

SECTION 8 – LEWISHAM PENSION FUND ACCOUNTS 2024/25

FOREWORD

This Pension Fund Statement of Accounts details the financial position and performance of the London Borough of Lewisham Pension Fund for the year ending 31 March 2025.

The Pension Fund's value increased over the year by £39m (2.1%), from £1.842bn to £1.881bn. The value of the pension fund increased due to the changes in global markets mainly caused by the lowering of inflation and better global trading forecasts. The Bank of England policy on interest rates is expected to cut rates in 2025 and forecasts an increase in consumer spending.

INTRODUCTION

The London Borough of Lewisham Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS). The Fund is a contributory defined benefit pension scheme administered by the London Borough of Lewisham to provide benefits to London Borough of Lewisham employees and former employees and admitted and scheduled bodies. These benefits include retirement allowances and pensions payable to former employees and their dependants, lump sum death gratuities and special short-term pensions. The Fund is financed by income from investments and contributions from employees, the Council and other admitted and scheduled bodies.

ORGANISATION

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation (referred to henceforth as "the Regulations"):

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

Formal responsibility for investment management of the Pension Fund is delegated to the Council's Pensions Investment Committee (PIC), which appoints and monitors external investment managers. Each investment manager has an individual performance target and benchmark tailored to balance the risk and return appropriate to the element of the Fund they manage. The investment managers also consider the PIC's views on environmental, social and governance (ESG) factors. Details of the ESG factors are contained in the Investment Strategy Statement and the Transition to Net Zero Policy published online (see web address below).

The Pension Board operates independently of PIC and assists the administering authority in securing compliance with the Regulations and any other legislation or codes of practice relating to the governance and administration of the Scheme. Further information about the Board, together with its Terms of Reference, can be found online at the web address below.

The Pension Fund administration is managed by a small in-house team, which is also responsible for other areas of work such as redundancy payments, gratuities and teacher's compensation.

The pension fund's governance compliance statement (part of the Annual Report), funding strategy and investment strategy can be found on the authority's Pension Fund website at the following address:

www.lewishampensions.org/resources/

Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside of the scheme.

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Organisations participating in the fund include:

- Scheduled bodies, which are largely academies 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.

A list of participating organisations and their contributions for the financial year is included within the pension fund annual report. This is available from the pensions website.

Membership details for the fund are set out below:

Scheme Membership:	2024/25	2023/24
Contributors to the fund	6,728	6,888
Deferred members	11,856	12,130
Pensioners	8,996	8,753
Total	27,580	27,771

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FUND ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

The fund account shows the surplus or deficit on the fund for the year.

	2024/25	2023/24	See note
	£000	£000	
<u>DEALINGS WITH MEMBERS, EMPLOYERS AND OTHERS</u>			
<u>DIRECTLY INVOLVED WITH THE SCHEME</u>			
Contributions Receivable:			
- from Employers	43,198	42,136	5
- from Employees	13,082	12,724	5
Transfer Values In	9,126	7,547	
Other Income	48	96	
Sub-Total: Income	65,454	62,503	
Benefits Payable:			
- Pensions	(59,425)	(54,801)	6
- Lump Sums: Retirement allowances	(10,896)	(8,998)	6
- Lump Sums: Death grants	(1,086)	(1,011)	6
Payments to and on account of leavers:			
- Refunds of Contributions	(38)	(176)	
- Transfer Values Out	(9,377)	(11,593)	
Sub-Total: Expenses	(80,822)	(76,579)	
Sub-Total: Net Additions/ (Withdrawals) from dealings with members	(15,368)	(14,076)	
Management Expenses	(3,870)	(3,514)	7
Sub-Total: Net Additions/ (Withdrawals) including fund management expenses	(19,238)	(17,590)	
<u>RETURNS ON INVESTMENTS</u>			
Investment Income	31,218	23,879	9
Change in market value of investments (Realised & Unrealised)	27,238	183,661	14b
Taxes on Income	(85)	(381)	
Total Net Returns on Investments	58,371	207,159	
NET INCREASE / (DECREASE) IN THE FUND DURING YEAR	39,133	189,569	
OPENING NET ASSETS OF THE FUND	1,841,546	1,651,977	
CLOSING NET ASSETS OF THE FUND	1,880,679	1,841,546	

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NET ASSETS STATEMENT AS AT 31 MARCH 2025

The Net Assets Statement shows the market value of the investments and other assets held by the Pension Fund as at 31 March 2025.

	31/03/25	31/03/24	See note
	£000	£000	
INVESTMENT ASSETS			
Managed Funds			
Equity Unit Trust Fund	910,483	1,056,775	10 - 14
Fixed Income Unit Trust Fund	351,844	246,072	10 - 14
Pooled Property Investments	126,939	122,344	10 - 14
Venture capital	333,911	282,975	10 - 14
Hedge Funds	77,264	76,923	10 - 14
Total Investment Funds	1,800,441	1,785,089	
Cash Held with Custodian	81,882	56,029	18
Other Investment Debtors	241	247	17a
Other Investment Liabilities	(142)	-	
TOTAL INVESTMENTS	1,882,422	1,841,365	
Current Assets	2,290	2,685	17b
Current Liabilities	(4,033)	(2,504)	17b
TOTAL NET ASSETS	1,880,679	1,841,546	

The financial statements of the Fund do not take account of the liability to pay pensions or benefits after 31 March 2025. This liability is included within the Authority's balance sheet.

NOTES TO THE PENSION FUND ACCOUNTS

Note 1: Basis of Preparation of Financial Statements

The Statement of Accounts summarise the Fund's transactions for 2024/25 and its position at year end and as at 31st 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) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.

