

# Royal County of Berkshire Pension Fund

## *Annual Report and Accounts*

### 2024/2025



[www.berkshirepensionfund.org.uk](http://www.berkshirepensionfund.org.uk)

**lgps** | Local Government  
Pension Scheme

Last approved: 23 February 2026

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## PENSION FUND COMMITTEE CHAIR'S INTRODUCTION

It gives me great pleasure as Chair of the Pension Fund Committee to present the Annual Report and Accounts for the financial year ended 31 March 2025 for the Royal County of Berkshire Pension Fund (the "Fund").

The Royal Borough of Windsor & Maidenhead (RBWM) is the Administering Authority for the Fund and administers the Local Government Pension Scheme (LGPS) on behalf of all Scheme members employed by the six Berkshire Unitary Authorities and around 450 other public and private sector employers. The administration team have been able to provide a highly professional and efficient service to over 80,000 members and 450 employers throughout the year. Performance against the Fund's key administration performance indicators remains very high, despite continuing difficulties in recruiting experienced personnel for the administration team. The Fund is making very good progress towards the final implementation of the McCloud Remedy, and is in a strong position in preparing for the Pensions Dashboard Project connection deadline of October 2025.

The Royal County of Berkshire Pension Fund Committee comprises five RBWM Councillors, membership of which has been consistent throughout the year. The Pension Committee also receives invaluable support from the Pension Fund Advisory Panel, which consists of representatives from the other five Berkshire Unitary Authorities. Additional assistance is provided by the Fund's Independent Advisors, who have provided us with guidance in managing the funds.

In practice decisions are taken at joint meetings of the Pension Fund Committee and Pension Fund Advisory Panel although only members of the Pension Fund Committee have voting rights.

The Royal County of Berkshire Pension Fund continues to operate under an Advisory Management Agreement with Local Pensions Partnership Investments Limited (LPPI), which continues to be a successful partnership, with all of the Fund's £3.2 billion investment assets under management by the Pool. The Pension Fund Committee remains responsible for setting the investment strategy and strategic allocation of its assets. The Committee also monitors the Fund's investment performance and the outlook for financial markets in which the fund invests at each of our quarterly meetings, with the support of the Independent Advisors.

In line with the Fund's Responsible Investment policy, the Pension Fund Committee receives reports at each meeting on LPPI's progress in the important fields of 'Environmental, Social and Governance' factors and on their progress towards a 'net zero' investment portfolio.

In addition to taking decisions that relate to Fund investments, the Pension Fund Committee has a statutory duty to ensure that the LGPS is governed and administered in line with the government regulations and other associated legislation. During 2024/25, the Fund reviewed and updated a number of policies, including its Risk Management policy, and concluded a strong level of compliance with the expectations of The Pensions Regulator's General Code of Practice. I am grateful to members of our local Pension Board for their input and assistance in ensuring that RBWM fulfils its statutory responsibilities.

I have great confidence that the Pension team will continue to provide our Scheme members with a high-quality service over the next year.

**Councillor Simon Bond**  
**Chairman**  
**Berkshire Pension Fund Committee**  
**Berkshire Pension Fund Advisory Panel**

## SCHEME MANAGEMENT

### PENSION FUND COMMITTEE (Voting) (ELECTED MEMBERS OF THE ADMINISTERING AUTHORITY)

The five elected members, representing the administering authority, the Royal Borough of Windsor & Maidenhead (RBWM), that make up the Pension Fund Committee were as follows:

Position	Name	Comments
Chair	Councillor Simon Bond	
Vice Chair	Councillor Wisdom Da Costa	up to February 2025
	Councillor Suzanne Cross	
Other Members	Councillor Asghar Majeed	
	Councillor Julian Tisi	
	Councillor Mark Wilson	from February 2025, up to May 2025
	Councillor Mark Howard	from May 2025

### PENSION FUND ADVISORY PANEL (Non-voting)

In addition to the five elected Pension Fund Committee Members, the Advisory Panel consisted of the following elected Members from the other five Berkshire Unitary Authorities:

Name	Unitary Authority
Councillor Stephen O'Regan	Bracknell Forest Council
Councillor Glenn Dennis	Reading Borough Council
Councillor Zafar Satti (up to May 2025)	Slough Borough Council
Councillor Subhash Mohindra (from May 2025)	Slough Borough Council
Councillor Jeremy Cottam	West Berkshire Council
Councillor Stephen Newton	Wokingham Borough Council

### Dates and attendance of Pension Fund Committee/Advisory Panel meetings

Meeting Dates:

17 June 2024  
16 September 2024  
16 December 2024  
17 March 2025

## Attendance for 2024/25

<b>Name</b>	<b>Number of meetings eligible to attend</b>	<b>Attended</b>
<b>Committee members</b>		
Councillor Simon Bond	4	4
Councillor Suzanne Cross	4	4
Councillor Wisdom Da Costa	3	0
Councillor Asghar Majeed	4	3
Councillor Julian Tisi	4	3
Councillor Mark Wilson	1	0
Councillor Mark Howard*	1	1
<b>Panel Members</b>		
Councillor Stephen O'Regan	4	0
Councillor Glenn Dennis	4	4
Councillor Zafar Satti	4	1
Councillor Jeremy Cottam	4	0
Councillor Stephen Newton	4	4

\*substitute committee member



### Royal Borough of Windsor & Maidenhead (RBWM) Pension Fund Senior Officers

Position	Name	Comments
Executive Director of Resources and Section 151 Officer	Rachel Howard	From September 2025
Interim Executive Director of Resources and Section 151 Officer	Ian O'Donnell	Up to September 2025
Assistant Director of Finance and Deputy Section 151 Officer	Julian McGowan	
Head of Pension Fund	Jo Thistlewood	

### Scheme Administrators

In-house pension administration team.

### PENSION BOARD

In accordance with the provisions of the Public Service Pensions Act 2013 a Pension Board was constituted on 22 July 2015.

Position	Name
Chair	Alan Cross
Vice Chair	Arthur Parker
Scheme Employer Representatives	Arthur Parker – Bracknell Forest Council
	Nikki Craig – Royal Borough of Windsor & Maidenhead
	Julian Curzon – Haybrook College Trust
Scheme Member Representatives	Alan Cross – Retired Scheme Member
	Jeff Ford – Retired Scheme Member
	Neil Bullough – Active Scheme Member (from December 2024)

### Dates and attendance of Pension Board meetings 2024-25:

Meeting Dates:

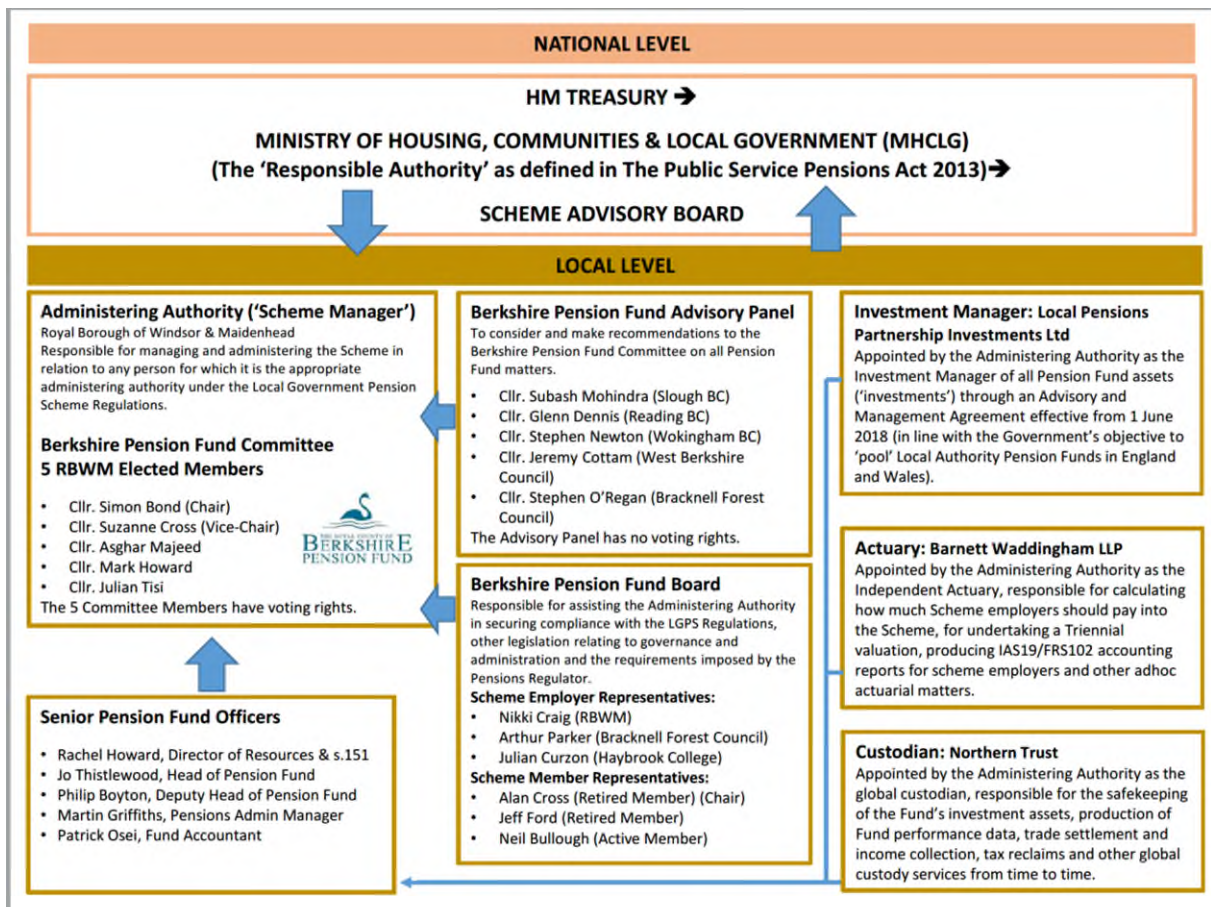
17 June 2024  
 16 September 2024  
 16 December 2024  
 17 March 2025

Attendance for 2024/25

Name	Number of meetings eligible to attend	Attended
Alan Cross	4	4
Arthur Parker	4	4
Nikki Craig	4	4
Jeff Ford	4	4
Julian Curzon	4	3
Neil Bullough	2	2

**Full governance structure**

Governance structure chart is presented overleaf as at the date of preparing this report (Summer 2025). This is kept up to date continuously and the latest governance chart is made available on the Pension Fund’s website - [Royal County of Berkshire Pension Fund | Governance Structure](#)



## PENSION BOARD STATEMENT: APRIL 2024 – MARCH 2025

The Pension Board (“the Board”) has been established to meet the requirements defined in the Public Services Pensions Act 2013. The Board’s statutory duties are to:

- Ensure the Fund’s compliance with legislation, regulation and guidance, along with the Pension Regulator’s (TPR) requirements.
- Ensure that the Fund’s governance and scheme administration is effective and efficient.

The Board primarily focuses on governance and administration issues. The Pension Service has a work programme that periodically reviews its policy statements. The Board seeks to deliver effective advice and assurance in line with the agreed Terms of Reference and the Administering Authority’s Constitution.

During 2024/25 the Board’s meetings continued to be held using a hybrid arrangement with some members meeting in person with Fund Officers, and others attending virtually using Zoom & Teams. As the Board is not formally a committee with any significant decision-making powers, it is envisaged that the Board will continue to meet that way for the foreseeable future. The Board has continued the process of developing the knowledge and skills of the Board members to enable them to undertake their duties with confidence. All Board members updated their Pensions Regulator training during the year.

During the latter half of 2024/25, the board appointed a new Scheme Member Representative, filling a long-standing vacancy, and has concluded its review of membership terms of office to support a planned recruitment activities as Members reach the end of their term.

The Board also concluded the review of its Terms of Reference, which, following a recommendation from the Board, were adopted by the Pension Fund Committee on 17 March 2025. The Pension Fund Committee then made a recommendation to Full Council for the revised Terms of Reference to be adopted into the Administering Authority’s Constitution. This was completed at the Council meeting on 23 April 2025.

Throughout 2024/25, the Board’s meetings occurred in the morning on the same day as the Pension Fund Committee. This allowed full consideration of the Pension Fund Committee papers with a strong focus on the Fund’s administration, reviewing statutory documentation as it has been published. For 2025/26, the Board will meet separately between Pension Fund Committee meeting dates, allowing time for the board to fully consider changes to the Fund’s governance statements, and for their feedback to be incorporated into recommendations to Committee. Particular attention continues to be given to the Fund’s Risk Register with updates made and normally discussed between Board Members and Pension Fund Officers during each quarterly meeting.

Outside the Board, membership of the Pension Fund Committee and Pension Fund Senior Officers has remained stable throughout 2024/25. During 2024/25 the board considered the Employer Flexibilities Policy, the LPPI Shareholder Voting Policy and the Risk Management Policy, as well as considering the Fund’s initial compliance against The Pensions Regulator’s General Code and a thorough review of the Fund’s Risk Register. As usual the range of annual amendments to scheme regulations and over-arching legislation to contend with have meant a continuing period of change. As usual the Pension Team has kept pace with various changes and where possible sought to get ahead with new processes.

The Board continues to keep under review the Pension Fund Committee’s work-plan offering whatever assistance it can give to the Administering Authority in fulfilling its statutory duties of governance and administration, with the Chair of the Board normally attending the Pension Fund Committee meetings. There will always be room for improvement, but the work of the Board helps to establish clear priorities for future activity.

### Board membership and meeting attendance

Throughout 2024/25, the Board met four times, in June, September and December 2024 and March 2025. A summary of attendance is provided below.

Board member	Representation	Eligible to attend	Attendance
Alan Cross	Scheme Member (Chair)	4	4
Arthur Parker	Employer (Vice Chair)	4	4
Neil Bullough	Scheme Member	2 <sup>1</sup>	2
Nikki Craig	Employer	4	4
Julian Curzon	Employer	4	3
Jeff Ford	Scheme Member	4	4

Approved by the Local Pension Board 17 March 2025

<sup>1</sup> Neil Bullough was appointed December 2024, hence eligible to attend two meetings: December 2024 and March 2025.

## ADMINISTRATION REPORT

The Royal County of Berkshire Pension Fund (the Pension Fund) administers the Local Government Pension Scheme (LGPS), which provides occupational pensions for employees (other than teachers) of local authority employers within the geographical area of Berkshire. This includes support staff employed by academies, employees of organisations which have entered into admission agreements with the Pension Fund and bodies who have made a resolution to join the Pension Fund.

The LGPS is a defined benefit, occupational pension scheme established under the Superannuation Act 1972. The LGPS was contracted out of the State Second Pension scheme (S2P) until 5 April 2016 and from 6 April 2016 the 'contracted out' status ceased to exist for all pension schemes due to the introduction of the single tier State Pension.

The LGPS is a qualifying scheme under the automatic enrolment provisions of the Pensions Act 2008. From 1 April 2014, benefits for active members build up in the Career Average Revalued Earnings (CARE) scheme. Benefits for members with service pre-1 April 2014 are calculated under the Final Salary scheme.

The Royal Borough of Windsor & Maidenhead (RBWM) is required by law to administer the LGPS in Berkshire. It is accountable to the Pension Fund Committee, the Local Pension Board, participating scheme employers, and scheme members. The responsibilities for scheme administration are met in-house by the Pension Administration Team based within the Resources service area of RBWM. The administration includes the collection of employee and employer pension contributions and member data from all scheme employers, the calculation of scheme member benefits (including transfers in and out) and payment of pension benefits to retired scheme members; as well as looking after the benefits for deferred members who have not yet taken payment. The LGPS not only provides pensions for scheme members but also survivor benefits to spouses, civil and cohabiting partners and eligible children.

Arrangements in place for gathering assurance over the effective and efficient operation of the pension administration are:

- External Auditors
- Internal Auditors
- Pension Fund Committee
- Local Pension Board
- Reporting Breaches of the Law policy
- Quarterly reporting of Key Performance Indicators
- The Pensions Regulator Annual Scheme Return
- The Pensions Regulator General Code of Practice

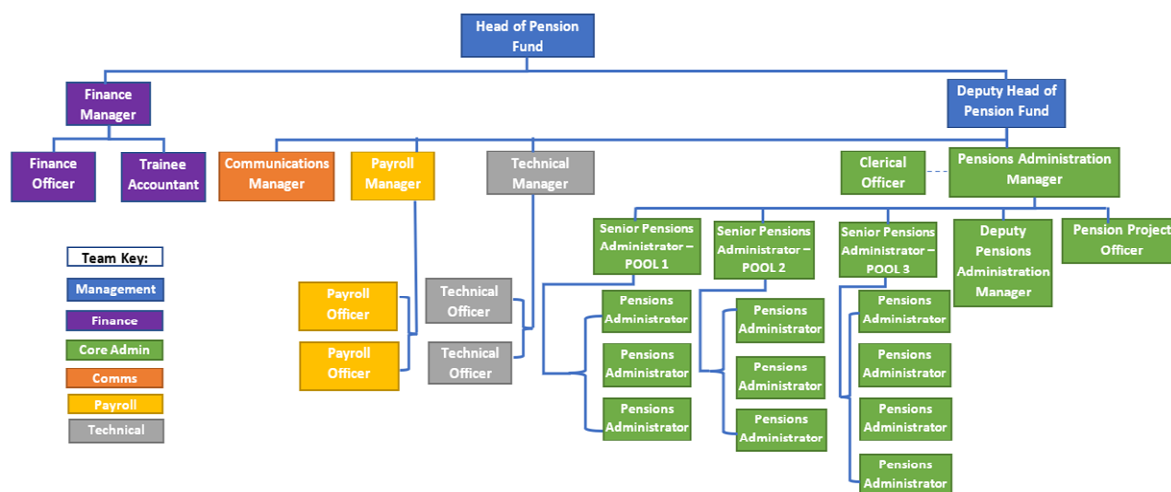
As of 31 March 2025, the Pension Fund had 26,991 active scheme members records, 29,884 deferred scheme members records, 23,857 pensioner and dependant scheme members records, and 467 scheme employers (this figure incorporates employers belonging to multi-academy bodies).

