



# ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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**LHC PROCUREMENT GROUP LIMITED**  
(A Not-for-Profit Company Limited by Guarantee)

# Company Information

LHC Procurement Group Limited  
(A Not-for-Profit Company Limited by Guarantee)

## Board of Directors

The LHC Procurement Group (LHCPG) Board of Directors manage governance and support the executive team with the compliant operation of the business. This adds to the robust internal processes already embedded within the organisation, through the review of performance and areas such as audit and risk.

Over half of LHCPG’s Board of Directors are appointed by bodies governed by public law. This structure grants central purchasing body and contracting authority status in accordance with the Public Contracts Regulations 2015 and Public Contracts (Scotland) Regulations 2015.

## Interim Chair

Laurie Carberry

## Interim ARC Chair

Neil Robert Perrins

## Executive Directors

Clive Edward Feeney  
Jennifer Castle

## Non-Executive Directors

Craig Anthony Glasper (appointed 1 October 2024)  
Kathryn Anne Stevens  
Martin Andrew Ford (appointed 1 October 2024)  
Nile John Istephan  
Paul Simon Read

Conan William Thomas Mckinley (resigned 15 April 2024)  
Kate Meredith (appointed 15 April 2024, resigned 13 March 2025)  
Mandy Dawn Clarke (resigned 11 April 2025)  
Nicholas James Abbott (resigned 13 April 2025)  
Simon Philip Wilson (resigned 9 April 2025)  
Thomas Joseph Cadwallader (resigned 13 June 2024)

## Registered number

14601330

## Registered office

2 Vine Street | Uxbridge | UB8 1QE

## Independent auditor

Crowe U.K. LLP | R+ Building | 2 Blagrove Street | Reading | Berkshire | RG1 1AZ

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For almost **60 years**, we have been working to deliver technical excellence and social impact to the public sector.

During that time, we have grown to become one of the largest construction-led framework providers to the public sector in Great Britain.

## Financial Introduction

As we look back on the past financial year, LHC Procurement Group (LHCPG) reaffirms its dedication to delivering procurement solutions that are both value-driven and socially impactful across Great Britain.

This report not only outlines our financial performance but also illustrates the real-world impact of our frameworks—helping clients stay compliant, achieve cost savings, and advance social value initiatives.

LHCPG's financial management is committed to supporting the broader mission: to improve lives and places through quality procurement solutions. Whether it's creating local job opportunities, empowering SMEs, or progressing toward net zero targets, our financial choices are purposefully aligned with our commitment to meaningful and long-lasting impact.

This report sets the stage for the year ahead—one where we aim to deepen our impact, strengthen our partnerships, and continue building with purpose.

**Vimala Jayaraman**  
CFO at LHC Procurement Group



### Compliant and accountable

LHCPG frameworks and DPSs are suitable for use by all publicly funded bodies throughout Great Britain. They are fully compliant with English, Scottish, and Welsh public procurement regulations including the Procurement Act 2023.

The major source of income is a levy on companies for supplying goods to public sector users through LHCPG frameworks. LHCPG ensures all business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically and efficiently.

All contract notices are issued by LHCPG on behalf of our regional brands.

With a strong legacy of technical expertise and trusted frameworks, we remain focused on transparency, accountability, and continuous improvement.





# 2024–2025 –A year of innovation and growth

Following the second full year of trading as an independent organisation, the business has built on successes from previous years – growing income and securing further market share through increased client engagement.

Total framework value in 2024/2025

£630m

In 2024/2025

£1.9m

assigned for Community Benefit Fund and rebates for client’s Social Value initiatives

Over the last 10 years, we have engaged with

2,371

Clients

1,358

Suppliers and Appointed Companies

Social Value evidenced in 2024/2025\*

£936,979

Projects Delivery

5,377

Total value of volunteering by staff\*

£10,033





# Delivering better buildings, homes, and communities


LHC Procurement Group offers a simple core service: to bring public sector buyers and suppliers together to build, refurbish, and maintain social housing and public property more efficiently. We offer frameworks and Dynamic Purchasing Systems (DPSSs) that are free to use for local authorities,


housing associations, and other public bodies to procure works, services, and products.


Using our frameworks offers multiple benefits to our clients, helping to create safe, secure, and sustainable homes and buildings.

- 

Enhanced flexibility
- 

Quality assurance
- 

Time saving
- 

Compliance
- 

Increased savings to drive social value projects

As a not-for-profit organisation, we are committed to ensuring that surplus from our projects is returned back to our local communities via the Community Benefit Fund and our charity partners, helping to enrich the lives of people who live within them.

Our dedicated Social Value Strategy delivers on those commitments and defines our social value priorities, which represent a clear commitment to making sure everything we do improves lives and places right across Great Britain.



**Our Mission:**

**Improving lives and places through quality procurement solutions**

**Our vision:**

**We do this through the impact of our products and services, and the social value generated through our community benefit funding and activities.**



“We are continually seeking ways to deliver on our mission of improving the lives and places of the communities in which we operate. It isn’t just a statement; it is fundamental to our existence and is the cornerstone of every idea, action, and decision we make as a business.”

Clive Feeney, MloD, MloL, Group CEO  
at LHC Procurement Group

**Evolving operations and growing our business**

Our origins were born out of a need for greater collaboration and cooperation between local authorities and the construction sector. Founded in 1966, the goal of LHC was to establish ‘social and technical standards’. This remains a fundamental part of our DNA today, and the driving force of our mission.