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, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the Net Asset Statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The Authority has opted to disclose this information in an accompanying report to the accounts, which is disclosed in Note 19.

The Pension Fund Accounts have been prepared on a going concern basis, with the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

Note 2: Summary of Significant Accounting Policies and Practices

In respect of future obligations, the actuarial present value of promised retirement benefits are valued on an International Accounting Standard (IAS) 26 basis.

The Local Government Pension Scheme (Administration) Regulations 2013 require administering authorities in England and Wales to prepare a Pension Fund Annual Report which must include the Fund Account and a Net Assets Statement with supporting notes prepared in accordance with proper practices. The Regulations summarise the Pension Code and the minimum disclosure requirements.

Accounting Policies

A summary of the significant accounting policies, valuation techniques, and the basis of preparation of the accounts are shown below:

- (a) **Investments** - Investments in the Net Assets Statement are shown at Fair Value. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13. 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).
The market value of equity investments is based on the official closing data, in the main, with last trade data being used in a small number of countries. Unitised equities are quoted based on last trade or official closing price. Northern Trust, the Fund's custodian, sets out its pricing policies in a document entitled "Asset pricing guidelines" which details its pricing process and sets out preferred pricing sources and price types.
- (b) **Investment Income:**
 - i) **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 or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.**

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ii) 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 investment asset.

iii) 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 investment asset.

Changes in the net market value of investments:

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits and/or losses during the year.

- I) The change in market value of investments during the year comprises all increases and decreases in market value of investments held at any time during the year, including profits and losses realised on the sale of investments during the year.
- II) **Equities:** Equities are valued at published market prices.
- III) **Bonds:** Bonds are valued at the published bid market price on the final day of the accounting period.
- IV) **Pooled Investments - Equity Unit Trusts and market quoted investments;** are valued at published bid market prices on the final day of the accounting period.
- V) **Pooled Investments - UK Fixed Income Managed Funds;** are valued at the average of broker prices.
- VI) **Pooled Investments – Hedge Funds;** are valued by the investing managers on a fair value basis each year using PRAG guidance.
- VII) **Pooled Property Investments:** The Property Funds do not have any direct investments in property but use property Fund managers to invest in pooled property/unit trust funds. They are valued in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation Standards at Fair Value based on their Open Market Value (OMV).
- VIII) **Venture Capital: Private Equity and Private Debt;** are valued in accordance with United States generally accepted accounting principles, including FAS 157, which is consistent with the International Private Equity and Venture Capital Valuation Guidelines. These guidelines set out that all investments are carried at fair value and they recommend methodologies for measurement.
- IX) **Hedge Funds:** Hedge Funds are valued by investing managers on a fair value basis using PRAG guidance.
- X) **Fixed Income Unit Trust:** Fixed income earned from fixed income unit trusts. Interest income is recognised in the Fund as it accrues.
- XI) **Contributions** – Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the actuary in the payroll period to which they relate. Employer's augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid is classed as a current financial asset.

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Contribution rates will differ between bodies in the scheme; from 01 April 2023 the employee contribution bands (revised annually in line with inflation) for the administering authority are as follows:

Pensionable Pay for the Post	Contribution Rates 2024/25	
	Main Section	50/50 Section
Up to £17,600	5.50%	2.75%
£17,601 to £27,600	5.80%	2.90%
£27,601 to £44,900	6.50%	3.25%
£44,901 to £56,800	6.80%	3.40%
£56,801 to £79,700	8.50%	4.25%
£79,701 to £112,900	9.90%	4.95%
£112,901 to £133,100	10.50%	5.25%
£133,101 to £199,700	11.40%	5.70%
More than £199,701	12.50%	6.25%

The employer's contribution is reviewed every three years and is determined by the Fund's Actuary as the rate necessary to ensure that the Fund is able to meet its long-term liabilities. This is assessed at each triennial actuarial revaluation. The employer's contribution rate for the administering authority in 2024/25 is 22.0%.

- XII) **Benefits** – Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Lump sums are accounted for in the period in which the member becomes a pensioner. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.
- XIII) **Transfers to and from other schemes** – Transfer values are those sums paid to, or received from, other pension schemes relating to periods of previous pensionable employment. Transfer values are calculated in accordance with the Local Government Pension Scheme Regulations and have been brought into the accounts on a cash basis.
- XIV) **Taxation** – The Fund is a registered public service scheme under section (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 an expense as it arises.
- XV) **VAT** – By virtue of Lewisham Council being the administering authority, VAT input tax is recoverable on Fund activities. Any irrecoverable VAT is accounted for as an expense.
- XVI) **Actuarial Present Value of Promised Retirement Benefits** – The actuarial present value of promised retirement benefits should be disclosed and based on the requirements of IAS 19 Post-Employment Benefits and relevant actuarial standards. As permitted under the Code, the Pension Fund financial statements include a note disclosing the actuarial present value of retirement benefits (see Note 19).
- XVII) **Management Expenses** - Pension fund management expenses are accounted for in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Costs 2016. All administrative expenses are accounted for on an accruals basis. All staff costs of the pension 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. Oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as

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expenses to the Fund. The cost of obtaining investment advice from the external advisor is included in oversight and governance costs. All investment management expenses are accounted for on an accruals basis. The Investment Committee has appointed external investment managers to manage the investments of the Fund. Managers are paid a fee based on the market value of the investments they manage and/or a fee based on performance. Where an investment manager's fee note has not been received by the balance sheet date, an estimate based upon the market value of the mandate as at the end of the year is used for inclusion in the fund account.

