



# New Airways Pension Scheme

## Trustee's Report & Financial Statements

For the Year Ended 31 March 2025



# Contents

Chair's Review	03
Trustee Directors and Advisers	05
Trustee's Report	07
Implementation Statement	17
Statement of Trustee's Responsibilities	33
Independent Auditor's Report	34
Fund Account	38
Statement of Net Assets (available for benefits)	39
Notes to the Financial Statements	40
Independent Auditor's Statement About Contributions	55
Summary of Contributions	56
Schedule of Contributions	57
Actuarial Certificate	59
Report on Actuarial Liabilities	60
Membership Information	63
Compliance Statement	64

# Chair's Review

*As Chair of the Trustee Board of the New Airways Pension Scheme (NAPS or the Scheme), I am pleased to present our annual report for the year ended 31 March 2025. This report provides information on your Scheme's funding, investment, governance and administration during the Scheme year.*

Chair's Review

Trustee Directors and Advisers

Trustee's Report

Implementation Statement

Statement of Trustee's Responsibilities

Independent Auditor's Report

Fund Account

Statement of Net Assets

Notes to the Financial Statements

Independent Auditor's Statement

Summary of Contributions

Schedule of Contributions

Actuarial Certificate

Report on Actuarial Liabilities

Membership Information

Compliance Statement



## Funding

The 31 March 2024 actuarial valuation was agreed with British Airways Plc (BA) in June 2025. It showed that the Scheme had a funding surplus of £1.7 billion and a funding level of 114%. In other words, the Scheme's assets were more than sufficient to meet the estimated cost of paying all member benefits, based on a cautious set of assumptions.

As the Scheme is in surplus, BA is not required to make any deficit reduction contributions, and therefore, no Recovery Plan is needed. However, to further protect members' benefits, the Trustee and BA have agreed a package of additional safeguards, including security over BA property assets in certain circumstances.

The annual update as at 31 March 2025 showed a stable funding level of 114% but a reduced surplus of £1.5 billion. The Trustee continues to closely monitor the funding position.

The Trustee's Report on page 8 shows in more detail how the funding position has evolved over the last three years.

## Investment

As part of the 31 March 2024 actuarial valuation, the Trustee and BA agreed on a set of guiding principles for the investment strategy to help shape the long-term plan for the Scheme.

To help protect the strong funding position, the Trustee has maintained high levels of interest rate and inflation hedging. The Trustee has also made progress to reduce the Scheme's allocation to illiquid assets and ensured that the Scheme has strong levels of financial collateral throughout the year.

You can read more about this in the Scheme investment section within the Trustee's report on 9 to 12.

## Governance matters

We remain committed to ensuring that the Scheme is effectively managed and well governed in the best interests of members.

The Trustee has been reviewing the Scheme's policies and processes following the introduction of the General Code of Practice by The Pensions Regulator in March 2024. Work is also underway to prepare for the implementation of the Own Risk Assessment, which will form a key part of the Scheme's ongoing risk management framework.

You can find out more about the Scheme's governance in the Trustee's report on pages 13 to 15.



## Member administration

We successfully implemented a new pension administration platform and will soon launch a secure online portal for members as part of our ongoing commitment to improving our services.

The portal will give members greater control and flexibility, with a wide range of features designed to make managing pensions easier. Members will be able to view their personal details, update their information, and access key documents at their convenience. One of the most powerful tools that will be available is a pension calculator, which will let members model and explore their retirement options.

We encourage members to register for the portal and take advantage of the new services once they are available. We will contact you to explain the registration process in due course.

## Trustee Directors

Simon Philcox, an employer-nominated Trustee Director and Deputy Chair, resigned from the role on 26 May 2025. We are grateful for Simon's significant contribution and dedication during his time on the Board. On behalf of the Trustee, I would like to extend our sincere thanks for his service and commitment to the Scheme.

Following Simon's departure, BA appointed David Oppenheim as a Trustee Director with effect from 27 May 2025. In addition, Natasha Franklin was appointed as Deputy Chair. We are pleased to welcome David to the Board and look forward to the insight and experience he will bring.

## Acknowledgements

I would like to express my gratitude to my fellow Trustee Directors for their dedication and hard work over the past year. On behalf of the APS Trustee Directors, I would also like to thank the BA Pensions team, advisers and investment managers for providing excellent support and service to our members and the Trustee Directors.