LHC Procurement Group is now a Company Limited by Guarantee, formed in 2023 following the transfer of ownership from the London Borough of Hillingdon. We still retain the heritage of the last 60 years, coupled with the desire to drive innovation and find new ways to support the market and our communities in an ever-changing space.



# Demonstrating our excellence

In November 2024, we were extremely proud to have achieved Gold Standard Verification via the Constructing Excellence Constructing the Gold Standard Verification Scheme, having met 24 rigorous recommendations. We are one of only six framework providers – out of more than 2,000 – to reach this standard, and the only one to implement it nationwide across five regions.

Endorsed by the UK government and rooted in the Construction Playbook recommendations, the verification scheme establishes benchmarks for

frameworks that drive improved value, reduced risk, and support sustainable, safer project outcomes.

As a verified organisation, our public sector clients experience enhanced project support, focused community impact, improved collaboration across supply chains, and long-term cost savings, all underpinned by best practices in transparency, sustainability, and social value.

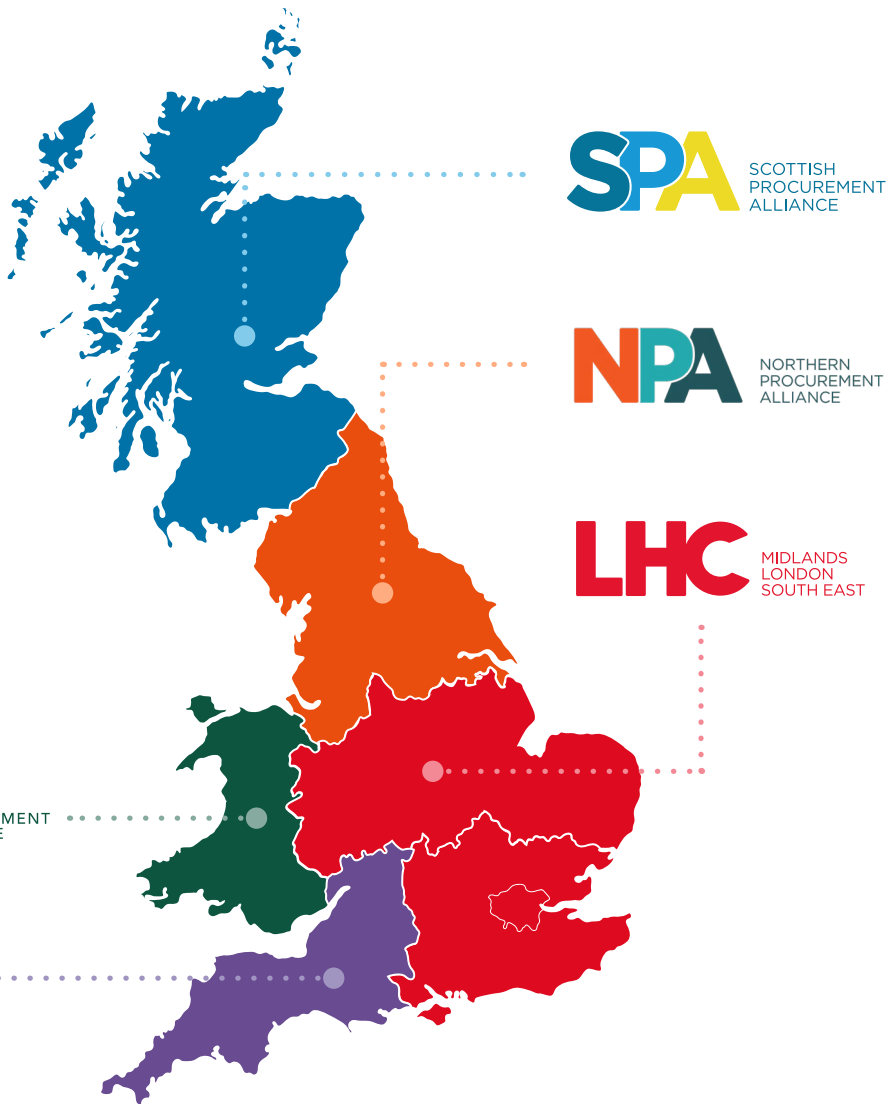


## Regional approach with a local focus

We operate through Great Britain with five regional business across England, Scotland, and Wales.

We pride ourselves on shaping our solutions around the needs of our local communities and the people within them.

With over 60 years of national knowledge, we are able to implement that at a local level, supported by centrally based Technical and Procurement Teams.



# Positive impact through social value

Social value is delivered in everything we do, focusing on local need and developing key partnerships and initiatives to create longer-term impact across our regions. As a not-for-profit organisation, surplus from the total value of all

procurements undertaken is returned back to our communities via the community benefit schemes and distributed with our charity partners: Locality, Intel Trust, and Community Foundation Wales.



Each year approximately £1 million is being invested in community projects, which are assessed with regard to the benefits achieved, monetary investment, and the social impact they have on wider communities.

Our regional teams work in close partnership with these organisations to manage and deliver our Community Benefit Fund, enabling our Committee Members to apply for funding to support charitable causes, activities, groups and projects.

