Clara Pensions Group Limited

Annual Report and Accounts

For the year ended 31 December 2025

Contents of the Consolidated Financial Statements

Company information

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P R Dixon
S J Groves
R Singhal
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S True
D T M Young
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Secretary:

V Moss

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Chairman's statement

As the leading innovator in the pensions consolidation field and the only organisation permitted by The Pensions Regulator to accept scheme transfers, Clara has continued to grow during 2025.

Our Member First philosophy is our driving force. During the year, we were pleased to see that the 21,000 members who have transferred into Clara benefited from greater security, not only from the additional capital supporting their schemes, but from the stewardship of our independent board of trustees who increased the technical provisions funding levels during the year.

While Clara continues to make progress, we could do so much more within a more supportive legislative environment. We therefore welcome the passage through Parliament of the Pension Schemes Bill which will place superfunds on a statutory footing and provide greater clarity and confidence for trustees and sponsors. Drawing on four years of practical experience, Clara has engaged constructively with both The Pensions Regulator and the Department for Work and Pensions to share insights on how the framework can operate effectively in practice. We were particularly pleased to see the simplification of the Onboarding Provisions for new schemes.

"A clear, stable and proportionate regulatory framework will be essential to the continued development of the consolidation market"

A clear, stable and proportionate regulatory framework will be essential to the continued development of the consolidation market. It is important that this framework supports innovation in practice, accommodates different models, and maintains consistently high standards of member protection. In this context, we are encouraged that Clara's approach, focused on providing a bridge to buy-out, continues to be recognised as a robust and low-risk approach within the evolving landscape.

On behalf of the Board, I would like to thank all of our staff who go the extra mile on behalf of our members and bring to bear their full talents and expertise to build our business. I would also like to thank my fellow Board colleagues for their continued support and their constructive challenge, and our investors whose patient capital underpins the Clara proposition.

Lawrence Churchill CBE
Chairman

Foreword from the CEO

This time last year, I wrote that Clara had welcomed members from 3 schemes, with the third of those groups, from the Wates Pension Fund, joining us just after the end of our 2024 financial year. We had demonstrably begun to show that consolidation could work in practice. Twelve months on, we have continued to build on those foundations.

Our purpose remains unchanged. The security of our members' pensions is, and will always be, our guiding priority. Over the past year we have welcomed further members into Clara and strengthened our platform, ensuring that we are well placed to support schemes on their journey to buy-out. As our in-force population grows, so too does our experience, resilience and capability as an organisation.

Clara today is more established, more experienced, and more operationally robust than ever before. We continue to invest in our people, systems, and governance to support our growing membership and pathway to profitability in line with our business plan. Interest in consolidation remains strong and our pipeline reflects increasing engagement from trustees and sponsors seeking credible, well-regulated endgame solutions.

Alongside this operational progress, we have seen important developments in the policy environment. The Pension Schemes Bill, which will place superfunds on a permanent legislative footing once enacted, represents a significant step forward.

> "The security of our members' pensions is, and will always be, our guiding priority."

A clear and enduring statutory framework will provide greater certainty for trustees, sponsors, and investors alike. We will continue to operate under the current regime until that point, but the direction of travel towards a stable and well-defined consolidation market is welcome.

The broader market is also evolving. We have already seen one, and expect to see further new entrants into the superfund space, reflecting growing recognition that consolidation has an established role within the defined benefit landscape. We welcome this development. A competitive market, underpinned by robust regulatory standards, should strengthen confidence in the model and support its long-term sustainability.

Clara was founded to provide a bridge to buy-out and to improve member outcomes. That ambition remains constant. Our focus is to lead by example, combining discipline, innovation, and a steadfast commitment to putting members first, as consolidation becomes an increasingly integral part of the pensions system.

Simon True
Chief Executive Officer

Group Strategic Report

The Directors present their Strategic Report of the Group for the year ended 31 December 2025.

Clara at a glance

Clara is the first and so-far only superfund consolidator for the more than 5,000 remaining private sector defined benefit pension schemes in the UK.[1]

We have a single objective, which is to provide a secure and certain financial future for every one of our members, and a clear focus on being Member First in doing so.

Our business acts as a bridge to buy-out for defined benefit schemes. We transfer schemes and their members from the trustees and company that currently support them, into the Clara Pension Trust. Members of a scheme will typically stay with Clara for five to 10 years before we transfer them to their long-term future with an insurer.

Clara's model uses scale to reduce costs, to improve governance and member experience, and to provide the benefit of additional capital which enhances pension security for our members.

Clara in numbers[2]

21,600 members

of whom over **13,800 are retired** and receiving their pensions from Clara[3]

£1.4 billion

in assets that we manage for these members, including **£211.5m of regulatory capital held** over and above the technical provisions

4 transactions

completed so far with the Sears (November 2023), Debenhams (April 2024), Wates Group (January 2025), and Church Mission Society (June 2025) schemes, for whose members' security Clara provided **£73.3m of new capital**

1 The Pensions Regulator report on 'Occupational defined benefit landscape in the UK 2025' published on 16 December 2025.
2 All figures as at 31 December 2025.
3 Membership numbers include dependant members in payment

Our journey so far

Clara was founded in 2017. Our goal was to offer a new option for trustees and sponsors of defined benefit pension schemes who recognised the advantages of transferring their scheme to an insurer, but couldn't yet afford to do so. Our core model, offering schemes a bridge to buy-out, was created to address this gap.

From the beginning, Clara's work has been based on the firmly held belief that any successful model of pension consolidation needs to put members first and to prioritise their security and their experience.

As a result, schemes that join Clara benefit from an injection of new capital on day one that immediately makes them more secure and increases the likelihood of pension benefits being paid in full.

Schemes that join Clara are managed in ringfenced sections of the Clara Pension Trust.

Together, these schemes benefit from Clara's scale through lower costs and increased access to investment opportunities, as well as through our strong governance model and focus on creating a strong member experience.

Schemes and their members will typically spend a period of five to 10 years with Clara before we transfer them to an insurer for the long-term.

Key milestones

2016
DB Taskforce Launched
PLSA recommends consolidation vehicles, laying the groundwork for pension superfunds

2017
Clara is Founded
Clara introduces a bridge-to-buyout model to help schemes reach an insured future.

2018
Backed by Sixth Street
Clara secures capital investment and appoints Lawrence Churchill as Chairman.

2020
TPR Issues Guidance
The Pensions Regulator outlines expectations for the operation of superfunds.

2021
First to Pass Assessment
Clara becomes the first superfund approved to transact and welcome members.

2022
New CEO Appointed
Simon True joins as CEO, bringing decades of pensions and insurance expertise.

2023
First Transaction Completed
Clara welcomes 9,600 Sears members and strengthens security with £30m capital.

2024
Debenhams Deal Finalised
10,400 members join Clara; benefits restored and £34m in capital provided.

2025
Wates Scheme Joins
Clara welcomes 1,500 members from Wates, a superfund first with an active sponsor.

2025
Pension Schemes Bill introduced
The Bill, which will put superfunds on a legislative footing, is introduced into Parliament

2025
Church Mission Society Joins
Clara welcomes 700 member from the Church Mission Society, a superfund first connected covenant transaction

Our governance

Strong, robust governance is vital to our success

Clara consists of both a company structure ("Clara Corporate") that operates our business, and a pension scheme (the "Clara Pension Trust" or the "Clara Scheme") responsible for paying members their promised pensions. We believe that this clear separation of duties is one of the key strengths of the Clara model and we have built a rigorous approach to the governance of both entities.

Clara Corporate Board

The executive team is complemented by a highly experienced Board:

- The Chairman, Lawrence Churchill CBE, is a 50-year pensions and financial services veteran. He previously served as founding chairman of the Pension Protection Fund and as chairman of the Financial Services Compensation Scheme and the National Employment Savings Trust.
- The independent non-executive directors Andrew Birrell, Steve Groves, Paul Dixon and David Young have a wide array of pensions, insurance and financial services experience, having served in both executive and non-executive roles for companies including Key Retirement Group, Guardian Assurance, Merrill Lynch, Seven Investment Management and the annuity provider, Partnership.
- Rohan Singhal and Pietro Maria Speciale are representatives of Sixth Street on the Board, bringing a wealth of pensions and insurance experience in helping young and growing companies to thrive in their markets.

Clara Pension Trust Board

Meanwhile, the Clara Pension Trust has an independent trustee board (the "**Clara Trustee**") consisting of some of the most experienced trustees and trustee organisations in the industry::

- Alan Pickering CBE is the Chair of the Clara Trustee, as well as a trustee for a number of other pension schemes. He has previously served as a non-executive director of The Pensions Regulator and as chairman of the National Association of Pension Funds, now known as Pensions UK.
- The Independent Governance Group ("IGG") and Law Debenture comprise the other members of the Clara Trustee. IGG specialises in professional pensions trusteeship and governance services for occupational pension schemes and holds over 450 scheme appointments. Law Debenture is a provider of independent pension trustees in the UK and holds over 200 scheme appointments. At present, Michael Chatterton from Law Debenture and Frank Oldham from IGG serve in this capacity.

Clara's business and its products are based firmly on the risk transfer concepts and processes already well established in the market. All transactions require Clara Corporate, the Clara Trustee, the ceding trustee, the ceding employer and their advisors to work closely together to agree that the transfer of members to Clara is in the best interests of those members.

Our Investors

Clara is principally funded by Sixth Street – a long-term, patient capital investor who supports our Member First model of consolidation and brings a wealth of knowledge and experience.

Sixth Street is a global investment firm with over $135 billion in insurance assets under advisement. The firm uses its long-term flexible capital, data-enabled capabilities and 'One Team' culture to offer solutions to companies across all stages of growth.

Sixth Street is Clara's principal and controlling shareholder and it invests alongside a small number of passive minority co-investors that share the same long-term, patient investment approach.

Our advisors and partners

Since being created in 2017, Clara has engaged a range of highly qualified advisors and partners. Each of these organisations brings their considerable expertise to bear for our members, and for the Clara business.

Third-party administrators. Clara retains several market-leading firms to provide third-party administration support. These companies provide industry insight when reviewing the current status of member data in the ceding scheme and input into any proposed data remediation plan. Clara may choose to move the administration from the existing administrator after a short transitional period and has retained **Hymans Robertson LLP** for this purpose. In addition, we work with **Broadstone, Isio** and **Barnett Waddingham** as existing administrators to schemes that have transferred into Clara.

Hymans Robertson LLP acts as scheme actuary and scheme accountant to the Clara Pension Trust. The firm provides actuarial advice and modelling, helping to ensure that we protect members' benefits and have a clear understanding of the Clara Scheme's financial position.

Van Lanschot Kempen Investment Management (UK) Limited ("VLK") acts as fiduciary manager to the Clara Trustee in relation to the Clara Scheme assets. It also provides fiduciary management services in relation to the new capital provided by Clara investors to support member security.

Lane Clark & Peacock LLP is investment advisor to the Clara Trustee in relation to the Clara Scheme assets and investment strategy.

Northern Trust Company is custodian to the Clara Trustee in relation to the Clara Scheme assets. It is also custodian in relation to the new capital provided by Clara investors.