### Value for money statement

To ensure the effectiveness of the Pension Fund the administration service is monitored and reviewed through external and internal audits. The Pension Fund continues to invest in new technology and staff training to ensure a high-quality service is provided to scheme employers and their scheme members. Over recent years, several experienced team members have left the administration team to pursue other work opportunities.

Recruitment and retention of staff is a key issue for LGPS Pension Funds nationally. Externally there is a small pool of individuals who have the relevant qualification and experience to be able to step into roles where it is essential to have previous experience in the administration of the LGPS. In the last twelve months we have been successful in recruiting to vacancies and are training new members of staff for them to be able to fulfil their roles.

### The Royal County of Berkshire Pension Fund staff structure



### Summary of activity in 2024/25

Over the last 12 months, the Pensions Administration Team continued to ensure benefits for scheme members are paid accurately, on time and according to scheme regulations. The team also work closely with scheme employers to collect data and to ensure pension contribution payments are received by the statutory timescales.

In addition to achieving this, the Pension Fund makes sure it has robust internal controls, innovative technology, and excellent communications for all of its stakeholders.

As well as delivering on the day-to-day business as usual activities, the team have successfully delivered the following projects: (this is not an exhaustive list)

- Issue of active and deferred 2024 Annual Benefit Statements by 31 August 2024
- Application of Annual Pension Increase with effect from 8 April 2024
- Issue of 2024 Annual Allowance Pension Saving Statements by 6 October 2024
- Year End 2025 reconciliation
- Issue of P60s by 31 May 2024
- IAS19 reporting
- SF3 reporting
- Policy reviews
- Publication of regular newsletters to scheme employers and their scheme members
- Review of Tier 3 ill health annual pensions

These projects require participation of team members from all four teams working closely together to deliver the required outcomes.

## Communication Activity

### Communication - Compliance with Communications Policy Statement

Under Regulation 61 of the Local Government Pension Scheme Regulations 2013 (as amended) The Royal Borough of Windsor & Maidenhead (RBWM), in its role as Administering Authority to the Pension Fund, is required to publish a statement of policy concerning communications.

This policy statement can be found on our website and deals with the methods of communication between the Administering Authority, scheme members and scheme employers of the Pension Fund. The Administering Authority keeps the policy statement under review.

The Pension Fund has a varied audience with whom it communicates, including:

- Scheme members (active, deferred, pensioner and dependant) and their representatives.
- Prospective scheme members and scheme members who have chosen to opt out.
- Scheme employers and prospective scheme employers.
- Pension Fund Committee, Pension Fund Advisory Panel and Local Pension Board Members.
- Additional Voluntary Contribution (AVC) providers – Clerical Medical, Prudential, Utmost
- Pension Fund staff; and
- Other interested groups including, HM Revenue & Customs (HMRC), other Government departments.

Officers from the Pension Fund sit on the Regional Communication Working Group and one of our Officers is the Chair of the National Group, who work with the Local Government Association (LGA) to help deliver communication guidance to LGPS Pension Funds across England and Wales.

Some of our more recent communication activity includes:

### Training for Scheme Employers

The pension team continues to hold ad-hoc training sessions throughout the year on request. These sessions are designed to educate both new and current scheme employers about the important role they play in helping the pension team administer the scheme and the importance of holding clean and accurate data to process benefits quickly and efficiently. These sessions are well received with the team immediately seeing a more proactive approach towards the submission and quality of data by scheme employers.

### Regular Updates on the LGPS

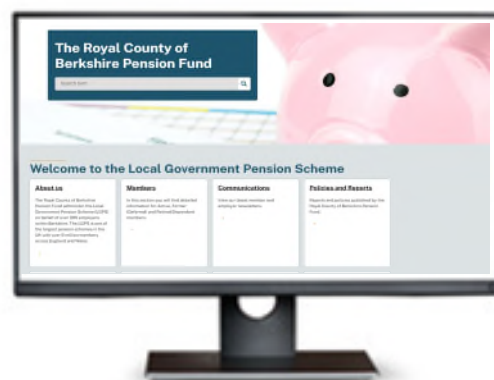
The '*Inscribe*' newsletter is distributed to scheme employers on a quarterly and, where necessary, ad-hoc basis along with other global emails distributed to scheme employers when deemed necessary.

## Pension Fund Website

The Pension Fund website continues to prove a valuable source of information for our scheme employers and their scheme members.

The website contains sections dedicated to the following:

- Active scheme members.
- Deferred scheme members.
- Retired scheme members
- Scheme employers
- Non-scheme members
- Investments
- Scheme Member and scheme employer communications
- Governance
- Policies and Reports



The website has been described as easily accessible and includes many links making navigation user friendly.

In 2024 the pension team reviewed and remodelled the website to ensure scheme members continue to have a quick and easy to use point of reference and are aware of the impact any changes to the scheme will make to their pension benefits. Also, to ensure the same experience continues to be afforded to scheme employers to help continually educate them and understand their responsibilities.

The website address is [www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)

## General Guidance and Assistance

The pension team can be contacted Monday to Friday during normal office hours.

There is a dedicated general helpline 01628 796 668 alongside a dedicated helpline for payroll queries 01628 796 670.

The Pension Fund also has a series of email helpdesk inboxes as follows:

- General Enquires - [info@berkshirepensions.org.uk](mailto:info@berkshirepensions.org.uk)
- Technical Enquires - [technical@rbwm.gov.uk](mailto:technical@rbwm.gov.uk)
- Communication Enquires - [pension.comms@rbwm.gov.uk](mailto:pension.comms@rbwm.gov.uk)

During the last twelve months the Pension Fund has had the following interactions with scheme members:

Communication Activity	During an average week in the year
Telephone calls received by the Pension Fund on average	600
Emails received on average to info@berkshirerpensions.org.uk	450
Incoming post received and indexed to the pensions administration system	952 sheets (206 members)
During an average month in the year	
Users visiting the website	14,717 views on website (These could be multiple views by the same person)
Pension Surgeries / Presentations	5 (Except during the Summer months)

### Promotional Services

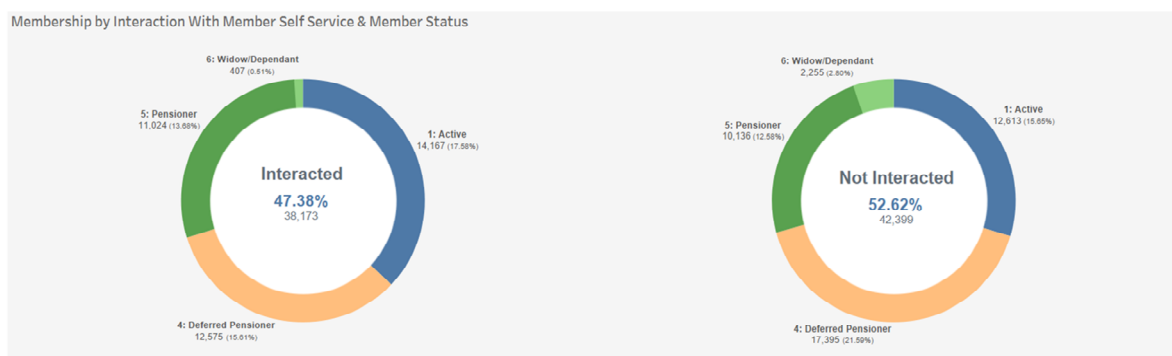
The Pension Fund continues to produce and publish guides and factsheets relating to specific LGPS topics all of which are available for download from the Pension Fund website. These are constantly reviewed and updated to keep pace with the ever-evolving LGPS.

### Member Self Service - 'my pension ONLINE'



The Pension Fund's 'my pension ONLINE' service enables scheme members to securely access and update your own pension details using a variety of different devices - desktop PC, laptop, tablet, or smartphone.

Registered scheme members' can quickly gain access to their own pension record to check their details are correct and calculate the current and future value of their own benefits and their dependants. This removes the need to contact the Pension Team and wait for an estimate to be sent to them.



### Welcome Letter

Each new scheme member receives a letter containing an activation code and guidance as to how to access their online account. A brief guide to the LGPS is also enclosed to provide scheme members with information about the LGPS and the benefits of being a scheme member.

## Annual Benefit Statements

Each active and deferred scheme member receives an Annual Benefit Statement (ABS). With the availability of 'my pension ONLINE' these ABS are available for viewing, downloading, or printing on-line and means the Pension Fund only issue a paper ABS to circa. 1,000 active and deferred scheme members combined. This number will continue to decrease as the scheme membership types move to receiving their benefits and individuals join the Scheme and default to the 'my pension ONLINE' service.

The active scheme member ABS provide details of benefits built up to 31 March the previous year, benefits projected to Normal Pension Age, death in service benefits and details of the scheme member's nominated beneficiaries.

The deferred scheme member ABS provide details of the current value of the scheme member's deferred benefits, death in deferment benefits and details of the scheme member's nominated beneficiaries.

## Pension Surgeries and Member Engagement Events



During the year, two pension surgeries were held at each of the six Unitary Authorities with additional pension surgeries being held at other scheme employer locations upon request. These pension surgeries have all been held both remotely using Microsoft Teams and in person and have been very well received by those who made pre-arranged appointments, providing an opportunity for scheme members to discuss any aspect of their pension benefits.

In addition, the Pension Fund assist with induction events – providing pension presentations to new employees and delivering general presentations to staff at Council offices, schools, and online on request.

We also hold pension focused events to support Pension Awareness Week which is held in September every year as a national campaign.

The administration team met with 925 scheme members across the pension surgeries and related events held during 2024/2025.

## Newsletters

The Pension Fund produces and distributes bi-annual newsletters. 'The Quill' is issued to active and deferred scheme members and 'The Scribe' is issued to pensioner and dependant scheme members. Both continue to be very well received by scheme members. Since the implementation of 'my pension ONLINE' newsletters are available for viewing, downloading or printing online.



## Annual Meeting

All scheme members were invited to attend a remote meeting on Wednesday, 13 November 2024. Attendees were provided with a review of the work undertaken by the administration team during the last scheme year, a legislative update that included information about potential future changes to the LGPS together with known

future changes - McCloud Remedy and Pensions Dashboards Programme, and an actuarial update delivered by the Pension Fund's appointed Actuary, Barnett Waddingham.

### Communication with Pensioner and Dependant Scheme Members

The Pension Fund has a dedicated payroll team dealing with former scheme members now receiving payment of their pension benefits and surviving partners receiving a dependant's annual pension. As well as responding to their enquiries the payroll team are responsible for ensuring we meet our regulatory requirements.

### Data quality

Data scores are required by The Pensions Regulator on an annual basis as part of the scheme return each autumn. The scores are shown in the table below:

Data Category	2022/23 score	2023/24 score	2024/25 score	Aim
Common data	98.30%	98.60%	98.6%	95%
Scheme specific data	96.60%	97.10%	96.8%	95%

**Common data** relates to data such as name, address, national insurance number etc. The Pension Fund has lost contact with a number of scheme members who have changed address and not notified the Pension Fund, this is a contributing factor for why the data score is not higher. An address tracing exercise is undertaken on a regular basis to locate scheme members that are listed as 'gone away' to maintain a high level of data quality.

**Scheme specific data** relates to those data items essential to calculate pension benefits e.g. pensionable pay, divorce details, transfers in, salary etc.

### The McCloud Remedy

The LGPS rules changed from 1 October 2023, to take account of the McCloud Judgement. When public service pension schemes changed from final salary schemes to career average schemes (CARE) in 2014 and 2015, older members were protected from the changes. In 2018, the courts found that younger members had been discriminated against because the protections did not apply to them.

The 2023 changes are called The McCloud Remedy. They remove the age discrimination found in the McCloud court case. Not all LGPS members are affected by the changes.

Most of the data required for The McCloud Remedy has been collected and posted to scheme member records. However, on-going checks may identify where further information is required. For example, confirmation of membership held in another public sector scheme, which would mean a scheme member qualifies for the underpin in the LGPS.

The team are currently in the process of identifying all scheme members in scope of The McCloud Remedy and have been updating scheme member records so that when a calculation of benefits has been completed, the underpin check is performed. This will indicate if final salary benefits are higher than CARE benefits for the remedy period (1 April 2014 to 31 March 2022). The scheme member does not have to choose to take final salary benefits or CARE benefits for the remedy period, which is in place for other public sector schemes, instead in the LGPS the highest set of benefits will automatically be paid. This work is ongoing to ensure all eligible scheme member records reflect any McCloud Remedy uplift by the statutory deadline.

Software developments required to help the team process cases where the underpin applies have progressed and most of the required updates to the system have been implemented. However, there are certain types of calculations which cannot be processed as we still require guidance from the Ministry of Housing, Communities and Local Government (MHCLG) and then further software developments.

### **Pensions Dashboards**

From 1 April 2024, work on the implementation of dashboards has taken place to look at data held on scheme member records that needs to be improved.

A key foundation of the Pension Fund that successfully meets the aim of the Pensions Dashboard Programme is the quality of the data it holds. As set out in the earlier section titled 'Data quality' both the Common and Scheme Specific data held is very strong. The quality of the data held on scheme member records will impact on the amount of additional work the team may have to pick up once the Pensions Dashboard goes live. If the quality of data is poor, scheme members using the dashboard may not find a match with all their pension providers. This would lead to queries from the public and investigations required by the pensions team. If data is accurate the scheme member will find a match straight away and will not need confirmation from the team.

One area of data which requires improvement is address information for scheme members who hold a benefit but are no longer actively paying into the scheme. A tracing exercise has been carried out to improve the information held by the Pension Fund. A project group was created with several other LGPS Pension Funds and work on the implementation of the Integrated Service Provider (ISP) (how we connect to Pensions Dashboard) has now been completed.

### **Working with scheme employers**

To effectively administer the LGPS for scheme members, the monthly data submitted by scheme employers is essential. As well as monthly and year-end data quality verification, additional checks are in place during the year using the data collection software, mortality screening and address verification. This improves and maintains the data held and ensures scheme member benefits are accurate. Scheme employers must pay their pension contributions by the 19th of the month and accompanying scheme member data must also be submitted using i-Connect by the 16th of the month. A small number of our scheme employers not using i-connect Software make paper submissions that are emailed to the Pension Fund. The Pension experiences the following benefits as a user of i-Connect Software since February 2016:

- Scheme member records are maintained in 'real-time'
- Scheme members are presented with the most up to date and accurate information through "my pension ONLINE" (Member self-service)
- Pension administration data matches employer payroll data
- Discrepancies are dealt with as they arise each month
- Scheme employers are not required to complete year end returns
- Manual completion of forms and input of data onto systems is eradicated removing the risk of human error.

The Pension Fund continues to build on the success it has experienced since February 2016 with data in respect of 93.79% of the total active scheme membership now submitted to the Pension Fund monthly. We continue to pro-actively work closely together with our scheme employers of all sizes who are yet to on-board the service to ensure they can realise the benefits of the service as quickly as possible.

Overall, this has saved the team significant administration time by removing the need for manual input, but most importantly helping maintain the accuracy of scheme member data. No doubt scheme employers and the team will continue to benefit from this service throughout the next 12 months.

### **Service delivery**

In 2024/25 the team continued to work predominantly from home, although several desks are available for staff in the Town Hall, Maidenhead.

All key tasks are performed while remote working and the team have continued to deliver an excellent service throughout the year. In person quarterly team meetings have continued as well as in person team training days.

### **Actuarial valuation 2025**

The next valuation is due to take place in 2025 and work for this is already underway. Monthly meetings have been taking place with our scheme actuary, Barnett Waddingham LLP, the Funding Strategy Statement and will be reviewed and updated accordingly and meetings will be arranged with our scheme employers to discuss the results.

### **Cyber security**

In December 2023, The Pensions Regulator (TPR) revised its cyber security guidance. The guidance helps trustees and pension scheme managers meet their duties to assess the risk, ensure controls are in place, and respond to incidents. For the first time, the guidance asks pension schemes to report any significant cyber-related incidents to TPR on a voluntary basis as soon as is reasonably practicable. This will help TPR build a better picture of the cyber risk facing the industry and its members.