In 2024, and in partnership with HACT, we launched our Social Value Strategy as a commitment to go above cost and compliance and make real, long lasting, positive impacts. We identified three key priority areas where we will support and deliver:

- |    |                      |
|----|----------------------|
| 1. | Individual Wellbeing |
| 2. | Planet & Environment |
| 3. | Social Mobility      |

“Social Value is a measure of the wider benefits provided to individuals and communities. We make sure that every pound spent through our frameworks delivers more impact, more jobs, more skills, and more support for communities with sustainable and long-lasting outcomes.”



**George Stevens**  
Director of Communities  
at LHC Procurement Group





# Positive impact through social value

## London Borough of Hounslow: Dashwood Court



### About the project

Dashwood Court, in the London Borough of Hounslow, offers a supportive residential environment of 38 self-contained flats for older people. Constructed in the 1980s, Dashwood Court was designed for independent tenants aged 55 plus who need a little support. Throughout the building’s life, there had been significant investment from Green Hill Housing Association; however, some areas remained in need of modernisation. Communal hallways, carpets, heating, and lounges all needed attention and a refresh.

Green Hill Housing Association applied for a grant to refurbish the large communal lounge and adjoining kitchen, making it a more pleasant space for residents to come together, meet, and engage in social activities. They also used their grant to purchase new furniture to complete the lounge room makeover.

Prior to the refurbishment, social activities at Dashwood Court were limited to coffee mornings and bingo, with occasional day trips. The Residents Association gathered what residents would like and organised activities; however there was not much variety, and the available activities did not reflect the range of interests held by tenants.

Tenants found life lonely, with family and friends not always nearby or readily available to visit. For some, the garden and lounge were the only two spaces that provided an opportunity to leave their self-contained flats. However, residents found the lounge undesirable and did not wish to spend time there.

With limited funds and mobility issues, making the communal space at Dashwood Court more homely, inviting, and a place of tenant activity became a priority.

### Mission

Through conversations with tenants, the local authority, and partner community groups, it was found that there would be more appetite to run community programmes in the communal lounge if the space was more inviting.

With a refreshed lounge space, there were exciting possibilities of yoga, arts and crafts, intergenerational activities through school visits, movie nights, and the chance to develop and share cooking skills and meals if the kitchen was upgraded.

The refurbishment was completed in January 2025, and since then, the lounge and kitchen have seen a new lease of life, with activities held five days each week.

### Looking ahead

The Local Service Manager explained that prior to the refurbishment, the lounge was dark and gloomy with old furniture, and no one wanted to sit there. By giving tenants choice over the sofa, walls, and other furniture colour scheme, we encouraged their participation.

Tenants now feel good about the space, want to use it, and enjoy it. Inviting tenants into the communal lounge means tenants can make new friends and enhance the sense of community in Hounslow.

In the twelve months before the refurbishment, there were 122 activities, which attracted 1,048 attendees over a year. Since the refurbishment was completed in January, to date, the total number of activities held has been 72, and the total number of participants has been 580.

### Social impact area 1:

Dashwood Court is now a place to gather, socialise, learn and stimulate mental and physical wellbeing by using memory and cognitive skills with games and friendly interaction.

### Social impact area 2:

The grant has further enabled the Housing Association to put residents at the heart of participation by sharing their views on refurbishing the space with an interior designer. When the designer heard about the intention to run tenant-led jewellery making, she donated wires to the group for their activities. Hounslow’s community is diverse in terms of ethnicity,

religion, and background, and Dashwood Court is a place for multi-faith celebrations, including and not limited to Christmas, Easter, Diwali, and Eid.

### Social impact area 3:

Activities in the lounge that had been funded by Hounslow Council and had previously ended, such as the soup making kitchen, have since been taken forward by the residents themselves.

Tenants have shown an enthusiastic level of initiative and there is a genuine sense of community and a desire to include fellow residents, particularly those who have not yet come to the lounge.

By revitalising a tired, worn space and making it appealing, residents’ wellbeing has been improved. Tenants reported feeling less lonely and expressed how they now communicate with each other, relax more together, and enjoy company because the lounge environment has been transformed. Mohamed made clear, ‘When we come here, we are not lonely. We sing, we laugh, we joke.’

Amount secured:  
**£5,000**



# Y Enterprise – Investing in Ambition: Sparking Enterprise in Young Lives



“The schools group I have taken part in has been really great for me and has really built up my confidence and my ability to speak in front of people.”

Alice  
Y Enterprise learner

With support from the SPA Community Benefit Fund, **YMCA Tayside** launched the Y Enterprise pilot — a creative entrepreneurship programme aimed at 14-year-olds disengaging from mainstream education in Perth and Kinross.

Research conducted in partnership with Perth and Kinross Council identified that age 14 is a critical point at which young people often begin to disengage from school, highlighting a clear need for early, positive intervention to help redirect their trajectories.

### Delivery

Backed by a £10,000 grant, the project provided a hands-on, flexible learning environment where young people explored business skills, developed their own ventures, and pitched ideas to local business leaders. The programme nurtured confidence, life skills, and aspiration, with successful pitches earning seed funding to bring their ideas to life.

### Impact

The Y Enterprise pilot has delivered meaningful outcomes across multiple levels:

- For individuals it built confidence, sparked creativity, and provided a platform to develop practical skills and accredited qualifications. Participants reported renewed motivation and a sense of ownership over their learning, many for the first time.