Eversheds Sutherland (International) LLP act as independent legal advisors to the Clara Trustee, but do not advise the Clara Corporate.

CMS Cameron McKenna Nabarro Olswang LLP acts as independent legal advisors to Clara Corporate, but do not advise the Clara Trustee. This ensures a necessary separation of governance, and the ability to maintain separate interests. In this way we are able to balance the commercial aspirations of Clara Corporate and the need to fulfil the fiduciary duties of the Clara Trustee.

Sixth Street Insurance Solutions ALM, LP is part of the Sixth Street group and provides an outsourced Chief Investment Officer service, including asset/liability management services, to Clara Corporate.

About our business model

Clara's Member First Philosophy

Putting our members at the centre of everything we do is one of our core values. We exist to protect and secure their pension benefits, and ultimately to deliver our members to the gold standard of a future with an insurer.

In practice, this means that members are at the heart of every transaction and every decision we take.

Not only does this align with the regulatory guidance under which we operate, this is demonstrably the right thing to do. Furthermore, we take clear and effective communication with our members very seriously. This means ensuring that our members are kept well informed about their pension benefits and the options available to them on every step of the journey with Clara.

Reflections on Clara member experience, from Jayne Pocock, Head of Trustee Services

This past year has been a period of cementing Clara's member first practices, and I am very pleased to report that we have made significant strides in enhancing our membership's experience through a variety of communication and strategic initiatives. For instance, our members continued to receive their biannual, Section-specific editions of the Clara bulletin, keeping them informed and engaged with our activities and developments. Elsewhere, this year we issued our first Summary Funding Statements to the Sears Retail and Debenhams members, both sections have seen an improvement in their funding levels during their first year of Clara membership.

A notable highlight of the year was welcoming a further 2,100 new members with the successful transfer of two new sections, Wates, whose members joined in January, and Church Mission Society, who likewise joined in the summer. Our membership has now increased to approximately 21,600 individuals, reinforcing our commitment to secure even more pensions and supporting our growing community.

Among our membership, more than 13,000 members are currently receiving pension payments, totalling £4.5million paid across four separate payrolls each month. Delivering timely and reliable financial assistance to all our members is the most important service we provide on the journey to transferring our members' benefits to an insurance company – typically within five to 10 years.

This year, we have also undertaken a stronger focus on data-driven projects which has produced substantial benefits for members. We successfully completed several benefit remediation initiatives aimed at identifying and issuing additional payments where due. This work, completed during 2025, resulted in a further £2.3m in back-payments and interest being paid in January 2026 to the pensioner members impacted by these projects. This achievement underscores our commitment to finalising the benefit remediation projects transferred to Clara when a new section joins us; ensuring that members receive all entitlements available to them.

We also remain committed to transparent and open member communications, which is reflected in the positive feedback received from our members. We have continued to contact selected members shortly after issuing our biannual bulletins to gain feedback directly from those who have recently had an interaction with one of our administrators. These communications served not only as updates but also as a platform for addressing member queries and concerns, fostering a sense of community within the Clara Pension Trust.

Looking ahead, the Trustee will continue to prioritise member engagement and satisfaction by following our communication strategy and exploring new avenues for connection. Our commitment to enhancing the member experience will remain at the forefront of our objectives, ensuring that all members feel valued and informed as we navigate the future together.

Overall, over the past year Clara continued to deliver a member first experience for the existing and new members of our community. We anticipate and look forward to further growth and continued satisfaction among our members in the coming years

Jayne Pocock
Head of Trustee Services

How Clara works

Our sectionalised approach

The Clara Pension Trust operates as a sectionalised occupational pension scheme. This means that when a scheme transfers its members to Clara, these members and the assets supporting their security are placed into ring-fenced Sections of the Clara Scheme.

Importantly, the security of members' benefits in one Section is not diluted or compromised by the liabilities in the other Sections. This creates greater security for members, since anything that happens to one Section of the Clara Pension Trust does not impact other Sections, and is one of the key elements of our model.

Strong and dedicated capital through to buy-out

Each Section of the Clara Pension Trust is supported by ring-fenced, dedicated capital. This comprises the assets transferred to the Clara Scheme Section from the ceding scheme, alongside new capital provided on day-one by Clara investors and held as Buffer Assets.

The Buffer Assets act to replace the ceding employer's covenant and form part of the long-term, ring-fenced security of the Section. The Buffer Assets may be called upon in certain circumstances (and may need to be drawn down or otherwise accessed by the Clara Trustee) to provide support for the Section.

Under the standard Clara solution, neither profit nor capital can be returned to Clara or to our investors until the liabilities of the relevant Section (i.e., the Section members' benefits) have been secured via a buy-out with an insurer.[4]

Clara aims to achieve buy-out with an insurer between five to 10 years after a scheme's members join Clara.

4 TPR updated the superfund guidance in July 2024 to permit the release of surplus capital prior to buy-out, provided that the regulatory capital was in excess of 133% of the minimum capital requirement. Clara's first 4 transactions do not allow any capital release ahead of buy-out.

Benefits of scale

As a consolidation vehicle, we aim to realise the benefits of scale for the members that join Clara and across all Clara Scheme Sections. The resultant efficiencies and best practices under our business model include:

- **Investment returns:** As Clara grows, our ability to invest in a wider range of assets and to generate better risk-adjusted returns for our members grows. Already today, Clara is able to access some asset classes and investment opportunities that small or even medium-sized pension schemes could not access on their own.
- **Risk management:** Our scale enables us to operate a robust risk management framework, with strong operational procedures and controls. This is important not only for Clara's overall long-term stability, but also to meet our regulatory obligations to TPR. Like many other financial services institutions we use a 'three lines of defence' risk management model. This ensures responsibility for risk is shared and embedded across the organisation, from the governing bodies at the top of Clara, down to individual risk owners across business functions.
- **Governance:** As noted above, Clara has built a robust governance approach spanning both the Clara Pension Trust and Clara Corporate. Our scale and status as a superfund have enabled us to recruit some of the pensions and financial services industry's most experienced, well-rounded individuals to serve on our corporate and trustee boards.
- **Administration costs:** Our scale allows us to secure lower member administration costs through our established panel of third-party administrators, while always retaining high standards in our service level agreements.
- **Buy-out terms:** Clara's scale and business model naturally lends itself to achieving better buy-out terms than would be typically available to other defined benefit pension schemes. Clara has a clear buy-out target with known time horizon for each Section, while embedded plans for data cleanse and asset transition mean that we will be buy-out ready. Furthermore, as a repeat and knowledgeable customer to the insurance market, Clara will be an attractive and straightforward counterparty to deal with.

Financing our business

Clara receives capital from our investors to support the business platform and to fund the ring-fenced Buffer Assets. Our investors receive a return on their investment after buy-out of the underlying Scheme Sections.[4]

4 TPR updated the superfund guidance in July 2024 to permit the release of surplus capital prior to buy-out, provided that the regulatory capital was in excess of 133% of the minimum capital requirement. Clara's first 4 transactions do not allow any capital release ahead of buy-out.

How Clara is regulated

As a superfund, Clara is overseen by The Pensions Regulator ("TPR"). In 2020, TPR created and introduced specific guidance for superfunds wishing to operate in the UK market.

This guidance lays out the operating, risk management and governance procedures expected of a superfund, as well as the criteria (known as gateway principles) which need to be met by trustees of a scheme considering a transfer to a superfund.

The guidance sets out high standards on financial sustainability, systems and processes, and having fit and proper individuals in management roles. Further details of the guidance for superfunds are available on TPR's website.

Clara is currently the only superfund to have successfully completed TPR's assessment process in line with its guidance. This means that we can complete transactions and welcome members into Clara.

As an assessed superfund, Clara maintains a close ongoing supervisory relationship with TPR.

This includes:

- Quarterly reporting on our in-force business, including detailed updates on funding levels and member experience.
- Regulatory review and clearance of each transaction involving the transfer of members into Clara.
- Regular meetings with TPR's supervisory team.
- Engagement to ensure Clara's continuing fitness as an assessed superfund, in areas including management and governance, systems and processes, IT and infrastructure, control functions and member communications.

Business and financial review

Business and Regulatory Context

The overall market opportunity for Clara, and for superfunds more generally, remains vast. We conservatively estimate an addressable market of at least £200 billion.[5]

However, it does also remain the case that as of the end of 2025, only four pension superfund transactions have completed in the four years since regulatory permission to transact was first granted. Furthermore, all of these have been completed by the same entity, Clara.

Over this period, Clara's experience has been of a Regulator which is accessible, quick to acknowledge issues and willing to adapt the interim superfunds regime to evolving experience. In 2023, TPR updated their superfunds guidance to introduce a form of dynamism to the technical provisions discount rate.

In 2024, TPR introduced a mechanism to permit superfunds to release surplus capital in excess of a specified prudent threshold. A TPR superfunds blog published in 2025 addressed misconceptions regarding the Regulator's requirements to clear superfund transactions.[6]

These are important innovations in a fledgling market, and are recognised in the increasing size of Clara's pipeline of potential schemes seeking to transact. The 2025 Pension Schemes Bill, which will establish a permanent legislative framework for superfunds, provides a further opportunity to accelerate the superfund industry, to enhance the security of hundreds of thousands of members' pensions, and to create large pools of capital that can invest productively in the UK economy and beyond.

5 Based on Clara analysis of data from Pension Funds Online as at March 2025. Independent market analysis corroborates the size of the potential market for superfunds. For example, the PwC Q1 2025 Pensions Risk Transfer Quarterly Insights report estimates that in 2024 there were ~900 pension schemes with aggregate assets of £370 billion that were between 80% and 90% buy-in funded; and a further c. 900 pension schemes with aggregate assets of £200 billion that were between 90% and 100% buy-in funded.

6 TPR blog published on 23 April 2025, 'How to make transferring to a superfund run as smoothly as possible'

Product development update, from Luke Stratford-Higton, Chief Actuarial Officer

Since its inception, Clara has remained steadfast in its member-first ethos. Central to this is our ambition to broaden access to consolidation, offering a credible endgame solution to schemes that cannot yet access insurance buy-out, irrespective of sponsor profile or scheme size. Innovation at Clara is anchored in pricing discipline and rigorous risk assessment, ensuring that member security remains paramount.

This past year marked important milestones. Our transaction with the Church Mission Society brought to life a long-held vision: the connected covenant solution. Designed to address a practical constraint in the market, this structure recognises that some schemes, particularly those sponsored by not-for-profit or covenant-constrained employers, may benefit from retaining an element of sponsor support alongside superfund capital.

The Connected Covenant solution combines Clara's ringfenced capital with an ongoing sponsor guarantee, delivering an extra layer of long-term security for members. It maintains the full integrity of our segregated structure and capital framework, while opening consolidation to a wider range of schemes.

This approach demonstrates that strong covenants and robust capital are not mutually exclusive. Carefully designed solutions can simultaneously strengthen member protection and broaden access to consolidation.