**Wayne Phelan**  
**For Vidett Trust Corporation Limited**  
**Chair of the Trustee**

25 September 2025

# Trustee Directors and Advisers

Compliance  
Statement

Membership  
Information

Report on  
Actuarial  
Liabilities

Actuarial  
Certificate

Schedule of  
Contributions

Summary of  
Contributions

Independent  
Auditor's  
Statement

Notes to  
the Financial  
Statements

Statement of  
Net Assets

Fund  
Account

Independent  
Auditor's  
Report

Statement of  
Trustee's  
Responsibilities

Implementation  
Statement

Trustee's  
Report

Trustee  
Directors  
and Advisers

Chair's  
Review

**Trustee:** New Airways Pension Scheme Trustee Limited (NAPSTL)

#### Appointed by British Airways Plc (BA) (ENDs)

**Vidett Trust Corporation Ltd  
(Chair)**  
Independent Trustee represented  
by **Wayne Phelan**

**Oliver Sleath**  
Director of Strategy BA Plc

**Natasha Franklin**  
Group Competition Law  
Director  
IAG

**Thomas Stoddart**  
CEO BA CityFlyer & BA  
EuroFlyer  
BA Plc

**David Oppenheim**  
Director of Global Sales  
BA Plc  
Appointed 27 May 2025

**Ian Romanis**  
Managing Director BA  
CityFlyer  
BA Plc

#### Elected by pensioners (MNDs)

**Neil Cottrell**  
Pensioner

**John Wheale**  
Pensioner

#### Appointed by the Selection Committee (MNDs)

**Peter Lynam  
(Chair)**  
Pensioner

**Neil Blackburn**  
Cabin Crew Purser  
Re-appointed 1 October  
2024

**Ian Bretherton**  
Captain  
Re-appointed 1 October  
2024

**Simon Vernau**  
Head of Property  
Strategy and  
Programmes Appointed  
1 October 2024

#### Left office during the year or post year end

**David Southcott**  
Ceased 30 September 2024

**Simon Philcox**  
Ceased 26 May 2025

#### BA Pensions

Administration and Trustee support - BA Pensions  
Vinny Ehzuwan - Chief Executive Officer, BA Pensions  
Monica Gupta - Scheme Secretary, BA Pensions

#### Advisers\*

**Scheme Actuary**  
Aaron Punwani  
Lane Clark & Peacock LLP

**Legal Adviser**  
CMS Cameron McKenna  
Nabarro Olswang LLP

**Banker**  
BNY Mellon

**External Custodian**  
State Street Bank  
and Trust Co

**Investment Manager**  
BlackRock Investment  
Management (UK) Ltd

**Investment Adviser**  
Lane Clark &  
Peacock LLP

**Auditor**  
KPMG LLP

**Covenant Adviser**  
PWC LLP

*\* In addition to the Scheme's principal advisers, the Trustee has appointed other advisers to provide advice on specific matters as required.*

## The New Airways Pensions Scheme (NAPS) - Pension Scheme Registry Number: 10057029

For enquiries about the Scheme, members can get in touch using the 'Contact Us' form on the website: [www.mybapension.com/naps](http://www.mybapension.com/naps).  
Alternatively, they can write to British Airways Pensions, PO Box 2074, 8 Castle Street, Liverpool L69 2YL.

# Trustee's Report

*This report provides information about the management of the Scheme and provides more detail concerning the main activities undertaken during the year. There are sections on the funding position of the Scheme, investments, governance, changes, and pension administration matters.*

*The financial statements of the Scheme for the year ended 31 March 2025, as set out on pages 38 to 54, have been prepared and audited in accordance with Sections 41(1) and (2) of the Pensions Act 1995.*

Chair's Review

Trustee Directors and Advisers

Trustee's Report

Implementation Statement

Statement of Trustee's Responsibilities

Independent Auditor's Report

Fund Account

Statement of Net Assets

Notes to the Financial Statements

Independent Auditor's Statement

Summary of Contributions

Schedule of Contributions

Actuarial Certificate

Report on Actuarial Liabilities

Membership Information

Compliance Statement

## Scheme funding position

At least every three years, the Scheme Actuary must carry out a formal actuarial valuation of the Scheme. This is a detailed financial review that helps to assess the health of the Scheme and determine whether any contributions are needed from the employer, British Airways Plc (BA). The most recent formal valuation was carried out as at 31 March 2024 and was finalised in June 2025.

In the years between formal valuations, the Scheme Actuary provides annual interim funding updates to help the Trustee and members understand how the Scheme's funding position is developing over time. The most recent update was carried out as at 31 March 2025.

The table below shows the Scheme's technical provisions funding position over the last three years:

	31 March 2025 (£m)	31 March 2024 (£m)	31 March 2023 (£m)
Liabilities	(11,190) <sup>1</sup>	(12,340) <sup>2</sup>	(14,080) <sup>3</sup>
Assets	12,720	14,070	15,050
Surplus/(Deficit)	1,530	1,730	970
Funding level	114%	114%	107%

The 2024 actuarial valuation showed that the Scheme had a funding surplus of £1.7 billion and a funding level of 114%. This means the Scheme's assets were more than sufficient to meet the estimated cost of paying all member benefits, based on a cautious set of assumptions. The improvement from the previous year was mainly due to updated mortality assumptions which reduced how long members are expected to live, membership changes, and updated Scheme commutation factors.