- For the community, the project contributed to early intervention efforts that reduce the risk of long-term unemployment and social exclusion. It fostered community spirit and encouraged charitable giving from the young people themselves.
- For wider society, initiatives like this contribute to a stronger, more resilient future workforce, help tackle inequality, and reduce pressure on education and support services.

Through its backing of YMCA Tayside, the SPA Community Benefit Fund has helped shape a programme with the potential to transform lives and empower young people to re-engage with their futures.

Beyond individual growth, the initiative supports early intervention, prevents school drop-out, and contributes to stronger communities and a future-ready workforce. It's a clear example of how targeted investment in youth development can create lasting social and economic value for individuals and society.



Additional outcome areas positively impacted – **Increased confidence, Improved mental health, educational attainment**

Indicative Social Value delivered:  
**£41,247\***

*\*Indicative value using HACT metrics*

# Driving a Greener Future

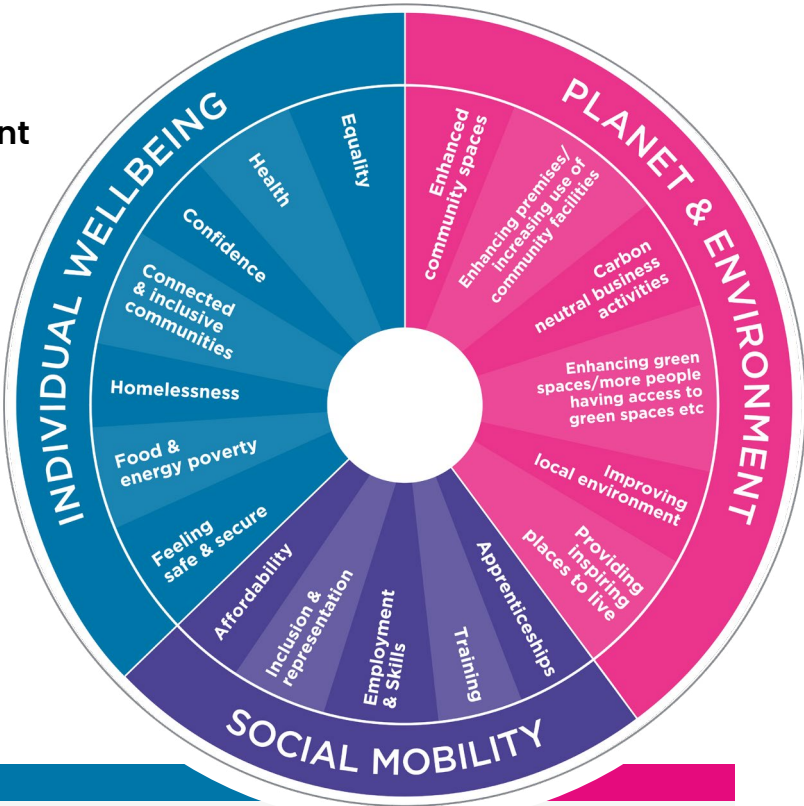


The Green Skills Advisory Panel is a collaborative initiative designed to support the development of the skills and knowledge needed to deliver the UK’s net zero and sustainability ambitions, particularly within South West Procurement Alliance (SWPA) client base and the built environment in the public sector.

By bringing together employers, educators, industry experts, and public bodies, the panel helps identify current skills gaps, shape training priorities, and steer investment into the green workforce of tomorrow.

Aligning training with future needs helps ensure that public investment in green infrastructure delivers maximum impact — socially, economically, and environmentally.

SWPA’s support ensures the Green Skills Advisory Panel stays rooted in real-world demand helping align procurement, employment, and training systems to deliver a greener, more resilient South West.



### SWPA impact:

#### Social Mobility

Help shape training content for retrofit and decarbonisation initiatives aligned with SWPA frameworks

#### Individual Wellbeing

Drives better understanding among framework users of green workforce challenges and opportunities, facilitating direct engagement between suppliers and training providers to co-design relevant green skills programmes for better outcomes

#### Planet & Environment

Accelerates progress toward net zero housing and infrastructure



# Strategic report for the year ended 31 March 2025

LHC Procurement Group Limited was formed on 18 January 2023 as a company limited by guarantee, but has been in existence since 1966 as part of the London Borough of Hillingdon (LBH).

LHC Procurement Group (LHCPG or The Group) delivers a simple core service, nationally. We bring buyers and suppliers together to build, refurbish and maintain social housing and public property more efficiently and cost effectively, and to benefit the local community. Created for local authorities, social landlords, and other public sector bodies.

As a not for profit organisation, we return any surplus to our associate partners to improve social value outcomes in accordance with our vision ‘improving lives and places through quality procurement solutions’.

The major source of income is a levy for supplying goods to users through the LHC arrangements. Revenue surpluses are distributed towards delivering tangible social value and community benefits in meeting local and regional needs. LHCPG works with clients and appointed companies to ensure that wherever possible projects delivered using our Frameworks leave a social legacy improving the economic, social, and environmental wellbeing of individuals and communities.



“ LHCPG continues to grow and innovate whilst ensuring we deliver on our core principles. We will always remain committed to offering quality procurement solutions that deliver better and brighter outcomes for the people who live and work in the communities in which we operate. ”

Clive Feeney, MloD, MloL, Group CEO  
at LHC Procurement Group

## Principal risks and uncertainties

Our Risk Management Framework

LHCPG takes a holistic approach to risk management, assessing principal risks at group and business unit level, and subsequently consolidating those principal risks into a Group view. In 2024-25, an updated Risk Framework and policy was launched in tandem with Business Assurance Framework.