- XVIII) **Cash and Cash Equivalents:** Cash and cash equivalents comprise cash in hand and deposits with financial institutions which are repayable on demand without penalty.
- XIX) **Foreign currency:** Foreign currency transactions are made using the WM/Reuters exchange rate in the following circumstances:
- Purchase and sales: the foreign exchange rate applicable on the day prior to the trade date is used.
 - Stock holdings: all holdings valuations are made using the WM/Reuters close of previous business day.
 - Dividend receipts: the rate applicable on the day prior to the date the dividend received is used.
- XX) **Commitments** - Where capital committed to investments is not fully drawn down at the end of the financial year the outstanding commitment is not included in the Net Asset Statement but is referred to in the notes to the accounts; please see note 21.
- XXI) **Financial Instruments**
- (i) Financial Liabilities are recognised 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.
 - (ii) 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 asset statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the value of the asset are recognised in the Fund account.
- The values of investments as shown in the net asset statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13

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XXII) Additional Voluntary Contributions (“AVCs”)

Members of the Fund are able to make AVCs in addition to their normal contributions. The related assets are invested separately from the main Fund, and in accordance with the Regulations, are not accounted for within the financial statements. If on retirement members opt to enhance their Scheme benefits using their AVC funds, the amounts returned to the Scheme by the AVC providers are disclosed as transfers-in. Further details about the AVC arrangements are disclosed in note 23.

Practices

- XXIII) Actuarial** – The adequacy of the Fund's investments and contributions in relation to its overall and future obligations is reviewed every three years by an Actuary appointed by the Council. The Council's Actuary, Hymans Robertson, assesses the Fund's assets and liabilities in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013. The contribution rate required for benefits accruing in future is assessed by considering the benefits which accrue over the course of the three years to the next valuation.

The most recent triennial valuation carried out by the actuaries was as at 31 March 2022. Some of the financial assumptions made, with comparison to the previous valuation, are presented in the table below:

Financial Assumption	March 2022 (%)	March 2019 (%)
Discount Rate	3.6	3.5
Price Inflation (CPI*)	2.7	2.3
Pay Increases	3.7	3.0
Benefit Increase	2.7	2.3
CARE Revaluation	2.7	2.3
Expenses	0.9	0.7

* Consumer Price Index

With effect from 1 April 2023 to 31 March 2026, the actuarial review carried out for 31 March 2022 resulted in the Council's employer contribution rate being set at 17.6% however, effective rate for the Lewisham Council pool is considered as 22.0%.

The most recent triennial valuation as at the 31 March 2022 revealed that the Fund's assets, which at 31 March 2022 were valued at £1.748bn, were sufficient to meet 97% (90% in 2019) of the past service liabilities valued at £1.804bn (£1.541bn in 2019) accrued up to that date. The resulting deficit as at the 2022 valuation was £56m (£154m in 2019).

The next triennial valuation will be carried out on 31 March 2025 but the results will not be available until after the pension fund accounts have been published.

Note 3: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Council has had to make certain critical judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2024/25.

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Note 4: Assumptions Made About the Future and Other Major Sources of Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends and future expectations. However, actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	The figure of net liability to pay pensions is based on a significant number of complex assumptions including the discount rate, salary increases, mortality rates and expected returns on Fund assets. The Pension Fund's qualified actuary calculates this figure to ensure the risk of misstatement is minimised. Further sensitivity analysis is included in note 19, below.	The effects on the net pension liability of changes in assumptions can be measured. For instance, a 0.1% increase or decrease in the discount rate assumption is estimated to increase or reduce the present value of the pension liability by £24m.
Pooled Property valuations	Valuation techniques are used to determine the carrying values of freehold and leasehold property directly held by some fund managers. Where possible these valuation techniques are based on observable data, otherwise the best available data is used.	Following an analysis of historical volatility of asset class returns and expected investment returns, in consultation with the Fund's advisors, the Council has determined that the percentage of volatility that can be applied to the Fund's Pooled property assets in 2024/25, assuming all other variables such as foreign exchange rates and interest rates remain the same, is estimated to be 6.8% (see table in note 15a(ii)). This would be an increase or decrease in the value of property investments by £8.6m, on a fair value of £127m.
Venture Capital - private equity / infrastructure	Private equity investments are valued at fair value in accordance with British Private Equity and Venture Capital Association guidelines. These investments are not publicly listed and as such, there is a degree of estimation involved in the valuation.	The venture capital investment in the financial statements is £334m. There is a risk that this investment may be under or overstated in the accounts and the Council has determined that the percentage of volatility that can be applied to the Fund's Venture Capital is estimated to be 7.0% (see table in note 15a(ii)). This would be an increase or decrease in the value of venture capital investments by £23.4m, on a fair value of £334m.

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Note 5: Contributions Receivable

	2024/25 £000	2023/24 £000
Employer Contributions		
Administering Authority	38,494	36,512
Scheduled Bodies	4,265	5,018
Admitted Bodies	439	606
	43,198	42,136
Employee Contributions		
Administering Authority	11,544	11,030
Scheduled Bodies	1,391	1,506
Admitted Bodies	147	188
	13,082	12,724

Contributions receivable from employers are shown below:

By type:

	2024/25 £000	2023/24 £000
Employer Contributions		
Normal	42,038	40,456
Early Retirement Strain	1,160	1,680
Deficit Funding	0	0
	43,198	42,136

Note 6: Benefits Payable

By Category

	2024/25 £000	2023/24 £000
Pensions	59,425	54,801
Commutation and Lump Sum Retirement Benefits	10,896	8,998
Lump Sum Death Grants	1,086	1,011
	71,407	64,810

By Authority

	2024/25 £000	2023/24 £000
Administering Authority	62,383	56,514
Scheduled Bodies	5,292	4,845
Admitted Bodies	3,732	3,451
	71,407	64,810

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Note 7: Management Expenses

The table below shows a breakdown of the management expenses incurred during the year.

