B&CE Staff Pension Scheme

Annual Report and Financial Statements
for the year ended 31 December 2025

Pension scheme registry number: 10000821

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Contents

Trustees and advisors

Chair	Alan Pickering, CBE
Trustees	**Employer nominated** R J Blackman, MBE K Farmer **Member nominated** A Kinch M Phillips
Secretary to the Trustees	L Ireland (resigned 28 March 2025) N Tate (with effect from 1 October 2025, resigned 20 March 2026)
Scheme administrator	Hymans Robertson LLP (resigned 19 January 2026)* Lane Clark & Peacock LLP (appointed 20 January 2026)
Actuary	Jonathan Seed FIA, Hymans Robertson LLP (resigned 22 December 2025) Jon Forsyth FIA C.Act, Lane Clark & Peacock LLP (appointed 20 January 2026)
Independent auditor	KPMG LLP
Legal adviser	Mayer Brown LLP
Investment adviser	Barnett Waddingham LLP (resigned 19 January 2026) Lane Clark & Peacock LLP (appointed 20 January 2026)
Investment managers	Legal & General Investment Management Limited
Additional voluntary contribution managers	Aviva Plc Utmost Life and Pensions Limited
Banker	HSBC Bank Plc
Principal Employer	People's Partnership Limited
Name and address for enquiries	Trustee Governance Services B&CE Staff Pension Scheme Manor Royal Crawley West Sussex RH10 9QP TrusteeGovernanceServices@peoplespartnership.co.uk

* On 19 January 2026 Hymans Robertson LLP resigned as the Scheme Administrator, however there is a transition period in place and therefore Hymans Robertson LLP will continue to be the point of member contact until 31 May 2026 when Lane Clark & Peacock LLP will take over as Scheme Administrator, effective 1 June 2026.

Trustees' Report for the year ended 31 December 2025

The Trustees of the B&CE Staff Pension Scheme ('the Scheme') present their Annual Report and Financial Statements for the year ended 31 December 2025.

Scheme constitution

The Scheme is an occupational defined benefit scheme providing pension, ill-health and death benefits for its members and their dependants. Defined benefit means the benefits are based on the final pensionable salary and number of years employed by the Principal Employer ('the Employer') when the benefit becomes payable.

The Scheme is governed by a Trust Deed and Rules. From 4 January 2014, the Scheme closed to new members, but existing members were able to continue accruing benefits.

From 30 September 2024 (the 'Closure date') the Scheme closed to future benefit accrual. The previously active members became 'employed-deferred' members and retain a salary link whilst employed by the Employer.

Developments in the year

During the year, the Trustees undertook a review of their advisers, with the objective to appoint a single supplier to provide actuarial and investment advice. The review of the actuarial and investment advisers, and administration services, concluded in October 2025 with presentations by three firms to a selection panel of five. This resulted in the appointment of Lane Clark & Peacock LLP as the provider of bundled services to the Scheme and the appointment was subsequently approved by the Trustee Board in November 2025.

Scheme management

Responsibility for setting the strategy and for managing the Scheme rests with the Trustees. The people who acted as Trustees during the year and up to the date of approval of these Financial Statements are listed on page 1. The Trustees held four meetings during the year. All decisions were passed with a majority of the Trustees being in attendance.

Two of the Trustees are nominated by the members, serving a period of up to six years. The member nominated Trustees may be removed before the end of their six-year term in accordance with the provisions of the Pensions Act 2004. In accordance with the Trust Deed the Employer has the power to appoint and remove the other Trustees of the Scheme.

The Trustees' attendance at the quarterly meetings are summarised below:

Trustee	Trustee Meetings (4 meetings)
A Pickering	4
R J Blackman	4
K Farmer	4
A Kinch	3
M Phillips	4

People's Partnership Limited ('PPL') pays the Trustees a fee and reimburses the Trustees for expenses incurred in performing their duties as a Trustee of the Scheme. Pensioner Trustees are reimbursed by PPL for expenses incurred in performing their duties, in accordance with the Trustees' agreed policy.

The Trustees regularly review registers of risks and conflicts to ensure that the appropriate internal controls are in place and remain effective to support their governance arrangements.

The Trustees have appointed professional advisers and other organisations to support them in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustees have written agreements in place with each of them.

Trustees' Report for the year ended 31 December 2025 (continued)

Financial Statements

The Financial Statements included in this Annual Report are those required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

Membership and benefits

The change in membership during the year is as follows:

	Deferred members	Pensioners	Dependants	Total
At the start of the year	**150**	**197**	**26**	**373**
Members retiring	(8)	8		0
New dependants			5	5
Transfers Out	(1)			(1)
Deaths		(10)	(2)	(12)
At the end of the year	**141**	**195**	**29**	**365**

Pension increases

Pensions from the Scheme are increased each year in line with regulatory requirements. While the Trustees can also apply discretionary increases, in accordance with the Trust Deeds and Rules of the Scheme, no discretionary increases were applied in the current year. The increases applied depend on when the benefits were accrued. The table below summarises the increases applied during the current Scheme year.

Effective date	Minimum	Average	Maximum
Pensions in payment			
1 January 2024	2.48%	3.65%	5.01%
1 January 2025	**1.68%**	**2.70%**	**3.58%**

Pensioners who retired during the 12 months preceding 31 December received proportionate increases which are calculated based on complete months in payment.

Deferred pensions

There are no discretionary increases to deferred pensions. They are revalued in line with statutory revaluation requirements until the benefit is taken.

Transfer values

Transfers from the Scheme are based on actuarial assumptions and factors agreed by the Trustees on the advice of the Scheme actuary, including an element for discretionary benefits where they are not detrimental to the transfer value. The transfer assumptions and factors are reviewed at the earliest date after each triennial valuation of the Scheme, or if the Scheme funding level materially falls. Cash equivalent transfers paid from the Scheme during the year were calculated and verified according to the Pension Schemes Act 1993. The only transfer out value paid in the year did not include any discretionary benefits.

Actuary

Jonathan Seed, of Hyman's Robertson LLP, the Scheme Actuary, resigned on 22 December 2025. The Trustees filled the vacancy of the Scheme Actuary by appointing Jon Forsyth, of Lane Clark & Peacock LLP, on 20 January 2026.

As required by Regulations made under the Pensions Act 1995, Jonathan Seed confirmed in his notice of resignation that he knew of no circumstances connected with the resignation that significantly affected the interests of the members or beneficiaries of the Scheme.

Trustees’ Report for the year ended 31 December 2025 (continued)

Membership and benefits (continued)

Guaranteed Minimum Pensions (GMP)

In October 2018, the High Court confirmed that Trustees of final pensionable salary schemes have an obligation to equalise pension benefits for the effect of unequal GMPs earned between men and women for the period 17 May 1990 to 5 April 1997 and provided guidance on the methodology for achieving this.

There was a further court ruling in November 2020 in relation to the case, which concluded that past transfers out of schemes in respect of GMPs earned during this period also need to be taken into account.

The GMP Rectification and GMP Equalisation project for existing members (Deferred and Pensioner members) of the Scheme was completed by the end of December 2025. All member adjustments have been completed and the GMP liability amount has been allowed for in the actuarial valuation.

The Trustees are now reviewing, with their advisers, the next steps to address GMP Equalisation for deceased members, and members who have previously transferred out.

Virgin Media Case

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court.