This risk management structure is depicted below:



Our risk management methodology is aimed at identifying the principal risks that could:

- ( i ) adversely impact the safety or security of the Group’s employees, customers, and assets;
- ( ii ) have a material impact on the financial or operational performance of the Group;
- ( iii ) impede achievement of the Group’s strategic objectives and financial targets; and/or
- ( iv ) adversely impact the Group’s reputation or stakeholder expectations.

As at the end of the year, risks were assessed under financial, regulatory, people, and technology. There were no net, post mitigated risks, that exceeded the Group’s risk appetite threshold.

### Financial key performance indicators

In 2024/25 LHC Procurement Group Limited generated an operating surplus of £2,808,015. The board members approved total distributions of £1,845,641.

	2025 £	2024 £
Income	11,148,150	10,331,008
Net operating surplus before distributions	2,808,015	3,564,204
Community benefit fund distributions/rebates	1,845,641	1,524,134
Net surplus for the year	320,236	1,053,380

### Directors’ statement of compliance with duty to promote the success of the Company

The directors have a duty to promote the success of the company and this relies on all operations running smoothly and with the support of all stakeholders. We understand the capabilities and opinions of the different stakeholders and ensure there is effective communication between the stakeholders and the leadership teams to ensure any stakeholder concerns are addressed.

This report was approved by the board on Thursday 31st July 2025 and signed on its behalf.

C. Feeney

Clive Edward Feeney  
Director



# Director’s report

## for the year ended 31 March 2025

The board members are also the directors of the company and are herein referred to as ‘board members’.

The board members present their report and the financial statements for the year ended 31 March 2025.

### Directors’ responsibilities statement

The board members are responsible for preparing the Strategic Report, the Directors’ Report and the financial statements in accordance with applicable law and regulations.

Company law requires the board members to prepare financial statements for each financial year. Under that law the board members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’. Under company law the board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies for the Company’s financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions

and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Board members

The board members who served during the year were:

**Interim Chair**  
**Laurie Carberry**

**Interim ARC Chair**  
**Neil Robert Perrins**

**Executive Directors**  
**Clive Edward Feeney**  
**Jennifer Castle**

**Non-Executive Directors**  
**Nile John Istephan**  
**Paul Simon Read**  
**Kathryn Anne Stevens**  
**Craig Anthony Glasper**  
(appointed 1 October 2024)  
**Martin Andrew Ford**  
(appointed 1 October 2024)  
  
**Nicholas James Abbott**  
(resigned 13 April 2025)  
**Thomas Joseph Cadwallader**  
(resigned 13 June 2024)  
**Mandy Dawn Clarke**  
(resigned 11 April 2025)  
**Conan William Thomas Mckinley**  
(resigned 15 April 2024)  
**Simon Philip Wilson**  
(resigned 9 April 2025)  
**Kate Meredith**  
(appointed 15 April 2024, resigned 13 March 2025)

### Future developments

The business operates in line with a Board approved 3 year business plan which identifies opportunities for growth, aligned with strong financial management.

Progress against the plan is monitored regularly by Senior Executive Team and the Board to ensure organisational agility to deliver its strategic objectives.

### Disclosure of information to auditor

Each of the persons who are board members at the time when this Directors’ Report is approved has confirmed that:

This report was approved by the board on Thursday 31st July 2025 and signed on its behalf.



**Clive Edward Feeney**  
**Director**

- so far as the board member is aware, there is no relevant audit information of which the Company’s auditor is unaware, and
- the board member has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.



# Independent auditor’s report to the members of LHC Procurement Group Limited

## Opinion

We have audited the financial statements of LHC Procurement Group Limited (the ‘Company’) for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditor’s Report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors’ Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of directors

As explained more fully in the Directors’ Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.





Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor’s Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant UK taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non compliance and cannot be expected to detect non compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor’s Report.

Use of our report

This report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an Auditor’s Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

THIS REPORT HAS NOT BEEN SIGNED

Alastair Lyon (Senior Statutory Auditor)

for and on behalf of  
Crowe U.K. LLP

Statutory Auditor

R+ Building  
2 Blagrove Street  
Reading  
Berkshire  
RG1 1AZ  
Date:

Statement of comprehensive income for the year ended 31 March 2025

	Note	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Income		11,148,150	10,331,008
Administrative expenses		(8,340,135)	(6,766,804)
Community benefit fund distributions/rebates	4	(1,845,641)	(1,524,134)
Operating surplus	5	962,374	2,040,070
Interest receivable and similar income		308,388	76,774
Retirement benefits net finance cost	8	(57,000)	(108,000)
Surplus before tax		1,213,762	2,008,844
Tax on surplus	9	(893,526)	(955,464)
Surplus for the financial year		320,236	1,053,380
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme	19	2,058,000	955,000
Pension surplus not recognised	19	(975,000)	-
Recognition of deferred tax on transfer of net assets	16	-	555,444
Other comprehensive income for the year		1,083,000	1,510,444
Total comprehensive income for the year		1,403,236	2,563,824

The notes on pages 28 to 41 form part of these financial statements.