The Pension Fund will be working with the Royal Borough of Windsor & Maidenhead's IT and information security teams, software providers and actuary to develop its own Cyber Security Policy during 2025/26. Annual training is undertaken by Officers each year and there are frequent reminders to all Officers to remain vigilant during a time when LGPS Pension Funds are increasingly becoming targets for malicious cyber activity.

### **Pensions scams pledge**

During the last twelve months, the Pension Fund signed up to join The Pensions Regulator's Scams Pledge, to show that the Pension Fund is committed to tackling pension scams. The Pension Fund already had robust procedures in place to protect scheme members, by undertaking stringent checks on requests for transferring benefits out of the LGPS and regularly warning scheme members about the risk of pension scams. The Pension Fund is committed to stopping scammers in their tracks.

### **Key performance indicators**

LGPS Pension Funds must report on the outcome of Key Performance Indicators (KPIs). The KPIs are designed to provide measures of performance on providing an effective administrative service for both scheme employers and their scheme members.

The Pension Fund updates the Pension Committee every quarter on four main KPIs, these being Starters, Refunds, Deaths and Retirements processed.

The team regularly monitor workloads and can re-allocate resources to tackle any backlog of work. We also regularly review our processes and developments in software functionality to ensure they are efficient and support the work of the team.

#### KPIs reported to the Pension Committee during 2024/2025

Administration Team Performance	Target (working days)	2023/2024			2024/2025		
		Number received	Number within target	% within target	Number received	Number within target	% within target
Inputting of new Scheme members	20	7,297	7,113	97.48	7,491	7,401	98.80
Processing of deceased benefits	10	238	190	79.83	272	240	88.24
Payment of retirement benefits	5	1,241	1,161	93.55	1,424	1,327	93.19
Payment of refund of contributions	10	567	558	98.41	542	540	99.63

The case types listed in the table above are reported to the Pension Committee on a quarterly basis and information on the other case types contained in the Annual Report Guidance from SAB will be made available in future Reports. In the meantime, the Fund is undertaking a project to review its task management system and the case types contained within it.

Casework KPI	Total Number of new cases created in the year	Total Number of cases completed in the year	Total % of cases completed within the year
Deaths recorded of active, deferred, pensioner and dependent members (incl. death grants)	722	467	65
New dependant member benefits	248	166	67
Active member retirements	916	679	75
Transfers out	33	26	79
Divorce quotations issued	160	148	93
Actual Divorce cases	1	0	0
Member estimates requested by employers or members	410	365	89
Aggregation cases	1158	837	72
Optants out received after 3 months membership	372	264	71

Case numbers for 2023/2024 were not available to be contained within this Report, but once again will be included in future Reports.

#### Time taken to process casework

Casework KPI	Suggested fund target*	% completed within fund target in year
Communication issued confirming the amount of dependents pension	10 days	72
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	76
Payment of lump sum (both actives and deferreds)	15 days	74
Communication issued to scheme member with completion of transfer in	15 days	63
Communication issued to scheme member with completion of transfer out	15 days	78
Divorce quotation	45 days	92
Member estimates requested by scheme member and employer	15 days	79

\*Days in this column are a suggested fund target for completion and not the statutory timescale. These timescales are currently being reviewed and will be published in our most recent Administration Strategy.

#### Annual Benefit Statements

Percentage of annual benefit statements issued as at 31 August	90.26%
Short commentary if less than 100%	The Fund has received no year-end returns for 16 employers, otherwise benefit statements were produced for all active and deferred members. The 2024/25 statements did not require information to be contained on the McCloud Remedy and the underpin values.

#### New pensioners in year 2024/25 by type of retirement

Retirement Type	Number of cases
Early/ Normal	90
Ill Health	36
Late	156
Employer Consent	20
Redundancy	54
Flexible	22
<b>Total</b>	<b>378</b>

**Staffing** – The pension team was made up of the following team members on 31 March 2025:

Year	31 March 2024	31 March 2025
Head of Pension Fund	0.0	1.0
Deputy Head of Pension Fund	1.0	1.0
Pension Administration Manager	0.0	1.0
Deputy Pension Administration Manager	0.6	1.0
Project Officer	0.0	0.4
Communications Manager	1.0	1.0
Finance Manager	1.0	1.0
Finance Officer	1.0	1.0
CIPFA Trainee Accountant	1.0	1.0
Technical Manager	0.8	0.6
Technical Officer	2.0	2.0
Senior Pension Administrator	3.0	3.0
Pension Administrator	4.8	3.8
Trainee Pension Administrator	2.0	7.0
Payroll Manager	0.9	0.9
Payroll Officer	1.0	2.0
Clerical Support	0.6	0.6
<b>Total</b>	<b>20.7</b>	<b>28.3</b>

The ratio of staff to scheme members is 1:2,427 approximately.

#### **Example of feedback received from scheme members**

*Dear [NAME] Just to say a big thank you because your work makes a huge positive impact on people's lives. It's a relief to know that my life will be easier from now on & I will have more financial security. Thanks for all you have done to make that possible! Very best wishes, [NAME]*

*Thank you for your compassion when dealing with the death of a loved one. Some other companies employ insensitive people.*

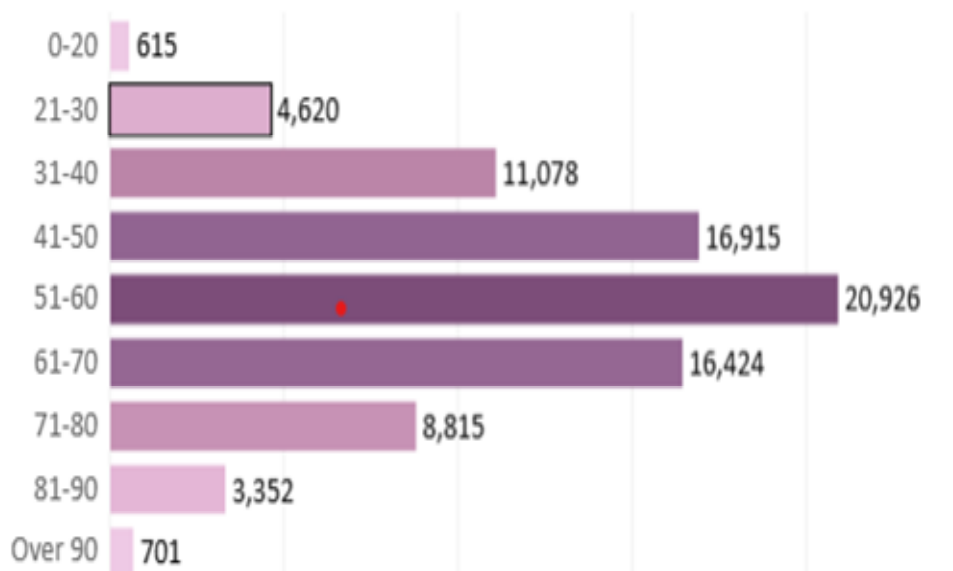
*I just wanted to thank you once again for your wonderful professionalism and efficiency in supporting my recent application; it really is greatly appreciated.*

*Hi [NAME], many thanks for the super prompt reply, absolutely 5 stars. Many thanks for that.*

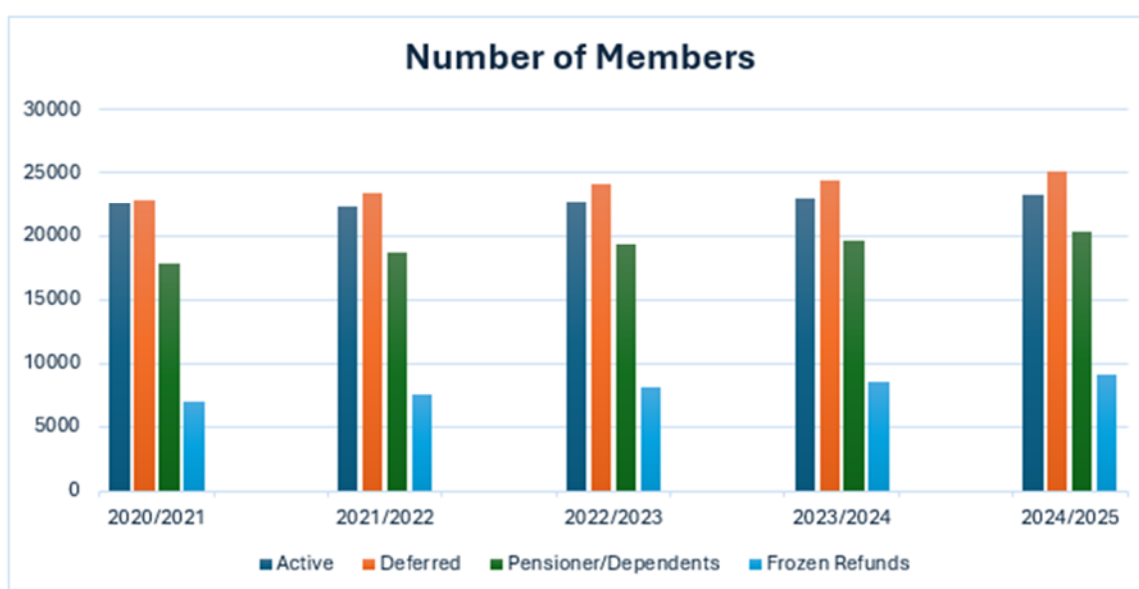
*May I also take this opportunity to pass on my thanks for the efficient, courteous and extremely pleasant manner in which I was dealt with by [NAME], a credit to the organisation.*

## Age profile of membership as of 31 March 2025

### Member Employment Records by Current Age



## Scheme membership numbers and trends as of 31 March 2025



## Pension and Payroll administration system

The Pension Fund uses Altair, an integrated pension and payroll administration system provided by Heywood Pension Technologies Limited.

## Internal dispute resolution procedure (IDRP)

Despite our best efforts we do, sometimes, receive appeals from our scheme members when they have not been satisfied with decisions made.

Scheme members have the right to ask for decisions to be looked at again under the formal appeals procedure and they also have the right to use the procedure if a decision should but has not been made by their scheme employer or the Pension Fund.

The procedure is outlined in regulation 72 of the LGPS Regulations 2013 (as amended) which can be found on the Pension Fund website.

An active scheme member, deferred scheme member, pensioner or beneficiary can make an appeal under the IDRP procedure.

There are two stages to IDRP, with the first stage of the dispute going to the person that made the original decision, requesting a review of that decision. If a scheme member is dissatisfied with the outcome of the first stage decision, they can apply to the administering authority for a review at the second stage of the IDRP within six months of the first stage decision.

If, after the second stage decision, the scheme member or beneficiary is still dissatisfied, they can contact the Pensions Ombudsman. The scheme member or beneficiary has three years to apply to the Pensions Ombudsman who can investigate any type of complaint about a pension. The scheme member or beneficiary must have been through the first and second stages of the IDRP before they can contact the Pension Ombudsman.

The following table is a summary of the IDRP cases the Pension Fund received during 2024/2025:

Stage	Cases Submitted	Dismissed	Upheld	Ongoing
1st	1	0	1	0
2nd	0	0	0	0

### Looking to the year ahead

The Pension Fund will continue to invest in resources and technology to continue to develop an efficient delivery platform and provide value for money for our stakeholders.

Over the next twelve months, the Pensions Administration Team will work hard to ensure the benefits it looks after for scheme members are paid accurately, on time and according to scheme regulations. Fundamental in achieving this aim is to ensure accurate and timely data is received from scheme employers, robust internal controls are in place, innovative technology is used, and the Pension Fund delivers excellent communication standards.

The Pensions Administration Team will also be driving head with a number of projects, as well as responding to some significant changes.

The McCloud Remedy Project will continue over the next twelve months, and we hope to ensure that all our scheme member records fully reflect any rectification that needs to take place.

New regulations are expected to become law following the 'Access and Fairness' Consultation, covering scheme member benefits. These are expected to lead to a considerable amount of additional work for the Pensions Administration Team, perhaps most notably the equalising of survivor benefits.

The Pensions Dashboard Programme continues to comply with national connection deadline of the 31 October 2026.

Our new scheme member self-service platform "Engage" will also be tested by all Pension Fund team members, prior to its launch expected during November 2025. The platform will offer an improved scheme member experience.

The Pension Fund also plans to transition to Enhanced Admin to Pay (EA2P), further building on and fully integrating existing pension and payroll functionality. The introduction of EA2P is aimed at providing time and cost efficiencies whilst reducing the amount of manual input required. This project requires considerable testing and due diligence which the team are currently undertaking and will continue to do so until go live scheduled towards the end of 2025.

## INVESTMENT REPORT

### Background:

In continuing with the UK Government’s initiative for Local Government Pension Scheme Funds to take advantage of pooling their investments, the management of the assets of the Royal County of Berkshire Pension Fund (“the Fund”) has transferred to Local Pensions Partnership Investments (“LPPI”). The assets remain the legal property of the Fund.

LPPI has set up and oversees the investment of seven pooled fund vehicles across a number of asset classes, which the Fund invests in to varying degrees. LPPI also oversee the Fund’s ‘on-balance sheet’ assets that remain outside of the LPPI pooled fund vehicles. A significant amount of work has been undertaken by LPPI in relation to the Fund’s on-balance sheet assets since the Fund joined the pool, and opportunities continue to be sought to increase the Fund’s investments into the LPPI pooled fund vehicles.

As at 31 March 2025, c.85% of the Fund’s total assets have been pooled with LPPI – increasing from c.84% as at 31 March 2024 and c.80% as at 31 March 2023. Pooling brings with it benefits such as a lowering of costs.

### Asset allocation:

The Fund’s asset allocation can be seen in the following table:

Asset Class	31-Mar-25		31-Mar-24	
	Actual weighting	Target Weighting	Actual Weighting	Target Weighting
Credit	12.2%	12.5%	11.2%	12.5%
Diversifying Strategies	0.0%	0.0%	0.0%	0.0%
Fixed Income	1.8%	1.5%	1.4%	1.5%
Infrastructure	11.2%	12.5%	12.0%	12.5%
Private Equity	10.5%	15.0%	11.3%	15.0%
Global Equities	54.5%	50.0%	54.5%	50.0%
Real Estate	8.1%	7.5%	8.8%	7.5%
Cash	1.7%	1.0%	0.8%	1.0%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**N.B.** “Target Weighting” shown above represents the agreed Strategic Asset Allocation (‘SAA’).

No changes were made to the SAA target weights over the year. However, the tolerance ranges around the target weights for Global Equities, Fixed Income and Cash were widened marginally in October 2024.

Over the twelve-month period, the Fund’s allocation to Credit and Cash increased most notably, whilst the allocations to Infrastructure and Private Equity decreased the most.

**Asset Table**

<b>Asset values as at 31 March 2025</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Equities (including convertible shares)	1,774	-	-	1,774
Bonds	60	-	-	60
Property	115	148	-	263
Hedge funds		0	-	0
Diversified Growth Funds (including multi-asset funds)	-	-	-	-
Private equity	193	150	-	343
Private debt	378	19	-	397
Infrastructure	262	103	-	366
Derivatives	-	-	-	-
Cash and net current assets	-	55	-	55
Other	-	-	-	-
<b>Total</b>	<b>2,782</b>	<b>475</b>	<b>0</b>	<b>3,258</b>

\*Totals may not sum due to rounding.

\*Please note that we have classified assets held in the LPPI Investment Pooling Vehicles as being 'Pooled', whilst assets overseen by LPPI in its role as discretionary manager but held outside of the LPPI Pooling Vehicles are classified as 'Under pool management'.

\*Please note that the 'Total' value does not include the longevity insurance contract.

**Supplementary table**

<b>Asset values as at 31 March 2025</b>	<b>Pooled</b>	<b>Under pool management</b>	<b>Not pooled</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
UK Listed Equities	134	-	-	134
UK Government Bonds	1	-	-	1
UK Infrastructure	180	75	-	256
UK Private Equity	61	40	-	101
<b>Total</b>	<b>376</b>	<b>115</b>	<b>-</b>	<b>492</b>

\*Please note that we have classified assets held in the LPPI Investment Pooling Vehicles as being 'Pooled', whilst assets overseen by LPPI in its role as discretionary manager but held outside of the LPPI Pooling Vehicles are classified as 'Under pool management'.

## Performance\*:

The Fund returned +2.2% over the twelve-month period to the end of March 2025. This represents an underperformance of 2.3% versus the Fund's Policy Portfolio Benchmark<sup>2</sup>, and an underperformance of 3.6% against the Fund's Actuarial Benchmark<sup>3</sup>.

Over the twelve months to 31 March 2025, the Global Equities Fund generated a positive absolute return of 2.6%, underperforming its benchmark by 2.1%. This underperformance was driven by a narrow cohort of dominant US technology stocks — commonly referred to as the “Magnificent 7<sup>3</sup>”. The Fund's aggregate underweight position in these companies, relative to the benchmark, limited its participation in the rally throughout most of the year. However, the Fund's underweight position in these companies proved beneficial towards the end of the financial year, as the market rally reversed.