In response to the issue, a potential remediation was raised in the Pension Schemes Bill 2025 by the government, enabling any changes between 6 April 1997 and 5 April 2016 to be reviewed and agreed retrospectively by the scheme actuary if contemporary section 37 advice was unable to be located. Following legal advice, the Trustee agreed that no immediate review of changes between the relevant dates was required. Questions relating to Scheme Rule changes will be addressed on a case-by-case basis.

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’ (FRS 102), the Financial Statements don’t include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the statutory funding objective. The objective is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled to based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustees and the Employer and is set out in the Statement of Funding Principles – a copy of which is available to Scheme members upon request.

The most recent triennial actuarial valuation of the Scheme (carried out as at 31 December 2022) dated 6 February 2024 showed that Scheme liabilities were 104% funded. No deficit recovery contributions are payable because there was no deficit in the Scheme relative to the statutory funding objective as at 31 December 2022. However, contingent contributions are payable by the Employer if the funding level progression to the long-term objective (as defined in the Statement of Funding Principles) falls behind plan. The next triennial actuarial valuation of the Scheme as at 31 December 2025 is currently underway and must be completed by 31 March 2027.

Trustees' Report for the year ended 31 December 2025 (continued)

Report on Actuarial Liabilities (continued)

The latest annual actuarial valuation as at 31 December 2024 indicated that the Scheme's liabilities were 111% funded, which is an increase of 5% and 7% over the actuarial valuation as at 31 December 2022 and the annual update as at 31 December 2023 respectively as shown below.

Valuation date: 31 December	**2024**	2023	2022
Value of technical provisions	**£43.4m**	£49.1m	£49.8m
Value of assets available to meet technical provisions	**£48.0m**	£52.3m	£51.7m
as a percentage of technical provisions	**111%**	106%	104%

The value of the technical provisions is based on pensionable service to the valuation date and assumptions about various factors that will influence the Scheme in the future. Such factors include the levels of investment returns; pay increases; the timing of members' retirement; and member longevity. The method and significant actuarial assumptions used in the calculations are as follows:

Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Assumption	**Derivation**
Pre and post-retirement discount rate	Market implied gilt yield curve plus 0.8% per annum ('p.a.')
Retail price inflation (RPI)	Market implied gilt yield curve.
Consumer price inflation (CPI)	RPI curve less 1.0% p.a. pre-2030, RPI less 0% p.a. post-2030.
Pension increases	Fixed increases will be in line with the relevant fixed rate. Limited price indexation pension increases curves to be derived from RPI, adjusted for the impact of the caps and floors.
Pensionable salary increases	Assumed to be in line with CPI p.a.
Expenses	No allowance as all expenses will be funded by the Employer directly.
GMP equalisation	An allowance of 0.4% loading + £0.03m is applied to the liabilities.
Mortality	Pre-retirement mortality base tables will be 100% of PNXA00 standard tables. Post-retirement mortality base tables will be Scheme specific 2022 Club Vita tables. Future improvements in longevity (pre and post-retirement) will be assumed to be in line with the CMI 2021 model with a long-term rate of improvement of 1.5% and an A parameter of 0.25% for males and 0.25% for females.

Next actuarial valuation

The next triennial valuation of the Scheme as at 31 December 2025 is currently underway.

Trustees' Report for the year ended 31 December 2025 (continued)

Report on Actuarial Liabilities (continued)

Contributions receivable

Following the actuarial valuation as at 31 December 2022, the Scheme actuary certified an updated Schedule of Contributions on 6 February 2024. Contributions for the year ended 31 December 2024, until the Scheme ceased future accrual of benefits on 30 September 2024, were paid at the following rates for the year in accordance with the Schedule certified by the actuary on 6 February 2024:

Employer:	31.0%	of members' pensionable salaries – salary sacrifice members
	22.0%	of members' pensionable salaries – salary sacrifice opt-outs
Employees:	0.0%	of members' pensionable salaries – salary sacrifice members
	9.0%	of members' pensionable salaries – salary sacrifice opt-outs

Normal contributions ceased to be paid into the Scheme after it closed to future accrual of benefits on 30 September 2024. Accordingly, no normal contributions have been received by the Scheme since this date. Normal contributions received during the prior year until 30 September 2024 amounted to £358,527. Of this, employees who opted out of the salary sacrifice arrangement contributed £10,987 and the balance was provided by the Employer, including Employee contributions under the salary sacrifice arrangement.

As the Scheme is fully funded, no other contributions are required to be paid under the current Schedule of Contributions.

The Trustees' Summary of Contributions, which forms part of this Trustees' Report, which sets out contributions paid to the Scheme under the Schedule of Contributions, is set out on page 36.

Investment management

Investment strategy and principles

The Trustees are responsible for setting and monitoring the investment policies and strategy of the Scheme. The Trustees monitor the investment performance and oversee the management and suitability of investments in line with the agreed strategies.

The Trustees receive investment performance and monitoring reports on a quarterly basis from their investment adviser to allow them to monitor the performance of the investment managers, the progress versus the Scheme's long-term objective, the level of hedging provided by the protection portfolio, cashflow management and asset allocation.

In accordance with Section 35 of the Pensions Act 1995, the Trustees have agreed a Statement of Investment Principles ('SIP'). The SIP was last updated in June 2024 and can be found at https://bandce.co.uk/wp-content/uploads/2024/08/BCE-Staff-Pension-Scheme-SIP-2024.pdf, alternatively, a copy can be obtained from the contact for enquiries on page 1.

Investment objective

The SIP includes the following description of the Scheme's investment objectives:

- To make sure that sufficient funds are available to meet benefit obligations of the Scheme under the Trust Deed and Rules as they fall due.
- To manage the expected volatility of the returns achieved to control the level of volatility in the Scheme's required contribution levels.
- To invest in assets of appropriate liquidity which will generate income and capital growth to meet the cost of current and future benefits which the Scheme provides.
- To reduce the risk of the assets failing to meet the liabilities over the long term.
- To minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives.

Trustees' Report for the year ended 31 December 2025 (continued)

Investment management (continued)

Investment objective (continued)

The Trustees' investment strategy considers the Scheme's investments in the following groups:

- **Growth portfolio for return-seeking assets:** predominantly diversified funds where the objective is to achieve growth within the constraints of the risk profile set by the Trustees.
- **Protection portfolio for liability-driven assets:** predominantly bonds and liability driven investment ('LDI') funds, where the objective is to secure fixed or inflation-adjusted cash flows in future, and where the investments are generally expected to be held to maturity.

Investment manager

The investment strategy is designed to meet the Scheme's funding objective, reduce risk and meet cash flows.

As can be seen from the table on page 11, as at 31 December 2025, 15% of the Scheme's assets are held in the passively managed LGIM Future World Equity Index Fund and 15% of the Scheme's assets are held in the passively managed LGIM Future World GBP Hedged Equity Index Fund.

The Legal & General Investment Management Limited ('LGIM') managed LDI funds, representing 70% of the Scheme's assets as at 31 December 2025, maintain the Scheme's level of interest rate and inflation hedging. Included within the LDI portfolio is the LGIM managed Buy and Maintain Credit Fund (Distribution), representing 26% of the Scheme's assets as at 31 December 2025, which is designed to manage longer term cash flows.

Investment managers are remunerated by fees based on an agreed percentage of funds under management.