	2024/25 £000	2023/24 £000
Administration Expenses	1,387	1,134
Oversight and Governance Expenses	574	446
<u>Investment Management Expenses:</u>		
- Transaction Costs	395	505
- Management Fees	1,452	1,392
- Custody Fees	62	37
	3,870	3,514

Note 8: External Audit Costs

	2024/25 £000	2023/24 £000
External Audit Services	95	85
Total	95	85

The Pension Fund's external auditors are KPMG.

Note 9: Investment Income

The table below shows a breakdown of the investment income for the year:

	2024/25 £000	2023/24 £000
Interest on cash deposits	1,934	2,114
Equities	0	1
Pooled property investments,	4,724	4,705
Pooled investments (fixed income and equity unit trusts and hedge funds)	19,904	12,664
Venture Capital	4,656	4,395
	31,218	23,879

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Note 10: Fund Assets

The table below outlines the fund managers, asset classes, and values of those assets held by the Fund as at 31 March 2025.

Fund Manager	Investment Asset	Asset Value 31 March 2025 £000	Proportion of the Fund 31 March 2025 %	Asset Value 31 March 2024 £000
LCIV - PEPPA	Equity Unit Trust	667,845	35.5	637,223
Blackrock	Fixed Income Unit Trust	351,843	18.7	246,072
AMX Storebrand Global Plus	Equity Unit Trust	138,108	7.3	321,224
Schroders Property	Property & cash	129,912	6.9	132,665
HarbourVest	Venture Capital & cash	102,149	5.4	99,730
AMX Storebrand Emerging Markets	Equity Unit Trust	80,065	4.3	76,312
J.P. Morgan	Hedge Funds	77,266	4.1	76,929
LCIV – Private Debt	Venture Capital	71,220	3.8	67,732
LCIV – Renewable Infrastructure	Venture Capital	62,971	3.4	50,222
LGIM	Venture Capital	41,527	2.2	42,321
Pemberton	Venture Capital	30,056	1.6	37,567
LCIV – Private Debt II	Venture Capital	28,969	1.5	0
LCIV – Nature Based Solutions	Venture Capital	18,632	1.0	0
Partners Group	Venture Capital	4,752	0.3	9,222
Various Managers	Cash & other investment accruals	77,105	4.1	44,146
Lewisham	Net Current Assets/(Liabilities)	(1,741)	(0.1)	181
Total Fund Assets		1,880,679	100.0%	1,841,546

Note 11: Investment Analysis

Individual Investment assets with a market value exceeding 5% of the total fund value as at 31 March 2025 are as follows:

		£000	%
Passive Equity Progressive Paris Aligned Fund	LCIV	667,845	35.5
AMX UCITS CCF – Storebrand – Global Plus	Storebrand	138,108	7.3
Blackrock Fixed Income	Blackrock	117,588	6.2
Aquila over 15 years UK	Blackrock	117,228	6.2
Aquila over 5 years Indexed Linked	Blackrock	117,028	6.2
Total		1,157,797	

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Individual Investment assets with a market value exceeding 5% of the total fund value as at 31 March 2024 are as follows:

Asset	Manager	31 March 2024	
		£000	%
Passive Equity Progressive Paris Aligned Fund	LCIV	637,220	34.7
Storebrand Global ESG Plus	Storebrand	321,224	17.5

Note 12: Reconciliation in Movement in Investments

An analysis of investment movements in 2024/25 (includes cash, debtors and creditors) is set out below:

	Market Value as at 31/03/2024	Purchases and derivative payments	Sales and capital receipts	Change in Market Value during the year	Market Value as at 31/03/2025
	£000	£000	£000	£000	£000
Equity Unit Trust Fund	1,056,775	220	(190,002)	43,490	910,483
Fixed Income Unit Trust Fund	246,072	120,000	(21)	(14,207)	351,844
Pooled property Investments	122,344	10,179	(5,363)	(221)	126,939
Venture capital	282,975	71,143	(17,886)	(2,321)	333,911
Hedge fund	76,923	0	0	341	77,264
Sub-total	1,785,089	201,542	(213,272)	27,082	1,800,441
Cash deposits	56,029			178	81,882
Investment income due	247			0	241
Spot FX contracts	0			(22)	0
Other investment liabilities	0			0	(142)
Debtors/creditors	181				(1,743)
Total	1,841,546			27,238	1,880,679

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	Market Value as at 31/03/2023	Purchases and derivative payments	Sales and capital receipts	Change in Market Value during the year	Market Value as at 31/03/2024
	£000	£000	£000	£000	£000
Fixed Income Unit Trust	249,576	21,126	(21,126)	(3,504)	246,072
Equity Unit Trust	870,530	225	(1)	186,021	1,056,775
Hedge fund	76,617	0	0	306	76,923
Pooled property Investments	117,436	9,470	(3,615)	(947)	122,344
Venture capital	276,999	58,773	(55,073)	2,276	282,975
Sub-total	1,591,158	89,594	(79,815)	184,152	1,785,089
Cash deposits	58,448			(490)	56,029
Investment income due	240			0	247
Other investment balances	2,131				181
Total	1,651,977			183,662	1,841,546