As the Scheme is in surplus, BA is not required to make any deficit reduction contributions, and no Recovery Plan is needed. However, to further protect members' benefits, the Trustee and BA have agreed a package of additional safeguards, including security over BA property assets in certain circumstances.

Between 31 March 2024 and 31 March 2025, the surplus fell from £1.7 billion to £1.5 billion. Over this period, there was an increase in interest rates which reduced the value of the

technical provisions liabilities. The Scheme's investments are designed to move broadly in line with changes to the liabilities, so they reduced by a similar amount leading to a stable funding level of 114%.

The Trustee continues to closely monitor the funding position, which has remained broadly stable since 31 March 2025. To help protect the Scheme from future financial shocks, the Trustee maintains high levels of interest rate and inflation rate hedging.

In addition, PWC supports the Trustee by carrying out regular reviews of BA's financial position and long-term cash flow outlook. This helps the Trustee assess the strength of the employer covenant i.e. BA's ability to support the Scheme now and in the future. PWC also monitors the implementation of BA's transformation plan and how the business responds to wider industry developments.

<sup>1</sup> Based on the technical provisions assumptions agreed between the Trustee and BA at the 31 March 2024 valuation, updated by the Scheme Actuary to reflect the passage of time and changes in market conditions.

<sup>2</sup> Based on the technical provisions assumptions agreed between the Trustee and BA at the 31 March 2024 valuation.

<sup>3</sup> Based on the technical provisions assumptions agreed between the Trustee and BA at the 31 March 2021 valuation, updated by the Scheme Actuary to reflect the passage of time, changes in market conditions, updates to Scheme factors and to incorporate the latest published CMI Core Projections model (CMI 2022).



## Scheme investment

### Review of the year to March 2025

The 12 months leading up to 31 March 2025 were marked by significant political and economic uncertainty. Despite this, stock markets delivered positive returns, supported by strong labour markets, higher government spending, and lower central bank policy rates.

Falling inflation set the tone for markets over the summer of 2024. UK retail price inflation dropped below 3.5% in early 2024 as post-COVID supply chain bottlenecks eased, and energy prices fell. The European Central Bank was the first major central bank to cut rates, which it did in June 2024. The Bank of England cut rates for the first time in August 2024, and the US Federal Reserve cut in September 2024.

Although falling interest rates combined with “good enough” economic data boosted equities to all time highs in July 2024, uncertainty then set in. Elections, policy announcements, and relatively extended market positioning all generated considerable volatility in the second half of 2024 and into Q1 2025.

Elections resulted in new political leadership in all of France, Germany, Japan, the UK, and the USA over the course of 2024. From a policy and markets perspective, the most important were the UK general election in July 2024, the US Presidential and Congressional elections in November 2024, and the German federal elections in February 2025.

In the UK, July 2024's general election led to a majority for the Labour Party. Chancellor Reeves was quick to reassure markets that - although investing for growth would be a focus - she would limit future borrowing. Concerns have remained, however, that the UK government faces difficult decisions on spending, borrowing, and tax increases.

In the US, November 2024's elections saw President Trump re-elected, and the Republican Party claim a sweep of both houses of Congress. Markets initially focused on Trump's campaign promises to cut taxes, spending, and regulations. As a result, US equity markets rallied significantly through Q4 2024 and into the first half of Q1 2025.

In Germany, the Federal election was won by the conservative Christian Democratic Union (CDU) led by Friedrich Merz. He responded to a marked change in the USA's approach to the defence of Europe and Ukraine by passing legislation permitting an unprecedented increase in German defence and infrastructure spending. That spending will take place over the next 12 years and is expected to boost economic growth over the medium term.

In February 2025, however, there was a significant change in markets' tone. Concerns that the position taken by President Trump about tariffs and the administration's new trade policies would cause a recession led to a sharp decline in both equity and bond markets and weakness in the US dollar against other currencies through to the end of the quarter.

Looking back over the 12 months to 31 March 2025, equity markets are up just over 5%, with strong performance from some European markets, including Germany. Long dated UK government bond prices are down modestly as markets have digested the likely increase in borrowing over the medium term. Corporate bonds have performed relatively well as underlying economic growth has surprised to the upside. They have, however, underperformed cash over the short term.

Sterling performed relatively well, gaining just over 3% versus other currencies.

## Scheme perspective and asset allocation over the year to March 2025

The Scheme owns assets that are broadly categorised as being either return-seeking or liability matching. Return-seeking or “growth” assets are higher returning assets, which compensates for them being higher risk. Liability-matching assets are chosen as they reflect some characteristics of the Scheme’s future benefit payments and are therefore held to reduce risk. The return-seeking assets used by the Scheme include equities, private equity, property, and alternatives. Government and corporate bonds are examples of the type of liability-matching assets used by the Scheme.

