

# Overview of Financial Statements 2020

2019/20 was another strong year for LCP, in which we have continued to grow and diversify our talent base, client portfolio and range of services. This is, however, a time for quiet reflection more than for celebration. The financial year finished just as we have gone into lockdown on account of the Covid-19 pandemic, and, whilst our business has continued to hold up well, we recognise that there is increased uncertainty as some of our clients have been severely affected. Our priority is to remain resilient and focus on building relationships in order to look after our people, our clients and our business for the long term.



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## New Clients

We had a record-breaking year for new business, winning more opportunities than ever before, including **34** new on-going actuarial, investment consultancy, DC and/or pensions administration appointments.



## Group income

The group achieved a record income of **£126.5m** during the financial year, an increase of **10.1%**.



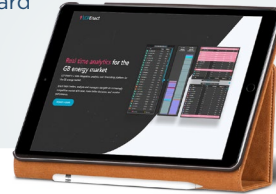
**£126.5m**

## An award winning consultancy

Following 5 awards at the Pension and Investment Provider Awards (PIPA) 2019 and 2 awards at the UK Pensions Awards 2019, the 2020 ceremonies have been delayed due to Covid-19. We are proud to have been shortlisted in 7 categories for the PIPA, and 8 categories for the UK Pensions Awards. LCP won the "Contribution to Diversity" award at the Women in Insurance Awards and the "Investment Consultant of the Year" award at the Financial News Awards.

## LCP Enact

LCP Enact, our data integration and forecasting platform for the GB energy market, was shortlisted for the "Innovation of the Year" award at The Energy Awards.



## Looking after our colleagues

Almost 80% of our colleagues participated in LCP Voice, our employee engagement survey. We were delighted with our engagement score of 87% (10% higher than 'financial sector' benchmark) with over 91% of respondents saying they were proud to work for LCP.



## Football Analytics

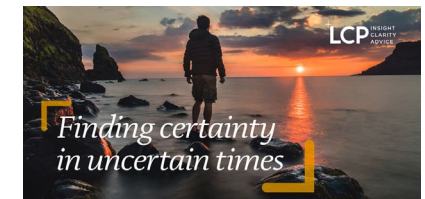
Our football analytics practice continues to demonstrate our ability to successfully apply our skills in different markets. 10 high profile European football institutions, including Premier League clubs, are now using our technology and analysis to enhance their player recruitment processes. A recent upgrade to our player recruitment platform, TransferLab, has generated interest from institutions around the world, including from clubs in the USA and South America.



## Insurance Consulting

Our Insurance Consulting team successfully launched LCP InsurSight, our analytics platform for general insurance companies. We acted as Independent Expert for several Part VII insurance transfers, and helped a wide range of insurers with reserving, capital modelling and Chief Actuary services.

**LCP InsurSight**



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

# Overview of Financial Statements 2020 *continued*

## Recruitment

Attracting the best talent is key to our long-term success and we continue to have a highly successful annual graduate recruitment programme which is complemented by our summer intern programme. Over the past year we received a record number of applications and employed 36 graduates and 36 summer interns.

**33 graduates**    **36 summer interns**



We also had some high-profile senior recruits, including Sir Steve Webb, former UK Minister of State for Pensions, joining us as a partner in February 2020. Steve is working closely on LCP's client service offering to help adapt it for the future in the context of an ever-evolving regulatory environment. He is also helping us spearhead campaigns to help the wider pensions industry stay apace with change and with the needs of members.

## LCP CARES

Our third LCP CARES awards in November 2019 once again recognised the efforts of LCP's people who had delivered exceptional service for a client, the community or each other. **LCP CARES ("Clients Always Receive Exceptional Service")** is an articulation of our culture and our promise that everyone at all levels will strive to go the extra mile. In order to celebrate the resilience, innovation and creativity of our people, 2020 also saw the addition of a special "Lockdown Edition", where we received over 1000 nominations in just 10 days for 5 award categories including: "lockdown legend", "service supremo" and "intrepid innovator".



 **LCP CARES**

## Technology

LCP Visualise, our ground-breaking pensions analytics tool, was successfully relaunched with new functionality and a modernised user interface to ensure it remains market leading. It has been adopted by over **350 clients**, with **assets totalling £240bn**.



## DC

Our DC team increased revenues by **17.8%** and hired Heidi Allan to head up our financial wellbeing services to clients.