All other asset classes except for Private Equity and Real Estate generated a positive absolute return over the year.

Fixed Income generated a positive absolute return (+4.2%) and performed broadly in line with the benchmark (Bloomberg Barclays Global Aggregate Bond Index - GBP Hedged) over the year. The Fund's exposure to Fixed Income arises through its holding in the LPPI Fixed Income Fund (“FIF”), which benefited from its positioning in developed market interest rates, especially from its interest rate positioning of expecting longer-term rates to rise more than short-term ones, and from holding fewer Japanese bonds relative to the benchmark. Investments in corporate and securitised credit also added modestly to performance. The largest drag on performance came from the FIF's decision to exclude emerging market local currency bonds — particularly Chinese government bonds, which delivered strong returns over the period.

Credit generated both a positive absolute and relative return over the year, returning +6.8% and outperforming its benchmark (50% Morningstar LSTA US Leveraged Loan Index (GBP Hedged) and 50% Bloomberg Barclays Multiverse Corporate Index (GBP Hedged)) by 0.6%. The LPPI Credit Investments LP (“LPPI Credit Fund”), which makes up c.95% of the Fund's investment in Credit, was a key driver to performance. It returned +7.9%, with the largest positive contributor to returns being Multi-Asset Credit, a sub-sector of the Public Credit portion of the portfolio. Within Private Credit, the largest contributor was Corporate Direct Lending

The Fund's Infrastructure investment returned +2.1%, underperforming its benchmark, UK CPI+ 4% p.a., by 4.3%. The LPPI Infrastructure Fund, which makes up 71.8% of the Fund's investment in Infrastructure, returned +4.2% over the twelve months, with GLIL being a key driver of performance due to its inflation-linked revenue.

Private Equity and Real Estate generated negative absolute and relative returns over the past year.

The Fund's Private Equity investments returned -0.7%, underperforming its benchmark (the MSCI World SMID (net dividends reinvested) Index (GBP)), by 0.4%. It should be noted that the performance calculation of the portfolio lags that of the benchmark, which is a Public Equity index, as by their nature it takes much longer to value Private Equity assets than Public Equities. With long-term investment periods, performance is generally best viewed over longer horizons. The Fund's Private Equity portfolio has continued to generate positive annualised returns over the five-year period to 31 March 2025, as well as double-digit positive annualised returns for the period since inception.

<sup>2</sup> Policy Portfolio Benchmark is a single return measure which combines each asset class benchmark in proportion to the Fund's strategic asset allocation.

<sup>3</sup> The Fund's Actuarial Benchmark is a blend of 6.0% p.a. (equivalent to 2.9% (long term CPI assumption) + 3.1% at 31st March 2022) from April 2023, 6.5% p.a. (equivalent to CPI +3.75% p.a. at 31st March 2019) between March 2019 and April 2023 and CPI +4.5% prior to this date.

<sup>3</sup> Magnificent 7 is a term used as reference to the group of the following technology companies: Apple, NVIDIA, Microsoft, Alphabet, Amazon, Meta and Tesla.

The Fund's Real Estate investments returned -3.5%, underperforming its benchmark (MSCI UK Quarterly Property Index – GBP) by 8.1%. Over the past year, the fall in capital values of the underlying assets was more than offset by positive income generated from the LPPI Real Estate Fund (“REF”). The REF's underperformance relative to the benchmark over the year was primarily driven by the repricing of UK direct assets. In line with the valuer rotational policy, the REF appointed a new independent valuer, Savills, on 30 June 2024 which introduced some short-term volatility, as Savills' market view differed from that of the previous valuer.

The Fund is a long-term investor, and over the longer-term strategic horizons of three and five years, the Fund has delivered positive absolute returns of +4.3% p.a. and +8.0% p.a. respectively. The Fund underperformed the Policy Portfolio Benchmark over both the three- and five-year periods. However, while it also underperformed the Actuarial Benchmark over three years, it outperformed it over the five-year period.

Strong absolute returns were seen from Global Equities (+6.6% p.a.), Credit (+5.6% p.a.) and Infrastructure (+4.9% p.a.) over the three-year period, and over a five-year period from Global Equities (+11.7% p.a.), Private Equity (+8.6% p.a.) and Infrastructure (+6.8% p.a.). However, over both time periods on a relative basis, Global Equities and Infrastructure underperformed their respective benchmarks. Within Global Equities, this was driven by two key factors: the underweight allocation to energy companies, and the underweight allocation to certain companies in the technology sector, including “the Magnificent 7” discussed above. Both of these sectors have experienced market rallies at different periods within the last 3-5 years. In Infrastructure, relative performance continues to be affected by elevated UK CPI inflation over the past three years, as the asset class is benchmarked against this measure. While inflation has moderated since its peak in October 2022, its residual effects continue to influence performance over historic periods.

*\*Fund performance over the 12 months to March 2025 disclosed in this section was calculated using valuations obtainable at March 2025. Due to the quarterly-lagged valuations of private market assets, the relevant pricing information for this tranche was not available at the time of writing this report. In the months following 31 March 2025, asset valuations have been undertaken, and this accounts for any difference between the performance shown in this investment performance report "and any subsequent accounting positions at that date.*

### **Economic Update:**

In the twelve months to March 2025, we saw significant political and economic shifts. Global growth decelerated, but in a much more gradual and measured way than many feared. Disinflation continued, supported by elevated policy rates that constrained demand, deflation in China and lower oil prices. This allowed major central banks including the US Federal reserve (“the Fed”), the Bank of England (“the BOE”) and the European Central Bank (“the ECB”) to ease monetary policy after raising rates to multi-decade highs. Across developed markets, there was convergence in growth and inflation across the UK, the US and Eurozone, although each region continued to face its own economic uncertainties.

In the UK, activity fluctuated between quarters of strong expansion and stagnation, leaving inflation-adjusted GDP 1.3% higher year-on-year in March 2025. Elections in July 2024 brought the first Labour government in almost 15 years. Its parliamentary majority reduced political uncertainty, although policy uncertainty remained. The October 2024 budget resulted in a broad increase in taxation, spending and borrowing. While the long-term impacts on the economy remain to be seen, on a shorter horizon employment trends have weakened, and price pressures have risen. Inflation decreased from 3.2% in March 2024 to 1.7% in September 2024, allowing the BOE to start its easing cycle from an interest rate peak of 5.25%. Although inflation rose since September 2024, the BOE continued with moderate rate cuts, despite remaining generally cautious regarding the forward-looking interest rate outlook given both domestic and international challenges. BOE's policy rate was at 4.5% in March 2025.

In the US, the fiscal year kicked off with a backdrop of strong growth and elevated but decreasing inflation. A weaker employment outlook during the summer led successive rate cuts from the Fed, lowering its policy rate by 100 basis points between September and December 2024. The start of 2025 was marked by elections that saw the return of Trump to the presidency for a second term, with Republicans gaining a small majority in Congress. In Q1 2025, the incoming administration's crackdown on illegal migration, federal employee layoffs and trade protectionist moves monopolised the headlines. Many economists expected these policies to have an adverse effect on growth and inflation. However, the economy remained somewhat resilient, with year-on-year growth at 2.1% in March 2025 and with inflation just moderately higher than the Fed's 2.0% target.

In the Eurozone, growth picked up during the fiscal year from previous anaemic activity levels. Inflation in the common currency area remained close to the ECB's target, dropping to a low of 1.7% and ending in March 2025 at 2.2%. This allowed the ECB to ease policy more aggressively compared to other central banks, lowering its deposit rate from a peak of 4.0% to 2.5% in March 2025. Despite an improved economic backdrop, political uncertainty remained. National elections in France led to a fragmented parliament and months of negotiations until a minority government was installed in December. On the other hand, federal elections in Germany led to a more stable coalition. Additionally, the new Chancellor managed to enact significant fiscal reforms, including a constitutional amendment to Germany's debt brake and the establishment of a large off-budget infrastructure fund. These changes are expected to support increased public investment, particularly in defence and infrastructure, and provide more fiscal flexibility for both federal and state governments. The reforms are a notable shift from Germany's traditionally conservative fiscal policy, with many seeing them as a step change for Eurozone too.

In a year full of elections and accompanying policy uncertainty, geopolitical risks took somewhat of a back seat but remained present. The war in Ukraine entered its fourth year at the end of February. Despite negotiations between the new US administration and Russia, a path to peace has not yet been found. In the Middle East, a widening of the conflict from Gaza to Lebanon, Israel's operations in Iran, as well as the Iran's first ever direct missile attack at Israel raised the prospects of an all-encompassing war.

After a period of relative calmness in the US-China relationship, President Trump's imposition of new tariffs on Chinese imports saw the countries' economic rivalry coming to the fore. The risk of a China-Taiwan conflict remains, as well as the uncertainty regarding what a US response may include. China's economy continued to battle deflation; however, fiscal and monetary policy measures appear to have put a floor under its weakened real estate sector. China's manufacturing sector supported growth, but many developed economies continue to push back against what they see as unfair subsidies and excess industrial capacity.

Amid shifting inflation and growth expectations, equity and fixed income markets had a tale of two halves, rising strongly in the six-month period through September, and broadly stagnating subsequently. Nevertheless, Global Equities and Global Bonds (hedged) were up 4.9% and 4.4% in GBP respectively in the 12-month period through March 2025.

## FINANCIAL PERFORMANCE REPORT

### Annual outturn analysis and commentary

A one-year budget is prepared for the Fund on an annual basis and both officers and the Pension Fund Committee closely monitor investment performance, contribution income and expenditure against the budget.

<b>Budget variance analysis 2024/25</b>	<b>2024/25 Budget £'m</b>	<b>2024/25 Outturn £'m</b>	<b>Variance £'m</b>
Contributions from Members	(33.000)	(39.032)	(6.032)
Employers Normal (Primary) Contributions	(95.000)	(101.607)	(6.607)
Employers Deficit Recovery (Secondary) Contributions	(51.000)	(38.910)	12.090
Employers Augmentation contributions	(6.000)	(1.679)	4.321
Transfers in from other pension funds (individual and group) plus AVC	(13.000)	(30.312)	(17.312)
<b>Total Income</b>	<b>(198.000)</b>	<b>(211.540)</b>	<b>(13.540)</b>
Pension Benefits Payable	131.000	126.358	(4.642)
Commutation and retirement lump sums (retirement and death), refunds	25.000	22.662	(2.338)
Lump sum death benefits	7.000	5.369	(1.631)
Refunds	1.000	0.588	(0.412)
Transfers out to other pension funds (individual and group)	16.000	28.156	12.156
<b>Total Expenditure</b>	<b>180.000</b>	<b>183.133</b>	<b>3.133</b>
<b>Net (Income)/Expenditure from Dealings with members</b>	<b>(18.000)</b>	<b>(28.407)</b>	<b>(10.407)</b>
Staff related expenditure	1.340	1.352	0.012
Supplies, Services, Premises, and 3 <sup>rd</sup> party administration costs	1.300	1.093	(0.207)
<b>Net (Income)/Expenditure from Administration activities</b>	<b>2.640</b>	<b>2.445</b>	<b>(0.195)</b>
Investment Income net of taxation	(48.000)	(52.090)	(4.090)
Investment management, performance, transaction, oversight, governance	32.290	31.065	(1.225)
(Gain)/loss on disposal of investments and change in the market value	(190.000)	(53.037)	136.963
<b>Net (Income)/Expenditure from investment activities</b>	<b>(205.710)</b>	<b>(74.062)</b>	<b>131.648</b>
<b>Net (increase)/decrease in the net assets available for benefits</b>	<b>(221.070)</b>	<b>(100.024)</b>	<b>121.046</b>

### Timeliness of Receipt of Contributions

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
% of contributions received on/before their due date	95.55%	96.40%	94.75%	94.28%	92.20%

The option to levy interest on overdue contributions was not exercised through 2024/25.

## Fund Account and Net assets of the Fund

Over the prior four-year period, contributions received have exceeded pensions paid year on year primarily due to deficit recovery contributions from employers, exacerbated by increased transfer and cessation activity through 2024/25.

In the past financial year (2024/25) the Fund's net asset value has increased by £87m to £3.120bn. Further detail can be found in the Statement of Accounts

	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Fund Account</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Contributions received and transfers in	(145.969)	(157.975)	(197.791)	(220.271)	(211.540)
Pensions paid and transferred out	130.354	146.454	156.257	160.009	183.133
<b>Net additions from dealings with members</b>	<b>(15.615)</b>	<b>(11.521)</b>	<b>(41.534)</b>	<b>(60.262)</b>	<b>(28.407)</b>
Management and administrative expenses	27.723	40.011	33.177	35.887	33.510
Investment income (incl. taxes on income)	(29.261)	(34.632)	(41.509)	(46.031)	(52.090)
Change in market value of investments	(378.107)	(259.350)	(41.046)	(205.822)	(53.037)
<b>Net (increase)/decrease available for benefits</b>	<b>(395.260)</b>	<b>(265.492)</b>	<b>(90.912)</b>	<b>(276.228)</b>	<b>(100.024)</b>

<b>Net Asset Statement</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Net investment assets	2,382.592	2,653.727	2,744.740	3,019.050	3,117.368
Net current assets	17.615	11.972	11.871	13.789	15.495
<b>Total Net Assets available to fund benefits</b>	<b>2,400.207</b>	<b>2,665.699</b>	<b>2,756.611</b>	<b>3,032.839</b>	<b>3,132.863</b>

The cost of running the administration function has been further broken down below, the following costs are included within the Management and Administrative Expenses line above and are provided for transparency purposes, noting that investment management expenses are provided in section 11 POST POOLING REPORTING AND COST TRANSPARENCY INITIATIVE.

	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Staff related expenditure	1.376	1.062	0.904	0.934	1.352
Supplies, Services, Premises, and 3rd party administration costs	3.27	1.052	1.251	1.584	1.093
<b>Net (Income)/Expenditure from core administration activities</b>	<b>4.646</b>	<b>2.114</b>	<b>2.155</b>	<b>2.518</b>	<b>2.445</b>

## RISK MANAGEMENT

A Scheme Manager (Administering Authority) of a public service pension scheme must establish and operate internal controls which must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and with the requirements of the law. The Royal Borough of Windsor & Maidenhead (RBWM), as the Administering Authority to the Royal County of Berkshire Pension Fund (RCBPF), has a risk management policy and the Fund's operational and strategic risks are integrated into RBWM's risk management framework. Great emphasis is placed on risk management and the reason why the Pension Fund differentiates between operational and strategic risks is to secure the effective governance and administration of the Local Government Pension Scheme.

The Fund has a detailed and comprehensive Risk Management policy that is reviewed and approved annually by the Pension Fund Committee. This Policy can be found on the Pension Fund's Website (<https://berkshirepensions.org.uk/>) along with the Fund's risk register which is kept under continuous review and presented to the Committee quarterly.

The Risk Management Policy and risk-reporting processes have been designed using a recent CIPFA framework document, alongside the Administering Authority's risk management policy and several bespoke risk appetite statements relating to funding and investment risk.

The Fund's annual accounts (see note 18) also make detailed reference to specific risks and the management of such risks relating to the Fund's assets, Liabilities and Investments.

From December 2021, the Pension Fund Committee adopted the CIPFA framework "Managing Risk in The Local Government Pension Scheme (2018 Edition)" as its revised approach to risk management. The RCBPF combines the use of this framework with RBWM's 4 step risk management process (Identification, Assessment, Control, Monitor).

## ACTUARY'S STATEMENT AS AT 31 MARCH 2025

### Introduction

The last full triennial valuation of the Royal County of Berkshire Pension Fund was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2023.

Please note that the full triennial valuation report produced by the Actuary can be found on the Fund's website here: <https://berkshirepensions.org.uk/>

### 2022 valuation results

The 2022 valuation certified an average primary contribution rate of 16.9% of pensionable pay to be paid by each employing body participating in the Royal County of Berkshire Pension Fund. In addition to this, each employing body must pay an individual adjustment to reflect its own particular circumstances and funding position within the Fund. Details of each employer's contribution rate are contained in the Rates and Adjustment Certificate in the triennial valuation report.

The next valuation will take place as at 31 March 2025.

### Contribution rates

The contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- The annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due; plus
- An amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

### Asset value and funding level

The smoothed market value of the Fund's assets as at 31 March 2022 for valuation purposes was £2.65bn which represented 86% of the Fund's accrued liabilities at that date, allowing for future increases in pay and pensions in payment.

## Assumptions

The key assumptions used to value the benefits at 31 March 2022 are summarised below:

Assumption	31 March 2022
Discount rate	5.1% p.a.
Pension increases (CPI)	2.9% p.a.
Salary increases	3.9% p.a.
Pension increases on GMP	Funds will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that Funds will be required to pay the entire inflationary increases.
Mortality	The post-retirement mortality assumptions adopted are the S3PA tables with a multiplier of 110% for males and 105% for females, making allowance for CMI 2021 projected improvements and a long-term rate of improvement of 1.25% p.a. with an initial rate of improvement of 0% p.a. and smoothing parameter of 7.0. A 2020/21 weighting parameter of 5% was used.
Retirement	Each member retires at a single age, weighted based on when each part of their pension is payable unreduced
Commutation	Members will convert 50% of the maximum possible amount of pension into cash

## Updated position since the 2022 valuation

### Assets

Returns over the period to 31 March 2025 have been below the rate of return assumed at the 2022 valuation. Subsequently, the investment gains have not followed the projections made using the discount rate disclosed in the assumptions table, so have not been sufficient to match the interest on the Fund's liabilities.