We have also progressed several transactions, including the first to utilise our small schemes solution. As regulatory expectations continue to emphasise robust governance, clearer endgame planning and the benefits of scale, smaller schemes face increasing operational and cost pressures. Our small schemes solution demonstrates that consolidation can be delivered in a proportionate and cost-effective way, while maintaining the same capital strength and very high probability of full benefit payment that underpin the Clara model. This is an important step in making consolidation accessible across the defined benefit landscape.

We continue to refine other elements of our proposition, including concepts such as Bridge to Clara, which offers trustees greater flexibility in preparing for consolidation where appropriate. Ensuring that the transaction and clearance process operates efficiently will be critical to scaling these solutions. Greater clarity, supported by the Pension Schemes Bill, should help create a more stable platform for future development.

Taken together, these developments underline a broader shift in the defined benefit landscape. Consolidation is no longer theoretical but an established component of the system. Clara's role is to ensure that this evolution strengthens member security, balances covenant and capital risk responsibly and upholds the highest actuarial standards. That remains the foundation of our approach.

Luke Stratford-Higton
Chief Actuarial Officer

KPIs and performance review

At the signing date, Clara remains the only pension superfund to have completed transactions and welcomed members. At the reporting date, the Clara Pension Trust had over 21,000 members and over £1.4 billion of assets under management. This has increased since 2024 following the transfer of members from the Wates Pension Fund in January 2025, and the Church Mission Society transaction and subsequent member transfer in July 2025.

2025 represented the second full year of looking after members and managing scheme assets for Clara. It followed several years of considerable investment into and support of the business by Clara's investors.

We believe the business is in a strong position with a healthy pipeline of schemes looking to transact.

Table 1 sets out the Clara Key Performance Indicators (KPIs). These have been set in accordance with our business plan and are (where applicable) reported here on a pro-forma basis.

Table 2 provides further detail on the funding level and capital metrics across each of the Clara Scheme Sections as at the reporting date.

Table 1. Clara KPIs

New capital deployed into Buffer Assets[7]	£3.2 million
Assets Under Management[8]	£1.4 billion
Regulatory Capital[9]	£211.5 million
Member security[10]	Technical provision funding trending upwards for each Scheme Section since joining Clara
Expected time to Section buy-out	All 4 Scheme Sections are expected to achieve buy-out in line with original pricing expectations
Operational and executive headcount[11]	37 staff
Environmental	The Clara Pension Trust maintains a 2050 net zero investment emissions commitment and a 2030 ambition to be aligned with the Paris Agreement

Table 2. Clara Scheme Section Metrics [8 9]

Scheme Section	Clara Joining Date	TP Funding Level (31/12/25)	Regulatory Capital (£m) (31/12/25)
Sears	28/11/2023	114.4%	71.4
Debenhams	16/04/2024	121.3%	105.8
Wates Group	14/01/2025	115.2%	26.9
Church Mission Society	22/07/2025	114.9%	7.4
Total			**211.5**

7 Reported on a pro-forma basis, £6m of Buffer capital was deployed on 14 Jan 2025, already accounted for in 2024 KPIs
8 'Assets under Management' reflects the total assets (i.e., Clara Pension Trust assets plus Buffer Assets) available to support member security.
9 Member security is measured by the level of 'Regulatory Capital', which is defined as the total assets (including Buffer Assets) in excess of the technical provisions.
10 'TP Funding' represents the technical provisions funding level for each Scheme Section, which is the ratio of Section assets (plus Buffer Assets) to Section technical provisions. The TP Funding metrics are as assessed and reported by the scheme actuary to the Clara Pension Trust.
11 Operational and executive headcount excludes non-executive directors, the directors of the statutory employer companies and the trustee company directors. Total including these positions is 50 staff

Analysis and narrative to the full year 2025 Financial Statements

For the accounting period ended 31 December 2025, Clara recorded an operating loss for the financial year of £(5.0)m compared to £(11.3)m in FY 24, and a total comprehensive loss of £(14.2)m compared to £(20.8)m for FY 2024. The key components contributing to this financial result include:

£2.1 million

Turnover

This reflects revenue earned for services provided to the Clara Pension Trust.

£2.2 million

Unrealised gains on the revaluation of Buffer assets

This reflects the movement in market value of the assets held as ringfenced Buffer capital over the reporting period.

£(11.2) million

Interest Payable[12]

This reflects the accrued interest on preference shares that have been issued to our investors. The funding of Clara is in the form of issuing preference shares.[13] Over the accounting period, total preference shares of £19.7m were issued, of which £9.2m was to fund Buffer Assets directly supporting member security. Our investors receive a return on their investment after buy-out of the underlying Scheme Sections.[14]

£3.1 million

Income from Fixed Asset Investment and Interest

This reflects fixed interest income earned on the **Buffer Assets (£3m)** plus interest earned on money market investments **(£0.1m)** over the accounting period.

£2.1 million

Deferred Taxation

This reflects the short term value expected to be obtained from Clara's retained losses.

£0.7 million

Revaluation of Scheme Surplus

This reflects the initial recognition of a surplus on a buyout basis, specifically for the Debenhams section.

£(13.1) million

Operational Expenses

This reflects all of Clara's operating expenses.

12 Interest Payable does not form part of the reportable operating loss.

13 Under UK accounting standards, preference shares that meet certain criteria are classed as current liabilities and, as such, are presented as debt on the consolidated balance sheet, including the rolled up interest that is payable on these shares.

14 TPR updated the superfund guidance in July 2024 to permit the release of surplus capital prior to buy-out, provided that the regulatory capital was in excess of 133% of the minimum capital requirement. Clara's first 4 transactions do not allow any capital release ahead of buy-out; future transactions, however, may include this capital release feature.

Principal risks and uncertainties

Clara, just like other defined benefit pension schemes, has exposure to a range of financial and operational risks; furthermore, being the first TPR assessed superfund operating in an evolving consolidation market naturally comes with certain strategic risks. We have a duty to manage these risks, both to protect members in the Clara Pension Trust, and Clara as a corporate entity.

Since Clara was established in 2017, we have created and subsequently embedded a risk-aware culture, along with a series of processes and controls, designed to understand, monitor and mitigate potential risks. Today we have a robust and well-resourced risk management function in place to assess and monitor the business's management of these risks.

Like many other financial services institutions, we use a 'three lines of defence' model of risk management to monitor and manage our risks. All identified risks have nominated individuals responsible for their management. Risk owners regularly review and assess these risks and update their inherent and residual likelihood. These in turn are then reviewed by Clara's Head of Compliance and the Executive Management Team on a quarterly basis and reported to Clara's governing bodies.

This approach ensures responsibility for risk is shared and embedded across the organisation, from the governing bodies at the top of Clara, down to individual risk owners across different departments of the organisation.

Below, we set out the principal risks to our business along with the management measures being undertaken.

Strategic Business and External Market Risks

- **Political risk:** The forthcoming Pensions Bill will establish a permanent statutory regime for superfunds, replacing the current TPR interim regime under which Clara operates. Royal assent is anticipated in the second half of 2026, with secondary legislation and full implementation expected by 2028. Whilst this clearly presents a new market volume opportunity, new entrants are already progressing through assessment and the insurance industry continues to lobby against changes it views as favourable to superfunds.
- **The competitive environment:** Clara continues to be the only superfund which has completed TPR's assessment. Nevertheless, it remains the case that our pricing must be attractive and must meet TPR's gateway principles. Fundamentally, this requires that our transaction price is demonstrably below the cost of an insurance bulk purchase annuity. TPT Retirement Solutions, an existing provider of DB pension master-trusts and fiduciary management solutions, has announced its intention to enter the superfund market.
- Clara's proposition vis-à-vis other options for pension schemes including insured buy-out, scheme run-on and capital backed journey plans, is also the subject of regular and consistent review in order to ensure we remain price competitive.

Financial and Investment Risks

- **Investment risk:** The Clara Pension Trust, via our fiduciary manager Van Lanschot Kempen ("VLK"), invests in a wide range of UK and global assets. As such the Clara Scheme is exposed to global market movements and price volatility of assets. VLK applies a diversified, well-hedged investment approach that integrates environmental, social, and governance factors, including climate risks. Clara regularly reviews risk appetite metrics and thresholds to ensure alignment with long-term objectives, including a commitment to sustainable investment. Continual investment monitoring and robust oversight provided by the Clara Trustee and Clara's Investment Committee serves to mitigate investment risk.

Operational Risks

- **Business resilience:** Clara is a primarily office-based business, operating from central London premises with employees also working remotely on a regular basis. We have robust business continuity, data and cyber security protocols in place and an overall operational resilience policy. Given the number of third-party advisors and suppliers that Clara engages, we also have spent significant time building in third-party risk management into this policy.
- **Data and information management:** As an organisation responsible for over 21,600 members and their pensions, we manage a significant amount of personal and sensitive information. Some of this data is held within Clara, while a great deal of it is retained by our third-party partners, particularly for pension administration services. Clara already has in place robust data protocols and work continues to optimise and embed our processes and controls further across the organisation. We also ensure thorough vetting and assessment of all our partners that manage confidential or sensitive information on our and our members' behalf.
- **Financial crime:** Clara has put in place a range of measures designed both to identify and to prevent financial crime. We operate meaningful financial crime controls which are aligned with best practice in the wider pensions industry.
- **Technology, IT and cyber security:** Clara is a relatively young organisation with no legacy estate or legacy IT systems. As a result we have been able to build a robust IT system from the ground up, and we have a comprehensive suite of Information Technology General Controls in place. Work to ensure our controls and overall approach to cyber security remains commensurate with other institutions in the pensions industry will also continue.

Statement of Directors' Responsibilities

The Directors confirm that this Strategic Report has been prepared in accordance with the Companies Act 2006 and provides a fair, balanced, and comprehensive view of the Group's business performance, risks and prospects.

On behalf of the Board:

S True – Director (CEO)
14 April 2026

Report of the Directors

The Directors present their report with the financial statements of the Company and the Group for the period 1 January 2025 to 31 December 2025.

Principal Activity

The principal activity of the Group in the year under review was that of providing management, operational, transaction and other support services to facilitate the operational, business and investment activities of a UK defined benefit regulated superfund.

The principal activity of the Company in the year under review was that of a holding company.

Dividends

No dividends will be distributed for the period ended 31 December 2025.

No ordinary or preference dividends will be distributed for the period ended 31 December 2025.

£11.196m of preference share dividends were accrued during the period ended 31 December 2025 and these are reported in the financial statements as interest on current liabilities in accordance with FRS 102.

Directors

The following directors have held office during the whole of the period from 1 January 2025 to the date of this report.

A S Birrell
L Churchill
P R Dixon
S J Groves
R Singhal
P M Speciale
S True
D T M Young
R Zugic

Statement as to Disclosure of Information to Auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditor

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of The Board:

R Zugic – Director (CFO)
14 April 2026

Statement of Directors responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements (of the Group and of the Company) in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent Auditor's Report to the Members of Clara-Pensions Group Limited

Opinion

We have audited the financial statements of Clara-Pensions Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements, 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 group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Emphasis of matter – Section's Scheme surplus asset valuations

We draw attention to the disclosures made in the accounting policies on page 37, the judgements and key sources of estimation uncertainty on page 39, and the financial instruments note on page 50 concerning the uncertainties relating to the Scheme section surplus valuations totalling £675,000. As indicated in the notes, the directors' valuation of each Section's Scheme surplus is derived using best estimate buy out assumptions discounted at the buy out discount rate (reported with a floor of £nil).