The Trustee’s Investment Committee (IC) is responsible for oversight and monitoring of the Scheme’s investment strategy. The IC may, where possible and from time to time, recommend an update to the Scheme’s target asset allocation or its investment approach with the intention of improving the likely outcome for members. As part of the 31 March 2024 actuarial valuation, the Trustee and BA agreed on a set of guiding principles for the investment strategy to help shape the long-term plan for the Scheme.

Over the last 12 months, BlackRock - working on the Scheme’s behalf - has ensured that the Scheme’s overall asset allocation has remained aligned with the return expectations set in the target strategy. Progress has also been made in reducing the Scheme’s allocation to less liquid assets. Additional opportunities to reduce the Scheme’s allocation to less liquid assets have been evaluated and a number of projects are ongoing.

BlackRock manages the Scheme’s assets within the tolerances set by the Trustee’s investment framework while also being able to make tactical asset allocation decisions. The Scheme’s actual asset allocation as of 31 March 2025 is shown below.

	Assets category	Assets % 31 March 2025	Assets % 31 March 2024
Return-seeking	Total return-seeking	19.6	19.0
	Equities	6.8	3.8
	Active	0.8	0.8
	Passive	6.0	3.0
	Private equity	4.0	4.3
	Alternatives	2.2	2.9
	Property	6.6	8.0
Liability-matching	Total liability-matching	80.4	81.0
	Diversified illiquid income	11.4	10.4
	Bonds	67.8	69.6
	Corporate bonds	15.9	14.0
	Liability hedging portfolio	51.9	55.6
	Cash	1.2	1.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Notwithstanding the Scheme’s funding surplus, its overall allocation to higher risk return-seeking - or growth - assets has remained broadly stable over the 12 months to March 2025. The Scheme’s allocation to liability-matching assets has continued to be used to support the Scheme’s interest and inflation rate target hedge ratios.

The Trustee continues to work with the Scheme’s investment manager and advisers to ensure the Scheme’s asset allocation is appropriate and aligned with the investment principles agreed with BA as part of the March 2024 actuarial valuation process.

## Measuring investment performance

The Trustee measures its investment manager’s performance against a customised strategic benchmark, net of fees, over different time horizons but focusses on a rolling five-year period. The Scheme’s outperformance target is set at the total portfolio level and is reviewed from time to time to ensure it remains appropriate given the Scheme’s overall objectives.

## Fund performance

The table below shows the performance of the Scheme's assets. Over the year to 31 March 2025, the Scheme's assets returned -5.2%.

## Performance

Fiscal years to 31 March 2025	1 year % p.a.	3 year % p.a.	5 year % p.a.	10 year % p.a.
Fund return	(5.21)	(10.50)	(2.23)	1.89
Benchmark	(5.43)	(10.87)	(3.10)	1.43

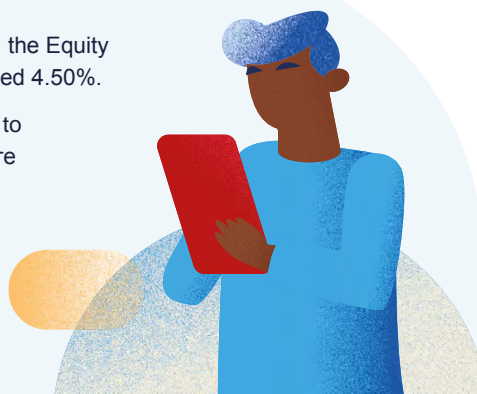
The main driver of the Scheme's assets falling c.5% over the year to 31 March 2025 was the liability hedging portfolio (nominal and index-linked gilts) which fell in value as yields rose over the period. However, this was more than offset by the decrease in the Scheme's liabilities leading to a net positive move in the Scheme's funding position over the year.

### Additional Voluntary Contributions (AVCs)

In the year to 31 March 2025, the Short-dated Gilts Fund (SGF) returned 4.50%, the Equity Biased Fund (EBF) returned 11.81%, and the Mixed Portfolio Fund (MPF) returned 4.50%.

The MPF is invested in BlackRock-managed passive funds, which are designed to track the performance of different asset classes. The MPF is invested in a mixture of developed and emerging market equities (partially hedged into sterling), corporate bonds, and UK government bonds.

Further information on the performance of the AVC funds can be found in the annual AVC investment commentary on the Scheme documents page of the member website.



## Performance returns of the AVC funds

Annualised fiscal year return over the period to 31 March 2025:

Fiscal years to 31 March 2025	1 year % p.a.	3 year % p.a.	5 year % p.a.	10 year % p.a.
MPF	4.50	4.41	10.11	6.58
EBF	11.81	7.57	7.50	7.33
SGF	4.50	4.02	2.49	1.54

Source: Performance shown was calculated by State Street prior to May 2021. Performance since May 2021 is calculated by either BlackRock (Scheme performance) or by BA Pensions (AVC returns).