### Liabilities

The key assumption which has the greatest impact on the valuation of liabilities is the real discount rate (the nominal discount rate relative to assumed long-term future inflation). The higher the real discount rate the lower the value of the liabilities. The nominal discount rate as at 31 March 2025 has decreased compared with the previous valuation date, in addition we have seen a decrease in the long-term inflation assumption. The net impact is an increase in the real discount rate, and a reduction in the liabilities before allowance for actual experience over the period.

Actual inflation experience since the previous valuation date has placed a higher value on the liabilities. The pension increases awarded in 2023, 2024 and 2025 were 10.1%, 6.7% and 1.7% respectively and greatly exceeded the long-term average assumed at the 2022 valuation.

### Overall position

We estimate that the funding position has declined since 31 March 2022 – any gain in funding level from an increase in the real discount rate has been more than offset by lower than predicted asset returns and the elevated level of pension increases awarded over the last three years (as a result of the higher than usual inflationary environment).

The next formal valuation as at 31 March 2025 is currently ongoing, with new contribution rates set from 1 April 2026. We expect the post-valuation funding level to be broadly in line with the funding level at 31 March 2022.



**Liam Drysdale, FFA**  
**Principal and Senior Consulting Actuary**  
**Barnett Waddingham**

## INDEPENDENT AUDITOR'S STATEMENT

### Independent auditor's statement to the members of Royal Borough of Windsor & Maidenhead (RBWM) Council on the pension fund financial statements of Royal County of Berkshire Pension Fund

#### Opinion

We have examined the pension fund financial statements of Royal County of Berkshire Pension Fund (the 'pension fund') for the year ended 31 March 2025 included within the pension fund annual report, which comprise the Fund Accounts, the Net Assets Statement, and the notes to the financial statements, including material accounting policy information.

In our opinion, the pension fund financial statements included within the pension fund annual report are consistent, in all material respects, with the audited pension fund financial statements of Royal Borough of Windsor & Maidenhead for the year ended 31 March 2025 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25. However, we expressed a qualified audit opinion on the pension fund financial statements of Royal Borough of Windsor & Maidenhead Council for the year ended 31 March 2025.

We have not considered the effects of any events between date the auditor's report on the financial statements of the administering authority was signed, being the date we signed our auditor's report on the financial statements of The Royal Borough of Windsor & Maidenhead Council, and the date of this statement.

#### The audited financial statements and our report thereon

As explained below, we expressed a qualified audit opinion on the pension fund financial statements of Royal Borough of Windsor & Maidenhead Council for the year ended 31 March 2025 in our report dated 24 February 2026.

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements, including for the Pension Fund, for the year ended 31 March 2025 by 27 February 2026 (the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. The latest date on which unaudited accounts could be published to enable local elector rights to be met in time for the backstop was 15 January 2026. The Authority published its unaudited accounts on 26 June 2025.

As a result of the limitations imposed by the backstop date, we were unable to obtain sufficient appropriate audit evidence over the corresponding figures and opening balances reported in the Pension Fund financial statements or whether there was any consequential effect on the Fund Account and in-year movements reported in the Net Asset Statement for the year ended 31 March 2024. We issued a disclaimer of opinion on the financial statements for the year ended 31 March 2024 accordingly. Our audit opinion on the current period's financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures. This enables the Authority to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

#### Respective responsibilities of the Executive Director of Resources and Section 151 Officer and the auditor

As explained more fully in the Statement of Responsibilities the Executive Director of Resources and Section 151 Officer is responsible for the preparation of the pension fund's financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

Our responsibility is to state to the members of The Royal Borough of Windsor & Maidenhead Council our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the financial statements of The Royal Borough of Windsor & Maidenhead Council.

We also read the other information contained in the pension fund annual report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information comprises the information included in the pension fund annual report, other than the pension fund financial statements and our auditor's statement thereon.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the financial statements of The Royal Borough of Windsor & Maidenhead Council describes the basis of our opinion on those financial statements.

### **Use of this auditor's statement**

This statement is made solely to the members of The Royal Borough of Windsor & Maidenhead Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of The Royal Borough of Windsor & Maidenhead Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Royal Borough of Windsor & Maidenhead Council and the members of The Royal Borough of Windsor & Maidenhead Council, as a body, for our work, for this statement, or for the opinions we have formed.

*Beth Bowers*

Beth Bowers, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

25 February 2026

## ADMINISTERING AUTHORITY STATEMENT OF RESPONSIBILITIES

### The Royal Borough of Windsor & Maidenhead's (RBWM) Responsibilities

The Royal Borough is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Executive Director of Resources and Section 151 Officer) has the responsibility for the administration of those affairs.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Fund's statement of accounts.

### The responsibilities Executive Director of Resources

The Executive Director of Resources is responsible for the preparation of the Fund's statement of accounts in accordance with proper practices set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this statement of accounts, the Executive Director of Resources has received assurances around:

- Selecting suitable accounting policies and then applied them consistently;
- Making judgements and estimates that were reasonable and prudent;
- Compliance with the Code;
- Keeping proper accounting records which were up to date;
- Taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Rachel Howard**  
**Executive Director of Resources and**  
**Section 151 Officer**

## POST POOLING REPORTING AND COST TRANSPARENCY INITIATIVE

### Asset pools

The table below shows the costs to Royal County of Berkshire Pension Fund (RCBPF) of setting up the individual pooling vehicles within the pooling company, Local Pensions Partnership Investments Ltd (LPPI).

#### Pool set up and investment transition costs by year

	Set up costs					Total set up costs £'m	Transition costs	Cumulative £'m
	Legal	Professional fees	Other support costs	Staff costs	Other costs		Transition fees	
	£'m	£'m	£'m	£'m	£'m		£'m	
2017-18	-	-	-	-	-	-	0.30	0.30
2018-19	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	0.40	0.40
2021-22	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-
<b>Cumulative</b>	-	-	-	-	-	-	<b>0.70</b>	<b>0.70</b>

#### Pool set up and investment transition costs by type of expense

	Current Year		Total £'m	Since inception of the pool Cumulative £'m
	Direct £'m	Indirect £'m		
Set up costs				
Legal	-	-	-	-
Professional fees	-	-	-	-
Other support costs	-	-	-	-
<b>Total set up costs</b>	-	-	-	-
<b>Transition costs</b>	-	-	-	<b>0.70</b>

#### Total expected costs and savings

The table below compares the investment management fee savings realised since admission to the Pool. The savings are based on grossed up fees in accordance with the revised CIPFA guidance issued in 2016.

**Total expected costs and savings**

	Gross (savings)/costs realised £'m	Set up costs £'m	Transition costs £'m	Net (savings)/costs realised £'m
2017-18	-	-	0.30	0.30
2018-19	1.00	-	-	1.00
2019-20	0.60	-	-	0.60
2020-21	(2.50)	-	0.40	(2.10)
2021-22	(4.29)	-	-	(4.29)
2022-23	(6.31)	-	-	(6.31)
2023-24	(7.95)	-	-	(7.95)
2024-25	(8.65)	-	-	(8.65)
<b>Cumulative</b>	<b>(28.10)</b>	<b>-</b>	<b>0.70</b>	<b>(27.40)</b>

**Ongoing investment management costs 2024/25**

Investment expenses are shown broken down into their constituent categories and split between those resulting from investments held in the pooled vehicles and those held on the balance sheet of the Fund. The table below summarises investment management costs for 2024/25. It has been compiled primarily from cost transparency templates completed by each of the Fund's investment managers. The investment expenses are split between those held within LPPI investment pooling vehicles and those non-pooled assets held directly by the Fund.

	LPPI pooled assets			Non pooled assets			Fund
	Direct £'m	Indirect £'m	Total £'m	Direct £'m	Indirect £'m	Total £'m	Total £'m
Management fees	13.42	-	13.42	2.45	-	2.45	15.87
Performance fees	4.05	-	4.05	(2.32)	-	(2.32)	1.73
Transaction costs	0.92	0.25	1.17	0.05	-	0.05	1.22
Custody costs	-	-	-	0.04	-	0.04	0.04
Administration	-	3.93	3.93	-	3.65	3.65	7.58
Borrowing and arrangement fees	-	0.01	0.01	-	0.03	0.03	0.04
Distribution, comms and client service	-	-	-	-	-	-	-
Governance, Regulation and Compliance	-	1.49	1.49	-	0.90	0.90	2.39
Property expenses	-	0.82	0.82	-	0.08	0.08	0.90
Other fees	-	1.05	1.05	-	-	-	1.05
<b>Total</b>	<b>18.39</b>	<b>7.55</b>	<b>25.94</b>	<b>0.22</b>	<b>4.66</b>	<b>4.87</b>	<b>30.82</b>

**Pooling progress**

At 31 March 2025, 90% of the Fund's investment assets were pooled within LPPI's investment pooling vehicles. This compares to 88.9% at 31 March 2024.

## PENSION FUND ACCOUNTS

### 12.a Fund Account at 31 March 2025

2023/24			2024/25
£'000		Notes	£'000
	<b>Dealings with members, employers and others directly involved in the Fund</b>		
(195,426)	Contributions	7	(181,228)
(24,845)	Transfers in from other pension funds	8	(30,312)
<b>(220,271)</b>			<b>(211,540)</b>
138,191	Benefits	9	154,389
21,818	Payments to and on account of leavers	10	28,744
<b>160,009</b>			<b>183,133</b>
<b>(60,262)</b>	<b>Net additions from dealings with members</b>		<b>(28,407)</b>
35,887	Management expenses	11	33,510
<b>(24,375)</b>	<b>Net (additions)/withdrawals including fund management expenses</b>		<b>5,103</b>
	<b>Returns on investments</b>		
(46,496)	Investment income	12	(54,933)
465	Taxes on income	13	2,843
(205,822)	Profits and losses on disposal of investments and changes in the market value of investments	14	(53,037)
<b>(251,853)</b>	<b>Net return on investments</b>		<b>(105,127)</b>
<b>(276,228)</b>	<b>Net (increase)/decrease in the net assets available for benefits during the year</b>		<b>(100,024)</b>
(2,756,611)	<b>Opening net assets of the scheme</b>		(3,032,839)
<b>(3,032,839)</b>	<b>Closing net assets of the scheme</b>		<b>(3,132,863)</b>

## 12.b Net Assets Statement at 31 March 2025

2023/24			2024/25
£'000		Notes	£'000
3,171,489	Investment assets	14	3,256,612
(152,439)	Investment liabilities	14	(139,244)
<b>3,019,050</b>	<b>Total net investments</b>		<b>3,117,368</b>
18,082	Current assets	21	21,053
<b>18,082</b>			<b>21,053</b>
(4,293)	Current liabilities	22	(5,558)
<b>(4,293)</b>			<b>(5,558)</b>
<b>3,032,839</b>	<b>Net assets of the fund available to fund benefits at the end of the reporting period</b>		<b>3,132,863</b>

*The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 20.*

## 12.c Notes to the Accounts

### Note 1. Description of Fund

The Royal County of Berkshire Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by the Royal Borough of Windsor & Maidenhead (RBWM).

#### Note 1.a General

The fund is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended);
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended);
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by RBWM to provide pensions and other benefits for pensionable employees of the 6 unitary local authorities in the geographical region of Berkshire, and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The fund is overseen by the Pension Fund Committee.

#### Note 1.b Membership

Membership of the LGPS is voluntary. Employees are automatically enrolled into the Fund and are free to choose whether to remain in the Fund, opt-out of the Fund, or make their own personal arrangements outside the Fund.

Organisations participating in the Royal County of Berkshire 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.

Membership details are set out below:

<b>The Royal County of Berkshire Pension Fund</b>	<b>31 March 2024</b>	<b>31 March 2025</b>
Number of employers with active members	<b>178</b>	<b>171</b>
<b>Number of employees in scheme</b>		
Administering authority	1,511	1,564
Unitary authorities	13,862	13,308
Other employers	11,269	12,119
<b>Total</b>	<b>26,642</b>	<b>26,991</b>
<b>Number of pensioners</b>		
Administering authority	2,314	2,397
Unitary authorities	12,586	13,156
Other employers	8,035	8,304
<b>Total</b>	<b>22,935</b>	<b>23,857</b>
<b>Deferred pensioners</b>		
Administering authority	3,411	3,392
Unitary authorities	17,499	17,624
Other employers	8,294	8,868
<b>Total</b>	<b>29,204</b>	<b>29,884</b>
<b>Total number of members in pension scheme</b>	<b>78,781</b>	<b>80,732</b>

### Note 1.c Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Scheme Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2025. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. During 2024/25, employer contribution rates ranged from 16.4% to 32% of pensionable pay.

### Note 1.d Benefits

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

	<b>Service pre 1 April 2008</b>	<b>Service post 1 April 2008</b>
<b>Pension</b>	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
<b>Lump sum</b>	Automatic lump sum of 3 x salary. 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 fund became a career average revalued earnings (CARE) scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is up-rated annually in line with the Consumer Prices Index.

There are a range of other benefits provided under the fund including early retirement, disability pensions and death benefits. For more details, please refer to the Royal County of Berkshire Pension Fund website - see [www.berkshirerpensions.org.uk](http://www.berkshirerpensions.org.uk).

## **Note 2. Basis of preparation**

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('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.

The Code requires disclosure of any accounting standards issued but not yet adopted. No such accounting standards have been identified for 2024/25 that are anticipated to have a material impact on the Fund's financial performance or financial position.

CIPFA has deferred the implementation of IFRS 16 (Leases) until 1 April 2025 (and therefore in the 2025/26 Code). The implementation of IFRS 16 is not expected to have a material impact on the Pension Fund because it does not hold assets as a lessee.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year.

## **Note 3. Summary of significant accounting policies**

### **Note 3.a Fund account - revenue recognition**

#### **i. Contribution income**

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis. Employee's contribution rates are set in accordance with LGPS regulations. Employer's contributions are set at the percentage rate recommended by the Fund actuary.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the rates and adjustments certificate set by the fund actuary.

Additional employers' contributions in respect of ill-health and early retirements are accounted for in the period in which they are due. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

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

Transfers in and out relate to members who have either joined or left the Fund.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see note 3.c.viii) to purchase fund benefits are accounted for on a receipts basis and are included in transfers in (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

### iii. Investment income

#### 1. Interest income

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

#### 2. Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

#### 3. Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

#### 4. 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.

### Note 3.b Fund Account - expense items

#### i. Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be payable during the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

#### ii. 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.

#### iii. 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)*. All items of expenditure are charged to the Fund on an accruals basis as follows:

##### 1. Administrative expenses

All staff costs of the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

## 2. Oversight and governance costs

All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

## 3. Investment management expenses

Fees of the external investment manager and custodian are agreed in the respective mandates governing their appointments. Most are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change, but there are a number of fixed price contracts with annual inflation related increases.

### Note 3.c Net Assets Statement

#### i. 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. Any amounts due or payable in respects of trades entered into but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 14a. From this date, any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.

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 IFRS13 (see note 16). 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).

#### ii. 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, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

#### iii. Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Longevity swaps are valued on a fair value basis based on the expected future cash flows arising under the swap, discounted using market interest rates and taking into account the risk premium inherent in the contract.

#### iv. Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the Fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

**v. Financial liabilities**

The Fund recognises financial liabilities at fair value as at 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.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year.

**vi. Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed by the Fund actuary in accordance with the requirements of International Accounting Standards (IAS19) and relevant actuarial standards.

As permitted under the code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 20).

**vii. Additional voluntary contributions**

The Royal County of Berkshire Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund.

AVCs are not included in the accounts in accordance with section 4(1)(b) of the LGPS (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 23).

**viii. 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 assets statement but are disclosed by way of narrative in the notes.

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

In applying the Fund's accounting policies, which are described in note 3, the Fund is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from

these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical judgements made, apart from those involving estimations (which are presented separately below).