The Trustees have delegated the day-to-day management of investments to the investment manager listed on page 1. The investment manager, who is registered in the United Kingdom and regulated by the Financial Conduct Authority, manage the investments within the restrictions set out in investment management agreements which are designed to ensure the objectives and policies set out in the Statement of Investment Principles (SIP) are followed.

The Trustees have limited influence over the active voting decisions which relate to the Scheme's investments as they are held in pooled investment vehicles. However, they review the investment managers' policies and statements of compliance in respect of these matters. More details on how the Trustees approach these issues can be found in the Scheme's Responsible Investment Policy and the SIP which are available upon request.

The Trustees believe that environmental, social and governance ('ESG') considerations, including climate change, have the potential to have a financially material impact over the long-term period in which benefits are expected to be paid. The Trustees appreciate that the method of incorporating ESG within an investment strategy and process will differ between asset classes. A high-level summary of the Trustees' views on ESG integration within each asset class the Scheme invests in is outlined below:

Equity Funds - the Trustees believe that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's equity fund investment managers. The investment process for each equity fund investment manager should take ESG issues into account when selecting holdings. Further to this, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

Fixed income – the Trustees believe ESG issues should be considered in an investment manager's investment process as they can materially impact risk-adjusted returns. The Trustees recognise that fixed income assets do not include voting rights, however they support engagement from the investment managers to identify ESG risks and opportunities as they arise. The process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

LDI and money market – the Trustees believe there is often less scope for ESG issues to improve risk-adjusted returns in these asset classes because of the:

- high level of exposure to government bonds within the Scheme's LDI holdings; and
- short-term nature of the assets within money market funds.

Trustees' Report for the year ended 31 December 2025 (continued)

Investment management (continued)

Investment manager (continued)

It's worth noting that when transacting in LDI and money market funds, the Trustees require that due diligence is undertaken to assess the credit worthiness of the counterparty both initially and ongoing, whilst at the same time looking to achieve best execution. The Trustees expect this to be more relevant for longer-term trades compared to shorter-term trades and should incorporate ESG factors where these assist with the credit worthiness assessment.

The Trustees are comfortable that the investment manager is managing their funds with ESG taken into account in a reasonable way for that particular asset class and in accordance with their views on financially material factors, as set out in this statement, and in particular with regards to the selection, retention, and realisation of the underlying investments held. The Scheme's investment fund manager will ultimately act in the best interests of the Scheme's assets to maximise returns for a given level of risk.

The Trustees will consider ESG issues and climate risk within their investment decision making framework. This includes when appointing and reviewing investment managers to ensure they are appropriately considered given the asset class involved.

The Scheme invests exclusively in pooled funds at present and this policy is therefore framed around how the Trustees interact with, monitor, and may seek to influence, the pooled investment fund managers. When delegating investment decision making to their investment managers, the Trustees provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The benchmarks to be used reflect the positioning the investment manager is expected to take within an investee company's corporate structure.

The Trustees have not taken into account any 'non-financial considerations' in deriving their investment strategy.

The Trustees consider it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the investment manager invests. The Trustees also consider it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the investment managers invest on behalf of the Scheme. The Trustees expect the investment managers to employ the same degree of scrutiny for pooled funds as if the investment had been made on a direct basis. Should an investment manager be failing in these respects, this should be captured in the regular monitoring of the investment managers' activity.

The Scheme's investment adviser is independent, and no arm of their business provides asset management services. This, and their FCA regulated status, makes the Trustees confident that the investment managers' recommendations are free from conflict of interest.

The Trustees expect all investment managers to have a conflict-of-interest policy in relation to their engagement and ongoing operations. In doing so, the Trustees believe they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustees/investment manager and the investee companies.

Trustees' Report for the year ended 31 December 2025 (continued)

Investment management (continued)

Asset manager arrangements

Incentivising alignment with the Trustees' investment policies

Prior to appointing the investment manager, the Trustees discuss the investment manager's benchmark and approach to the management of ESG and climate related risks with the Scheme's investment adviser, and how they're aligned with the Trustees' own investment aims, beliefs and constraints.

When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the investment manager intends to make the required investment returns, the Trustees also consider how ESG and climate risk are integrated into these. If the Trustees deem any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider another investment manager for the mandate.

The Trustees carry out a strategic review at least every 3 years where they assess the continuing relevance of the strategy in the context of the Scheme and their aims, beliefs and constraints. The Trustees monitor the investment managers' approach to ESG and climate-related risks on an annual basis.

If the investment manager ceases to meet the Trustees' desired aims, including the management of ESG and climate related risks, using the approach expected of them, the Trustees will expect to work with the investment manager to improve the alignment of their objectives. Should the collaboration with the investment manager be deemed unsuccessful by the Trustees, their appointment may be reviewed or terminated. The investment managers have been informed of this by the Trustees.

Investment manager ESG policies are reviewed in the context of best industry practice and feedback is and will be provided to the investment manager.

Incentivising assessments based on medium to long-term, financial and non-financial considerations

The Trustees are mindful that the impact on performance of ESG and climate change may be long-term in nature. However, they're aware that the risk associated with them may be much shorter-term in nature. The Trustees have acknowledged this in their investment management arrangements.

When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustees assess these over mutually agreed rolling timeframes. The Trustees believe the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. In the case of assets that are actively managed, the Trustees expect this to be sufficient to ensure an appropriate alignment of interests.

The Trustees expect investment managers to be voting and engaging on behalf of the fund's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustees don't expect ESG considerations to be disregarded by the investment managers to achieve any short-term targets.

Trustees' Report for the year ended 31 December 2025 (continued)

Investment management (continued)

Asset manager arrangements (continued)

Method and time horizon for assessing performance

The Trustees monitor the performance of their investment managers over the medium to long-time periods that are agreed with the investment managers, and are consistent with the Trustees' investment aims, beliefs and constraints. The investment adviser assists the Trustees in this monitoring process.

The Scheme invests exclusively in pooled funds. The investment manager is remunerated by the Trustees based on the assets they manage on behalf of the Trustees. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall, they receive less.

The Trustees believe that this fee structure enables the investment managers to focus on long-term performance without worrying about short-term dips in performance significantly affecting their revenue.

The Trustees ask the Scheme's investment adviser to assess if the asset management fee is in line with the market when the investment manager is selected, and the appropriateness of the annual management charges are considered as part of the review of the investment strategy, at least every 3 years.

Portfolio turnover costs

During the investment manager appointment process, the Trustees consider both past and anticipated portfolio turnover levels. Overall performance is assessed as part of the regular investment monitoring process, which can be impacted by turnover costs.

The Trustees recognise that there are circumstances when turnover costs are unavoidable e.g. changing the investment manager.

The Trustees recognise that turnover costs are necessary where they are incurred to ensure the Scheme remains in investments that will provide potential growth, rather than detract from performance over the long-term. They're mindful that high turnover costs have the potential to adversely affect overall performance. When monitoring turnover costs both the level and reason behind them are considered and, if necessary, investigated further.

The Trustees acknowledge that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

Duration of arrangement with asset manager

For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers.

The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustees' investment aims, beliefs and constraints are assessed every 3 years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

Custodial arrangements

The investments with LGIM are held under an insurance policy and they appoint their own custodian, HSBC Bank Plc.

Employer related investments

There were no Employer related investments during the year or at the Scheme year end date (2024: nil).