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Note 13a: Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Description of asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Inputs	Key sensitivities affecting the valuations provided
Equities	Level 1	Published market prices	Evaluated price of feeds	Not required
Bonds	Level 2	The published bid market price on the final day of the accounting period	Not required	Not required
Pooled investment – equity unit trust and market quoted investments	Level 2	Published bid market price on the final day of the accounting period	Not required	Not required
Pooled investments - UK Fixed Income Managed Funds	Level 2	Average of broker prices	Not required	Not required
Pooled investments - Hedge Funds	Level 3	Valued by investing managers on a fair value basis each year using PRAG guidance	NAV - based pricing set on a forward basis	Valuations are affected by a change to the value of the financial instrument it is being hedged against
Cash, Debtors and Creditors	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Venture Capital - private equity and private debt	Level 3	Comparable valuation of similar companies in accordance with International Private Equity guidelines	- EBITDA multiple - Revenue Multiplier'- Discount for lack of marketability - Control Premium	Valuations could be affected by changes to expected cashflow or by differences between audited and unaudited accounts
Hedge Funds	Level 3	Valued by investing managers on a fair value basis each year using PRAG guidance	NAV - based pricing set on a forward basis	Valuations are affected by a change to the value of the financial instrument it is being hedged against
Pooled Property Investments	Level 2/3	The published bid market price for level 2 or latest available fair value provided by the manager for level 3	Published prices or manager valuation statements prepared in under ECVA guidelines	Upward valuations are only considered when there is validation of the investment objectives and such progress can be demonstrated

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Note 13b: Sensitivity of Assets Valued at Level 3

The fund has determined that the valuation methods described above for level 3 investments 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.

	Assessed valuation range (+/-)	Value at 31 March 2025	Value on Increase	Value on Decrease
	%	£000	£000	£000
Pooled Property Investments	6.8	102,442	109,408	95,476
Overseas Venture Capital	7.0	75,792	81,097	70,486
UK Venture Capital	7.0	258,119	276,188	240,051
Overseas Hedge Fund	7.0	77,264	82,673	71,856
Total		513,617	549,366	477,869

Note 13c: Valuation of Financial Instruments carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 – where fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Listed investments are shown at bid prices. The bid value is based on the market quotation of the relevant stock exchange.

Level 2 – where 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 and where these techniques use inputs that are based significantly on observable market data.

Level 3 – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include infrastructure, which the Fund holds assets in, unquoted equity investments and hedge fund of funds, neither of which the Fund currently invests in.

The following table provides an analysis of the assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable:

Market Value as at 31/03/2025	Quoted market price	Using observable inputs	With significant observable inputs	
	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial assets at fair value through profit and loss				
Fixed Income Unit trust	0	351,844	0	351,844
Equity Unit Trust		910,483		910,483
Hedge Funds			77,264	77,264
Pooled Property Investments	0	24,497	102,442	126,939
Venture Capital	0	0	333,911	333,911
Cash deposits	81,882	0	0	81,882
Other investment assets	2,290	241	0	2,531
Financial liabilities at fair value through profit and loss				
Other investment liabilities	(4,033)	(142)	0	(4,175)
Net financial assets	80,139	1,286,923	513,617	1,880,679

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Market Value as at 31/03/2024	Quoted market price	Using observable inputs	With significant observable inputs	
	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial assets at fair value through profit and loss				
Pooled investments	0	1,302,847	76,923	1,379,770
Pooled Property Investments*	0	27,314	95,030	122,344
Venture Capital	0	0	282,975	282,975
Cash deposits	56,029	0	0	56,029
Other investment assets	2,685	0	0	2,685
Investment income due	222	25		247
Financial liabilities at fair value through profit and loss				
Other investment liabilities	(2,504)	0	0	(2,504)
Net financial assets	56,432	1,330,186	454,928	1,841,546

- Includes equity unit trusts, fixed income unit trusts and hedge funds

Note 13d: Transfers between Levels 1 and 2

There have not been any transfers between Level 1 and Level 2 assets in 2024/25.

Note 13e: Reconciliation of Fair Value Measurements within Level 3

	Market Value as at 31/03/2024	Transfers in/out of level 3	Purchases	Sales	Unrealised gains (losses)	Realised gains (losses)	Market Value as at 31/03/2025
	£000	£000	£000	£000	£000	£000	£000
Pooled Property Investments	95,030	0	10,179	(3,059)	14,288	(13,996)	102,442
Overseas Venture Capital	75,919	0	3,730	(4,743)	2,765	(1,879)	75,792
UK Venture Capital	207,056	0	67,413	(13,143)	(3,207)	0	258,119
Overseas Hedge Fund	76,923	0	0	0	341	0	77,264
Total	454,928	0	81,322	(20,945)	14,187	(15,875)	513,617

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Note 14a: Classification of Financial Instruments

The accounting policies describe how the different asset classes of financial instruments are measured, and how income and expenses are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category.

Market Value as at 31/03/2024 Designated as fair value through profit and loss	Loans and receivables	Financial liabilities		Market Value as at 31/03/2025 Designated as fair value through profit and loss	Loans and receivables	Financial liabilities
£000	£000	£000	£000	£000	£000	£000
			Financial assets			
1,056,775			Equity Unit Trust Funds	910,483		
246,072			Fixed Income Funds	351,844		
122,344			Pooled property Investments	126,939		
282,975			Venture Capital	333,911		
76,923			Hedge Funds	77,264		
0	56,029		Cash deposits	0	81,882	
0	247		Other investment balances	0	241	
0	2,685		Debtors	0	2,290	
1,785,089	58,961	0		1,800,441	84,413	0
			Financial liabilities			
		(2,504)	Creditors			(4,033)
			Other Current Liabilities			(142)
0	0	(2,504)		0	0	(4,175)
1,785,089	58,961	(2,504)	Total	1,800,441	84,413	(4,175)
	1,841,546		Grand Total		1,880,679	

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Note 14b: Net Gains and Losses on Financial Instruments

The following table shows net gains on financial instruments:

	31/03/25 £000	31/03/24 £000
Financial Assets		
Fair Value through Profit and Loss	27,082	184,152
Loans and receivables	178	(490)
Assets at Amortised Cost		
Financial Liabilities		
Fair value through profit and loss	0	0
Liabilities at Amortised Cost	(22)	0
	27,238	183,662

Note 15: Nature and Extent of Risks Arising from Financial Instruments

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). As an investment fund, the Lewisham Pension Fund's objective is to generate positive investment returns for an accepted level of risk. Therefore, the Fund holds a mix of financial instruments such as securities (equities, bonds), interests in collective investment schemes (pooled funds), and cash equivalents. In addition, debtors and creditors arise because of its operations. The value of these financial instruments is reflected in the financial statements at their fair value.