The directors' highlight that there is significant sensitivity within the underlying assumptions and discount factor applied to calculate the fair value of each Section's Scheme surplus. The ultimate outcome of these sensitivities cannot presently be determined, and no adjustment has been made to the financial statements. Our opinion is not modified in respect of this matter.

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 group's or the parent 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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 22, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit. In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur, including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Pension Regulators DB Superfund Guidance. We performed audit procedures to inquire of management and those charged with governance whether the group company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

RSM UK Audit LLP

Ian Bell (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor, Chartered Accountants

25 Farringdon Street, London EC4A 4AB
15 April 2026

Consolidated Statement of Comprehensive Income

for the Year ended 31 December 2025

	Notes	£	Year ended 31/12/25 £	£	Period 01/11/23 to 31/12/24 £
Turnover	5		2,089,667		1,712,178
Transaction expenses and non-rechargeable section costs			(1,204,590)		(2,933,824)
Gross profit/(loss)			**885,077**		**(1,221,646)**
Superfund support and administrative expenses			(11,926,229)		(14,121,559)
			(11,041,152)		(15,343,205)
Other operating income/(loss)	6		37,108		(38)
Gain on revaluation of assets			2,843,757		1,725,161
			(8,160,287)		(13,618,082)
Income from fixed asset investments	9	3,028,132		2,213,912	
Interest receivable and similar income	10	99,987		98,786	
			3,128,119		2,312,698
Operating Loss			**(5,032,168)**		**(11,305,384)**
Interest payable and similar expenses	11		(11,195,711)		(9,504,176)
Loss before taxation	12		**(16,227,879)**		**(20,809,560)**
Tax on loss	14		2,051,829		-
Loss for the financial period			**(14,176,050)**		**(20,809,560)**
Other comprehensive income					
Treasury shares reserve movement			-		(28,908)
Income tax relating to other comprehensive income			-		-
Other comprehensive loss for the period, net of income tax			**-**		**(28,908)**
Total comprehensive loss for the period			**(14,176,050)**		**(20,838,468)**

Consolidated Statement of Financial Position

31 December 2025

	Notes	£	31/12/25 £	£	31/10/24 £
Fixed assets					
Tangible assets	16		51,846		31,170
Investments	17		82,068,975		68,252,889
			82,120,821		**68,284,059**
Current assets					
Debtors	18	4,033,119		1,016,038	
Financial Instruments	19	675,000		-	
Cash at bank	20	3,334,560		3,790,967	
		8,042,679		**4,807,005**	
Total assets			**90,163,500**		**73,091,064**
Current liabilities					
Amounts falling due within one year	21	(161,364,693)		(130,126,213)	
Net current liabilities			**(153,322,014)**		**(125,319,208)**
Total assets less current liabilities			**(71,201,193)**		**(57,035,149)**
Non-current liabilities					
Amounts falling due after more than one year	22	(33,161)		(23,161)	
Total liabilities		(161,397,854)			(130,149,374)
Net liabilities			**(71,234,354)**		**(57,058,310)**
Capital and reserves					
Called up share capital	25		245		239
Share premium	26		28,904		28,904
Treasury Shares Reserve	26		(28,908)		(28,908)
Retained earnings	26		(71,234,595)		(57,058,545)
Shareholders' funds			**(71,234,354)**		**(57,058,310)**

The financial statements were approved by the Board of Directors and authorised for issue on 14 April 2026 and were signed on its behalf by:

R Zugic – Director
Clara-Pensions Group Limited

Company Statement of Financial Position

31 December 2025

	Notes	£	31/12/25 £	£	31/10/24 £
Fixed assets					
Tangible assets	16		-		-
Investments	17		71,880,079		57,457,638
			71,880,079		**57,457,638**
Current assets					
Financial Instruments	19	81,388,934		68,351,964	
Cash at bank	20	7,505		900	
		81,396,439		68,352,864	
Total assets			**153,276,518**		**125,810,502**
Current liabilities					
Amounts falling due within one year	21	(158,628,174)		(126,525,682)	
Net current liabilities			**(77,231,735)**		**(58,172,818)**
Total assets less current liabilities			**(5,351,656)**		**(715,180)**
Non-current liabilities					
Amounts falling due after more than one year	22	(3,161)		(3,161)	
Total liabilities		(158,631,335)			(126,528,843)
Net liabilities			**(5,354,817)**		**(718,341)**
Capital and reserves					
Called up share capital	25		29		29
Share premium			28,904		28,904
Treasury Shares Reserve			(28,908)		(28,908)
Retained earnings			(5,354,842)		(718,366)
Shareholders' funds			**(5,354,817)**		**(718,341)**
Company's loss for the financial year			**(4,636,477)**		**(1,262,815)**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 14 April 2026 and were signed on its behalf by:

R Zugic – Director
Clara-Pensions Group Limited

The notes on pages 33 to 60 form part of these financial statements

Consolidated Statement of Changes in Equity

for the Period 1 January 2025 to 31 December 2025

	Called up share capital £	Retained earnings £	Share premium £	Treasury Shares Reserve £	Total equity £
Balance at 1 November 2023	**235**	**(36,248,985)**	**28,904**	**-**	**(36,219,846)**
Deficit for the period	-	(20,809,560)	-	(28,908)	(20,838,468)
Other comprehensive income	-	-	-	-	-
Issue of share capital	4	-	-	-	4
Balance at 31 December 2024	**239**	**(57,058,545)**	**28,904**	**(28,908)**	**(57,058,310)**
Deficit for the period	-	(14,176,050)	-	-	(14,176,050)
Other comprehensive income	-	-	-	-	-
Issue of share capital	6	-	-	-	6
Balance at 31 December 2025	**245**	**(71,234,595)**	**28,904**	**(28,908)**	**(71,234,354)**

Company Statement of Changes in Equity

for the Period 1 January 2025 to 31 December 2025

	Called up share capital £	Retained earnings £	Share premium £	Treasury Shares Reserve £	Total equity £
Balance at 1 November 2023	**29**	**544,449**	**28,904**	**-**	**573,382**
Deficit for the period	-	(1,262,815)	-	(28,908)	(1,291,723)
Other comprehensive income	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance at 31 December 2024	**29**	**(718,366)**	**28,904**	**(28,908)**	**(718,341)**
Deficit for the period	-	(4,636,477)	-	-	(4,636,477)
Other comprehensive income	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Balance at 31 December 2025	**29**	**(5,354,842)**	**28,904**	**(28,908)**	**(5,354,817)**

Consolidated Statement of Cash Flows

for the Year ended 31 December 2025

	Notes	Year ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Cash flows from operating activities			
Cash outflow from operations	30	(11,595,667)	(14,610,321)
Net cash outflow from operating activities		**(11,595,667)**	**(14,610,321)**
Cash flows from investing activities			
Purchase of fixed assets		(43,401)	(27,508)
Purchase of fixed asset investments		(24,401,624)	(133,467,789)
Sale of fixed assets		-	1,601
Sale of fixed asset investments		12,727,227	66,472,788
Equalisations - return of capital		57,060	470,131
One-off adjustment (group undertaking)		-	99
Interest received		102,926	89,561
Dividends and Interest received from Buffer assets		3,029,305	2,212,739
Net cash outflow from investing activities		**(8,528,507)**	**(64,248,378)**
Cash flows from financing activities			
Issue of Class-A Preference shares		18,380,000	80,569,000
Issue of Class-B Preference shares		1,287,761	340,291
Issue of Ordinary shares		6	4
Net cash generated from financing activities		**19,667,767**	**80,909,295**
Increase/(decrease) in cash and cash equivalents		**(456,407)**	**2,050,596**
Cash and cash equivalents at beginning of period	31	**3,790,967**	**1,740,371**
Cash and cash equivalents at end of period	31	**3,334,560**	**3,790,967**

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

1. General Information

A glossary of key terms is included in the final note to these accounts.

The current reporting period is a standard 12 month period whereas the comparator reporting period was extended and covers 14 months from 1 November 2023 to 31 December 2024.

2. Statutory Information

Clara-Pensions Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is in £ Sterling.

3. Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value. The financial statements are presented in GBP sterling, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest £1.

The prior year period figures presented represent a 14 month accounting period to 31 December 2024, as such, the comparative amounts are not entirely comparable.

Going concern assessment

The financial statements have been prepared on a going concern basis, as the Directors are satisfied that the Group and Company possess adequate resources to continue operations for at least 12 months from the date of signing these financial statements.

The Company's immediate parent undertaking, Niederkorn Adjacent Partners S.C.Sp.("Niederkorn"), is a long-term, patient capital investor with a proven track record of providing sustained financial support to the Group. This support includes a period of three years prior to the Company's regulatory authorisation by The Pensions Regulator as a defined benefit Superfund in 2021, and the subsequent two years leading to the UK's first DB Superfund transaction in 2023. Historically, Clara accumulated significant operating losses with no revenue base prior to its first transaction, yet retained the unwavering backing of Niederkorn. The Directors draw confidence from this ongoing commitment, evidenced by Niederkorn's aggregate funding of £127.7m at the reporting date, up from £26.8m prior to Clara's first transaction, and expect this support to persist through the next 12 months and beyond.

The three-year annual operating plan ("business plan") was approved by the Board in January 2026 confirming Investor support of the Group through this time period. The business plan considers a range of future scenarios, including an extreme downside case which assumes closure to new business, a transition to run-off and the delivery of identified mitigations to reduce the operating cost base. Niederkorn has provided a capital facility which would, under the extreme downside scenario, meet the Group's financing needs beyond the 12-month going concern assessment period. This is in addition to £4.2m of additional share capital invested by Niederkorn in March 2026.

To further evidence this continuing support, the Directors have obtained signed subscription notices from Niederkorn subsequent to the period end.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

3. Accounting Policies (Continued)

Additionally, Clara has cultivated a robust pipeline of prospective transactions which are expected to generate attractive rates of return. This has served to support continued investor confidence in the business model.

Consequently, the Directors are confident that Clara's immediate parent will neither demand repayment of existing amounts owed nor withdraw support, even if market conditions deviate from expectations over the business plan period.

In assessing the going concern basis, the Directors have also considered qualitative factors, such as:

- The current market opportunity, including the potential funding evolution of the 5,100 UK DB pension schemes;
- Potential changes to the legislative and regulatory framework including the upcoming Pension Schemes Act;
- The emergence of competing propositions in the market; and
- Evolving attitudes of employers and trustees toward DB pension scheme de-risking.

Having considered all of these qualitative and quantitative factors, alongside the parent's financial support and the Company's identified mitigations, the Directors conclude that the Group and Company remain a going concern, with adequate resources to meet obligations as they fall due over the assessment period.

The Directors have also considered the impact of the preference shares on cashflow as part of the going concern assessment. Whilst these are current liabilities under FRS 102, they are liable to be redeemed at the option of the Company or the Holder, and the Directors may determine the terms, conditions and manner of redemption of these shares.