Trustees’ Report for the year ended 31 December 2025 (continued)

Investment management (continued)

Asset allocation

The structure of the Scheme’s investment assets excluding Additional Voluntary Contributions (‘AVCs’) as at 31 December 2025 was as follows:

Pooled investment vehicles	Fund		Benchmark
	£’000	%	%
FW Global Equity Index Fund FW Global Eq Index Fd GBP Hdg	7,236 7,301	15 15	**30**
Growth portfolio	**14,537**	**30**	**30**
LGIM Matching Core Fixed Long Fund (Series 1) LGIM Matching Core Fixed Short Fund (Series 1) LGIM Matching Core Real Long Fund (Series 1) LGIM Matching Core Real Short Fund (Series 1) LGIM Sterling Liquidity Fund LGIM Buy & Maintain Credit Fund (Distribution)	6,034 1,343 6,816 117 6,582 12,670	13 3 14 1 14 25	45 25
Protection portfolio	**33,562**	**70**	**70**
Total Scheme investment assets (excluding AVCs)	**48,099**	**100**	**100**

The Growth and Protection elements of the portfolio are broadly in line with the benchmark allocations. However, individual components of the portfolio vary slightly to the benchmarks as they’re affected by cash flows and market values at the year-end. The unit prices for the Protection portfolio valuations were based on closing market prices on 31 December 2025. The Growth portfolio prices are as at 31 December 2025. The values shown include any activity that took place on the valuation days. All of the investments are readily available for sale.

Investment performance

The Trustees assess the performance of the Scheme’s investments in the following groups consistent with the overall strategy:

- **Growth portfolio for return-seeking assets** are assessed by reference to benchmarks and performance targets set and agreed with each investment manager.
- **Protection portfolio for liability-driven assets** are compared with benchmarks but the Trustees’ main concern is security of cash flows and therefore, growth in these assets (which is normally linked to growth in Scheme liabilities, or vice versa) is less relevant.

The Scheme performance was 7.7% over the 12 months to 31 December 2025 against a benchmark of 3.4%. Although 2025 was a very positive year for equities, long duration bonds did not perform as well and yields remain raised and values suppressed. Due to the Scheme’s LDI investment strategy, market movements in asset values are closely matched to the movements in future liabilities which are also sensitive to interest rates and inflation. It is reasoned that the Scheme’s long-term funding position remains secure. Throughout the longer term, the performance of the Scheme’s assets over 3 years was 3.4% p.a. against a composite benchmark return of (0.2%) p.a.

Trustees' Report for the year ended 31 December 2025 (continued)

Investment management (continued)

Investment performance (continued)

The protection portfolio, which mainly consists of fixed income instruments, continued to experience suppressed asset values due to high gilt yields over the period, which would have resulted in a corresponding fall in the value of the Scheme's liabilities. However, the portfolio performance for the year was generally in line with its benchmarks as shown in the table below:

Fund Name	1 Year Performance %	1 Year Benchmark %	3 Year Performance %	3 Year Benchmark %
LGIM Matching Core Fix Long Fund (Series 1)	3.2	3.2	(13.7)	(14.0)
LGIM Matching Core Fix Short Fund (Series 1)	6.6	6.6	(7.9)	(8.2)
LGIM Matching Core Real Long Fund (Series 1)	(4.0)	(4.0)	(13.0)	(13.3)
LGIM Matching Core Real Short Fund (Series 1)	(4.0)	(3.9)	(9.7)	(9.9)
LGIM Sterling Liquidity Fund	4.5	4.3	4.9	4.7
LGIM Buy & Maintain Credit Fund (Distribution)	6.7	7.3	5.7	6.3

The Trustees monitor investment performance against the relevant benchmarks when reviewing the performance of each investment manager.

The Trustees have considered the nature, disposition, marketability, security and valuation of the Scheme's investments and consider them to be appropriate relative to the reasons for holding each class of investment. More details about investments are given in the notes to the Financial Statements.

Trustees' Report for the year ended 31 December 2025 (continued)

Implementation Statement

This Implementation Statement has been produced by the Trustees of B&CE Staff Pension Scheme ('the Scheme') and sets out the following information over the year to 31 December 2025:

- how the Trustees' policies on exercising rights (including voting rights) and engagement have been followed over the year; and
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs.

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. The Trustees are comfortable the Scheme's investment managers have demonstrated transparency in their voting and engagement activities, and the Trustees believe that these activities reasonably align with the stewardship priorities of the Scheme.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers. Each asset manager is expected to undertake good stewardship and positive engagement in relation to the assets held.

The Trustees' policy on voting and engagement is set out in the Scheme's Responsible Investment ("RI") Policy, which forms part of the Statement of Investment Principles dated June 2024 and available here: https://bandce.co.uk/wp-content/uploads/2024/08/BCE-Staff-Pension-Scheme-SIP-2024.pdf.

To enable the Trustees to make high quality decisions, the fact-finding and analysis is delegated to the in-house investment team of People's Partnership and the Trustees' independent investment adviser(s). The Trustees' RI Policy notes a key priority of engaging with companies in an investment portfolio regarding issues believed to have a material impact (both positive and negative) on future returns. The Trustees integrate stewardship considerations into how they select, appoint and monitor asset managers and other service providers. The Trustees expect their fund managers:

- To hold investee companies to account for the actions they are taking to address business-material ESG risks and opportunities. To have robust governance systems that drive effective stewardship.

- To hold key industry players and policy makers to account to ensure they are able to help the Scheme achieve its RI objectives. To conduct industry, collaborative and policy engagement on the Scheme's stewardship priorities. To collaborate with other like-minded investors and stakeholders to increase influence.

- To exercise voting rights on the Trustees' behalf in companies in which the Scheme has holdings (baseline expectation). To carry out stewardship activity that is reasonably aligned with the Scheme's stewardship priorities.

- To provide appropriate stewardship reporting, including annually reporting on their progress against the Principles laid out in the RI policy to aid in the Scheme's reporting obligations.

In addition, the Trustees will take into account whether their managers are signatories to the Principles for Responsible Investment (PRI) and UK Stewardship Code. All of the Scheme's fund managers and its investment adviser are signatories to both the PRI and the 2020 UK Stewardship Code.

Trustees' Report for the year ended 31 December 2025 (continued)

Implementation Statement (continued)

Stewardship policy (continued)

The Scheme has used the following criteria in deciding where to allocate its stewardship resources:

- Prioritise ESG issues which are considered to be systemic risks
- Focus on stewardship asks where a connection can be made to generating shareholder value in a way that aligns with value to the Scheme, its members, as well as wider society
- Focus on stewardship asks that are part of established industry-wide frameworks with existing momentum and track-record behind them.

Using the above prioritisation framework, the Trustees have identified Climate Change, Nature, and Human Rights as the Scheme's Stewardship Priorities.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that its policies on voting and engagement have been met in the following ways:

• The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

• The Trustees' investment advisers produce sustainability reports summarising the voting and engagement activity of the fund managers based on a review of reports and other information provided by the fund managers. This includes information on voting and engagement, together with ratings on voting and engagement in action, as well as scores provided by the PRI on different asset classes where available. This is to ensure that the managers used by the Scheme continue to meet the Trustees' standards in relation to stewardship. Where any material areas of disagreement are identified, these are highlighted to the Trustees.