## Statement of Investment Principles (SIP)

The Trustee has prepared a SIP in compliance with the requirements of Section 35 of the Pensions Act 1995. The SIP sets out the Scheme's investment strategy, including investment objectives and investment policies. Further detail on these policies and how they are implemented can be found in the implementation statement on pages 17 to 32. The SIP is reviewed at least annually, and during the previous Scheme year, an updated SIP was adopted in March 2024. A copy of the latest version of the SIP is available on the Scheme documents page <https://www.mybapension.com/naps/documents/index> of the member website. In relation to the SIP:



BlackRock regularly attends IC meetings to discuss performance, portfolio activity, and wider issues. The Investment Adviser assists the Trustee's Executive, BA Pensions, in monitoring BlackRock. The Trustee monitors BlackRock's performance over different time horizons against their performance objectives but will focus on the long-term.



The Trustee expects BlackRock to, where possible, integrate financially material Environmental, Social, and Governance (ESG) considerations into the investment decision-making processes at a portfolio level, at asset level, across all asset classes, and at all stages throughout the entire investment life cycle including in the selection, retention, and realisation of investments.



The Trustee does not currently take into account the views of members and beneficiaries in respect of non-financial matters, including environmental and social issues.



The Trustee expects BlackRock to, where consistent with the Trustee's fiduciary duties and applicable to the Scheme's investment strategies, actively engage and use voting and other rights attached to the Scheme's investments to drive up ESG standards in the organisations in which the Scheme is invested.



The Trustee requires BlackRock to engage as appropriate with investee companies and other relevant stakeholders, using a variety of means including collaboration with other investors, to protect or enhance the value of the Scheme's assets including over the medium to long term.



In exercising the voting and other rights attached to the Scheme's investments, BlackRock will act according to its policy on proxy voting and shareholder engagement.



The Trustee monitors portfolio turnover and turnover costs on an annual basis through reporting from BlackRock. This includes looking at the level of turnover and the associated costs in absolute terms and relative to various comparators.

## Scheme Governance

The Pensions Regulator's (TPR) General Code of Practice has been in force since March 2024. The General Code sets out TPR's expectations of the conduct and practice that trustees should meet in order to comply with their duties in pensions legislation. The General Code is wide-ranging, covering topics including the structure and operation of the trustee board, risk management, funding and investment, member administration and communications. The Scheme had already been operating in line with many aspects of the General Code before its finalisation. The Trustee has been undertaking a review of the Scheme's policies and processes and has been implementing a plan to align them, where required, with best practice.

### Trustee knowledge and understanding (TKU)

The Trustee has a formal training policy, the foundation of which is the TKU regime developed by TPR. The Trustee continues to review its approach to training at least annually.

An induction programme is provided for new Trustee Directors on appointment. The amount of material covered in the induction programme is significant and will usually take several months to complete. As a matter of good practice, new Trustee Directors are expected to have achieved the required level of knowledge and understanding within six months of appointment (although professional trustees should be able to demonstrate the relevant level of competency from the day of appointment).

Trustee Directors are required to undertake either TPR's trustee toolkit (an online learning programme designed to help trustees of occupational pension schemes meet the minimum level of knowledge and understanding required by law) or the Award in Pension Trusteeship (a formal pensions qualification).

The content, frequency and level of ongoing training are related to the Committee(s) on which the Trustee Director serves and the business being undertaken by the relevant Committees and Trustee Board as a whole. The Trustee Board and each of its Committees produce an annual committee calendar that identifies the topics and issues that are to be discussed and determined during the year. Appropriate training sessions are then scheduled to support these activities. Standalone training updates cover any important developments in the pensions industry which are relevant to the Scheme. Additional ongoing training may be undertaken to address each Trustee Director's particular learning needs and interests.

Training is provided in a range of formats by a variety of providers. The Trustee's advisers provide training to some or all

of the Trustee Directors either in routine Main Board meetings or Committee meetings or in specially arranged sessions. BA Pensions also provides bespoke training, and Trustee Directors are actively encouraged to supplement this formal training plan by accessing other resources, including pensions related publications and, where appropriate, industry conferences, seminars and webinars. Records of all training undertaken are maintained in respect of each Trustee Director.

### Risk management and reporting

During the Scheme year, the Trustee kept under review the key risks which it had previously identified, as well as discussing relevant arising and potentially emerging matters. The assessment of these risks is supported by input from risk and control owners at BA Pensions, using a risk reporting framework. The Trustee is also preparing for the implementation of the Own Risk Assessment under TPR's General Code of Practice which will be an important part of our risk management framework.