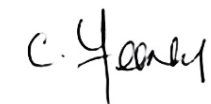
# Balance sheet

## as at 31 March 2025

Registered number: 14601330

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Intangible fixed assets	10	214,047	56,817
Tangible fixed assets	11	101,222	136,197
		<b>315,269</b>	<b>193,014</b>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	12	-	358,586
Debtors: amounts falling due within one year	12	2,475,150	2,367,922
Cash at bank and in hand	13	14,925,398	14,328,970
		17,400,548	17,055,478
Creditors: amounts falling due within one year	14	(3,908,779)	(3,546,614)
		<b>13,491,769</b>	<b>13,508,864</b>
<b>Net current assets</b>		<b>13,491,769</b>	<b>13,508,864</b>
<b>Total assets less current liabilities</b>		<b>13,807,038</b>	<b>13,701,878</b>
<b>Provisions for liabilities</b>			
Deferred tax	16	(36,924)	-
Pension liability	19	-	(1,335,000)
Net assets		13,770,114	12,366,878
<b>Capital and reserves</b>			
Pensions reserves	17	-	(1,335,000)
Income and expenditure account	17	13,770,114	13,701,878
		<b>13,770,114</b>	<b>12,366,878</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Thursday 31st July 2025, on its behalf.



**Clive Edward Feeney**  
Director

The notes on pages 28 to 41 form part of these financial statements.

# Statement of changes in equity

## as at 31 March 2025

	Pensions reserve £	Income and expenditure account £	Total equity £
<b>At 18 January 2023</b>	-	-	-
<b>Comprehensive income for the period</b>			
Transfer of reserves from LHC on 1 April 2023	(2,366,000)	12,169,054	9,803,054
Surplus for the period	-	1,053,380	1,053,380
Pension reserve movement	1,031,000	(1,031,000)	-
<b>Other comprehensive income for the period</b>			
Actuarial gains on pension scheme	-	955,000	955,000
Recognition of deferred tax on transfer of net assets	-	555,444	555,444
<b>At 1 April 2024</b>	(1,335,000)	13,701,878	12,366,878
<b>Comprehensive income for the year</b>			
Surplus for the period	-	320,236	320,236
Pension reserve movement	2,310,000	(2,310,000)	-
<b>Other comprehensive income for the year</b>			
Actuarial gains on pension scheme	-	2,058,000	2,058,000
Pension surplus not recognised	(975,000)	-	(975,000)
<b>At 31 March 2025</b>	-	<b>13,770,114</b>	<b>13,770,114</b>

The notes on pages 28 to 41 form part of these financial statements.



# Statement of cash flows

## for the year ended 31 March 2025

	2025 £	2024 £
<b>Cash flows from operating activities</b>		
Surplus for the financial year	320,236	1,053,380
<b>Adjustments for:</b>		
Amortisation of intangible assets	71,314	123,934
Depreciation of tangible assets	96,057	97,270
Interest received	(308,388)	-
Taxation charge	893,526	955,464
(Increase)/decrease in debtors	(107,228)	54,837
Increase in creditors	585,568	617,306
(Decrease) in net pension assets/liabs	(252,000)	(76,000)
Corporation tax (paid)/received	(721,419)	-
<b>Net cash generated from operating activities</b>	<b>577,666</b>	<b>2,826,191</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(228,544)	(75,756)
Purchase of tangible fixed assets	(61,082)	(89,245)
Interest received	308,388	-
Net transfer of cash and cash equivalents from LHC	-	11,667,780
<b>Net cash from investing activities</b>	<b>18,762</b>	<b>11,502,779</b>
<b>Net increase in cash and cash equivalents</b>	<b>596,428</b>	<b>14,328,970</b>
Cash and cash equivalents at beginning of year	14,328,970	-
Cash and cash equivalents at the end of year	14,925,398	14,328,970
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	14,925,398	14,328,970

The notes on pages 28 to 41 form part of these financial statements.

# Analysis of net debt

## for the year ended 31 March 2025

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	14,328,970	596,428	14,925,398
	<b>14,328,970</b>	<b>596,428</b>	<b>14,925,398</b>

The notes on pages 28 to 41 form part of these financial statements.



# Note to the financial statements

## for the year ended 31 March 2025

### 1 General information

LHC Procurement Group Limited is a private company limited by guarantee and incorporated in England and Wales under the Companies Act. The address of the registered office is 2 Vine street, Uxbridge, England, UB8 1QE.

LHC Procurement Group Limited provides a specialist technical service and procurement arrangements for the public sector. The major source of income is a levy on companies for supplying goods to public sector users through the LHC arrangements. Revenue surpluses are shared between members on a formula basis.

### 2 Accounting policies

#### 2.1 Basis of preparation of financial statements

LHC Procurement Group Limited was formed on 18 January 2023 as a company limited by guarantee. The operations and assets were transferred into the company on 1 April 2023 from unincorporated LHC as part of the London Borough of Hillingdon. Comparative figures therefore relate to the period from incorporation on 18 January 2023 to 31 March 2024.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Income

The major source of income is the component levy, which is based on sales by LHC appointed companies to participating bodies in the financial period.

### 2.3 Going concern

The company has prepared forecasts for a period of at least 12 months from the date of signing these financial statements, which indicate that the company can trade within current cash facilities for the foreseeable future.

The board members therefore conclude that it is appropriate to continue to apply the going concern basis of preparation.

### 2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

### 2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 2.6 Pensions

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation.