> *The Trustees undertook a review of the stewardship and engagement activities of their fund managers via receipt and review of their investment advisers' report (issued in February 2025). The contents of the report were reviewed and discussed by the Trustees in their meeting during the first quarter of 2025. The result of the review was that the Trustees were satisfied that no immediate action was required at that time. This is an annual review.*

• Where relevant, the Trustees' investment advisers consider a fund manager's stewardship credentials when advising on investment issues.

> *The Trustees have previously obtained training on ESG considerations in order to strengthen their understanding on how ESG factors including climate change could impact the Scheme and its investments. This was done before implementing the current investment strategy which involved a change in the Scheme's equity manager. The stewardship credentials of the new manager were considered as part of this process and the Trustees were comfortable that the manager met the standards required under the RI policy. As part of ongoing monitoring of the Scheme's investment managers, the Trustees use sustainability ratings information available within the pensions industry or provided by its investment adviser, to assess how the Scheme's investment managers take account of ESG issues.*

• The Trustees expect investment managers to be voting and engaging on behalf of the fund's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts.

> *The Trustees reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Scheme's stewardship policies.*

Trustees' Report for the year ended 31 December 2025 (continued)

Implementation Statement (continued)

Voting data

This section provides a summary of the voting activity undertaken by the investment managers for the Scheme on behalf of the Trustees over the year to 31 December 2025. The cash funds and Liability Driven Investments ("LDI") held with Legal & General ("L&G") have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

The Scheme holds both the unhedged and GBP hedged share classes of the L&G Future World Global Equity Index Funds. As the underlying holdings of these funds are the same, we have only shown data for the unhedged share class.

Manager	LGIM
Fund name	Future World Global Equity Index Fund/ Future World Global Equity Index Fund GBP Hedged
Structure	Pooled
No. of eligible meetings	5,881
No. of eligible votes	59,848
% of resolutions voted[2]	100.0%
% of resolutions abstained[1]	1.1%
% of resolutions voted with management[1]	78.6%
% of resolutions voted against management[1]	20.3%
Proxy voting adviser employed	ISS
% of resolutions voted against proxy voter recommendation	9.2%

Proxy voting

The below summarises how L&G utilise their proxy voting services.

L&G's Investment Stewardship team uses ISS's electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and it does not outsource any part of the strategic decisions. To ensure its proxy provider votes in accordance with L&G's position on ESG, L&G has put in place a custom voting policy with specific voting instructions. L&G reviews the custom voting policy with ISS annually and takes into account feedback from its investors.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, guidance from the DWP in June 2022 states that a significant vote is likely to be one that is linked to one or more of the Scheme's stewardship priorities, which are listed in the "Stewardship policy" section above.

1 As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

2 Rounded to one decimal place. Underlying figure: 99.96%. Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

Trustees' Report for the year ended 31 December 2025 (continued)

Implementation Statement (continued)

Significant votes (continued)

The Scheme has established ownership/voting principles. As noted above, as the Scheme invests in funds alongside other investors, the Trustees recognise that their chosen manager's prioritisation of issues for engagement and voting may not be the same as their own. However, they look for good alignment and consider this as part of their annual review of sustainability matters. Through the information detailed in this Statement they are comfortable that the voting undertaken on their behalf was broadly reflective of their own policies and not inconsistent with the stewardship priorities as set out in their Responsible Investment policy. Whilst the Trustees did not notify their asset managers what they consider to be the most significant votes in advance of all votes being taken, their RI policy (which includes information on stewardship priorities) was re-confirmed with the investment managers in the second half of 2024.

L&G provided a selection of votes for the L&G Future World Global Equity Index Funds that they deem to be significant. Of these, the Trustees have selected 5 significant votes based on the voting themes most aligned to the Trustees' stewardship priorities and the largest holdings within these themes, ensuring that at least one vote for each stewardship priority is included where possible.

A summary of the significant votes provided is set out below.

	Vote 1	Vote 2	Vote 3
Company name	Broadcom Inc.	National Australia Bank Limited	RTX Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.2%	0.3%	0.2%
Summary of the resolution	Elect Director Henry Samueli	Approve Strategy to Eliminate Financed Deforestation	Elect Director Christopher T. Calio
How the manager voted	Against	For	Against
Rationale for the voting decision	L&G voted against this proposal as the company is deemed not to have made sufficient progress against L&G's climate expectations and red lines, as set out in its sector guides through L&G's dial-mover engagement programme.	L&G voted in favour as it expects companies to be taking sufficient action on the key issue of climate and nature. L&G believes disclosure of a strategy to eliminate financed deforestation in line with credible frameworks such as the Accountability Framework Initiative would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. L&G considers a clear, board-overseen strategy and disclosure to be beneficial for shareholders.	L&G voted against as it expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. Additionally, L&G deemed the company to be in direct breach of L&G's Human Rights policy, through its own actions or activities, of one or more human rights related United Nations Global Compact (UNGC) Principles (Principles 1-6) for a continuous period of two years or more.
Criteria on which the vote is considered "significant"	L&G considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors.	L&G considers this vote to be significant as it is applied under its engagement program on deforestation, targeting companies in high-risk sectors.	L&G considers this vote to be significant as it is in application of an escalation of its vote policy on the topic of the combination of the board chair and CEO.
Implications of the outcome	L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. Its policy not to engage with investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		
Relevant stewardship priority	Climate change	Nature	Human rights

Trustees' Report for the year ended 31 December 2025 (continued)

Implementation Statement (continued)

Significant votes (continued)

	Vote 4	Vote 4
Company name	**The Toronto-Dominion Bank**	**ANZ Group Holdings Limited**
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%	0.2%
Summary of the resolution	Annual Energy Supply Ratio Disclosure	Annual Energy Supply Ratio Disclosure
How the manager voted	For	For
Rationale for the voting decision	L&G voted for this proposal as it believes that banks and financial institutions have a significant role to play in shifting financing away from 'brown' to funding the transition to 'green'. L&G expects the company to be undertaking appropriate analysis and reporting on climate change matters, as they consider this issue to be a material risk to companies.	L&G voted in favour as it expects companies to be taking sufficient action on the key issue of climate and nature. Enhanced disclosure on financed deforestation exposure would improve transparency on material environmental and credit risks, given ANZs exposure to the agri-business lending. While ANZ references TNFD and applies Social & Environmental Risk Standards, the company does not disclose any data, tools, or processes to check that customers are not engaging in deforestation (including illegal deforestation), unlike local peer NAB which recently outlined such measures. Additional, decision-useful disclosure aligned with credible frameworks such as the Accountability Framework Initiative (AFI), covering both legal and illegal deforestation and quantifying exposure where practicable, would be beneficial to shareholders.
Criteria on which the vote is considered "significant"	L&G considers this vote to be significant due to the relatively high level of support it received. This resolution is similar to proposals at banks in 2024 and focus on the commercial opportunities arising from the transition from 'green' to 'brown'. A number of North American banks have since agreed to provide such information and L&G believe that the remainder would benefit from making similar disclosures.	L&G considers this vote to be significant as it is applied under its engagement program on deforestation, targeting companies in high-risk sectors.
Outcome of the vote	Fail	Fail
Implications of the outcome	L&G will continue to engage with investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. Its policy not to engage with investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.	
Relevant stewardship priority	Climate change	Nature

Trustees' Report for the year ended 31 December 2025 (continued)

Implementation Statement (continued)

Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

	L&G	
Fund name	**Future World Global Equity Index Funds**	**Buy and Maintain Credit Fund**
Number of engagements undertaken on behalf of the holdings in this fund in the year	1,789	355
Number of entities engaged on behalf of the holdings in this fund in the year	1,056	143
Number of engagements undertaken at a firm level in the year	3,114	

Examples of engagement activity undertaken over the year to 31 December 2025

Legal & General Asset Management

The key engagement topics at firm level over the year to 31 December 2025:

- Climate Change
- Deforestation
- Remuneration
- Climate Mitigation
- Strategy and Capital Management
- Board Composition

Microsoft Corporation

Microsoft is among several companies that have outsized influence on the integration of artificial intelligence ("AI") into our economy through its software products and cloud operation. L&G believes companies like Microsoft should be transparent in its use of AI and its risk management processes. Given the scale of the company's cloud and digital operation globally, the human rights risks in its operation and in the value chain remain high.

