responsible investment. During the year we signed up to the Net Zero Investment Consultants Initiative and announced we will only buy-rate managers who have signed up to the Net Zero Asset Manager Initiative.



### Covenant

Our Covenant team helped numerous clients navigate their way through rapidly evolving legislative change brought about by the Pension Schemes Act 2021, including our Trustee, Corporate and Investor clients. The Covenant team success has seen us grow to 10 full time covenant experts, which is more than double our pre-pandemic numbers.

*A growing team*



### Health Analytics

Our Health Analytics team, having launched in 2020, has grown to 18 people with more to join soon. They are working with several of the largest pharmaceutical companies globally on the biggest challenges facing health systems and society more broadly.

### Energy Analytics

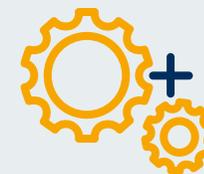
Our Energy Analytics team has seen another strong year of revenue growth, **up over 70%**. We also have 6 confirmed new joiners to position us well for further growth.

### 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. Whilst our summer intern programme for 40 students remained virtual this year, we were delighted to be able to onboard our 48 graduates in person back at our offices again.

### Hybrid working

We continued to support our people throughout the constantly changing pandemic with a wide range of initiatives. Having listened to feedback we introduced a hybrid working trial which gives people the flexibility to be able to balance time in the office to support collaboration, networking and learning and development as well as offering the opportunity to work from home regularly for those who prefer to.



### LCP CARES

Our fifth LCP CARES awards in December 2021 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, and the wider contributions that everyone had made.



 **LCP CARES**

## Our growing profile

### Awards

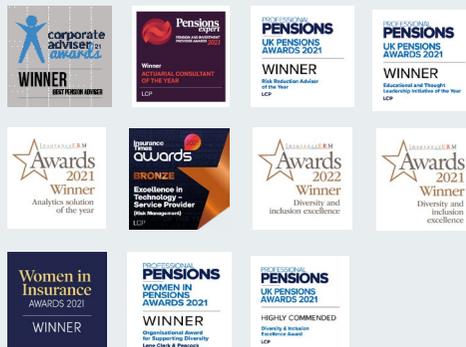
This year we were named **Best Pension Adviser at the Corporate Adviser Awards**. We were named **Actuarial and Employee Benefits Consultant of the year** at the Pension and Investment Provider Awards. At the UK Pensions Awards **we won Risk Reduction Adviser of the Year** and also received the award for **Educational and Thought Leadership Initiative of the Year**.

After our haul of 4 awards at the Insurance ERM awards earlier in 2021, the insurance team also won the Bronze award for **Excellence in Technology** at the Insurance Times Awards.

We scooped PR Week's **Corporate, City and Public Affairs Award 2021** for Steve Webb's campaign to get justice for thousands of women who have been underpaid their state pension for many years.

Our work in Diversity, Equity and Inclusion has been recognised externally. We won the

awards for **Diversity and Inclusion Excellence at the 2021 and 2022 Insurance ERM awards** and the award for **Supporting Diversity at the Women in Pensions Awards**. We scooped the **Contribution to Diversity at the Women in Investment Awards** and two awards at the Women in Insurance Awards; **Contribution to Inclusion and Contribution to Gender Inclusion**. We were also highly commended for the **Diversity and Inclusion Excellence** at the UK Pensions Awards.



### Diversity, Equity and Inclusion

We've also been key drivers of DEI within the pensions industry, this year launching a Trustee Guide to DEI and a dedicated area about DEI within our new **Behavioural Insights hub**.

### Podcasts

Our investment podcast, Investment Uncut, reached 100 episodes in May 2022, and by March had over 38,000 listens. We also launched a new Insurance focused podcast, Insurance Uncut.



### Football Analytics

Our football analytics practice has supported the growth and professionalism of women's football by signing the first women's clubs to our data scouting platform and through our partnership with the European Club Association. Our data scouting platform continues to be used widely by a number of high-profile football institutions, **including 4 men's Premier League clubs, and women's teams in the top divisions in England and Germany**.



### Reports

We added to our wealth of insight by producing several new reports. This included a joint report with SSE, which outlined practical steps for the UK to decarbonise, an analysis of how high NHS waiting lists will rise and the policy implications for this, and an extensive climate risk profiling of UK institutional investors.