## LCP Foundation

The LCP Foundation has supported LCP's chosen charities, the West London Mission and Trinity Winchester, with charitable grants to support their day to day activities for homeless people and the Learning for Life Programme. The Learning for Life Programme is aimed at helping Trinity's clients regain confidence and self-esteem and enable them to re-enter education and employment. Supporting a better future for our local community is important to LCP. Our people have engaged and voted for grants to support **the Mental Health Foundation, Missing People, HUBUB, Hampshire Search and Rescue, SCRATCH and Rose Road.**



## Corporate Consulting

Our corporate consulting team has been shortlisted for 'Best Pension Adviser' for the Corporate Adviser Awards 2020 to be held in November. The team's flagship report "Accounting for Pensions" uncovered key trends in the FTSE100's pensions reporting and highlighted the initial impact of Covid-19, whilst our Autumn report "A changing Landscape 2019" addressed the forward-thinking key challenges for corporate sponsors.



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# Overview of Financial Statements 2020 *continued*

## Fundraising at LCP

We maintain our fundraising matching policy to inspire our people to raise money for the causes they are passionate about and to encourage those who have not fundraised for charity before to give it a try. Most recently this includes financial support for the Stephen Lawrence Charitable Trust.



## Investment

Our Investment team has continued building on their success advising clients outside the UK pensions market. During the year, we were appointed as investment advisor to a major sovereign wealth fund and central bank, as well as one of the largest charities in the UK.



## Diversity & Inclusion

**LCP's Diversity & Inclusion (D&I) Group continues to go from strength to strength and expanded a number of key initiatives during the year including:**

- Our partner champion campaign which one-third of our partners joined. This is an individual commitment made by senior leaders to challenge barriers to D&I, with each individual stepping forward to be a visible advocate and supporter for one of our four networks;
- Our Women's Talent Academy encouraging more women to join investment consultancy. 18 women took part this year with 20% going on to secure and accept an internship at LCP;
- A spotlight on mental health including initiatives for Mental Health Awareness week - this included a virtual fundraising relay for MIND where 335 LCP personnel ran, walked or cycled more than 2750kms; and training 10% of staff and partners as Mental Health first aiders;
- We improved our Stonewall Workplace Index score by 25% from the previous year and as a consequence we ranked 27 places higher;
- Over 200 of our staff engaging with various virtual Pride activities over Pride Month (June 2020);
- Our recently onboarding with LGBT Great which is a consultancy that advises on LGBT inclusion to businesses within the investment and savings sector;
- Panel sessions sharing lived experiences for example on work-life balance, black talent in professional services and being a senior female in a male dominated profession;
- Training for partners on "inclusion as a strategic driver", tackling areas such as diversity, bias and targeting recruitment practices to better attract talent from under-represented groups; and
- Supporting the Diversity Project, including representatives on the CEO Advisory Board and Steering Group.



*I've been immensely thankful for the energy that colleagues at LCP have shown in tailoring the way we work to meet clients' needs, and in supporting each other, in such an unusual environment. The firm's continuing investments in our people, our clients and our services leave LCP well positioned to emerge as an even stronger business for the future.*

**Aaron Punwani**  
CEO

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# Overview of Financial Statements 2020 *continued*

## Consolidated statement of comprehensive income

	2020 £	2019 £
<b>GROSS FEES</b>	<b>126,493,448</b>	<b>114,919,831</b>
Staff costs	(41,508,178)	(36,911,397)
Depreciation and amortisation	(1,161,097)	(992,311)
Other costs	(17,688,382)	(16,185,200)
<b>OPERATING PROFIT</b>	<b>66,135,791</b>	<b>60,830,923</b>
Interest receivable	107,745	79,737
Tax	(85,814)	(72,103)
<b>PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>	<b>66,157,722</b>	<b>60,838,557</b>

### NOTES:

Profit attributable to the corporate member	10,710,991	10,091,237
Average number of members (partners)	129	122
Average number of employees	619	577

## Consolidated Group statements of financial position

	2020 £	2019 £
Intangible assets	95,704	168,001
Tangible assets	5,127,717	5,251,241
<b>TOTAL FIXED ASSETS</b>	<b>5,223,421</b>	<b>5,419,242</b>
Debtors	42,910,395	38,568,582
Cash at bank and in hand	20,231,106	17,682,768
<b>TOTAL CURRENT ASSETS</b>	<b>63,141,501</b>	<b>56,251,350</b>
CREDITORS: amounts falling due within one year	(16,941,349)	(13,506,296)
<b>NET CURRENT ASSETS</b>	<b>46,200,152</b>	<b>42,745,054</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>51,423,573</b>	<b>48,164,296</b>
Creditors: amounts falling due after more than one year	(3,083,443)	(3,504,776)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>	<b>48,340,130</b>	<b>44,659,520</b>
<b>Represented By:</b>		
Members' capital	6,069,904	5,682,805
Non-controlling interest	530,462	462,828
Members' other interests	41,739,764	38,513,887
<b>MEMBERS' FUNDS EMPLOYED</b>	<b>48,340,130</b>	<b>44,659,520</b>

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