The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

### 2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.



2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Fixtures & fittings	25%
Office equipment	25%
Computer equipment	25%

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments with varied maturity from date of acquisition and that are readily convertible to known amounts of cash with no risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company’s cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal.

The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss).

When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non current liabilities.

Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.



3 Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. A key source of estimation uncertainty relates to the valuation of the defined benefit scheme. Determining the value of future defined benefit obligations requires the use of certain assumptions including inflation rates, pension increases and mortality rates, among others. These assumptions are applied on the advice of an independent actuary.

4 Community benefit fund distributions/rebates

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Constituent members Community Benefit Funds	30,471	33,539
Associate Members Community Benefit Funds	1,130,170	1,010,595
Governance Community Benefit Funds	210,000	180,000
SPA Community Benefit Funds	135,000	130,000
WPA Community Benefit Funds	80,000	80,000
SWPA Community Benefit Funds	80,000	60,000
LSE Community Benefit Funds	100,000	30,000
CPC Community Benefit Funds	80,000	-
	1,845,641	1,524,134

5 Operating surplus

The operating surplus is stated after charging:

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Research & development charged as an expense	-	7,650
Depreciation of tangible fixed assets	96,057	97,270
Amortisation of intangible assets	71,314	123,934
Operating lease rentals	263,215	201,428
Fees payable to the Company’s auditor for the audit of the company’s annual accounts	21,650	19,695
Fees payable to the Company’s auditor for tax compliance services	19,500	-
Defined benefit pension cost	580,802	408,593

6 Employees

Staff costs, including directors’ remuneration, were as follows:

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Wages and salaries	4,413,027	3,644,286
Social security costs	507,177	408,593
Staff pension costs	580,802	733,811
	5,501,006	4,786,690

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 March 2025 No.	18 January 2023 to 31 March 2024 No.
Employees	75	67

7 Directors’ remuneration

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Directors’ emoluments	236,065	271,034
	236,065	271,034

The highest paid director received remuneration of £156,656 (2024 - £153,678).

The value of the Company’s contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £34,409 (2024 - £33,730).

8 Other finance costs

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Net interest on net defined benefit liability	57,000	108,000
	57,000	108,000

9 Taxation

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Corporation tax		
Current tax on surplus for the year	498,016	758,606
Total current tax	498,016	758,606
Deferred tax		
Origination and reversal of timing differences	373,510	196,858
Adjustments in respect of previous periods	22,000	-
Total deferred tax	395,510	196,858
Tax on surplus	893,526	955,464

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2024 - higher than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	Year ended 31 March 2025 £	18 January 2023 to 31 March 2024 £
Profit on ordinary activities before tax	1,213,762	2,008,844
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	303,441	502,211
Effects of:		
Fixed asset differences	1,361	26,249
Expenses not deductible for tax purposes	295,974	188,254
Adjustments to tax charge in respect of prior periods	22,000	-
Timing differences	514,500	238,750
Other permanent differences	(243,750)	-
Total tax charge for the year/period	893,526	955,464

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10 Intangible assets

	Development expenditure £	Total £
Cost		
At 1 April 2024	495,736	495,736
Additions	228,544	228,544
At 31 March 2025	724,280	724,280
Amortisation		
At 1 April 2024	438,919	438,919
Charge for the year on owned assets	71,314	71,314
At 31 March 2025	510,233	510,233
Net book value		
At 31 March 2025	214,047	214,047
At 31 March 2024	56,817	56,817

11 Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2024	531,936	48,817	432,889	1,013,642
Additions	5,306	-	55,776	61,082
At 31 March 2025	537,242	48,817	488,665	1,074,724
Depreciation				
At 1 April 2024	477,883	47,157	352,405	877,445
Charge for the year on owned assets	51,055	553	44,449	96,057
At 31 March 2025	528,938	47,710	396,854	973,502
Net book value				
At 31 March 2025	8,304	1,107	91,811	101,222
At 31 March 2024	54,053	1,660	80,484	136,197



12 Debtors

	2025 £	2024 £
<b>Due after more than one year</b>		
Deferred tax asset	-	358,586
	-	<b>358,586</b>
<b>Due within one year</b>		
Trade debtors	1,011,383	837,779
Other debtors	6,754	6,754
Prepayments and accrued income	1,457,013	1,523,389
	<b>2,475,150</b>	<b>2,367,922</b>

13 Cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	14,925,398	14,328,970
	<b>14,925,398</b>	<b>14,328,970</b>

14 Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	365,825	247,663
Corporation tax	535,203	758,606
Taxation and social security	498,172	331,901
Other creditors	-	3,300
Accruals and deferred income	2,509,579	2,205,144
	<b>3,908,779</b>	<b>3,546,614</b>

15 Financial instruments

	2025 £	2024 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>17,041,780</b>	<b>16,390,635</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(2,875,404)</b>	<b>(2,456,108)</b>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

16 Deferred taxation

	2025 £
At beginning of year	358,586
Charged to profit or loss	(395,510)
<b>At end of year</b>	<b>(36,924)</b>

The deferred tax asset is made up as follows:

	2025 £	2024 £
Fixed asset timing differences	(36,924)	(48,254)
Short term timing differences – Pensions	-	333,750
Short term timing differences – Distributions/rebates	-	73,090
	<b>(36,924)</b>	<b>358,586</b>

17 Reserves

Pension reserves

Cumulative gains (or losses) on pension scheme.