L&G engaged with Microsoft to improve its transparency, governance and risk management regarding the use of AI and human rights. L&G first engaged with Microsoft on the topic of AI governance in 2023, following the publication of their 'safe AI' expectations. In late 2025, L&G met with the company again ahead of their 2025 annual general meeting ("AGM") to discuss shareholder resolutions that had been filed in relation to AI and data governance and human rights. L&G wanted to understand how Microsoft is approaching these issues and what measures the company has taken to manage relevant risks. Given the corrective actions the company has taken in response to stakeholder feedback, L&G voted against two shareholder resolutions on the topic of human rights. However, L&G voted for a shareholder proposal requesting a report on AI data usage oversight, as the regulatory environment is changing quickly and there are increased legal and reputational risks related to copyright infringement associated with its data sourcing practices.

Microsoft has improved its transparency on responsible AI governance and human rights over the past few years. Although the company's disclosures on AI governance are generally better than its international peers, L&G have found that the company could further improve its data governance disclosures, especially in relation to government requests for content removal and user data. The company has made amendments to internal risk classification process for projects, and which type of projects would require additional human rights due diligence, which L&G view positively. L&G will continue to monitor progress in AI governance and related processes.

Trustees' Report for the year ended 31 December 2025 (continued)

Statement of Trustees' Responsibilities

Statement of Trustees' Responsibilities for the Financial Statements

The audited Financial Statements, which are required to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited Financial Statements for each Scheme year which:

a) show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
b) contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice *Financial Reports of Pension Schemes*.

The Trustees have supervised the preparation of the Financial Statements and have agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. They are also responsible for:

- assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless they either intend to wind up the Scheme, or have no realistic alternative but to do so; and
- making available each year, commonly in the form of a Trustees' Annual Report, information about the Scheme prescribed by pensions legislation, which they should ensure is fair and impartial.

The Trustees also have certain responsibilities in respect of contributions which are set out in the Statement of Trustees' responsibilities in respect of contributions as below, which accompany the Trustees' Summary of Contributions on page 36.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Scheme and financial information included on the Scheme's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Statement of Trustees' responsibilities in respect of contributions

The Scheme's Trustees are responsible under pensions legislation for ensuring that there is a prepared, maintained and from time-to-time revised Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustees are also responsible for keeping records of contributions received in respect of any active member of the Scheme and for monitoring that contributions are made to the Scheme in accordance with the Schedule of Contributions.

Trustees’ Report for the year ended 31 December 2025 (continued)

Further information

Requests for additional information about the Scheme, or queries relating to members’ own benefits, should be made to the contact listed on page 1.

Auditor

The incumbent auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

Approved by the Trustees at their Board meeting on 2 June 2026 and signed on their behalf on 2 June 2026 by:

....

Alan Pickering, CBE
Chair

Independent Auditor's Report to the Trustees of the B&CE Staff Pension Scheme

Opinion

We have audited the Financial Statements of B&CE Staff Pension Scheme ("the Scheme") for the year ended 31 December 2025 which comprise the Fund Account and the Statement of Net Assets (available for benefits) and related notes to the Financial Statements, including the accounting policies, as set out on pages 25 to 34.

In our opinion the Financial Statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year ended 31 December 2025 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Scheme in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the Financial Statements on the going concern basis as they do not intend to wind up the Scheme, and as they have concluded that the Scheme's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the Scheme and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.
- we have not identified and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Scheme will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustees as to the Scheme's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee Board minutes.

Independent Auditor's Report to the Trustees of the B&CE Staff Pension Scheme (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the Trustees (or their delegates including the Scheme administrator) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as investment valuations. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustees; there are no subjective issues or judgements required.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the Financial Statements have been prepared.
- Assessing whether the judgements made in making accounting estimates are indicative of potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience and through discussion with the Trustees (as required by auditing standards) and discussed with the Trustees the policies and procedures regarding compliance with laws and regulations.

As the Scheme is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Scheme's procedures for complying with regulatory requirements and reading the minutes of Trustee meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Scheme is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statement items.

Secondly, the Scheme is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation, or the loss of the Scheme's registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, recognising the financial and regulated nature of the Scheme's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the Schedule of Contributions in our statement about contributions on page 36 of the Annual Report.

Independent Auditor's Report to the Trustees of the B&CE Staff Pension Scheme (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Report (including the Report on Actuarial Liabilities and the Summary of Contributions), and the actuarial certification of the Schedule of Contributions. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Trustees' responsibilities

As explained more fully in their statement set out on page 19, the Scheme Trustees are responsible for: supervising the preparation of Financial Statements which show a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Scheme'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 they either intend to wind up the Scheme, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Trustees of the B&CE Staff Pension Scheme (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Scheme Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme Trustees, as a body for our audit work, for this report, or for the opinions we have formed.

IKDelay

Iryndeep Kaur-Delay
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 3 June 2026

Fund Account for the year ended 31 December 2025

	Note	2025 £	2024 £
Contributions and benefits			
Employer contributions		**-**	347,540
Employee contributions		**-**	10,987
Total contributions	4	**-**	358,527
Other Income		**43**	59
		43	358,586
Benefits paid or payable	5	**(2,587,409)**	(2,133,628)
Transfers out to other plans	6	**(25,491)**	-
		(2,612,900)	(2,133,628)
Net withdrawals from dealings with members		**(2,612,857)**	(1,775,042)
Returns on investments			
Investment income	8	**10,293**	214,272
Change in market value of investments	9	**3,512,615**	(2,162,287)
Investment management expenses	10	**(67,031)**	(73,623)
Net return on investments		**3,455,877**	(2,021,638)
Net increase / (decrease) in the fund during the year		**843,020**	(3,796,680)
Opening net assets of the Scheme		**48,614,931**	52,411,611
Closing net assets of the Scheme		**49,457,951**	48,614,931

The notes on pages 27 to 34 form part of these Financial Statements.

Statement of Net Assets (available for benefits) as at 31 December 2025

	Note	**2025** £	2024 £
Investment assets			
Pooled investment vehicles	12	**48,099,705**	47,642,251
AVC investments	13	**27,817**	24,504
Total 'net' investments		**48,127,522**	47,666,755
Current assets	18	**1,363,509**	981,117
Current liabilities	19	**(33,080)**	(32,941)
Net assets available for benefits at 31 December		**49,457,951**	48,614,931

The notes on pages 27 to 34 form part of these Financial Statements.