#### **Note 5. Assumptions made about the future and other 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, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the financial statements and notes at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if actual results differ from assumptions</b>
<b>Market value of investments</b>	The Fund's investments are revalued on a monthly basis. Investments are valued using quoted prices in active markets, or by reference to markets which are not considered to be active but are value based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs. Level 3 investments will have significant unobservable inputs.	For every 1% increase in the value of level 2 and level 3 investments the value of the Fund will increase by £30.64 million with a 1% decrease in value having the opposite effect.
<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 Pension Fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied. Further information on the carrying amounts of the Fund's defined benefit obligation and the setting of the assumptions are provided in notes 19 and 20.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of approximately £47.77 million. A 0.1% increase in pension increases and deferred revaluation assumption would increase the value of liabilities by approximately £48.95 million, and a one-year increase in assumed life expectancy would increase the liability by approximately £106.67 million.
<b>Longevity Insurance policy</b>	The longevity insurance policy is valued by a firm of consulting actuaries. This valuation is the difference between the discounted cash flows relating to the amounts expected to be reimbursed to the Fund and the inflation linked premiums expected to be paid by the Fund. The carrying	Changes in the discount rate and mortality rate assumptions would result in a material change to the carrying value in a similar way to the value of the Pension Fund liability disclosed above.

	amount as at 31 March 2025 is (-£139.24 million). This valuation depends on a number of complex judgements including the discount and mortality rates.	One year increase in life expectancy assumptions would increase the pension fund liability by £106.67 million, and one year decrease would decrease the liability £102.7 million.
<b>Private equity investments</b>	Private equity investments are valued at fair value in accordance with the International Private Equity and Venture Capital Board guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The valuations of private equity investments are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Changes to the inputs could result in a material change to the carrying value. Further information on the carrying amounts of the private equity and the estimated sensitivity are shown in note 16.

## Note 6. Events after the reporting date

### Investments

The investment figures in the accounts and notes have been adjusted in all material respects to reflect the impact of any information received after 31 March 2025 which reflect the conditions as at 31 March 2025. During the preparation of the statement of accounts, the fund manager's valuation as at 31 March 2025 were received, and they showed material difference in aggregate. The accounts have been amended to reflect the difference reported in the table below.

<b>Asset Class</b>	<b>Estimated value 31 March 2025 £m</b>	<b>Manager's value 31 March 2025 £m</b>	<b>Difference £m</b>
Global Equities	1,774.20	1,774.21	0.01
Private Equity	341.85	338.13	(3.72)
Credit	396.71	402.47	5.76
Fixed Income	60.13	60.13	0.00
Infrastructure	365.53	372.13	6.60
Real Estate	261.07	257.36	(3.71)
Diversifying Strategies	0.15	0.15	0.00
Other Investment Assets	2.59	2.59	0.00
Cash	0.81	0.81	0.00
Liquidity Funds	48.63	48.63	0.00
Longevity contract	(152.44)	(139.24)	13.20
<b>Total</b>	<b>3,099.23</b>	<b>3,117.37</b>	<b>18.14</b>

**Note 7. Contributions receivable****Note 7.a By category**

<b>2023/24</b>		<b>2024/25</b>
<b>£'000</b>		<b>£'000</b>
36,455	Members' contributions	39,032
	<b>Employers' contributions</b>	
94,760	Normal contributions	101,607
62,676	Deficit recovery contributions	38,910
1,535	Augmentation contributions	1,679
<b>158,971</b>	<b>Total employer's contributions</b>	<b>142,196</b>
<b>195,426</b>		<b>181,228</b>

**Note 7.b By type of employer**

<b>2023/24</b>		<b>2024/25</b>
<b>£'000</b>		<b>£'000</b>
15,037	Administering authority	15,451
159,365	Scheduled bodies	152,544
12,465	Admitted bodies	4,860
8,559	Transferee admission body	8,373
<b>195,426</b>		<b>181,228</b>

**Note 8. Transfers in from other pension funds**

<b>2023/24</b>		<b>2024/25</b>
<b>£'000</b>		<b>£'000</b>
24,545	Individual transfers from other pension funds	30,045
0	Group transfers from other pension funds	0
300	AVC to purchase scheme benefits	267
<b>24,845</b>		<b>30,312</b>

**Note 9. Benefits payable****Note 9.a By category**

<b>2023/24</b>	<b>2024/25</b>
<b>£'000</b>	<b>£'000</b>
116,080 Pensions	126,358
19,488 Commutation and lump sum retirement benefits	22,662
2,623 Lump sum death benefits	5,369
<b>138,191</b>	<b>154,389</b>

**Note 9.b By type of employer**

<b>2023/24</b>	<b>2024/25</b>
<b>£'000</b>	<b>£'000</b>
13,437 Administering authority	15,295
110,738 Scheduled bodies	122,934
9,669 Admitted bodies	11,141
4,347 Transferee admission body	5,019
<b>138,191</b>	<b>154,389</b>

**Note 10. Payments to and on account of leavers**

<b>2023/24</b>	<b>2024/25</b>
<b>£'000</b>	<b>£'000</b>
707 Refunds to members leaving service	588
0 Group transfers to other pension funds	6,127
21,111 Individual transfers to other pension funds	22,029
<b>21,818</b>	<b>28,744</b>

**Note 11. Management expenses**

<b>2023/24</b>	<b>2024/25</b>
<b>£'000</b>	<b>£'000</b>
2,518 Administrative costs	2,445
33,325 Investment management expenses	31,023
44 Oversight and governance costs	42
<b>35,887</b>	<b>33,510</b>

### Note 11.a Investment management expenses

2024/25	Management fees £'000	Performance fees £'000	Transaction costs £'000	Total £'000
LPPI Pooled Investments	20,720	4,050	1,170	25,940
Directly held Investments	7,110	(2,320)	50	4,840
Other	203	0	0	203
				<b>30,983</b>
Custody fees				40
<b>Total</b>				<b>31,023</b>

2023/24	Management fees £'000	Performance fees £'000	Transaction costs £'000	Total £'000
LPPI Pooled Investments	18,140	3,540	890	22,570
Directly held Investments	10,050	320	160	10,530
Other	196	0	0	196
	<b>28,386</b>	<b>3,860</b>	<b>1,050</b>	<b>33,296</b>
Custody fees				29
<b>Total</b>				<b>33,325</b>

### Note 12. Investment income

2023/24 £'000		2024/25 £'000
21,203	Income from Global Equities	28,468
832	Income from Fixed Income (bonds)	2,286
13,425	Income from Private Market funds*	16,528
9,437	Income from Pooled property investments**	5,349
1,599	Interest on Cash deposits	2,302
<b>46,496</b>	<b>Total before taxes</b>	<b>54,933</b>

\*Consists of income from Private Equity and Credit.

\*\*Consists of income from Infrastructure and Real Estate.

**Note 13. Other fund account disclosures****Note 13.a Taxes on income**

<b>2023/24</b>	<b>2024/25</b>
<b>£'000</b>	<b>£'000</b>
(73) Global Equities	2,571
92 Real Estate	56
446 Private Market funds	216
<b>465</b>	<b>2,843</b>

*Amounts in bracket represents income.*

**Note 13.b External audit costs**

<b>2023/24</b>	<b>2024/25</b>
<b>£'000</b>	<b>£'000</b>
320 Payable in respect of external audit	124
<b>320</b>	<b>124</b>

The scale fee for the 2024/25 external audit is £109,673 and is included in the administrative cost at note 11.

## Note 14. Investments

### Note 14.a Market value of investments

Market value 31 March 2024		Market value 31 March 2025	
£'000		£'000	
<b>Investment assets</b>			
1,728,660	Global Equities	1,774,213	
360,075	Private Equity	338,134	
358,570	Credit	402,468	
44,901	Fixed Interest (Bonds)	60,126	
377,754	Infrastructure	372,128	
274,688	Real Estate	257,362	
22,038	Liquidity funds	48,629	
450	Diversifying Strategies	150	
889	Other Investment assets	2,594	
1,488	Cash	808	
1,976	Amounts receivable for sales	0	
<b>3,171,489</b>	<b>Total investment assets</b>	<b>3,256,612</b>	
<b>Investment liabilities</b>			
Derivative contracts:			
(152,439)	- Longevity Insurance Policy	(139,244)	
<b>(152,439)</b>	<b>Total investment liabilities</b>	<b>(139,244)</b>	
<b>3,019,050</b>	<b>Net investment assets</b>	<b>3,117,368</b>	

### Note 14.b Reconciliation of movements in investments and derivatives

	Market value 31 March 2024	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in market during the year	Market value 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Global Equities	1,728,660	26,025	(27,180)	46,708	1,774,213
Private Equity	360,075	45,744	(54,920)	(12,765)	338,134
Credit	358,570	30,198	(10,204)	23,904	402,468
Fixed Interest (Bonds)	44,901	24,919	(10,000)	306	60,126
Infrastructure	377,754	17,496	(27,202)	4,080	372,128
Real Estate	274,688	37,324	(40,363)	(14,287)	257,362
Liquidity funds	22,038	87,488	(61,070)	173	48,629
Diversifying Strategies	450	73	(454)	81	150
	<b>3,167,136</b>	<b>269,267</b>	<b>(231,393)</b>	<b>48,200</b>	<b>3,253,210</b>
Derivative contracts:					
- Longevity insurance policy	(152,439)	8,358	0	4,837	(139,244)
	<b>3,014,697</b>	<b>277,625</b>	<b>(231,393)</b>	<b>53,037</b>	<b>3,113,966</b>
Other investment balances:					
- Cash	1,488				808
- Other Investment assets	889				2,594
Amounts receivable for sales	1,976				0
<b>Net investment assets</b>	<b>3,019,050</b>				<b>3,117,368</b>

### Note 14.c Reconciliation of movements in investments and derivatives – prior year

	Market value 31 March 2023	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Change in market during the year	Market value 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Global Equities	1,331,805	200,300	(29,648)	226,203	1,728,660
Private Equity	393,555	44,283	(66,431)	(11,332)	360,075
Credit	343,250	393	(15,197)	30,124	358,570
Fixed Interest (Bonds)	61,967	35,733	(53,091)	292	44,901
Infrastructure	386,410	12,783	(9,143)	(12,296)	377,754
Real Estate	337,931	26,354	(71,432)	(18,165)	274,688
Liquidity funds	0	299,893	(277,851)	(4)	22,038
Diversifying Strategies	1,477	0	(990)	(37)	450
	<b>2,856,395</b>	<b>619,739</b>	<b>(523,783)</b>	<b>214,785</b>	<b>3,167,136</b>
Derivative contracts:					
- Longevity insurance policy	(143,420)	9,403	0	(18,422)	(152,439)
	<b>2,712,975</b>	<b>629,142</b>	<b>(523,783)</b>	<b>196,363</b>	<b>3,014,697</b>
Other investment balances:					
- Cash	29,875			9,459	1,488
- Other Investment assets	1,712				889
Amounts receivable for sales	178				1,976
<b>Net investment assets</b>	<b>2,744,740</b>			<b>205,822</b>	<b>3,019,050</b>

Purchases and sales of derivatives are recognised in Note 14.b and c above as follows:

Longevity insurance policy - the net payments or receipts under the swap contract are reported in the above reconciliation table.

#### **Note 14.d Investments analysed by fund manager**

The following investments represent more than +/- 5% of the net assets of the fund

<b>Investment</b>	<b>Market value 31 March 2024</b>	<b>% of total fund</b>	<b>Market value 31 March 2025</b>	<b>% of total fund</b>
	<b>£'000</b>		<b>£'000</b>	
Longevity Insurance Policy	(152,439)	-5.0	(139,244)	-4.4
LPPI Infrastructure	267,825	8.8	265,670	8.5
LPPI Global Equities Fund	1,728,660	57.0	1,774,213	56.6
LPPI Credit Investments LP	329,142	10.9	383,396	12.2
LPPI Private Equity	186,507	6.1	192,964	6.2

Market value at 31 March 2024 £'000	% of Market value 31 March 2024 %	Fund Type	Market value at 31 March 2025 £'000	% of Market value 31 March 2025 %
<b>Investment managed within LPPI asset pools</b>				
329,142	10.9	LPPI Credit Credit	383,396	12.4
123,994	4.1	LPPI Real Estates Real Estate	114,071	3.8
1,728,660	57.3	LPPI Global Equities Global Equity	1,774,213	57.0
44,901	1.5	LPPI Fixed Income Fixed Income	60,126	2.0
267,825	8.9	LPPI Infrastructure Infrastructure	265,670	8.6
186,507	6.2	LPPI Private Equity Private Equity	192,964	6.2
<b>2,681,029</b>	<b>88.9</b>		<b>2,790,440</b>	<b>90.0</b>

<b>Investments managed outside asset pool:</b>					
3,936	0.1	Gresham House Asset Management Limited	Private Equity	3,645	0.1
790	0.0	Technology Enhanced Oil Limited	Private Equity	791	0.0
2,181	0.1	Cheyne Capital Management LLP	Credit	2,303	0.1
331	0.0	Select Market	Diversifying Strategies	95	0.0
119	0.0	Securis Investment Partners LLP	Diversifying Strategies	55	0.0
22,038	0.7	Northern Trust	Liquidity funds	48,629	1.6
51,692	1.7	LaSalle Investment Management (Jersey) Limited	Real Estate	23,693	0.8
20,663	0.7	Future Planet Capital	Real Estate	11,718	0.4
70,092	2.3	Gresham House Asset Management Limited	Real Estate	66,712	2.1
8,246	0.3	KFIM	Real Estate	41,167	1.3
6,329	0.2	Athyrium Capital Management LP	Credit	2,789	0.1
8,460	0.3	Dorchester Capital Advisors, LLC	Credit	5,072	0.2
1,656	0.1	Grosvenor Capital Management L.P.	Credit	1,413	0.0
598	0.0	Neuberger Berman	Credit	0	0.0
844	0.0	Partners Group	Credit	269	0.0
4,466	0.1	WP Global Partners	Credit	2,272	0.1
36	0.0	SPL Guernsey ICC Ltd	Credit	25	0.0
4,858	0.2	Windermere IM Holdings LLP	Credit	4,928	0.2
25,122	0.8	Adams Street Partners	Private Equity	14,619	0.5
2,605	0.1	COREalpha Private Equity Partners Partnership Fund IV, L.P.	Private Equity	2,704	0.1
1,055	0.0	Coral Reef Capital	Private Equity	232	0.0
48,228	1.6	Future Planet Capital	Private Equity	44,200	1.4
17,692	0.6	Macquarie Group	Private Equity	15,728	0.5
34	0.0	Henderson Equity Partners	Private Equity	21	0.0
3,363	0.1	ICG PLC	Private Equity	3,165	0.1
3,837	0.1	Kuramo Capital	Private Equity	2,034	0.1
6,901	0.2	Longwall Venture Partners LLP	Private Equity	6,184	0.2
700	0.0	Organox	Private Equity	0	0.0

<b>Investments managed outside asset pool:</b>					
221	0.0	Orthoson	Private Equity	221	0.0
1,964	0.1	Longwall Ventures	Private Equity	1,964	0.1
462	0.0	Oxsonics Ltd	Private Equity	462	0.0
2,755	0.1	Pantheon Ventures	Private Equity	1,637	0.1
1,688	0.1	Partners Group	Private Equity	397	0.0
7,511	0.2	Sarona Asset Management Inc	Private Equity	3,892	0.1
4,921	0.2	South East Growth Fund	Private Equity	5,236	0.2
517	0.0	Stafford CP	Private Equity	356	0.0
711	0.0	BMO Global Asset Management	Private Equity	233	0.0
38,554	1.3	WP Global Partners	Private Equity	37,451	1.2
791	0.0	African Infrastructure Investment Managers Pty Ltd	Infrastructure	1,022	0.0
20,841	0.7	Climate Fund Managers	Infrastructure	18,576	0.6
77,220	2.6	Gresham House Asset Management Limited	Infrastructure	77,614	2.5
876	0.0	Macquarie Group	Infrastructure	263	0.0
598	0.0	Macquarie Infrastructure Partners Inc.	Infrastructure	574	0.0
9,603	0.3	The Rohayton Group (TRG)	Infrastructure	8,409	0.3
<b>486,105</b>	<b>16.0</b>			<b>462,770</b>	<b>14.8</b>

<b>Other</b>					
(152,439)	-5.0	Longevity Insurance Policy		(139,244)	-4.9
1,488	0.0	Cash with investment managers		808	0.0
1,976	0.1	Amount receivable for sales		0	0.0
889	0.0	Other Investment assets		2,594	0.1
<b>(148,084)</b>	<b>-4.9</b>			<b>(135,842)</b>	<b>-4.8</b>
<b>3,019,050</b>	<b>100.0</b>	<b>Total</b>		<b>3,117,368</b>	<b>100.1</b>

Totals may not sum up due to rounding.

In June 2018 the Fund transferred the management of majority of its investment assets to Local Pensions Partnership Investments (LPPI) as part of the government's LGPS pooling initiative.

The above organisations are registered in the United Kingdom.

## Note 15. Analysis of derivatives

### Note 15.a Objectives and policies for holding derivatives

Most of the holding in derivatives is to hedge liabilities or hedge exposures to reduce risk in the fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the fund and the various investment managers.

### Note 15.b Longevity Insurance Policy

In December 2009 the fund entered into an insurance contract with ReAssure Ltd to cover a closed group of pensioner members. The fund pays ReAssure a pre-determined fixed annual premium and ReAssure reimburses the fund for pensions paid to the insured members. The contract is valued by an external firm of actuaries by considering what adjustment to the discount rate assumption (based on the Merrill Lynch LIBOR swap curve) would be required if the contract had a zero value at the date of inception. A similar adjustment is then made to the discount rate assumption at the accounting date to calculate the updated value of the contract.