Income and expenditure account

Income and expenditure is the cumulative surplus (or deficit) from the operations of the company, after taxation.

18 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

19 Pension commitments

The Company operates a Defined Benefit Pension Scheme.

LHC has employees with pensions in the London Borough of Hillingdon pension fund. The fund is administered in accordance with the Local Government Pension Scheme regulations 1997 as amended. The scheme is funded, meaning that both the employers and employees pay contributions into a fund. These contributions are calculated at a level intended to balance the pension liabilities with the investment assets. A formal actuarial valuation was undertaken as at 31 March 2025 by Hymans Robertson, an independent firm of actuaries.

Financial Reporting Standard (FRS) 102 requires LHC to recognise the cost of retirement benefits in the net cost of services when employees earn them, rather than when the benefits are eventually paid as pensions. It also requires the fund’s assets to be reported at their bid price as at the date of disclosure. This will inevitably lead to significant levels of variation from year to year in the value of the net pension asset or liability based on the short term fluctuation in the value of the fund’s assets, particularly that proportion held in equity type investments.

Under statute the charge to the Statement of Comprehensive Income (SOCi) is still based on the cash payable to the pension fund in the year, so the retirement benefits costs charged under FRS 102 are reversed out of the SOCi as a contribution from the pension reserve. For 2024/25 FRS 102 entries were calculated by external actuaries, Hymans Robertson.

Reconciliation of present value of plan liabilities:		
	2025	2024
	£	£
At the beginning of the year	10,668,000	-
Transfer on incorporation	-	10,091,000
Current service cost	582,000	566,000
Interest cost	530,000	491,000
Actuarial gains	(2,086,000)	(413,000)
Contributions by members	273,000	204,000
Benefits paid	(319,000)	(271,000)
Due within one year	9,648,000	10,668,000
	2025	2024
	£	£
Fair value of plan assets	9,648,000	9,333,000
Present value of plan liabilities	(9,648,000)	(10,668,000)
Net pension scheme liability	-	(1,335,000)

The amounts recognised in income and expenditure are as follows:

	2025	2024
	£	£
Current service cost	582,000	566,000
Net finance costs	57,000	108,000
Total	639,000	674,000

Reconciliation of fair value of plan assets were as follows:

	2025	2024
	£	£
Opening fair value of scheme assets	9,333,000	-
Transfer on incorporation	-	7,725,000
Assets distributed on settlements	473,000	383,000
Contributions by employer	891,000	750,000
Contributions by scheme participants	273,000	204,000
Gain/ (Loss) on asset return	(28,000)	542,000
Benefits paid	(319,000)	(271,000)
Effects of asset ceiling	(975,000)	-
	9,648,000	9,333,000

The Company expects to contribute £942,000 to its Defined Benefit Pension Scheme in 2026.

Analysis of the amounts recognised in other comprehensive income:

	2025	2024
	£	£
Gain/ (Loss) on asset return	(28,000)	542,000
Actuarial gains/(losses)	2,086,000	413,000
Derecognition of pension surplus	(975,000)	-
	1,083,000	955,000



19 Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2025	2024
	%	%
Equities	55	54
Bonds	26	27
Properties	14	14
Cash	5	5
	100	100

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025	2024
	%	%
Discount rate	5.80	4.85
Future salary increases	3.25	3.25
Rate of increases of pensions payment	2.75	2.75

Assumes life expectations on retirement age 65:

	2025	2024
	%	%
Retiring today – males	23.2	23.3
Retiring today – females	24.8	24.9
Retiring in 20 years – males	23.7	23.8
Retiring in 20 years – females	25.4	25.4

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2025	2024	2023	2022	2021
	£000	£000	£000	£000	£000
Defined benefit obligation	(9,648)	(10,668)	(10,091)	(12,015)	(11,451)
Scheme assets	9,648	9,333	7,725	7,777	6,252
	-	(1,335)	(2,366)	(4,238)	(5,199)
Experience adjustments on scheme liabilities	(28)	542	(893)	500	749
Experience adjustments on scheme assets	2,086	413	3,215	902	(2,359)

22 Commitments under operating leases

At 31 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025	2024
	£	£
Not later than 1 year	110,865	130,865
Later than 1 year and not later than 5 years	332,595	332,595
Later than 5 years	157,059	267,924
	600,519	731,384

23 Related party transactions

The various LHC Procurement Group’s frameworks under its regional trading entities have various transactions with housing associations, government departments, central government bodies, devolved administrations, and wider public sector bodies including many local authorities.

Board Members and Officers who attended LHC board meetings during the year ended 31 March 2025 were asked to declare any related party transactions during the year. The company entered into normal business transactions with the following entities:

The following appropriations were made during the year and payable within creditors at year end:

- During the year the company, in aggregate, made appropriations to associated entities with related key management personnel of £298,434 (2024: £254,272).
- At the year end the company, in aggregate, owed £298,434 (2024: £254,272) to associated entities with related key management personnel



PROCUREMENT GROUP

**Improving lives and places  
through quality procurement solutions**

For more information about the LHCPG Community Benefit Fund and its future plans, please  
visit our social value webpage at: [www.lhcprocure.org.uk/social-value/](http://www.lhcprocure.org.uk/social-value/)  
or contact us at [info@lhcprocure.org.uk](mailto:info@lhcprocure.org.uk)

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