Responsibility for the Fund's risk management strategy rests with the Council's Pension Investment Committee (PIC). Risk management policies are established to identify and analyse the risks faced by the Council's pension operations. The main risks from the Fund's holding of financial instruments are market risk, credit risk, and liquidity risk. These policies are reviewed regularly to reflect change in activity and in market conditions.

The Committee regularly monitors each investment manager, and its investment consultant (Hymans Robertson) advises on the nature of the investments made and associated risks.

The Fund's investments are managed on behalf of the Fund by the appointed investment managers. Each investment manager is required to invest the assets managed by them in accordance with the terms of their investment guidelines or pooled fund prospectus.

The Fund's custodian is Northern Trust, who manage investments and report on them on behalf of the Fund. As the Fund adopts a long-term investment strategy, the high level strategic risks described below will not alter significantly during any one year unless there are significant strategic or tactical changes made to the portfolio.

a) Market Risk

Market risk represents the risk that fair value of a financial instrument will fluctuate because of changes in market prices, interest rates or currencies. The Fund is exposed, through its investments in equities, bonds and pooled investment funds, to all these market risks. The aim of the investment strategy is to manage and control exposure to market risk within acceptable parameters while optimising the return from the investment portfolio. In general, market risk is managed through the diversification of investments by asset class and establishing mandate guidelines with investment managers. The risk

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arising from exposure to specific markets is limited by the strategic asset allocation, which is regularly monitored by the PIC.

i) Other Price Risk – Market

The risk that the value of a financial instrument will fluctuate as a result of factors other than interest rate or foreign currency movements, whether those changes are caused by factors specific to the individual instrument, its issuer or factors affecting the market in general. Market price risk arises from uncertainty about the future value of the financial instruments that the Fund holds. All investments present a risk of loss of capital, the maximum risk being determined by the fair value of the financial instruments. The investment managers mitigate this risk through diversification in line with their own investment strategies and mandate guidelines.

ii) Other Price Risk – Sensitivity analysis

The Council and its investment advisors also undertake appropriate monitoring of market conditions and benchmark analysis. The Fund has a long term view on expected investment returns which smooths out short term price volatility.

Following an analysis of historical volatility of asset class returns and expected investment returns, in consultation with the Fund's advisors, the Council has determined that the following asset level percentages of volatility can be applied to the Fund's assets in 2024/25, assuming all other variables such as foreign exchange rates and interest rates remain the same:

Asset Type	Potential Market Movement +/- (% p.a.)
Fixed Income Unit Trust	13.3
Equity Unit Trust	11.9
Hedge Funds	7.0
Venture Capital	7.0
Pooled property Investments	6.8
Cash	0
Average	9.2

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Applied to the period end asset mix, the potential impact on the Fund's market value in the next financial year is as follows:

Asset type	Market Value as at 31/03/2025	Percentage change	Value on increase	Value on decrease
	£000	%	£000	£000
Cash and cash equivalents	81,882	0.0	81,882	81,882
Investment portfolio assets:				
Equity unit trusts	910,483	11.9	1,018,831	802,136
Fixed Income unit trusts	351,844	13.3	398,638	305,048
Pooled property Investments	126,939	6.8	135,571	118,307
Venture Capital	333,911	7.0	357,285	310,537
Hedge funds	77,264	7.0	82,673	71,856
Other funds	(1,644)	0.0	(1,644)	(1,644)
Total assets * **	1,880,679		2,073,236	1,688,122

* This figure includes derivatives and other investment balances.

** The % change and value change for Total Assets includes the impact of correlation across asset classes

The 2023/24 comparator table is as follows:

Asset type	Market Value as at 31/03/2024	Percentage change	Value on increase	Value on decrease
	£000	%	£000	£000
Cash and cash equivalents	56,029	0.0	56,029	56,029
Investment portfolio assets:				
Fixed Income unit trusts	246,072	14.1	280,768	211,376
Equity unit trusts	1,056,775	11.5	1,178,304	935,246
Hedge funds	76,923	6.1	81,615	72,231
Pooled property Investments	122,344	7.7	131,764	112,923
Venture Capital	282,976	4.3	295,144	270,808
Other funds	427	0.0	427	427
Total assets	1,841,546		2,024,051	1,659,040

iii) Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on its investments. Fixed interest securities and cash 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.

Fixed interest securities, cash and cash equivalents are exposed to interest rate risk.

iv) Interest Rate Risk – Sensitivity Analysis

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 +/- 1% change in interest rates.

The analysis demonstrates that a 1% increase in interest rates will reduce the fair value on fixed interest assets (obviously the interest received will not change), and vice versa.

Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

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Asset type	Market Value as at 31/03/2025	Change in year in the net assets available to pay benefits	
		+100 BPS	-100 BPS
	£000	£000	£000
Cash and cash equivalents			
Cash	81,882	0	0
Fixed Interest Investments			
UK Fixed Income Funds	234,255	2,343	(2,343)
Overseas Fixed Income Funds	117,588	1,176	(1,176)
Total change in assets available	433,725	3,519	(3,519)

Asset type	Market Value as at 31/03/2024	Change in year in the net assets available to pay benefits	
		+100 BPS	-100 BPS
	£000	£000	£000
Cash and cash equivalents			
Cash	56,029	0	0
Fixed Interest Investments			
UK Fixed Income Funds	166,516	1,665	(1,665)
Overseas Fixed Income Funds	79,556	796	(796)
Total change in assets available	302,101	2,461	(2,461)

v) Currency Risk is the risk to which the Pension Fund is exposed to fluctuations in foreign currency 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 was exposed to the following significant foreign currency levels at the 31 March 2025:

Euro	€1.6m	(€9.0m 23/24)
US Dollars	\$5.9m	(\$25.9m 23/24)

There are no other currencies held by the fund.

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vi) Currency risk – sensitivity analysis.

The Fund's currency rate risk is routinely monitored by the Council and its investment advisors. Overseas equities, fixed interest securities and cash in foreign currencies are exposed to currency risk. Following analysis of historical data in consultation with the Fund's advisors, the Council considers the likely volatility associated with foreign exchange rate movements in 2024/25 to be 5.4% (5.6% in 2023/24). This volatility is applied to the Fund's overseas assets at period end as follows:

Asset Type	Asset Value at 31 March 2025 £000	Change %	Value on Increase £000	Value on Decrease £000
Overseas Fixed Income	117,588	5.4	123,938	111,238
Overseas Equity Funds	242,643	5.4	255,745	229,540
Overseas Hedge Funds	77,264	5.4	81,436	73,092
Overseas Venture Capital	75,792	5.4	79,885	71,699
Total	513,287	5.4	541,004	485,569

Asset Type	Asset Value at 31 March 2024 £000	Change %	Value on Increase £000	Value on Decrease £000
Overseas Fixed Income	79,556	5.6	84,011	75,101
Overseas Equity Funds	419,555	5.6	443,050	396,059
Overseas Hedge Funds	76,923	5.6	81,231	72,615
Overseas Venture Capital	75,919	5.6	80,170	71,667
Total	651,953	5.6	688,462	615,442

b) Credit Risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to meet an obligation and cause the Fund to incur a financial loss. This is often referred to as counterparty risk. The market values of investments generally reflect an assessment of credit risk 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 Fund is exposed to credit risk through its underlying investments (including cash balances) and the transactions it undertakes to manage its investments. The careful selection and monitoring of counterparties, including; brokers, custodian and investment managers, seeks to minimise the credit risk that may occur through the failure to settle transactions in a timely manner.

	Rating	Balances at 31 March 2025 £000	Balances at 31 March 2024 £000
Barclays	A +	1,419	1,872
Northern Trust	AA -	81,882	56,029
Total		83,301	57,901

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c) Liquidity Risk

Liquidity risk is the risk that the Pension Fund will have difficulties in paying its financial obligations as they fall due. For example; the benefits payable costs and capital commitments. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments. The Fund holds proportion of assets as cash to allow for short notice payments and capital calls. As at the 31 March 2025 these assets totalled £81.9m held in cash by the custodian on behalf of the Fund and fund managers.

Note 16: Derivative Contracts

As at 31 March 2025 there were no pending foreign exchange purchases or sales. The net gain related to foreign exchange forward contracts was nil in 2024/25 (net gain nil in 2023/24).

Note 17a: Other Investment Balances

These comprise the following amounts:

	31/03/25 £000	31/03/24 £000
Debtors		
Equity Dividends / Income from Managed Funds	208	205
Recovered Taxes	33	42
Creditors		
Pending trade purchases	(142)	0
Net	99	247

Note 17b: Net Current Assets

These comprise the following amounts:

Current Assets

	31/03/25 £000	31/03/24 £000
Contributions Due from Admitted/ Scheduled Employers/ Employees	871	655
Prepayments	0	158
Cash in Hand	1,419	1,872
	2,290	2,685

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Current Liabilities

	31/03/25 £000	31/03/24 £000
Trade Creditors	(24)	(301)
Fund Manager / Advisory Fees	(530)	(866)
Other Current Liabilities	(3,479)	(1,337)
	(4,033)	(2,504)

Note 18: Cash and Bank

Cash Held With Custodian

The Northern Trust Company is the Fund's global custodian and cash is held to meet the cash flow requirements of the Fund and its managers. The total cash held as at 31 March 2025 was £81.9m (£56.0m as at 31 March 2024). The table below shows how this was split between the Fund Managers.

Fund Manager

	31/03/2025 £'000	31/03/2024 £'000
Cash Account	76,974	44,006
Schroders	3,031	10,237
HarbourVest	1,877	1,786
	81,882	56,029

Pension Fund Bank Account

The Lewisham cash in hand balance of £1.4m represents uninvested cash held in the Pension Fund bank accounts as at 31 March 2025. The Fund's accounts are held with Barclays Bank.

Note 19: Actuarial Present Value of Promised Retirement Benefits

The table below shows the total net liability of the Fund as at 31 March 2025. The figures have been prepared by Hymans Robertson LLP, the Fund's actuary, only for the purposes of providing the information required by IAS26. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pension's legislation. In calculating the required numbers, the actuary adopted methods and assumptions that are consistent with IAS19.