## Note 16. Fair value – Basis valuation

The basis of the valuation of each class of investment asset is set below. There has been no change in the valuation techniques during the year. All assets have been valued using fair value techniques.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs
<b>Market quoted investments</b>	Level 1	Published bid market price ruling on the final day of the accounting period	Not required
<b>Quoted bonds</b>	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required
<b>Exchange traded pooled investments</b>	Level 1	Closing bid values on published exchanges	Not required
<b>Pooled investments - unit trusts</b>	Level 2	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
<b>Unquoted bonds</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
<b>Pooled investments - 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

<b>Unquoted equity</b>	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and venture Capital Guidelines (December 2022)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium
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### Note 16.a Sensitivity of assets valued at level 3

Having analysed historical data and current market trends 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 2025.

The sensitivity analysis excludes longevity insurance contract. Changes in the discount rate and mortality rate assumptions would result in a material change to the carrying value.

	Assessed valuation range (+/-)	Value at 31-Mar-25	Value on increase	Value on decrease
		£'000	£'000	£'000
Private Equity	31.10%	336,538	441,201	231,875
Infrastructure	16.80%	372,128	434,646	309,610
Real Estate	15.80%	257,362	298,025	216,699
Credit	7.90%	402,468	434,263	370,673
<b>Total</b>		<b>1,368,496</b>	<b>1,608,135</b>	<b>1,128,857</b>

	Assessed valuation range (+/-)	Value at 31-Mar-24	Value on increase	Value on decrease
		£'000	£'000	£'000
Private Equity	26.10%	358,749	452,382	265,116
Infrastructure	12.90%	377,754	426,484	329,024
Real Estate	16.20%	274,688	319,187	230,189
Credit	8.20%	358,570	387,973	329,167
<b>Total</b>		<b>1,369,761</b>	<b>1,586,026</b>	<b>1,153,496</b>

The Private Equity valuation excludes the value of a financial asset grouped as a private equity investment but held as level 1 investment.

### Note 16.b 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.

### i. Level 1

Assets and liabilities 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 as Level 1 comprise quoted equities, quoted fixed securities and quoted index linked securities.

### ii. Level 2

Assets and liabilities at level 2 are those where quoted market prices are not available; for example, 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.

### iii. Level 3

Assets and liabilities 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 pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2025	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit and loss	50,225	1,834,489	1,368,496	3,253,210
Financial liabilities at fair value through profit and loss			(139,244)	(139,244)
Cash deposits	808			808
Other Investment assets	2,594			2,594
Amounts receivable for sales	0			0
<b>Net investment assets</b>	<b>53,627</b>	<b>1,834,489</b>	<b>1,229,252</b>	<b>3,117,368</b>

Values at 31 March 2024	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit and loss	23,365	1,774,010	1,369,761	3,167,136
Financial liabilities at fair value through profit and loss			(152,439)	(152,439)
Cash deposits	1,488			1,488
Other Investment assets	889			889
Amounts receivable for sales	1,976			1,976
<b>Net investment assets</b>	<b>27,718</b>	<b>1,774,010</b>	<b>1,217,322</b>	<b>3,019,050</b>

**Note 16.c Reconciliation of fair value measurements within level 3**

	Market value 31 March 2024	Purchases during the year	Sales during the year	Unrealised gains/(losses)	Realised gains/(losses)	Market value 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Credit	358,570	30,198	(10,204)	(1,836)	25,740	402,468
Infrastructure	377,754	17,496	(27,202)	(779)	4,859	372,128
Private Equity	358,749	45,744	(54,920)	31,075	(44,110)	336,538
Real Estate	274,688	37,324	(40,363)	1,879	(16,166)	257,362
Longevity insurance policy	(152,439)	8,358	0	0	4,837	(139,244)
	<b>1,217,322</b>	<b>139,120</b>	<b>(132,689)</b>	<b>30,339</b>	<b>(24,840)</b>	<b>1,229,252</b>

	Market value 31 March 2023	Purchases during the year	Sales during the year	Unrealised gains/(losses)	Realised gains/(losses)	Market value 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Credit	343,250	393	(15,197)	528	29,596	358,570
Infrastructure	386,410	12,783	(9,143)	(2)	(12,294)	377,754
Private Equity	356,892	44,283	(14,808)	1,069	(28,687)	358,749
Real Estate	337,931	26,354	(71,432)	344	(18,509)	274,688
Longevity insurance policy	(143,420)	9,403	0	0	(18,422)	(152,439)
	<b>1,281,063</b>	<b>93,216</b>	<b>(110,580)</b>	<b>1,939</b>	<b>(48,316)</b>	<b>1,217,322</b>

*The Private Equity valuation excludes the value of a financial asset grouped as a private equity investment but held as level 1 investment.*

## Note 17. Financial instruments

### Note 17.a Classification of financial instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

31 March 2024			31 March 2025		
Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>					
1,728,660			1,774,213		
360,075			338,134		
358,570			402,468		
44,901			60,126		
377,754			372,128		
274,688			257,362		
22,038			48,629		
450			150		
1,488	2,546		808	5,830	
	2,865			2,594	
	3,460			2,245	
<b>3,168,624</b>	<b>8,871</b>	<b>0</b>	<b>3,254,018</b>	<b>10,669</b>	<b>0</b>
<b>Financial liabilities</b>					
(152,439)			(139,244)		
		(1,858)			(3,246)
<b>(152,439)</b>	<b>-</b>	<b>(1,858)</b>	<b>(139,244)</b>	<b>-</b>	<b>(3,246)</b>
<b>3,016,185</b>	<b>8,871</b>	<b>(1,858)</b>	<b>3,114,774</b>	<b>10,669</b>	<b>(3,246)</b>

### Note 17.b Net gains and losses on financial instruments

31 March 2024		31 March 2025	
£'000		£'000	
<b>Financial Assets</b>			
256,619	Fair value through profit and loss	80,089	
9,459	Amortised cost	0	
<b>266,078</b>		<b>80,089</b>	
<b>Financial Liabilities</b>			
(60,256)	Fair value through profit and loss	(27,052)	
0	Amortised cost	0	
<b>(60,256)</b>		<b>(27,052)</b>	
<b>205,822</b>	<b>Total</b>	<b>53,037</b>	

The Authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

## **Note 18. Nature and extent of risks arising from financial instruments**

### **Note 18.a Risk and risk management**

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Committee. Risk management policies are established to identify and analyse the risks faced by the pension fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

#### **i. Market risk**

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis. The fund manages these risks in two ways:

- the exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels;
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

#### **ii. Other price risk**

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund mitigates this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

### Other price risk - sensitivity analysis

Following analysis of historical data and expected investment return by the Fund's investment advisors during the financial year the Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period:

Asset type	Potential market movements (+/-)
Global Equity	20.9%
Fixed Income	4.5%
Credit	7.9%
Diversifying Strategies	8.6%
Real Estate	15.8%
Private Equity	31.1%
Infrastructure	16.8%

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (with prior year comparator):

Asset type	Value as at 31 March 2025 £'000	Potential market movement £'000	Value on increase £'000	Value on decrease £'000
<b>Investment portfolio assets:</b>				
Global Equities	1,774,213	370,811	2,145,024	1,403,402
Fixed Income	60,126	2,706	62,832	57,420
Credit	402,468	31,795	434,263	370,673
Diversifying strategies	150	13	163	137
Real Estate	257,362	40,663	298,025	216,699
Private Equity	338,134	105,160	443,294	232,974
Infrastructure	372,128	62,518	434,646	309,610
Liquidity Funds	48,629		48,629	48,629
Net derivative liabilities	(139,244)		(139,244)	(139,244)
Cash deposits	808		808	808
Other Investment assets	2,594		2,594	2,594
Amount receivable from sales	0		0	0
<b>Current assets:</b>				
Debtors	15,223		15,223	15,223
Cash balances	5,830		5,830	5,830
<b>Current liabilities</b>				
	(5,558)		(5,558)	(5,558)
<b>Total</b>	<b>3,132,863</b>		<b>3,746,529</b>	<b>2,519,197</b>

Asset type	Value as at 31 March 2024 £'000	Potential market movement £'000	Value on increase £'000	Value on decrease £'000
<b>Investment portfolio assets:</b>				
Global Equities	1,728,660	283,500	2,012,160	1,445,160
Fixed Income	44,901	1,616	46,517	43,285
Credit	358,570	29,403	387,973	329,167
Diversifying strategies	450	28	478	422
Real Estate	274,688	44,499	319,187	230,189
Private Equity	360,075	93,980	454,055	266,095
Infrastructure	377,754	48,730	426,484	329,024
Liquidity Funds	22,038	-	22,038	22,038
Net derivative liabilities	(152,439)	-	(152,439)	(152,439)
Cash deposits	1,488	-	1,488	1,488
Other Investment assets	889	-	889	889
Amount receivable from sales	1,976	-	1,976	1,976
<b>Current assets:</b>				
Debtors	15,536	-	15,536	15,536
Cash balances	2,546	-	2,546	2,546
<b>Current liabilities</b>				
	(4,293)	-	(4,293)	(4,293)
<b>Total</b>	<b>3,032,839</b>		<b>3,534,595</b>	<b>2,531,083</b>

### iii. Interest rate risk

The fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2025 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

#### Interest rate risk sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. The Fund's investment advisor's monitor the Fund's interest rate exposure during the year.

1 BPS is the movement of 0.01% between two percentages, for example from 0.50% to 0.51%. Therefore 100 BPS is the movement of 1.00% between two percentages, for example from 0.50% to 1.50%.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a  $\pm$  100 BPS change in interest rates:

Asset exposed to interest rate risk	Value as at 31 March 2025 £'000	Change in year in the net assets available to pay benefits	
		+ 100 BPS	- 100 BPS
		£'000	£'000
Investments - Liquidity funds	48,629	0	0
Investments - Cash deposits	808	0	0
Current assets - Cash balances	5,830	0	0
<b>Total change in assets available</b>	<b>55,267</b>	<b>0</b>	<b>0</b>

Asset exposed to interest rate risk	Value as at 31 March 2024 £'000	Change in year in the net assets available to pay benefits	
		+ 100 BPS	- 100 BPS
		£'000	£'000
Investments - Liquidity funds	22,038	0	0
Investments - Cash deposits	1,488	0	0
Current assets - Cash balances	2,546	0	0
<b>Total change in assets available</b>	<b>26,072</b>	<b>0</b>	<b>0</b>

Income exposed to interest rate risk	Amount receivable in year ending 31 March 2025	Effect on income values	
		+ 100 BPS	- 100 BPS
		£'000	£'000
Cash balances / cash and cash equivalents	2,302	2,325	2,279
Fixed Income	2,286	2,286	2,286
<b>Total change in income receivable</b>	<b>4,588</b>	<b>4,611</b>	<b>4,565</b>

Income exposed to interest rate risk	Amount receivable in year ending 31 March 2024	Effect on income values	
		+ 100 BPS	- 100 BPS
		£'000	£'000
Cash balances / cash and cash equivalents	1,599	1,615	1,583
Fixed Income	832	832	832
<b>Total change in income receivable</b>	<b>2,431</b>	<b>2,447</b>	<b>2,415</b>

The analysis assumes that all variables, in particular exchange rates, remain constant, and shows the effect in the year on net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed bonds but will reduce their fair value and vice-versa. Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect the interest income received on those balances.

#### iv. Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund GBP. The fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The Fund's currency rate risk is routinely monitored by the council and its investment advisors in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

#### Currency risk - sensitivity analysis

Following analysis of historical data by the Fund's investment advisors during the financial year the fund has determined that the following likely volatility associated with foreign exchange rate movements are reasonably possible for 2024/25.

The table below shows the value of assets held by the Fund in foreign currencies and the likely volatility associated with foreign exchange rate movements (as measured by one standard deviation).

This analysis assumes that all other variables, in particular foreign exchange rates and interest rates, remain constant.

Denominated currency	Value as at 31 March 2025	Potential volatility (+/-)	Value on increase	Value on decrease
	£'000		£'000	£'000
AUD	7,512	6.3%	7,985	7,039
EUR	21,960	4.4%	22,926	20,994
NZD	4,206	6.3%	4,471	3,941
USD	263,171	7.0%	281,593	244,749
<b>Total</b>	<b>296,849</b>		<b>316,975</b>	<b>276,723</b>

Denominated currency	Value as at 31 March 2024	Potential volatility (+/-)	Value on increase	Value on decrease
	£'000		£'000	£'000
AUD	10,047	7.0%	10,750	9,344
EUR	16,896	4.5%	17,656	16,136
NZD	9,540	7.0%	10,208	8,872
USD	291,158	7.3%	312,413	269,903
<b>Total</b>	<b>327,641</b>		<b>351,027</b>	<b>304,255</b>

#### v. Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.

The selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Fund's credit criteria. The Fund has also set limits as to the maximum deposit placed with any one class of financial institution. In addition, the Fund invests an agreed amount of its funds in the money markets to provide diversification.

The Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2025 was £55.27m (31 March 2024: £26.07m). This was held with the following institutions:

	Rating	Balances as at 31 March 2024 £'000	Balances as at 31 March 2025 £'000
<b>Money Market funds</b>			
Northern Trust	AA-	22,038	48,629
<b>Bank deposit accounts</b>			
Northern Trust	AA-	1,488	808
<b>Bank current accounts</b>			
Lloyds	AA-	2,546	5,830
<b>Total</b>		<b>26,072</b>	<b>55,267</b>

#### vi. Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those which will take longer than three months to convert to cash. As at 31 March 2025 the value of illiquid assets was £985.1m, which represented 31.44% of the total fund net assets (31 March 2024: £1,040.6m which represented 34.31% of the total fund net assets).

#### vii. Refinancing risk

The key risk is that the fund will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

#### viii. Longevity risk

This is the risk of higher-than expected life expectancy trends amongst the Fund's pensioners. A longevity swap has been entered into with ReAssure to protect the Fund against costs associated with potential increases in life expectancy of the Fund's pensioners. This arrangement covers all pensions in payment as at the end of July 2009.

#### Note 19. Funding arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation will take place as at 31 March 2025.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment.
- to ensure that employer contribution rates are as stable as possible.

- to minimise the long-term cost of the fund by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so.
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 18 years from the valuation date and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable.

At the 2022 actuarial valuation, the Fund was assessed as 86% funded (78% at the March 2019 valuation). This corresponded to a deficit of £446m (2019 valuation: £597m) at that time.

At the 2022 actuarial valuation the average required employer contribution to restore the funding position to 100% over the next 18 years was 23.4% of pensionable pay.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

#### Note 19.a Financial assumptions

Discount Rate	5.1% per annum for both unitary authorities and other employers
Pension and Deferred Pension Increases	2.9% per annum
Short term pay increases	not applicable
Long term pay increases	3.9% per annum

#### Note 19.b Mortality assumptions

Current mortality	110% (Male) / 105% (Female) of the S3PA tables
Mortality Projection	2021 CMI Model with a long-term rate of improvement of 1.25% p.a

#### Note 19.c Commutation assumption

It is assumed that members at retirement will commute pension to provide a lump sum of 50% of the maximum allowed under HMRC rules and this will be at a rate of £12 lump sum of £1 of pension.

#### Note 20. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis every year, using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 19). The actuary has also valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2025 was £3,270m of which £3,245m relates to vested obligation and £25m, non-vested obligation (31 March 2024: £3,681m). The net assets available to pay benefits as at 31 March 2025 was £3,133m (31 March 2024: £3,033m). The implied Fund deficit as at 31 March 2025 was therefore £137m (31 March 2024: £648m).

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2022 triennial funding valuation (see Note 19) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

#### Note 20.a IAS19 assumptions used

Inflation/pension increase rate assumption	2.70%
Salary increase rate	3.70%
Discount rate	5.85%

#### Note 20.b Guaranteed Minimum Pension (GMP) Equalisation

In valuing the present value of promised retirement benefits the Fund's actuary has assumed that for GMP the Fund will pay limited increases for members that have reached statutory pension age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the Fund actuary has assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the Fund actuary does not believe that any adjustments are needed to the value placed on the liabilities as a result of the High Court's recent ruling on the equalisation of GMP.

#### Note 21. Current assets

31 March 2024		31 March 2025
£'000		£'000
2,686	Contributions due - employees	2,946
9,390	Contributions due - employers	10,032
3,460	Sundry debtors	2,245
<b>15,536</b>	<b>Debtors</b>	<b>15,223</b>
2,546	Cash balances	5,830
<b>18,082</b>		<b>21,053</b>

**Note 21.a Analysis of debtors**

<b>31 March 2024</b>		<b>31 March 2025</b>
<b>£'000</b>		<b>£'000</b>
11,542	Other local authorities	10,332
3,994	Other entities & individuals	4,891
<b>15,536</b>		<b>15,223</b>

**Note 22. Current liabilities**

<b>31 March 2024</b>		<b>31 March 2025</b>
<b>£'000</b>		<b>£'000</b>
(3,320)	Sundry creditors	(5,174)
(973)	Benefits payable	(384)
<b>(4,293)</b>		<b>(5,558)</b>

**Note 22.a Analysis of creditors**

<b>31 March 2024</b>		<b>31 March 2025</b>
<b>£'000</b>		<b>£'000</b>
(1,543)	Central government bodies	(1,928)
(45)	Other local authorities	(1,651)
(2,705)	Other entities & individuals	(1,979)
<b>(4,293)</b>		<b>(5,558)</b>

**Note 23. Additional voluntary contributions**

<b>Market value</b>		<b>Market value</b>
<b>31 March 2024</b>		<b>31 March 2025</b>
<b>£'000</b>		<b>£'000</b>
17,277	Prudential	17,715
7	Utmost Life & Pensions	7
18	Clerical Medical	18
<b>17,302</b>	<b>Total</b>	<b>17,740</b>

AVC Contributions of £2.794m were paid directly to Prudential during the year (2023/24: £2.422m).