### Conflicts of interest

The Trustee understands that it is in a position of trust and needs to have policies and arrangements in place to identify, monitor and manage conflicts. The Trustee conducted a review of the conflicts of interest policy at the end of the last Scheme year and adopted an updated version of the policy in December 2024. The policy requires Trustee Directors to complete a declaration of interest form on appointment and notify any changes as they occur; a consolidated register of interests is shared with all board members and consideration of conflicts of interest is a standing agenda item at Trustee meetings. Trustee Directors receive training on managing conflicts of interest and the circumstances in which they may arise.

### Monitoring of the employer covenant

The Trustee considers it critical that it understands and monitors the financial strength and covenant of the employer on a continuing basis and, in order to achieve this, PwC acts as adviser to the Trustee on employer covenant issues. There is a reporting framework, which has been agreed with BA to ensure that the Trustee receives regular updates on the business activities and financial position of BA. PwC performed an updated covenant analysis of BA for the 2024 valuation.



## Trustee arrangements

The Trustee periodically reviews the member nominated Trustee Director (MND) arrangements to ensure that the provisions in place reflect the composition of the membership and current best practices. Following a review in 2024, effective from 1 October 2024 the cabin crew, ground staff and pilots representatives are appointed by a selection process undertaken by a selection committee (comprising a majority of MNDs). Employed pensioners (pensioners who are still employed by BA) were previously included in the cabin crew, ground staff and pilots constituencies at the Trustee's discretion but are now included by default.

The Trustee Board consists of twelve Trustee Directors.

- Six of the Trustee Directors, including the independent Chair, are appointed by BA.
- Two of the Trustee Directors are elected by pensioner members\* of the Scheme (voting members) and must be pensioner members\* of NAPS.
- Four Trustee Directors are selected by a selection committee as follows:
  - Three employed MNDs (either employed deferred or employed pensioner). Each will come from a different occupational group and must be employed deferred or employer pensioner members of NAPS.
  - One pensioner MND and must be a pensioner member\* of NAPS.
- A Trustee Director generally remains in office for a minimum of five years (unless the Trustee has decided prior to the Trustee Director's term starting that a shorter minimum period will apply) and a maximum of five and a half years and is eligible for re-appointment (provided that he/she still meets the eligibility criteria for the relevant vacancy).
- Nominations for elected pensioner Trustee Directors must be supported by at least ten voting members in the relevant constituency. If there is more than one nomination for a vacancy a ballot of the relevant voting members is held. The result is decided on a simple majority of the votes cast.
- Nominations for the selected MNDs must be supported by at least five voting members in the relevant constituency. Appointments will be made at the discretion of a selection committee.
- Employed pensioners who remain employed with BA are included in the employed deferred category and are not eligible to apply for either of the two pensioner Trustee Director positions until their employment with BA has ceased.
- An MND may be removed following a ballot in which two thirds of the votes cast by voting members in the relevant constituency are in favour of removal. A ballot may be held on written request to the Trustee Directors by fifty of the relevant voting members. The other Trustee Directors must also agree to that Director's removal.
- The Trustee may, at any time, use electronic communications to communicate with, give notice to, or ballot members involved in the process.



## Committees

Much of the Trustee work is undertaken by committees made up of a sub-set of the Trustee Directors. Committee members review matters in detail before making recommendations to the Main Board. Each committee operates under clear terms of reference, which govern its membership, remit and activities. Each committee constructs a forward-looking annual activity calendar plan which is used to allocate budgetary resources and informs the development of the Trustee training programme. There are two standing committees: the Governance & Operations Committee and the Investment Committee.

The Governance & Operations Committee has within its remit: Scheme governance; budgets; audit; risk management; oversight of service levels to members; and member communications. It also makes decisions on payment of discretionary benefits (such as benefits payable on the death of a member) and is the second stage decision-maker for most complaints under the Scheme's internal dispute resolution procedure.

The Investment Committee, which is supported by investment advisers, is responsible for detailed consideration of investment initiatives. The Committee also considers ESG matters, such as the development of the Trustee's responsible investment policy, strategy and initiatives, ensuring it is in line with regulatory and industry standards.

In addition to these two standing committees, the Trustee Board may establish sub-committees or ad hoc committees so that a sub-set of the Trustee Directors can give detailed consideration to defined issues.

*\* For this purpose, pensioner members do not include members whose benefits have not yet come into payment, who are still employed or survivors in receipt of a pension.*

## Attendance by Trustee Directors

Attendance records for Trustee and Committee meetings have been maintained and are shown below for the Scheme year to 31 March 2025.