The Financial Statements summarise the transactions of the Scheme and deal with net assets available for benefits at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which considers such obligations, is dealt with in the Report on Actuarial liabilities on pages 4 and 5 of the Trustees' Report and these Financial Statements should be read in conjunction with that report.

These Financial Statements were approved by the Trustees at their Board meeting on 2 June 2026 and signed on their behalf on 2 June 2026 by:

Alan Pickering CBE, Chair

Andrew Kinch, Trustee

Notes to the Financial Statements for the year ended 31 December 2025

1. General information and identification of the Financial Statements

The Scheme is a defined benefit occupational pension scheme established under trust.

The Scheme was established to provide retirement benefits to the employees of People's Partnership Limited (formerly B&CE Holdings Limited). The address of the Scheme's registered office is Manor Royal, Crawley, West Sussex RH10 9QP. The Scheme is no longer open to new members, but existing employed-deferred members (members who continue employment with the principal employer) continue to accrue benefits. The Scheme is established as a trust under English law. The address for enquiries about the Scheme is included on page 1.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief, and income and capital gains earned by the Scheme receive preferential tax treatment.

2. Basis of preparation

The Financial Statements of the Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the guidance set out in the Statement of Recommended Practice (Revised 2018) Financial Reports of Pension Schemes (SORP).

The Financial Statements are prepared on a going concern basis, which the Trustees believe to be appropriate as they believe that the Scheme has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least the next 12 months from the date of approval of the Financial Statements ("the going concern period"). In reaching this conclusion, the Trustees considered the funding position of the Scheme, the strength of the sponsoring employer and its capital position to gain comfort that it will continue to make contributions as they fall due. This assessment, together with income and capital growth from its assets, gives the Trustees confidence to prepare the Financial Statements on a going concern basis.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Currency

The Scheme's functional currency and presentational currency is pounds sterling (GBP).

Contributions

Employees' and employers' normal contributions are accounted for on an accruals basis in the month employee contributions are deducted from pay. Additional voluntary contributions ('AVCs') from employees are accounted for when the contributions are received and when the payment is made to the AVC providers. Employee contributions paid under salary sacrifice arrangements are disclosed as employer contributions.

After going through a period of consultation, on 30 September 2024, the Scheme closed to future accrual of benefits, meaning from 1 October 2024, all employed active members became an 'Employed-deferred' member of the Scheme and normal contributions stopped with effect from 30 September 2024.

Transfers to and from other plans

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers, or payable to the pension plans of new employers for members who have left the Scheme. Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

3. Summary of significant accounting policies (continued)

Benefits and payments to and on account of leavers

Pensions in payment are accounted for in the period to which they relate. Other payments due to pensioners are accrued for when they can be reasonably estimated.

Retirement benefits where a member has a choice to either a full pension or a lump sum plus reduced pension are accounted for on an accruals basis based on the later of the date the option was exercised or the date of retirement.

Lump sums and dependants' pensions payable in respect of the death of a member are accounted for on an accruals basis.

Administration and investment management expenses

Administrative expenses including the outsourced administration are borne by the Employer and are not recharged to the Scheme. Investment management expenses are accounted for on an accruals basis.

Investment income and expenditure

Income from pooled investment vehicles which distribute income is accounted for on an accruals basis on the date the dividend is declared. Income from cash and short-term deposits are accounted for on an accruals basis.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, change in market value also includes income, net of withholding tax, which is reinvested in the fund.

Transaction costs are included in the cost of purchases and sale proceeds.

Investment management expenses are accounted for on an accruals basis and shown separately within investment returns, except where the fees are embedded charges within pooled vehicle unit prices.

Valuation and classification of investments

Investment assets and liabilities are included in the Financial Statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

The methods of determining fair value for the principal classes of investments are:

- Certain pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price as provided by the investment manager.

- Unitised pooled investment vehicles which are not traded on an active market but where the investment manager is able to demonstrate that they are priced daily, weekly or at each month end, and are traded substantially on all pricing days are included at the price provided by the investment manager based on the first pricing day after year end where the immediately preceding pricing day does not coincide with the year-end date.

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

4. Contributions

	2025	2024
	£	£
Employer contributions		
Normal	-	347,540
Employee contributions		
Normal	-	10,987
Total contributions	-	358,527

From the 'Closure date' the Scheme closed to future benefit accruals. The previously active members became 'employed-deferred' members and retain a salary link whilst employed by the Employer, therefore from 1 October 2024, no further contributions were paid by the Employer.

5. Benefits paid or payable

	2025	2024
	£	£
Pensions	2,161,558	1,973,949
Commutation of pensions and lump sum retirement benefits	425,851	159,679
	2,587,409	2,133,628

6. Transfers out to other plans

	2025	2024
	£	£
Individual transfers out to other plans	25,491	-

7. Administrative expenses

There were no administrative expenses in 2025 (2024: nil). All administrative expenses including the outsourced administration are borne by the Employer and are not recharged to the Scheme. The Employer pays for any fees falling due to professional advisers and other expenses that are reasonably incurred by the Trustees in the course of performing their duties.

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

8. Investment income

	2025	2024
	£	£
Income from pooled investment vehicles	**-**	206,437
Interest on cash deposits	**10,293**	7,835
	10,293	214,272

9. Reconciliation of net investments

	Opening market value at 1 January 2025	Purchases at cost	Sales proceeds from disinvestment	Change in market value	**Closing market value at 31 December 2025**
	£	£	£	£	**£**
Pooled investment vehicles	47,642,251	153,726	(3,205,574)	3,509,302	**48,099,705**
AVC investments	24,504	-	-	3,313	**27,817**
	47,666,755	153,726	(3,205,574)	3,512,615	**48,127,522**

10. Investment management expenses

The investment in pooled investment vehicles has an impact on investment managers' fees. These types of funds suffer periodic charges levied against the value of the fund. Agreements negotiated by the Trustees have ensured that where appropriate these charges are fully recovered by the Scheme. The amounts recovered are offset against investment management fees. Some investment management fees are collected by adjustment of the unit price and are not included below as they are not quantified.

	2025	2024
	£	£
Fees charged by investment managers	**67,031**	73,623

11. Investment transaction costs

Indirect transaction costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It has not been possible for the Trustees to quantify such indirect transaction costs. There are no direct transaction costs (2024: nil).

12. Pooled investment vehicles

At the year-end the principle economic exposures of the Scheme's investments in pooled investment vehicles comprised:

	2025	2024
By type	**£**	£
Bond Funds	**32,562,441**	32,955,813
Equity Funds	**14,537,264**	14,686,438
	47,099,705	47,642,251

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

13. AVC investments

The Trustees hold individual investment policies separately from the main Scheme investments for those members electing to pay AVCs. Members participating in this arrangement each receive an annual statement made up to 31 December confirming the amounts held in their account. AVC policyholder members are entitled to purchase additional defined benefits under the provisions of the Scheme as well as additional benefits through an open market option. The value of the AVCs at the year end were £27,817 (2024: £24,504).

14. Fair value of investments

The fair value of investments has been determined using the following hierarchy:

- Level 1: Unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.
- Level 2: Inputs (other than quoted prices) that are observable (i.e. developed using market data) for the instrument, either directly or indirectly.
- Level 3: Inputs are unobservable, i.e. for which market data is unavailable.

Pooled investment vehicles which are traded regularly are generally included in Level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies.