**Note 24. Related party transactions****Note 24.a The Royal Borough of Windsor & Maidenhead (RBWM)**

The Royal County of Berkshire Pension Fund is administered by The Royal Borough of Windsor & Maidenhead (RBWM). During the reporting period, RBWM incurred costs of £1.631m (2023/24: 1.127m) in relation to the administration of the fund and was subsequently reimbursed by the fund for these expenses. The council is also the 6th largest employer in the pension fund (by contributions paid) and contributed £15.45m (2023/24: £15.04m).

**Note 24.b Governance**

No members of the Pension Fund Committee are in receipt of pension benefits from The Royal County of Berkshire Pension Fund. Each member of the Pension Fund Committee is required to declare their interests at each meeting.

**Note 24.c Key management personnel**

The disclosures required by Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations can be found in the main accounts of The Royal Borough of Windsor & Maidenhead (RBWM).

The key management personnel of the Fund are the Members of the Pension Fund Committee, the Director of Resources, the Assistant Director of Finance and the Head of Pension Fund. Their remuneration is set out below:

2023/24		2024/25
£'000		£'000
102	Short-term benefits	108
36	Post-employment benefits	37
<b>138</b>		<b>144</b>

**Note 25. Contingent liabilities and contractual commitments**

Outstanding capital commitments (investments) at 31 March 2025 totalled £318.175m (31 March 2024: £280.052m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts "called" by these funds are irregular in both size and timing. There are no contingent liabilities to report.

**Note 26. Contingent assets**

Several admitted body employers in the Royal County of Berkshire Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These funds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. It is not practicable to disclose the financial effect of the contingent assets.

## SCHEME EMPLOYERS AND CONTRIBUTIONS RECEIVED

EMPLOYER	EMPLOYEE £'000	EMPLOYER £'000
ABM Catering Limited	2	10
Absolutely Leisure Limited	32	57
Activate Learning Education Trust	81	281
Agape Multi Academy Trust (AMAT)	180	653
Age Concern Berkshire	7	11
ALET (B&W College)	176	756
Ashley Hill Schools Trust	36	138
Baylis Court Trust	184	638
Bellevue Place Education Trust	340	1,276
Berks, Bucks & Oxfordshire Wildlife Trust	6	21
Berkshire County Blind Society	0	15
Berkshire Fire & Rescue Service	561	1,608
Berkshire Maestros	57	178
Binfield Parish Council	8	36
Bohunt Education Trust	66	254
Bonitas Multi Academy Trust Limited	102	387
Bracknell Forest BC	4,107	15,033
Bracknell Forest Homes	36	111
Bracknell Town Council	57	230
Bray Parish Council	4	22
Brighter Futures for Children	1,363	3,291
Bucklebury Parish Council	1	3
Burghfield Parish Council	8	26
Care UK	1	3
Castleview School (Academy Status)	49	189
CfBT Schools Trust	168	648
Change Grow Live	2	6
Charters School (Academy Status)	99	374
Charvil Parish Council	4	17
Chieveley Parish Council	0	2
Churchill Contract Services Ltd	0	0
Cleantec Services Ltd - Lynch Hill School Primary	1	2
Cleantec Services Ltd - Woodlands Park Primary Sch	1	2
Cleantec Services Ltd (The Grove)	0	1
Compass Contract Services (UK)	4	11
Compass Contract Services (UK) Ltd 2	3	10
Compass Contract Services UK (3)	4	12
Compass Contract Services UK (4)	11	43
Compton Parish Council	1	4
Connexions Thames Valley	6	24
Continental Landscapes Ltd	5	16
Cookham Parish Council	3	16
Coram	5	14

Corn Exchange Trust	2	17
Cox Green Parish Council	4	17
Cox Green School (Academy Status)	89	322
Crowthorne Parish Council	14	43
Datchet Parish Council	1	3
Denefield School (Academy Status)	89	314
Dimensions UK Ltd	7	107
Ditton Park Academy	0	0
Earley Town Council	33	140
East Berkshire College Ext 3302	690	3,019
Elizabeth Fry Hostel	13	47
Enborne Parish Council	0	2
Eton Town Council	0	1
Excalibur Academies Trust	154	525
Finchampstead Parish Council	5	23
Forest Bridge School	129	481
Frassati Catholic Academy Trust	133	509
Frays Academy Trust	82	328
Furze Platt Senior School (Academy Status)	157	502
Gemini Commercial Cleaning Services (Bracknell Leis)	1	2
Gemini Commercial Cleaning Services (New CChurch)	0	1
Gemini Commercial Cleaning Services (Wessex Primary)	0	0
Glen Group Ltd	5	19
Glyn Learning Foundation	119	461
Greenham Parish Council	2	8
Greenshaw Learning Trust	272	1,022
Greenwich Leisure Ltd (RBC)	36	103
Greenwich Leisure Ltd	2	31
Hampstead Norreys Parish Council	0	1
Haybrook College Trust	98	358
Hayward Services (SASH)	0	4
Hayward Services Ltd (Cox G)	1	2
Hayward Services Ltd (Wex)	0	16
Haywards Services Limited (St Thomas)	2	7
Heart Facilities Limited	0	11
Highdown School	51	192
Holt School (Academy Status)	68	259
Holy Family School	18	89
Holybrook Parish Council	4	15
Holyport College	75	271
Horton Parish Council	1	5
Hungerford Town Council	5	23
Hurley Parish Council	1	7
Impact Food (Arbib)	1	7
Kendrick School (Academy Status)	51	191
Kennet School Academies Trust	237	864
Keys Multi-Academy Trust	228	904
KGB Cleaning (The Downs School)	6	27

Khalsa Primary School	27	102
King ´s Academy Binfield	254	978
Langley Academy Trust	209	786
Langley Grammar School (Academy Status)	66	232
Langley Hall Primary Academy	47	179
Leisure Focus Trust	8	25
Lowbrook Academy Trust	15	60
Maiden Erlegh Schools Trust	498	1,777
Marish Academy Trust	178	688
Mary Hare Grammar School	170	721
MITIE	2	21
Newbury Academy Trust	164	621
Newbury College	203	949
Newbury Town Council	31	122
Newlands Girls School	74	263
Northern House School Wokingham	27	103
NSL Ltd	9	33
Optalis Limited	27	100
Optalis Limited (RBWM)	95	331
Orchard Hill College & Academy Trust	0	0
Osborne Property Services Limited	22	69
Oxford Diocesan Schools Trust	198	771
Pact	37	111
Pangbourne Parish Council	5	23
Park Federation Academy Trust	195	758
Priory School	91	507
Purley on Thames Parish Council	5	20
RBWM	2,439	13,012
RBWM Property Company Ltd	43	68
Reach2 Thames Valley Academy Trust	77	296
Reading Borough Council	5,687	13,936
Reading School (Academy Status)	98	360
Reading Transport Ltd	15	741
Reading Voluntary Action	3	13
Ruscombe Parish Council	0	0
Ryvers School (Academy Status)	55	207
S.E.Centre for the Built Environment Ltd	10	28
Sandhurst Parish Council	4	16
SASH Education Trust	103	373
Schelwood Academy Trust	122	446
Seetec Business Technology Centre Ltd	7	27
SLM Charitable Trust 2	32	102
SLM Community Leisure	0	1
SLM Fitness & Health	2	7
SLM Food & Beverage	2	7
Slough Borough Council	3,031	13,266
Slough Children ´s Services Trust	753	1,807
Slough Community & Leisure Ltd	0	40

Slough Council For Voluntary Service	1	7
South Hill Park Trust	0	60
Sovereign Housing Association	0	269
Specialist Education Trust	25	86
St Bartholomew 's School (Academy Status)	129	491
St Peter Catholic Academies Trust	149	633
Sunninghill & Ascot Parish Council	2	12
Swallowfield Parish Council	4	19
Thames Valley Cleaning Limited	0	1
Thatcham Town Council	23	94
The Ascendancy Trust	199	766
The Avenue Academy	206	792
The Blessed Hugh Farringdon School	78	346
The Circle Trust	301	1,167
The Corvus Learning Trust	434	1,666
The Downs School	97	426
The Elliot Foundation	79	300
The Forest School Academy Trust	28	104
The National Autistic Society Academy Trust	182	636
The Piggott C of E Academy	0	0
The Slough and East Berkshire MAT	418	1,547
Theale Parish Council	3	13
Tilehurst Parish Council	4	14
Turn IT On Limited (The Circle Trust)	3	7
Twyford Parish Council	4	19
Upton Court Education Trust	197	680
Volkerhighways Ltd	9	33
Volkerhighways Ltd (Wok)	1	6
W&M Youth & Community Counselling Service	3	8
Waingels College	242	887
Warfield Parish Council	3	13
West Berkshire DC	5,211	19,287
West Illsley Parish Council	0	1
Westgate School (Academy Status)	98	365
Wexham Court Parish Council	2	8
White Waltham Parish Council	6	29
Windsor Learning Partnership	209	802
Winkfield Parish Council	16	67
Winnersh Parish Council	5	25
Wokingham Borough Council	4,747	17,257
Wokingham Town Council	40	127
Wokingham Without Parish Council	9	41
Woodley Town Council	52	229
Wrap Around Care 4 U Limited	0	1
Wraysbury Parish Council	2	11
Yattendon Parish Council	0	1
<b>TOTAL</b>	<b>39,032</b>	<b>142,196</b>

Totals may not sum up due rounding.

## AVC ARRANGEMENTS

The Royal County of Berkshire Pension Fund's chosen Additional Voluntary Contribution (AVC) provider is the Prudential Assurance Company. There are a number of investment choices available to members of the Fund who elect to pay AVCs. Members can choose to switch AVC Funds at any time subject to the terms and conditions of each vehicle. At retirement, the accumulated value of a member's AVC Fund can be used to provide a tax-free lump sum payment (subject to HMRC limits), to purchase an annuity on the open market or, in certain circumstances, buy additional membership of the Local Government Pension Scheme. The following table sets out the available Funds and the level of investment risk attached to each of those Funds:

### Higher Risk

Prudential UK Equity Fund  
Prudential UK Equity Passive Fund

### Medium to Higher Risk

Prudential Global Equity Fund  
Prudential International Equity Fund  
Prudential Positive Impact Fund

### Medium Risk

Prudential Discretionary Fund  
Prudential Dynamic Growth IV Fund  
Prudential Index-Linked Fund  
Prudential Long-Term Bond Fund  
Prudential Long-Term Gilt Passive Fund

### Lower to Medium Risk

Prudential Dynamic Growth I Fund  
Prudential Dynamic Growth II Fund  
Prudential Fixed Interest Fund  
Prudential With-Profits Fund

### Minimal Risk

Prudential Cash Fund

Many members choose to invest in the With Profits Fund that is designed to provide smoothed medium to long-term growth by investing in a range of assets including equities and property. The investment returns are distributed by way of reversionary and terminal bonuses.

### Lifestyling

Lifestyling is a convenient way for members of AVC schemes to stay invested in assets with the potential for long-term growth throughout their working lives whilst gaining an element of protection through automatic switching into funds with lower risk as retirement approaches.

## POLICIES, STRATEGIES AND STATEMENTS

The following policies, procedures, strategies and statements are prepared by Fund officers then reviewed and approved by the Pension Fund Committee in consultation with the Pension Board. The timeline for review varies between the individual policy documents, from at least triennially but no more frequent than annually and where appropriate a timeline has been disclosed in the table below.

Statutory policies are required by various sets of legislation and are prepared and reviewed in a timely manner by the Fund's officers and reviewed by the Board and Committee, non-statutory policies are also prepared in line with good governance, best practice and considering various guidance notes. These policies are reviewed and approved at least annually.

All documents referenced below that are prepared by the Royal County of Berkshire Pension Fund as administered by the Royal Borough of Windsor & Maidenhead (RBWM) can be accessed via the Pension Fund Website address <https://berkshirerpensions.org.uk/> with the relevant location summarised below.

Statutory/Non-Statutory	Document Name	Relevant Regulation	Source	Note
Statutory	Abatement Policy	Regulations 70 & 71 (LGPSAR 2008** )	Policies & Reports > Pension Fund Policies	Last approved March 2022, next review September 2025
(*)Statutory	Communications Strategy Statement <a href="#">Communication Strategy Statement</a>	Regulation 61 (LGPSR 2013*)	Policies & Reports > Pension Fund Policies	Last approved September 2023. Next review December 2025.
(*)Statutory	Funding Strategy Statement <a href="#">Funding Strategy Statement</a>	Regulation 58 (LGPSR 2013*)	Policies & Reports > Pension Fund Policies	Last approved March 2023 following 2022 triennial valuation, next review March 2026
(*)Statutory	Governance Compliance Statement <a href="#">Governance Compliance Statement</a>	Regulation 55 (LGPSR 2013*)	Policies & Reports > Pension Fund Policies	Last approved June 2025 includes appended annual training records per the SAB good governance report recommendation. Next review June 2026.
(*)Statutory	Investment Strategy Statement <a href="#">Investment Strategy Statement</a>	Regulation 7 (LGPS(M&IF)R2016***)	Policies & Reports > Pension Fund Policies	Last approved March 2023. Next review March 2026
Statutory	Full Actuarial Valuation Report and Rates &	Regulation 62 (LGPSR2013*)	Policies & Reports > Pension Fund Reports	Relates to the post 2022 triennial valuation and includes all employer

	Adjustment Certificate			contributions from April 2023 to March 2026.
Non-Statutory	Administering Authority Discretions Policy	Various	Policies & Reports > Pension Fund Policies	Last approved March 2022, next review March 2025
Non-Statutory	Employer Flexibilities Policy (DDA/DSA Policy)	Regulation 64 (LGPSR2013*)	Policies & Reports > Pension Fund Policies	Last approved July 2022, reviewed June 2024. Next review June 2027.
Non-Statutory	Employer Contribution Review Policy	Regulation 64 (LGPSR2013*)	Policies & Reports > Pension Fund Policies	Last approved July 2022, next review July 2025
Non-Statutory	Annual Business Plan and budget	N/A – good practice	Policies & Reports > Pension Fund Policies	Last approved March 2025, next review March 2026
Non-Statutory	Reporting breaches of the law	TPR guidance and various regulations	Policies & Reports > Pension Fund Policies	Last approved July 2022, next review September 2025
Non-Statutory	Responsible Investment Policy	Regulation 7 (LGPS(M&IF)R2016***)	Policies & Reports > Pension Fund Policies	Last approved October 2022, next review in September 2025. Sub document to the statutory prescribed Investment Strategy Statement (ISS)
Non-Statutory	ESG Statement	N/A – good practice	Policies & Reports > Pension Fund Policies	Last approved November 2019, no planned date for next review.
Non-Statutory	Shareholder Voting policy	Regulation 7 (LGPS(M&IF)R2016***)	Policies & Reports > Pension Fund Policies	Sub-document to the funds ISS. The fund adopts LPPI’s voting policy which is regularly reviewed (last review June 2024).
Non-Statutory	Risk Management Policy	N/A good practice, CIPFA guidance	Policies & Reports > Pension Fund Policies	Last reviewed December 2024. Next review December 2027
Non-Statutory	Pension Admin Strategy	Regulation 59 (LGPSR 2013*)	Policies & Reports > Pension Fund Policies	Last approved September 2023. Next review December 2025. Expected to become statutory following

				enactment of Pension Schemes Bill 2025
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**\*LGPSR2013 - Local Government Pension Scheme Regulations 2013 (SI 2013 No. 2356)**

**\*\*LGPSAR 2008 - Local Government Pension Scheme (Administration) Regulations 2008 (extant) (SI 2008 No. 239)**

**\*\*\*LGPS(M&IF)R2016 - Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016 No. 946)**

Other non-statutory policies are also prepared in line with good governance and best practice, these are reviewed and approved at least annually and include those that are already referred to in this report and those outside of the scope of this report for example, but not limited to:

- Internal Dispute Procedures.
- Managing Employer Admissions to the Fund

All statutory and non-statutory policies are available from the Pension Fund website at <https://berkshirerpensions.org.uk> along with associated guidance notes as required.

(\*) The four documents referenced above include links to the documents available on the Pension Fund's website in compliance with statutory requirements in England and Wales. (ref. CIPFA publication, preparing annual report, guidance for local government pension scheme funds, 2024 edition)