Trustee	Governance & Operations Committee	Investment Committee	Main Board	Period of Appointment to Main Board
Wayne Phelan (Chair)	-	4/4	4/4	Whole Year
Neil Blackburn	-	-	3/4	Whole Year
Ian Bretherton	-	4/4	3/4	Whole Year
Neil Cottrell	-	4/4	4/4	Whole Year
Natasha Franklin	4/4	-	4/4	Whole Year
Peter Lynam	2/2	-	4/4	Whole Year
Ian Romanis	4/4	-	4/4	Whole Year
Simon Philcox	-	2/4	3/4	Whole Year
Oliver Sleath	-	-	3/4	Whole Year
David Southcott	2/2	-	2/2	Part Year
Tom Stoddart	-	-	4/4	Whole Year
Simon Vernau	-	-	2/2	Part Year
John Wheale	4/4	-	4/4	Whole Year

Although the Main Board is scheduled to meet quarterly, the number of matters requiring the Trustee Directors' attention may require additional meetings to be convened. Committee and Main Board meetings have been convened throughout the Scheme year using a mix of video-conferencing and in-person attendance.

On occasions that Trustee Directors are not able to attend a meeting, the Rules provide for them to appoint an alternate to attend and vote for them. During the period under review, this has been standard practice. In addition, some Trustee Directors may have attended, as observers, meetings of Committees to which they were not formally appointed. Any such occurrences are not included in the attendance list.

## Security of assets

The Custodian Trustee of the Scheme, British Airways Pension Trustees Ltd, holds the assets of the Scheme on behalf of the Trustee; however in practice custody of the Scheme's securities (i.e. bonds and shares) has been delegated to independent external custodians, State Street Bank and Trust Co.

## Scheme Changes

There were no Scheme changes during the year.

## Trust Deed Amendments

The following amendments were made during the year.

- **Trustee Remuneration:** introduces the discretionary power for the Trustee to remunerate any Elected or Selected Pensioner Trustee Directors from the Scheme's assets at a rate determined by the Trustee.
- **Revaluation and pension increases:** aligns the revaluation and pension increases in the rules with historic practice.
- **Flexible apportionment arrangement:** apportioning the pension liabilities in respect of British Airways Maintenance Cardiff Limited, British Airways Avionic Engineering Limited and British Airways Interior Engineering Limited to British Airways Plc.
- **MND Selection:** converts the Cabin Crew, Ground Staff and Pilot MND appointments to be made by a Selection Committee rather than by election.
- **75 age limit:** removal of the requirement to take benefits at age 75.

A copy of the Deeds implementing these changes can be viewed via the 'Scheme documents' page of the member website.



## Pension Administration Matters

### Cash equivalent transfer values

Transfer values paid during the year were calculated and verified in the manner prescribed by the regulations under Section 97 of the Pension Schemes Act 1993. Discretionary benefits are not included in the calculation of transfer values. Members may request up to two guaranteed transfer values in any twelve-month period.

### Pension increases

The Scheme Rules provide that the annual increase for most pensions shall be the percentage specified in the Pensions Increase (Review) Orders (the Orders), subject to a maximum of 5% per year. The Orders currently reflect the rise in the Consumer Prices Index over a twelve-month period measured up to the end of the preceding September. The 2025 Order was 1.7% and in accordance with the Scheme Rules, qualifying pensions were increased by 1.7% on 7 April 2025. Increases apply to indexed pensions payable under the Rules of the Scheme (whether in deferment or currently in payment).

Pensions in deferment and in payment under the Rules of the British Caledonian, Dan Air, Davies and Newman, Arrowsmith and British Airways Associated Companies Scheme, which are paid by the Scheme, have been increased as variously provided for under the Rules of the relevant inherited scheme.

All pension increases are a right under the Scheme and are not discretionary.

### Internal dispute resolution procedure (IDRP)

The Trustee is required by law to operate an IDRP. This is a mechanism by which a member may request a designated person to adjudicate on a disagreement with their scheme. The designated person to deal with the first stage adjudication is Richard Pilsworth, General Counsel, BA Pensions. In the event that the complainant is not satisfied with the outcome, the matter is then referred to the Trustee's Governance & Operations Discretions Sub-Group for second stage adjudication. Complaints made under this procedure must be in writing and a leaflet giving full details is available from BA Pensions.

### Tax

In the March 2023 budget, the Government announced the removal of the lifetime allowance charge from April 2023. This meant that pension savers could exceed the lifetime allowance (LTA) without being penalised and instead pay their normal rate of income tax on the excess. From April 2024, the LTA itself was abolished. With the abolition of the LTA, three new allowances have been introduced - the individual's lump sum allowance (LSA), the individual's lump sum and death benefit allowance (LSDBA) and the individual's overseas transfer allowance (OTA). These allowances aim to limit the total amount of tax-free lump sums that individuals can receive from their pension savings. The allowances for the tax year 2024/25 were:

- Lump sum allowance: £268,275
- Lump sum and death benefit allowance: £1,073,100
- Overseas transfer allowance: £1,073,100
- Annual allowance: £60,000
- Minimum tapered annual allowance: £10,000
- Adjusted income for tapered annual allowance: £260,000

More information on the above allowances can be found at:

<https://www.mybapension.com/naps/news/read/23/changes-to-pension-tax-rules>

### Online communications

The administration team can respond to members who have registered to manage their pension online by secure email. Email responses are issued via Mimecast, which is a cloud-based email messaging service. This is a convenient and faster way for members to receive information securely.