Finally, notwithstanding the accumulated losses to date, the business plan sets out a clear path to profitability, further supporting the Board in its going concern assessment confidence.

Basis of consolidation

All entities included within the Group are deemed wholly owned or controlled subsidiaries for statutory accounting purposes and are thus fully consolidated. This extends to include the statutory employer companies which are considered special purpose entities under section 9 of FRS 102 (requiring an assessment of incidental risk exposure as opposed to the conventional control considerations per the Companies Act 2006). Further detail is provided on this in Note 4: Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Inter-company (intra-group) transactions and balances are fully eliminated on consolidation with no exceptions.

Recharges are made to the Pension Scheme which sit outside of the group entirely for reporting purposes. Direct transactions between the Group and the Scheme remain valid third-party transactions.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Management fee income is charged to the Scheme, this is payable quarterly in advance, but revenue is recognised in these financial statements in the year in which it is incurred.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

3. Accounting Policies (Continued)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

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

Depreciation is provided on a straight-line basis as follows:

- Fixtures and Fittings **3 Years**
- Computer Equipment **3 Years**

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.

Investments in subsidiaries

Investments in subsidiary undertakings (including those considered special purposes entities with alternative control considerations) are revalued based on the accounting policies set at each standalone entity and are applied consistently across all investments of a single class.

All investments in subsidiaries held by companies within the Group are eliminated on consolidation, including revaluation adjustments where applicable. No investments in subsidiaries are held outside of the Group.

All investments in subsidiaries are valued at cost, except for shares in Buffer Companies (held by Clara-Pensions Intermediate HoldCo Limited) and shares in Statutory Employer companies (held by the relevant Buffer Company), which are held at fair value through profit and loss.

There are no investments in associates or joint ventures at group level or in any of the standalone entities within the Group.

Financial instruments

All companies within the Group have chosen to apply the provisions of both Section 11 and Section 12 in full, in accordance with s.11.2 of FRS 102 and the specific categorisations and treatments are summarised as follows.

Basic financial instruments accounting policy

Basic financial instruments held by the company can be categorised per Section 11.5 of FRS 102 as follows:

- 11.5 (a) Cash
- 11.5 (d) Accounts, notes and loans receivable and payable
- 11.5 (f) Investments in non-derivative financial instruments that are equity of the issuer.

In compliance with Section 11.7 of FRS 102, this accounting policy excludes the consideration of:

- 11.7 (a) Investments in subsidiaries, associates and joint ventures
- 11.7 (i) Financial guarantee contracts

Of which, these are provided for in other accounting policies within these accounts and prescribed in other sections of FRS 102.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

3. Accounting Policies (Continued)

Financial assets

All financial assets are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets, other than those prescribed in other sections of this report, are initially recognised when the Company or Group becomes party to the contractual provisions of the instrument.

All financial assets, other than those prescribed in other sections of this report, are initially measured at the transaction price (adjusted for transaction costs).

All financial assets, other than those prescribed in other sections of this report, are subsequently measured at cost or amortised cost using the effective interest method, with the exception of investments in non-derivative financial instruments that are equity of the issuer. Such investment assets adopt a policy of subsequent measurement at fair value with changes in fair value recognised in profit and loss. Included in this are investments held by the Group as part of the Buffer investment capital, this is disclosed as a fixed asset investment on the basis that the Company expects to hold them for the long term and to provide financial support to the relevant Section of the Clara Pension Trust and/or the relevant statutory employer company if a pension deficit were to arise in the future.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company or Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Debt financial instruments where the instrument is either payable or receivable by the Group. Debt financial instruments held by companies within the Group are fully eliminated on consolidation including their balances and relevant P&L entries.

Debt financial instruments are recognised and initially measured at transaction price and subsequently measured at amortised cost using the effective interest rate method, the effective interest rate is zero as specified in 11.14 of FRS 102.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial liabilities, other than those prescribed in other sections of this report, are initially recognised when the Company or the Group becomes party to the contractual provisions of the instrument.

All financial liabilities, other than those prescribed in other sections of this report, are initially measured at the transaction price (adjusted for transaction costs).

All financial liabilities, other than those prescribed in other sections of this report, are subsequently measured at cost or amortised cost using the effective interest method.

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

3. Accounting Policies (Continued)

Equity financial instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company or the Group after deducting all of its liabilities.

Equity instruments are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Investments in subsidiaries, associates and joint ventures are not covered by this accounting policy in accordance with Section 11.7 of FRS 102. The Group does not make any equity investments outside of the Group.

Equity of the issuer, by any company within the Group, is not a financial instrument of the Group. This is covered separately under s.22 of FRS 102 and company law. The Group makes investments in funds outside of the Group which are considered equity of the issuer. These investments are treated under section 11.14(d)(iv) of FRS 102, at fair value with changes recognised in profit or loss.

Treasury shares are the equity instruments of the company that have been issued and subsequently reacquired by the Company.

Non-basic financial instruments accounting policy

Non-basic financial instruments reportable by the Group are disclosed separately in Note 4: Critical accounting judgements and key sources of estimation uncertainty and are listed as follows for completeness:

- Total Return Swap (TRS)
- Pension scheme surplus recognition

Taxation

Taxation for the period comprises current tax and may from time to time comprise deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets and liabilities, where applicable, are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Income tax under s.207 of the Finance Act 2004 (authorised surplus payments) is not separately recognised in these financial statements but is included in the valuation of the relevant financial instrument in accordance with section 12 of FRS 102.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. A deferred tax asset has been initially recognised in the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

3. Accounting Policies (Continued)

Foreign currencies

Assets and liabilities in foreign currencies, where applicable, are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Share-based payments

Share-based payments are classified as equity-settled share-based payment transactions where the Group receives goods or services as consideration for its own equity instruments (including preference shares), this treatment applies to all share-based payments with the exception of shares provided to employees under the management incentive plan.

Such shares provided to employees under the management incentive plan are considered to be cash-settled share-based payment transactions with the settlement deemed to be a future buyback date and not the date of the employee obtaining beneficial ownership of the instrument. The Group holds a liability equal to the fair value of these cash-settled share-based payment transactions.

The cash-settled share-based payment transaction treatment only applies to those shares held by current employees so is not applicable to the entire share class (i.e. where such shares are held as treasury shares or by other investors which do not have applicable buyback provisions).

Consequently, a balance sheet liability is held (and remeasured at each reporting date) equal to the fair value of such share-based payments that are expected to be cash-settled at a future point in time.

At the reporting date, the Directors consider the fair value of such shares to be the lower of Cost and Market Value primarily due to penal contractual leaver provisions.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgement 1) Valuation and disclosure of total return swaps

The Company enters into total return swaps (TRS) with its subsidiary undertaking, Clara-Pensions Intermediate HoldCo Limited (“IHC”), and each of IHC’s subsidiary undertakings (the “B Co’s”). Each total return swap contract consists of 2 legs:

- **Fixed leg:** A fixed cash amount settled immediately upon entering into the contract. As this is a past event, there are no further accounting considerations for the fixed leg.
- **Floating leg:** A financial asset for the Company, measured at fair value at each reporting date. The value of the floating leg is based on the available assets of each B Co, being equal to the total net balance sheet value of the respective B Co.

The available assets of each B Co primarily comprise level-1 fair value, investment-grade securities with clear market pricing and considerable exit liquidity. Consequently, there is minimal valuation uncertainty associated with these assets.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Under FRS 102, the total return swap is classified as a non-basic financial asset and non-basic financial liability within each company.

The TRS is fully eliminated on consolidation, including all balances and relevant P&L transactions where measured at fair value through profit or loss. As a result, the instrument affects only the standalone financial statements of the Company and not those of the consolidated Group.

A separate total return swap is entered into for each Superfund transaction and each B Co (other than Clara-Pensions B1 Limited). Accordingly, the Company's total financial asset, and changes in its value, represent the aggregate of multiple total return swap contracts.

To support the Company's rights under the total return swap, the Company has also entered into a direct guarantee with each B Co, secured by a floating charge over each B Co's assets. However, under the terms of an intercreditor agreement, this floating charge ranks second to the charge held by Clara Trustees Limited.

Given the nature of the underlying assets and the structural protections in place, the Directors do not consider the valuation of the floating leg to be a material source of estimation uncertainty.

Judgement 2) Valuation and disclosure of defined benefit pension obligations and funding

The Group comprises subsidiaries that are legally identifiable as statutory employers (E Co's) under the Finance Act 2004 and Pensions Act 2004, with a funding obligation to the relevant section of the Scheme.

Under the terms of the scheme rules and trust deed, the E Co's do not have a contractual right to any surplus arising from any section of the Scheme. That right under the scheme rules is controlled by the Group.

Consequently, no financial asset has been or will be recognised in the financial statements of the E Co but should instead be considered by the Group overall.

The Group has a contractual right through the agreements in place to any authorised surplus payments that may arise from a buy-out of a Section of the Clara Pension Trust. Consequently, a non-basic financial instrument is recognised where a Scheme is in surplus on a buy-out basis.

Movement in the fair value of the non-basic financial instruments are recognised in the Statement of Comprehensive Income (gain on revaluation of assets).

The valuation of pension scheme surpluses is a key source of some estimation uncertainty as the valuation of each section's surplus (if applicable, due to a reporting floor of £Nil) is based on its estimated buy-out valuation. Specifically, the valuation of each Section's pension scheme surplus is derived using best-estimate buy-out assumptions, which can be assessed as:

- Fair value of Section assets, in line with the Scheme Actuary valuation;
- Less the fair value of Section liabilities, in line with the Scheme Actuary's Technical Provisions valuation, discounted at the buy-out discount rate
- The buy-out discount rate is Section-specific and reflects market conditions and Section characteristics, which captures a section's buyout readiness

This is subject to some judgement but is backed by clear and justifiable valuation principles that are applied consistently by the Directors.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Judgement 3) Disclosure of any contingent liability arising over buffer capital

In the unlikely event of a pension deficit arising in the relevant Section of the Clara Pension Trust to which each E Co has a funding obligation, that E Co is legally responsible for funding the deficit. If this occurs, a provision under Section 21 of FRS 102 will be recognised by the E Co. Any amounts payable by the E Co to the relevant section will be settled by the relevant B Co and accounted for as a reimbursement under Section 21.

Valuation principles used to determine if a contingent liability or provision is reportable are disclosed in the separate financial statements of the E Co's, summarised as the technical provisions funding valuation.

The valuation of scheme sections, for the purpose of considering whether an obligation exists in each B Co, is prescribed by the Pensions Regulator. The obligation itself (provision) is subject to minimal valuation uncertainty, but the existence of a contingent liability (within the E Co's only) is a key management judgement which considers the timing and likelihood of an obligation arising as well as the valuation of the potential obligation, before it has actually arisen.

Such accounting adjustments, as required, concerning the subsidiaries (E Co's and B Co's) will be fully eliminated on consolidation, this judgement does not affect the Group financial statements.

Judgement 4) Treatment of sweet equity and Employee Benefit Trust

It is a management judgement to treat such equity instruments as cash-settled payment awards by the Group, considering the specific share-class features. It is also a management judgement to treat the employee benefit trust as an extension of the Company's business.