## Corporate Social Responsibility

### LCP Foundation

The LCP Foundation has increased its donations from £150,000 to £200,000 this year. We have supported LCP's chosen charities, the Felix Project and Trinity Winchester, who tackle food poverty and homelessness respectively. We also introduced a quick reaction fund this year, through which we made grants to the Trussell Trust to support food banks for those hit by increases in the cost of living and Refugee Council UK to support the increased number of refugees notably from Afghanistan and Ukraine.

### Carbon footprint

We are pleased to have been able to make a commitment to being operationally carbon neutral on our path to Net Zero from this partnership year via offsetting our scope 1 and 2 emissions. We have also made significant strides in reducing our carbon footprint through sourcing only renewable electricity for our offices, reductions in commuting and decreased printing. We continue to work on our carbon reduction trajectory.

### Fundraising

Our people have fundraised and received matched funding for a huge range of charities from hospices to medical research to mental health.

### Our suppliers

We finalised the results of our first supplier survey and are working collaboratively with our suppliers to ensure our CSR goals are aligned.



### Our Winchester office

Our newly refurbished Winchester office is designed for flexible working and also provided us with the opportunity to improve our environmental efficiency. This included introducing solar panels, adding electric vehicle charging points and using renewable energy providers.



## Diversity, Equity & Inclusion

### Partner Champions

We launched the third round of our Partner Champion programme which has seen 68 of our partners and principals sign up. This is an individual commitment made by senior leaders to challenge barriers to DEI, with each individual stepping forward to be a visible advocate and supporter.

### HR

We have introduced a new HR system which allows our people to input their diversity metrics and preferred pronouns, alongside optional diversity monitoring for graduate and intern applicants. This is a key step in enabling us to monitor the retention and progression of staff by minority groups to identify any bias or trends in our promotion and appraisal processes.

### Recognising Gender Identity

We launched our "Recognising Gender Identity" policy and specialist training to support trans and non-binary people in the workplace

### Asset Owner Diversity Working Group

As part of The Diversity Project we were founding members of the Asset Owner Diversity Working Group and signed a new diversity charter, and responded to the joint FCA, PRA and BoE paper on driving inclusion in the financial sector.

### Women's Talent Academies

We have welcomed **78 mentees** as part of our Women's Talent Academies, a 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. Eight of the participants have so far gone on to join LCP after graduation.

### External initiatives

We signed up to a number of new external initiatives including the Halo Code, Disability Confident Employer Scheme, Race at Work Charter, 10,000 Black Interns initiative, My Big Career and more.

### DEI networks

Our four DEI networks have been extremely active raising awareness, supporting change, creating space for discussion, positive change and fundraising



# Overview of Financial Statements 2022

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

	2022 £	2021 £
<b>GROSS FEES</b>	<b>148,980,024</b>	<b>142,084,988</b>
Staff costs	(48,094,249)	(48,659,032)
Depreciation and amortisation	(1,129,384)	(1,056,498)
Other costs	(18,101,828)	(16,716,687)
<b>OPERATING PROFIT</b>	<b>81,654,563</b>	<b>75,652,771</b>
Interest receivable	20,267	(17,863)
Tax	(123,467)	(111,447)
<b>PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>	<b>81,551,363</b>	<b>75,523,461</b>

### NOTES:

Profit attributable to the corporate member*	10,193,620	12,704,634
Average number of members (partners)	157	142
Average number of employees	698	655

\*corporate member share of profits down following a change in minority investor

## Consolidated Group statements of financial position

	2022 £	2021 £
Intangible assets	85,289	36,407
Tangible assets	7,338,306	5,869,950
<b>TOTAL FIXED ASSETS</b>	<b>7,423,595</b>	<b>5,906,357</b>
Debtors	49,091,249	43,767,872
Cash at bank and in hand	24,606,170	32,654,483
<b>TOTAL CURRENT ASSETS</b>	<b>73,697,419</b>	<b>76,422,355</b>
CREDITORS: amounts falling due within one year	(19,128,132)	(19,004,376)
<b>NET CURRENT ASSETS</b>	<b>54,569,287</b>	<b>57,417,979</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>61,992,882</b>	<b>63,324,336</b>
Creditors: amounts falling due after more than one year	(2,240,777)	(2,662,110)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>	<b>59,752,105</b>	<b>60,662,226</b>
<b>Represented By:</b>		
Members' capital	6,886,936	6,321,859
Non-controlling interest	623,066	594,355
Members' other interests	52,242,103	53,746,012
<b>MEMBERS' FUNDS EMPLOYED</b>	<b>59,752,105</b>	<b>60,662,226</b>

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