	31/03/2025 £'000	31/03/2024 £'000
Present value of promised retirement benefits	(1,473,000)	(1,695,000)
Fair Value of Scheme Assets	1,749,124	1,840,155
Net Assets / (Liability)	276,124	145,155

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Longevity assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Longevity Assumptions for year ended 31 March 2025	Males	Females
Current Pensioners	20.8	23.8
Future Pensioners	21.8	25.2

Financial assumptions

	31/03/2025 (%)	31/03/2024 (%)
Pension Increases	2.8	2.8
Salary Increases	3.8	3.8
Discount Rate	5.8	4.8

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the liabilities are set out below:

Sensitivity to the assumptions at 31 March 2025	Approximate increase to liabilities (%)	Approximate monetary amount (£m)
0.1% p.a. decrease in the Real Discount Rate	2	24
1 year increase in member life expectancy	4	59
0.1% p.a. increase in the Salary Increase Rate	0	1
0.1% p.a. increase in the Pension Increase Rate	2	23

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Note 20: Events after the Reporting Period

The audited Pension Fund Statement of Accounts was authorised for issue by the Executive Director of Corporate Resources on 26 November 2025. Events taking place after this date are not reflected in the accounts. Where events took place before this date which materially altered the conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect these altered conditions.

Note 21: Contractual Commitments

The Pension Fund was committed to the following capital contributions as at the 31 March 2025:

Fund Manager	Fund	Contractual Commitment £000	Undrawn Capital £000
Harbourvest	Harbourvest Closed Ended Funds	106,895	19,379
London CIV	LCIV Renewable Infrastructure	90,000	31,179
London CIV	LCIV Private Debt	85,000	27,868
London CIV	LCIV Private Debt II	95,000	65,848
London CIV	LCIV Nature Based Solutions	94,000	73,554
Pemberton	Pemberton European Mid-Market Debt Fund II	40,000	5,610
Schroders	Schroders Property Funds	12,254	949
Total		523,149	224,387

Note 22: Related Party Transactions

There have been no material transactions with related parties in the financial year. There were no provisions for doubtful debt and amounts written off in the period.

Eight Councillors sit on the Pensions Investment Committee which oversees the Fund. At each meeting of the Pensions Investment Committee, Councillors are required to make declarations of interest which are recorded. The members were Cllr Sian Eiles (Chair), Cllr Mark Ingleby (Vice-Chair), Cllr Chris Best, Cllr Louise Krupski, Cllr John Muldoon, Cllr James Royston, Cllr Liam Shrivastava, Cllr Mark Jackson.

During the year no reportable declarations were made.

Four members and an independent chair make up the membership of the Pensions Board, which assists the administering authority in adhering to the Regulations with regards to its administration and governance of the scheme. At each meeting of the Board, members are required to make declarations of interest which are recorded. The members were Stephen Warren (Independent Chair), Employer Representatives, Sherene Russell-Alexander (Director of People and Organisational Development) and Mark Booker (Pension administrator Change Live Grow) and Employee representatives, Gary Cummins (Union representative) and Mark Adu-Brobbey (Programme Manager - Together Lewisham).

During the year no reportable declarations of interest were made apart from some of the members being participants in the scheme, although this is a requirement of their Board membership.

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No other trustees or Council chief officers with direct responsibility for Pension Fund issues made any declarable transactions with the Pension Fund in the period to 31 March 2025.

The Council, the administering authority, had dealings with the Fund as follows:

- Recharges from the Council for the in-house administration costs borne by the scheme were transacted (included in Administration Expenses in Note 7). Some cash transactions relating to pension activities are currently effected through the Council's bank account and consequently Pension Fund cash balances are held by the Council from time to time and vice versa.
- Pension payments to retired members are paid from the Council's bank account and charged to the pension fund. The pension contributions from the Council employees are collected by the Council and paid to the pension fund. The net of the pension payments made and the contributions collected are reconciled each month and a payment is made on a regular basis to or from the pension fund's bank account.

London LGPS CIV Ltd (London CIV), established in 2015 by London Local Authorities manages London Local Government Pension Scheme ('LGPS') assets. London CIV is one of eight U.K. LGPS asset pooling companies. The London Boroughs and City of London who are the 32 Shareholders, are also our clients ('Client Funds'). London CIV is authorised and regulated by the Financial Conduct Authority ('FCA').

Key Management Personnel Remuneration

The key management personnel of the Fund are the Executive Director of Corporate Resources and the Director of Finance.

There were no costs apportioned to the Pension Fund in respect of the Executive Director of Corporate Resources post for 2023/24 and 2024/25.

Total remuneration payable to key management personnel from the Pension Fund is set out below:

	2024/25 £'000	2023/24 £'000
Short Term Benefits	25	18
Post-Employment Benefits	6	4
Total	31	22

Note 23: Additional Voluntary Contributions (AVC's)

Contributing members have the right to make AVCs to enhance their pension. There are currently 45 'open' AVC contracts for LGPS members (i.e. excluding members with AVC contracts who have left Lewisham and now have preserved benefits). Some of these 'open contracts' will be for members who have paid AVCs in the past but who have suspended payments to the scheme for the time being.

The Fund has two AVC providers: Clerical Medical and Utmost (formerly Equitable Life). The value of AVC investments is shown below. The contributions are held by the providers and do not form part of the Lewisham Fund's assets in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Pension Fund Accounts

	2024/25			2023/24		
	Utmost £000	Clerical Medical £000	Total £000	Equitable Life £000	Clerical Medical £000	Total £000
Value at the Beginning of Year	291	732	1,023	289	874	1,163
Contributions and Transfers Received	0	188	188	24	152	176
Investment Return / change in market value	14	(42)	(28)	0	22	22
Paid Out	(2)	(24)	(26)	(22)	(316)	(338)
Value at the End of the Year	303	854	1,157	291	732	1,023