Additionally, the management assessment of share-based payments as cash-settled is on the basis that employees are entitled to payment when they leave the Group. Such payment made by the Company is based upon the valuation of the Group at that point in time and assumes all staff are good leavers.

A key source of estimation uncertainty is the valuation placed on the obligation attached to these equity instruments. At the reporting date, the valuation is based on the higher of cost and market value.

Judgement 5) VAT

The Group maintains a VAT group, which at the reporting date contains companies CPL, CTL (in respect of the Scheme) and the B Co's. The VAT Group undertakes partially exempt supplies due to the nature of its trading activities, as is common for UK defined benefit pension schemes with VAT grouped sponsors.

Up to 30 September 2023 (the VAT period ending immediately prior to the first Superfund transaction), the Group recovered all input tax as pre-trading expenditure. From 1 October 2023, the Group has not recovered any input tax, pending approval of a VAT partial exemption special method which the Directors expect to be in place before the next reporting date.

The key principles of the Group VAT judgement are split as follows:

- Where the Group incurs input tax for the purposes of its own business activities, a best estimate input tax recovery assumption % is made. This represents a VAT debtor for the input recovery assumption %, with the residual input tax incurred being a P&L cost in the reporting period.
- Where the Group incurs input tax on costs paid on behalf of (and recharged to) the pension scheme, this input tax is fully recharged. The Group expects to recover a portion of this input VAT and it expects to pass on any of that recovery to the pension scheme in full. A VAT debtor and provision is recognised as the correct treatment for this.
- Input VAT already recovered pre-trading is expected to be repayable to HMRC in proportion to the agreed special method recovery rate. For reporting purposes, the best estimate input tax recovery assumption % creates a repayment provision which reduces the VAT debtor accordingly.
- Under standard UK VAT rules, the above principles only apply to the period 4 years prior to the reporting date (from 1 January 2022).

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

This treatment is consistent with the comparator period and the net impact of these elements presents a net VAT debtor at the reporting date. For reporting purposes, this constitutes a receivable from HMRC and a payable to the Clara Pension Trust. The Directors consider that the input tax recovery rate % used is a prudent estimate of recovery, this judgement is supported by professional advice.

Judgement 6) Disclosure and accounting treatment of new preference shares issued

It is a critical accounting judgement to report preference shares (principal and interest) as current liabilities and this is based on the share class features and their redeemability by the holder at any point in time, in line with FRS 102.

The valuation of such liabilities is not uncertain, as the interest accrual is contractually prescriptive. There is a potential for future valuation uncertainty where the rate of accrual is not deemed to be a market rate, but this is not applicable at the reporting date.

Judgement 7) Adoption of FRS102 over FRS103

It is a management judgement that insurance contract accounting (FRS 103) does not apply to the Group or any company within the Group. Further analysis on the correct determination within FRS 102 is provided as follows and referenced as appropriate in the other judgements above.

The directors have considered the applicability of Section 28 of FRS 102 (Employee benefits) regarding recognising the net pension assets/liabilities of each Section of the Clara Pension Trust.

Whilst it is clear that the E Co's meet the legal definition of legal statutory employers, the directors do not consider that they meet the accounting standard requirements to prepare statutory disclosures under Section 28 of FRS 102. This determination is for accounting purposes only.

Appendix 1 to FRS 102 defines 'Employee Benefits' as all forms of consideration given by an entity in exchange for services rendered by employees. Unlike a traditional statutory employer and sponsoring company, the E Co's have never received any services from those employees who have been transferred from the ceding schemes. As a result, the Directors consider that the E Co's do not meet the requirements to account for the pension scheme and prepare employee benefit disclosures in accordance with Section 28 of FRS 102.

The Directors have assessed that a more appropriate accounting policy is Section 21 (Provisions and contingencies) whereby the E Co has a legal obligation to fund any deficits. Further detail is provided in Judgement 3.

The Directors have assessed that recognition of any surplus will follow Section 11 and Section 12 of FRS 102 (financial instruments) and further detail is provided in the relevant judgement above.

Judgement 8) Assessment of control for consolidation purposes

It is a management judgement that the E Co's are subsidiaries within the Group for accounting and reporting purposes only.

Under the investment and shareholders agreement, the Company has ultimate control and access automatically to 100% of the economic benefits of any authorised surplus payment arising from any Section of the pension scheme held by the Clara Pension Trust on a buy-out.

Under the contractual agreements, any authorised surplus payments would be received by the E Co which would then be distributed to the B Co. Under the contractual agreements, this would then be automatically distributed within the Group. As a result, all B and E Co's have been fully consolidated within the consolidated financial statements. This judgement specifically focuses on the provisions within FRS 102 for special purpose entities, which differ to the control considerations within the Companies Act 2006.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

Judgement 9) Deferred tax asset

The Company has material carried forward and unused corporation tax deductible losses at the reporting date. The unadjusted asset value of these carried forward losses is also material, equal to 25% (the corporation tax rate) on the estimated carried forward losses.

This is the amount of value that the directors expect to derive from the utilisation of these losses in the future. FRS 102 requires recognition of a deferred tax asset to be equal to the near-term benefit that the Group expects to receive from the tax losses.

FRS 102 requires recognition of a deferred tax asset to be equal to the near-term benefit that the Group expect to receive from the tax losses. The Group, overall, is loss making and expects to be in the near-term. Consequently, the deferred tax asset is calculated as limited to 2 future years of expected taxable profits on the Buffer assets. This limit considers the expected compensation only from group companies that generate taxable profits from activities that are not intra-group.

5. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Group.

Management fee income is charged by the Group to the Scheme, this is payable quarterly in advance.

Revenue is recognised in these financial statements in the year in which it is incurred on an accruals basis.

6. Other Operating Income

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Sundry Receipts	10,001	
Exchange loss	(2,886)	(2,858)
Loss on sale of tangible fixed assets	-	(38)
Profit on sale of fixed asset investments	29,993	2,858
	37,108	**(38)**

- **Sundry receipts** accounts for the recognition of the amortised financial transaction payments resulting from section transfers to Clara. Specifically, £5,000 relates to Clara-Pensions E4 Limited and £5,001 relates to Clara-Pensions E5 Limited.
- **Exchange loss** relate to realised FX losses on operational expenditure of £(3,002) and unrealised FX gains of £(116).
- **Profit on sale of fixed asset investments** relates specifically to a sale of £97,000 Buffer investment assets in May 2025 to fund operational expenditure of the Buffer companies only. Plus, a £558,000 sale of Buffer investment assets in August 2025 to fund inter-group tax loss reimbursements. Additionally, an adjustment to realised gains was made in September 2025 in respect of all prior Buffer asset sales, in recognition of the custodian's change in accounting approach for return of capital transactions. All Buffer investment sales and adjustments were made from companies Clara-Pensions B2 Limited and Clara-Pensions B3 Limited.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

7. Employees and Directors

	Period 31/12/25 £	Period 1/11/23 to 31/12/24 as restated £
Wages and salaries	6,308,966	7,098,353
Social security costs	838,379	874,342
Other pension costs	352,654	326,622
	7,499,999	**8,299,317**

Wages and salaries includes pension allowance paid to staff, including directors, as additional pay instead of pension contributions made to the Group DC pension scheme. The prior period has been restated to transfer £10,588 from wages and salaries to other pension costs, this comprises:

- £19,724 director pension contributions restated from wages and salaries to other pension costs.
- £9,175 non-director pension allowance restated from other pension costs to wages and salaries.

The average number of employees during the year was as follows:

	Period 31/12/25	Period 1/11/23 to 31/12/24
Group directors (including non-exec) and E-Co	14	14
All other employees (including co-sec)	34	24
	48	**38**

8. Directors' Emoluments

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Directors' remuneration	1,038,087	1,830,087
Directors' long term incentive schemes	225,000	293,531
	1,263,087	**2,123,618**
The number of directors to whom retirement benefits were accruing was as follows:	-	1
Pension contributions made in respect of this director (not included in above disclosure)	-	19,724
Directors' pension allowance not reported above	39,927	29,529

The comparator period, as previously reported, included director's pension allowance within Directors' remuneration, this has now been split out to be consistent with the separate reporting of retirement benefits.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

8. Directors' Emoluments (Continued)

Information regarding the highest paid director is split as follows:

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Directors' salary and other remuneration	258,483	276,202
Directors' bonus	225,000	640,500
Directors' long term incentive scheme	225,000	225,000
Directors' pension allowance	19,819	8,500
	728,302	**1,150,202**

Accrued pension disclosure for the highest paid director is in respect of a pension allowance awarded as additional salary and not directly paid into a staff DC scheme. The highest paid director received the following in respect of qualifying services under a long term incentive scheme:

- Class B Ordinary Shares in Clara-Pensions Group Limited.
- Class B Preference Shares in Clara-Pensions Group Limited.

Total remuneration includes salary and other benefits in kind.

9. Income from Fixed Asset Investments

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Buffer Asset Investment Income	3,028,132	2,213,912

Ringfenced Buffer capital is held by the Buffer Companies to improve member security, this capital is invested predominantly in buy and maintain credit funds under a low-volatility investment strategy.

Buffer Fund Investment Income represents the taxable distributions from these funds and is sourced from coupon payments on fixed income securities, money market fund distributions and interest payments on deposit accounts held in the name of the Buffer Companies in segregated custody accounts for investment purposes.

10. Interest receivable and similar income

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Deposit account interest	99,987	98,786

Deposit account interest represents the distributed and distributable return on money market funds held for operational and treasury purposes by the Group.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

11. Interest payable and similar expenses

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Class A - Preference share Dividend	10,876,173	9,172,389
Class B - Preference share Dividend	319,538	331,787
	11,195,711	**9,504,176**

Preference share dividends represent the accrued (not yet paid) dividends on preference shares, which for accounting purposes are considered debt instruments with accounting treatment analogous to interest due.

12. Loss before taxation

The Loss is stated after charging/(crediting):

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Other operating leases	472,804	411,646
Depreciation - owned assets	22,725	21,280
Profit on disposal of fixed assets	(29,993)	(2,820)
Auditor’s remuneration	224,999	212,575
Foreign exchange differences	2,886	2,858

Specific Profit and Loss items are disclosed in this note as required under the relevant accounting standards, company law and local tax regulations. For the avoidance of any doubt, this note is not intended to reconcile to the FY25 Operating Loss of £(5,032,168).

13. Auditor’s Remuneration

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Fees payable to the Group's auditor for the audit of the financial statements	224,999	212,575

There were no fees payable in respect of non-audit services or subsidies to the Group’s auditors in the current or comparator period.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

14. Taxation

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Deferred tax	2,051,829	-
	2,051,829	-

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2025.

		1/11/23 to 31/12/24	
	Gross £	Tax £	Net £
Treasury Shares Reserve Movement	(28,908)	-	(28,908)

15. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

16. Tangible Fixed Assets

Group

Fixtures And Fittings	Cost	Depreciation	Net Book Value
At 1 January 2025	88,867	(57,697)	31,170
Additions	43,401	-	-
Charge for year	-	(22,725)	-
Disposals	(6,136)	6,136	-
At 31 December 2025	**126,132**	**(74,286)**	**51,846**

The entire fixtures and fittings balance is derived from the Group subsidiary CPL.