The Scheme's investment assets have been included at fair value within these categories as follows:

Category	**Level 2** **£**	**2025 Total** **£**
Investment assets		
Pooled investment vehicles	**48,099,705**	**48,099,705**
AVC investments	**27,817**	**27,817**
Total investments	**48,127,522**	**48,127,522**

Analysis for the prior year end is as follows:

Category	**Level 2** **£**	**2024 Total** **£**
Investment assets		
Pooled investment vehicles	47,642,251	47,642,251
AVC investments	24,504	24,504
Total investments	47,666,755	47,666,755

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

15. Investment risks

Types of risk relating to investments

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Scheme has exposure to these risks because of the investments it makes to implement the investment strategy described in the Trustees' Report. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees through regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include the AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

The table below summarises the extent to which the investments are affected directly and indirectly by financial risks for 2025 and 2024. The notes below explain how these risks are managed and mitigated for the different classes.

	Direct credit risk	**Indirect credit risk**	**Indirect market risk**		
Pooled investment vehicles:			**Currency**	**Interest rate**	**Other price**
Bonds	Yes	Yes	Yes	Yes	No
Equity	Yes	No	Yes	No	Yes

Due to the nature of the pooled investment vehicles, there is no direct market risk.

Credit risk

The Scheme is subject to credit risk because it invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

A summary of exposures to credit risk is given in the table above.

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

15. Investment risks (continued)

Types of risk relating to investments (continued)

Credit risk (continued)

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled investment managers, the regulatory environments in which the pooled investment managers operate and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled investment manager.

Indirect credit risk arises in relation to underlying investments held in the bond and diversified fund pooled investment vehicles. The indirect credit risk arising on bonds is mitigated by investing in government bonds and corporate bonds which are at least investment grade credit rated. Credit risk arising is mitigated by investment mandates requiring all counterparties to be at least investment grade rated.

The pooled investment vehicles are not rated by credit agencies. The information about exposures to and mitigation of credit risk above applied at both the current and previous year end.

A summary of pooled investment vehicle by type of legal arrangement is as follows:

	2025	2024
	£	£
Unit linked insurance contracts	**48,099,705**	47,642,251
	48,099,705	47,642,251

Indirect market risks

Currency risk
The Scheme is subject to indirect currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles (indirect exposure). The Scheme's liabilities are denominated in sterling and the Trustees will on a vehicle-by-vehicle basis use currency hedging when they deem appropriate to reduce this risk.

Interest rate risk
The Scheme is subject to indirect interest rate risk because some of the Scheme's investments are held in bonds through pooled investment vehicles (indirect exposure). The matching core funds have built in hedging against interest rate risk.

Other price risk
Other price risk arises principally in relation to the Scheme's Growth portfolio which includes equities held in pooled vehicles. The Scheme manages this exposure to other price risk by constructing a diverse portfolio of pooled investment vehicles that invest in a range of instruments across various markets. As set out in the Scheme's SIP, each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. The target asset allocation is detailed in the appendix of the SIP.

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

16. Concentration of investments

Investments accounting for more than 5% of the net assets as at the Scheme year end date were:

Investment	2025	%	2024	%
	£		£	
LGIM Buy & Maintain Credit Fund (Distribution)	**12,670,032**	**26**	12,334,943	25
LGIM FW Global Eq Index Fd GBP Hdg	**7,300,793**	**15**	7,317,737	15
LGIM FW Global Equity Index Fund	**7,236,471**	**15**	7,368,701	15
LGIM Matching Core Real Long Fund (Series 1)	**6,815,684**	**14**	7,097,707	15
LGIM Sterling Liquidity Fund	**6,582,582**	**13**	6,179,136	13
LGIM Matching Core Fixed Long Fund (Series 1)	**6,034,638**	**12**	5,846,609	12

All the above investments are pooled investment vehicles which have multiple underlying assets, none of which exceeds 5% of the net assets of the Scheme at either year end date.

17. Employer related investments

There were no Employer related investments during the year or at the year-end date (2024: nil).

18. Current assets

	2025	2024
	£	£
Prepaid pensions	**159,600**	136,628
Cash in transit from Investment sales	**431,760**	523,359
Other debtors	**1,178**	2,555
Cash balances	**770,971**	318,575
	1,363,509	981,117

19. Current liabilities

	2025	2024
	£	£
Accrued expenses	**33,080**	32,941

20. Related party transactions

Related party transactions and balances comprise of:

- There were no Contributions paid in respect of Trustee members as the Scheme closed to active members in September 2024. Contributions paid in the prior year were paid to two Trustee members in accordance with the Trust Deed and Rules.
- The Employer paid for and provided administrative services including the provision of the Secretary of the Trustees without recharge to the Scheme (years 2025 and 2024) – see note 7.
- All fees and expenses payable to the Trustees were met by the Employer. These cost the Employer £17,600 (2024: £17,200).

Independent Auditor's Statement about Contributions to the Trustees of the B&CE Staff Pension Scheme

Statement about contributions

We have examined the summary of contributions payable under the Schedule of Contributions to the B&CE Staff Pension Scheme in respect of the Scheme year ended 31 December 2025 which is set out on page 36.

In our opinion contributions for the Scheme year ended 31 December 2025 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 6 February 2024.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions to the Scheme and to report our opinion to you.

The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Scheme's Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees, as a body, for our work, for this statement, or for the opinions we have formed.

IKDelay

Iryndeep Kaur-Delay
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Date: 3 June 2026

Summary of Contributions for the year ended 31 December 2025

The Trustees' Summary of Contributions forms part of the Trustees' Report.

The Trustees responsibilities with regards to this Trustees' Summary of Contributions are set out in the Statement of Trustees' responsibilities in respect of contributions on page 19.

During the year ended 31 December 2025, the contributions were payable to the Scheme under the Schedule of Contributions certified by the Scheme actuary that was in force at the time. The latest Schedule of Contributions was certified by the Actuary on 6 February 2024, which covered contributions payable for the Scheme year.

Contributions payable to the Scheme during the year were as follows:

	Employer £	Employees £	Total £
Contributions required by the Schedule of Contributions as reported on by the Scheme auditor			
Normal contributions	-	-	-
Total contributions as required by the Schedule of Contributions and reported on by the Scheme auditor and reported in the Financial Statements	-	-	-

Approved by the Trustees at their Board meeting on 2 June 2026 and signed on their behalf on 2 June 2026 by:

Alan Pickering CBE, Chair

Andrew Kinch, Trustee

Actuarial Certificate about the Schedule of Contributions

Name of Scheme:	B&CE Staff Pension Scheme

Adequacy of contributions

In my opinion, the contributions shown in this schedule are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force.

Consistency with statement of funding principles

In my opinion, this schedule of contributions is consistent with the statement of funding principles dated 6 February 2024.

Please note that the adequacy of contributions statement in this certificate relates to the Scheme's statutory funding objective. For the avoidance of doubt this certificate does not mean that the contributions shown in this schedule would be enough to secure the Scheme's full liabilities with annuities if the Scheme were to wind up.

Signature	Shani McKenzie
Date	06 February 2024
Name	Shani McKenzie
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of Employer	Hymans Robertson LLP
Address	One London Wall, London, EC2Y 5EA

This certificate is provided to meet the requirements of regulation 10(6) of The Occupational Pension Schemes (Scheme Funding) Regulations 2005.

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