Additions predominantly relates to computer equipment and other IT hardware.

Disposals comprises a total of 6 fixed asset sales or write-offs in FY25.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

17. Fixed Asset Investments

	Group		Company	
	31/12/25 £	31/12/24 £	31/12/25 £	31/12/24 £
Shares in Group Undertakings	-	-	807,478	562,222
Loans to Group Undertakings	-	-	71,072,601	56,895,416
Other investments not loans	82,068,975	68,252,889	-	-
Total cash-flows	**82,068,975**	**68,252,889**	**71,880,079**	**57,457,638**

Additional information is as follows:

Group

	Buffer Investment Capital £
Cost or valuation	
At 1 January 2025	68,252,889
Additions	24,401,624
Disposals	(12,697,234)
Revaluations	2,168,756
Reclassification/transfer	(57,060)
At 31 December 2025	**82,068,975**
Net Book Value	
At 31 December 2025	**82,068,975**
At 31 December 2024	68,252,889

Cost or valuation at 31 December 2025 if represented by:

	Buffer Investment Capital £
Cost or valuation	
Revaluation in 2024	1,725,161
Revaluation in 2025	2,168,756
Cost	78,175,058
At 31 December 2025	**82,068,975**

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

17. Fixed Asset Investments (Continued)

Shares in Group undertakings

There are no other investments in companies held by the Group other than those that are fully consolidated and eliminated from the consolidated financial statements. Subsidiaries held within the group, held at Nil investment value due to consolidation, are listed as follows:

Clara-Pensions B1 Limited	Clara-Pensions E1 Limited
Clara-Pensions B2 Limited	Clara-Pensions E2 Limited
Clara-Pensions B3 Limited	Clara-Pensions E3 Limited
Clara-Pensions B4 Limited	Clara-Pensions E4 Limited
Clara-Pensions B5 Limited	Clara-Pensions E5 Limited
Clara-Pensions B6 Limited	Clara-Pensions E6 Limited
Clara-Pensions B7 Limited	Clara-Pensions E7 Limited
Clara-Pensions B8 Limited	Clara-Pensions E8 Limited

Company

	Shares in group undertakings £
Cost	
At 1 January 2025	562,222
Additions	245,256
At 31 December 2025	**807,478**
Net Book Value	
At 31 December 2025	**807,478**
At 31 December 2024	562,222

The Company's investments in group undertakings comprises:

Subsidiaries

Clara-Pensions Limited

Registered office: Myo St Paul's, One New Change, London, EC4M 9AF.

Nature of business: Management Company

Class of shares	% Holding
Ordinary	100.00

CPGL holds a £807,378 capital investment in CPL, as recognition for equity settled share-based payments. this is valued at cost.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

17. Fixed Asset Investments (Continued)

Clara-Pensions Intermediate HoldCo Limited

Registered office: Myo St Paul's, One New Change, London, EC4M 9AF.

Nature of business: Investment holding company

Class of shares	% Holding
Ordinary	100.00

CPGL holds a £100 capital investment in CPIHL, this is valued at cost.

Clara Trustees Limited

The Company is the legal guarantor of subsidiary company Clara Trustees Limited, a company limited by Guarantee and without share capital.

The Company has no other direct subsidiary investments, inside or outside of the Group.

	Loan to Management Company £
At 1 January 2025	**56,895,416**
New in year	10,171,677
Repayment in year	(1,097,349)
Other movement	5,102,857
At 31 December 2025	**71,072,601**

Loan to Management Company comprises documented intra-group loan agreements. These are interest bearing loans to CPL to fund working capital, of which £10.172m was advanced in FY25 and £1.097m was settled. Other movement represents the accrual of interest.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

18. Debtors

	Group		Company	
	31/12/25 £	**31/12/24 £**	**31/12/25 £**	**31/12/24 £**
Amounts falling due within one year:				
Trade debtors	151,348	328,610	-	-
Amounts owed by associates	46,682	5,446	-	-
Amounts recoverable on contract	425,704	300,849	-	-
Other debtors	89,970	87,823	-	-
Tax	2,051,829	-	-	-
VAT	860,769		-	-
Prepayments and accrued income	406,817	293,310	-	-
	4,033,119	**1,016,038**	**-**	**-**

Group

- **Trade debtors** comprises a £0.135m professional services fee recharge to a former employee and a £0.017m outstanding management fee recharge to the Clara Pension Trust that was settled in January 2026.
- **Amounts owed by associates** primarily consists of amounts owed by Clara-Pensions Holdings Limited.
- **Amounts recoverable on contract** consists of the professional service recharges and disbursements to the Scheme.
- **Other debtors** comprises primarily a deposit in respect of an operating lease held by CPL.
- **Tax** debtor is the closing balance of the deferred tax asset.
- **VAT** debtor is a receivable from HRMC in respect of all companies within the Group.

19. Financial Instruments

	Group		Company	
	31/12/25 £	**31/12/24 £**	**31/12/25 £**	**31/12/24 £**
Total Return Swap	-	-	81,388,934	68,351,964
Scheme Section Valuation	675,000	-	-	-
	675,000	**-**	**81,388,934**	**68,351,964**

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

20. Cash at Bank

Entity	Category	31/12/25 £	31/12/24 £
CPL	Bank	963,926	1,337,598
CPL	Money Market Fund	2,322,588	2,319,661
IHC	Bank	100	100
CPGL	Bank	7,405	900
B1	Bank	4,168	73
B2	Bank	5,553	3,000
B2	Custodian	1,214	49,171
B3	Bank	2,597	3,000
B3	Custodian	964	49,464
B4	Bank	2,757	-
B4	Custodian	1,018	3,000
B5	Custodian	1,002	-
E1	Bank	4,014	-
E2	Bank	1	-
E3	Bank	1	-
E4	Bank	12,799	25,000
E5	Bank	4,354	-
Employee share scheme - consolidated	Trust	100	-
Rounding	N/A	(1)	-
Total Cash		**3,334,560**	**3,790,967**

Additionally, the following balances were held in money market funds at segregated custody accounts, for investment purposes. These balances are not reported in cash and cash equivalents, instead they are reported in Buffer Investment Capital.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

20. Cash at Bank (Continued)

Entity	31/12/25 £	31/12/24 £
B2	363,772	360,000
B3	389,691	320,000
B4	76,732	-
B5	46,702	-
Total Cash Equivalents reported elsewhere	**876,897**	**680,000**

21. Creditors: Amounts falling due within one year

	Group		Company	
	31/12/25 £	31/12/24 £	31/12/25 £	31/12/24 £
Preference shares (see note 22)	157,354,972	126,491,500	157,354,972	126,491,500
Trade creditors	982,112	675,508	(2)	-
Lease incentive	-	25,264	-	-
Amounts owed to group undertakings	-	-	1,273,204	36,182
Amounts owed to associates	3,396	2	-	-
Social security and other taxes	54,661	45,642	-	-
VAT	-	194,969	-	-
Other creditors	11,130	8,996	-	-
Directors' current accounts	-	1,000	-	1,000
Accruals and deferred income	10,000	8,000	-	-
Accrued expenses	426,963	394,514	-	(3,000)
VAT rebate payable to Scheme	711,239	-		
Accrued bonus costs (Including NIC)	1,810,219	2,280,818	-	-
	161,364,692	**130,126,213**	**158,628,174**	**126,525,682**

Group

- **Trade creditors** comprises both payables to the Group's own suppliers and for those on behalf of the Scheme in respect of rechargeable administration and management services.
- **Social security and other taxes** comprises primarily pension contributions in respect of employees.
- **Other creditors** comprises a credit card payable balance
- **Accruals and deferred income** comprises the amount of the FTPs received by E4 and E5, to be amortised within one year.

Company

- **Amounts owed to group undertakings** comprises amounts owed to CPL, as reimbursement of the tax saved in respect of tax losses surrendered by CPL to the Company

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

22. Creditors: Amounts falling due after more than one year

	Group		Company	
	31/12/25 £	31/12/24 £	31/12/25 £	31/12/24 £
Cash-settled share based payment liability	3,161	3,161	3,161	3,161
Accruals and deferred income	30,000	20,000	-	-
	33,161	**23,161**	**3,161**	**3,161**

Group

- **Cash-settled share based payment liability** comprises the value of the cash settlement obligation with respect to the Class C ordinary shares held by employees under the management incentive plan. Such shares are subject to value buyback provisions which culminate in a cash settlement at cost.
- **Accruals and deferred income** comprises the amount of the FTPs received by E4 and E5, to be amortised after more than one year.

23. Loans

An analysis of the maturity of loans is provided as follows:

	Group		Company	
	31/12/25 £	31/12/24 £	31/12/25 £	31/12/24 £
Preference shares	157,354,972	126,491,500	157,354,972	126,491,500
	157,354,972	**126,491,500**	**157,354,972**	**126,491,500**

Details of the Preference shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Class:	Number:	Nominal value £	31/12/25 £	31/10/24 £
Preference Share - Class A	127,698,977	1.00	152,725,487	123,469,314
Preference Share - Class B	3,338,683	1.00	4,629,485	3,022,186
			157,354,972	**126,491,500**

The carrying value at each reporting date includes accrued interest

The following shares were issued during the reporting period for cash at par:

- **18,380,000 Preference Share – Class A** shares of £1.00
- **1,287,761 Preference Share – Class B** shares of £1.00

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

24. Leasing agreements

Minimum lease payments fall due as follows:

Group

Non-cancellable operating leases:	31/12/25 £	31/12/24 £
Within one year	-	314,392
	-	**314,392**

In respect of the comparator period, operating lease commitments included an 8 month minimum commitment (to 31 August 2025) on corporate office space, reported as the cash amount payable, excluding lease incentive credits. This lease is held by CPL as lessee.

This lease was subject to a rent-free period which was recognised as a lease incentive and amortised over the 13 month lease term, the lease incentive creditor was recognised in other creditors in the comparator period and is now fully amortised.

No company within the Group was subject to a finance lease arrangement either as lessee or lessor at the Reporting Date.

25. Called up share capital

Company

Allotted, issued and fully paid:

Class:	Number:	Nominal value £	31/12/25 £	31/10/24 £
Ordinary Share - Class A	225,000,000	0.0000001	23	23
Ordinary Share - Class B	3,108,782	0.0000001	1	1
Ordinary Share - Class C	46,074,674	0.0000001	5	5
	274,183,456		**29**	**29**

The above share values have been rounded up for reporting purposes, noting that the un-rounded value was £27.42 at the reporting date.

The following shares were issued during the reporting period for cash at par:

- **1,287,761 Ordinary Share – Class B** shares of £0.0000001

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

25. Called up share capital (Continued)

Group

The total group called up share capital disclosure in the consolidated financial statements comprises the following shares.

Allotted, issued and fully paid:

Insurer	Subscriber	31/12/25 £	31/10/24 £
CPGL (Company) - see above	External	29	29
B1	M1	1	1
B2	M2	1	1
B3	M3	1	1
B4	M4	1	1
B5	M5	1	1
B6	M6	1	-
B7	M7	1	-
B8	M8	1	-
E1	M1	201	201
E2	M2	1	1
E3	M3	1	1
E4	M4	1	1
E5	M5	1	1
E6	M6	1	-
E7	M7	1	-
E8	M8	1	-
Total Group		**245**	**239**

26. Reserves

Group Issuer	Retained earnings £	Share premium £	Treasury Shares Reserve £	Totals £
At 1 January 2025	(57,058,545)	28,904	(28,908)	(57,058,549)
Deficit for the year	(13,915,984)	-	-	(13,915,984)
At 31 December 2025	**(70,974,529)**	**28,904**	**(28,908)**	**(70,974,533)**

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

27. Contingent Liabilities

PPF Type A Guarantee

Each B Co (with the exception of Clara-Pensions B1 Limited) has entered a guarantee directly with Clara Trustees Limited as corporate trustee to the Clara Pension Trust. This agreement guarantees the punctual performance by the relevant E Co of its obligations to the relevant "Section" of the Clara Pension Trust.

In effect, where the Section does not have the required assets to settle pension liabilities, the B Co guarantees these payments in favour of Clara Pension Trust.

The Directors consider that the PPF Type A Guarantee is a contingent liability under Section 21 of FRS 102 and that the possibility of any outflow in settlement at the balance sheet date is considered to be remote based on the financial position of the relevant Section. The Directors also confirm that there is no possibility of reimbursement. This note optionally discloses the description and nature of the contingent liability in accordance with section 21 of FRS 102.

This guarantee is backed by a deed of covenant, which confers protections in favour of the Clara Trustees Limited, and floating charge over all of the assets of each B Co, enforcing any liability that might fall due.

Total Return Swap Guarantee

A contractual obligation is entered into between Clara-Pensions Intermediate HoldCo Limited, the company and each B Co (with the exception of Clara-Pensions B1 Limited), the B Co in this contract is the Guarantor.

This obligation, termed the Total Return Swap (TRS) ensures that the total available assets of the Guarantor are transferred in full to the Company provided conditions are met. As part of the TRS, the Guarantor has entered a guarantee agreement directly with the Company, secured by a floating charge, to ensure the punctuality of Clara-Pensions Intermediate HoldCo Limited's obligation to the Company under the TRS.

It should be noted that the floating charge (the principal company charge) in respect of this instrument ranks second to the charge held by Clara Trustees Limited, as is agreed in an intercreditor agreement entered into by all relevant parties within the Group.

This Guarantee is considered by the Directors to be a Financial Guarantee Contract under Section 21 of FRS 102 and bears the hallmarks of a contingent liability. The Directors consider that the possibility of any outflow in settlement at the balance sheet date is remote based on the financial position of the relevant Section. The Directors also confirm that there is no possibility of reimbursement. This note optionally discloses the description and nature of the contingent liability in accordance with FRS 102.

Intervention Trigger Deed

In compliance with relevant regulatory guidance for UK DB Superfunds, each B Co (with the exception of Clara-Pensions B1 Limited) has entered into a contractual arrangement with its related parties, including Clara-Pensions Intermediate HoldCo Limited and the Clara Trustees Limited.

This arrangement ensures that under specific yet highly unlikely events (and if not remedied), the economic and voting ownership of each B Co will transfer to Clara Trustees Limited, making the assets available for specific purposes in favour of the Clara Pension Trust.

The mechanism for this transfer of control and ownership in the unlikely event of an unremedied breach is via an equity instrument held by Clara Trustees Limited, termed the Golden Share.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

27. Contingent Liabilities (Continued)

Within the Intervention Trigger Deed, there are 2 key events:

Under a **Low-Risk Trigger Implementation Event**, economic ownership and voting rights of the B Co transfer to Clara Trustees Limited. This does not directly affect the B Co's accounts but requires to CPIHL to adjust the fair value of its investment in the B Co (FRS 102 Section 9), potentially down to nil depending on the likelihood of the trigger. At Group level, the Directors consider the potential de-grouping of the B Co a contingent liability (or provision) affecting the Group's financial statements.

Under a **Winding-Up Trigger Implementation Notice**, economic ownership and voting rights of the B Co similarly transfer to the Trustee. The B Co's assets are then used to settle section liabilities as the Scheme section is wound up. Following de-grouping, the B Co's investments are sold or transferred, resulting in full derecognition of financial assets (FRS 102 Section 11.33). Again, the increasing likelihood of de-grouping (also, the sale of assets) is treated by the Directors as a contingent liability (or provision) at Group level.

The Directors consider that under both events, the accounting treatment of the increasing likelihood of a de-grouping event is a contingent liability of the Group. The contingent liability will both recognise the probability of a de-grouping itself and an asset de-recognition per the winding-up event, as these are deemed to happen in parallel.

The Directors consider that the possibility of any outflow in settlement at the balance sheet date is remote based on the financial position of the relevant Section. The Directors also confirm that there is no possibility of reimbursement. This note optionally discloses the description and nature of the contingent liability in accordance with FRS 102.

28. Directors' advances, credits and guarantees

The balance of £1,000 that was held in respect of former directors of the Company has been credited in the reporting period on settlement.

29. Ultimate controlling party

The **controlling party and immediate parent entity** is Niederkorn Adjacent Partners SCSp, 1, rue Peternelchen, L-2370 Howald, Luxembourg.

The **ultimate controlling party** is TAO Finance 5, LLC, c/o Maples Fiduciary Services (Delaware) Inc., Suite 302, 4001, Kennett Pike, County of New Castle, Wilmington, Delaware 19807, USA, a company incorporated in the United States of America. The Directors also consider this entity to be the **ultimate parent company** under s.9, Part 1 , Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

30. Reconciliation of Loss to Cash Outflow from Operations

	Year Ended 31/12/25 £	Period 1/11/23 to 31/12/24 £
Operating loss	**(16,227,879)**	**(20,809,560)**
Depreciation charges	22,725	21,280
Realised gain on disposal of Buffer assets	(29,993)	(2,858)
Realised loss on disposal of Fixed assets	-	38
Unrealised gain on revaluation of assets	(2,843,756)	(1,725,161)
Increase in Trustee recharge debtor	(124,856)	(300,849)
Increase/(Decrease) in Lease incentive creditor	(25,264)	25,264
Share based payment settlement	1	(25,747)
(Increase)/Decrease in inter-company debtor	(37,842)	4,636
One-off adjustments	(1,000)	2
Finance costs (Pref-share interest accrual)	11,195,711	9,504,176
Finance Income (Buffer investment and treasury interest)	(3,128,119)	(2,312,698)
	(11,200,272)	**(15,621,477)**
Working capital adjustments: Increase in current assets	(803,273)	(166,613)
Working capital adjustments: Increase in current liabilities	407,878	1,177,769
Cash outflow from operations	**(11,595,667)**	**(14,610,321)**

31. Cash and Cash Equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position balances:

Year ended 31 December 2025	31/12/25 £	01/01/25 £
Cash and cash equivalents	3,334,560	3,790,967

Period ended 31 December 2024	31/12/2024 £	01/11/2023 £
Cash and cash equivalents	3,790,967	1,740,371

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

32. Analysis of changes in net debt

Net Cash	At 1/1/25 £	Cash flow £	Pref share interest accrual £	At 31/12/25 £
Cash at bank	3,790,967	(456,407)	-	3,334,560
Less: Deposits treated as liquid resources	(2,319,661)	(2,927)	-	(2,322,588)
	1,471,306	**(459,334)**	**-**	**1,011,972**
Liquid resources				
Deposits included in cash	2,319,661	2,927	-	2,322,588
	2,319,661	**2,927**	**-**	**2,322,588**
Debt				
Debts falling due within 1 year	(126,491,500)	(19,667,761)	(11,195,711)	(157,354,972)
	(126,491,500)	**(19,667,761)**	**(11,195,711)**	**(157,354,972)**
Total	**(122,700,533)**	**(20,124,168)**	**(11,195,711)**	**(154,020,412)**

33. Major non-cash transactions

Preference share interest accrual during the financial year of £11.2m is included in Debt, which is a material Non-Cash Transaction and is reported above.

Notes to the Consolidated Financial Statements

for the Year ended 31 December 2025

34. Glossary of key terms

Capitalised terms and uncommon abbreviations used in this report are summarised as follows

- **B1:** Clara-Pensions B1 Limited
- **B2:** Clara-Pensions B2 Limited
- **B3:** Clara-Pensions B3 Limited
- **B4:** Clara-Pensions B4 Limited
- **B5:** Clara-Pensions B5 Limited
- **B6:** Clara-Pensions B6 Limited
- **B7:** Clara-Pensions B7 Limited
- **B8:** Clara-Pensions B8 Limited
- **BTA:** Bulk Transfer Agreement
- **Buffer Company (or, B Co):** Company / Companies holding ringfenced buffer capital under UK superfund legislation, subsidiaries of CPIHL
- **Company (or, the Company):** Clara-Pensions Group Limited
- **CPGL:** Clara-Pensions Group Limited
- **CPIHL:** Clara-Pensions Intermediate Holdco Limited
- **CPL:** Clara-Pensions Limited
- **CTL:** Clara Trustees Limited, as corporate trustee to the Scheme Directors: All directors of the Group in position at the Reporting Date DB: Defined Benefit
- **DC:** Defined Contribution
- **E1:** Clara-Pensions E1 Limited
- **E2:** Clara-Pensions E2 Limited
- **E3:** Clara-Pensions E3 Limited
- **E4:** Clara-Pensions E4 Limited
- **E5:** Clara-Pensions E5 Limited
- **E6:** Clara-Pensions E6 Limited
- **E7:** Clara-Pensions E7 Limited
- **E8:** Clara-Pensions E8 Limited
- **FTP:** Financial Transaction Payment, a statutory payment receivable by the Statutory Employer to comply with regulation 12(2)(a) of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991
- **FY24:** The 14 month statutory reporting period ended 31 December 2024
- **FY25:** the 12 month statutory reporting period ended 31 December 2025
- **Golden Share:** Equity instrument, issued by each Buffer Company, subscribed by CTL. A special class of share granting specific control rights to CTL, used to enforce protective provisions under the Intervention Trigger Deed
- **Group:** Reporting group headed by Clara-Pensions Group Limited
- **NIC:** National Insurance Contributions
- **OCI:** Other Comprehensive Income
- **P&L:** Profit and Loss account / the Income Statement
- **PPF:** Pension Protection Fund
- **Reporting Date:** 31 December 2025
- **Scheme:** The Clara Pension Trust, including all of its sections
- **SPE:** Special Purpose Entity
- **Statutory Employer (or E Co):** Statutory employer of a UK DB pension scheme as defined in Section 318 of the Pensions Act 2004, with statutory reporting requirements under s.28 of FRS 102
- **Sweet Equity:** Share-based incentives issued to employees or management
- **TRS:** Total return swap, a financial instrument held by the Company and CPIHL
- **VAT:** Value Added Tax

Clara
PENSIONS

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