This report was approved by the Trustee Board on 25 September 2025 and was signed on its behalf by:

**Monica Gupta**  
**Scheme Secretary**

# Implementation Statement

(Forming part of the Trustee's Report)

Chair's Review

Trustee Directors and Advisers

Trustee's Report

Implementation Statement

Statement of Trustee's Responsibilities

Independent Auditor's Report

Fund Account

Statement of Net Assets

Notes to the Financial Statements

Independent Auditor's Statement

Summary of Contributions

Schedule of Contributions

Actuarial Certificate

Report on Actuarial Liabilities

Membership Information

Compliance Statement

## 1. Introduction

Under the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, the Trustee is required to produce an annual implementation statement, setting out how the policies described in the Scheme's statement of investment principles (SIP) have been followed. The statement covers the period 1 April 2024 to 31 March 2025, the Scheme's reporting year. This statement sets out how the Trustee's voting and engagement policies under the terms of the SIP have been implemented. It also has regard to the guidance on 'Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement', issued by the Department for Work and Pensions ("DWP's guidance") in June 2022. For the Scheme year to 31 March 2025 BlackRock was in place as investment manager.

The SIP includes an explicit statement of the Scheme's approach to stewardship and responsible investing. This approach is further detailed in the Scheme's responsible investment (RI) policy, with implementation being delegated to BlackRock.

The Trustee reviewed and reconfirmed their ESG beliefs in June 2024. The priority theme remained as climate change.

The responsibility for the implementation, review and monitoring of the Scheme's RI policy sits with the Scheme's Investment Committee (IC). Both the SIP and the RI Policy are available on the member website.

## 2. Assets held and managed

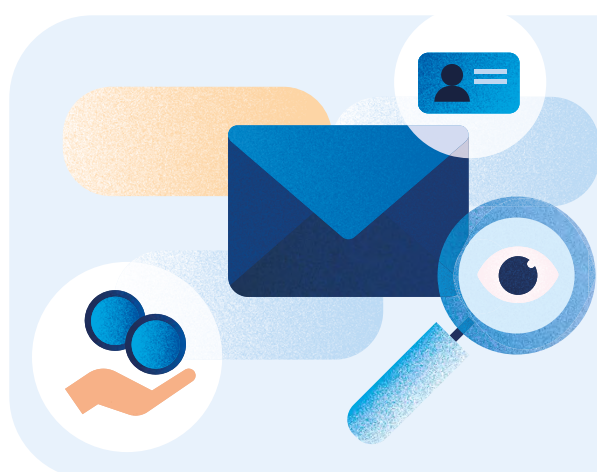
The New Airways Pension Scheme (NAPS) is a defined benefit scheme that is closed to new members and future accruals. As of 31 March 2025, NAPS had a total of 59,112 members, of which 37% are deferred, and 63% are pensioners in payment or dependent pensioners.

Scheme assets are categorised as being either return-seeking or liability-matching. Return-seeking assets are those which are expected to generate long-term returns in excess of the Scheme's liabilities, which compensates for the higher risk. Liability-matching assets are held for risk management purposes and are designed to match the movements in Scheme's liabilities to protect against deterioration in the Scheme's funding position.

As of 31 March 2025, BlackRock managed around £13 billion in assets for the Scheme. As part of the 31 March 2024 actuarial valuation agreement, the Trustee reconfirmed its long-term funding target (LTFT) and agreed investment principles with BA. Further information on this is available in the statement of investment principles.

The Scheme has an investment portfolio with a balance of liability-matching and return-seeking assets, consistent with the agreed framework. Liability-matching assets include government bonds (fixed and inflation-linked), corporate bonds, diversified illiquid income and cash. Return-seeking assets include listed equities, private equity, alternatives and property.

Scheme members are also able to invest their Additional Voluntary Contributions (AVCs) in a money purchase arrangement called the Mixed Portfolio Fund (MPF), which owns government bonds, corporate bonds, listed equities and cash.



### British Airways Pension Services Limited (BA Pensions)

BA Pensions is the Scheme's in-house administrator, providing administrative services to the NAPS and APS Trustee Directors and members. BA Pensions also acts as the Schemes' executive, coordinating the interaction between the Schemes' Trustee Boards, their investment and actuarial advisers, and the Schemes' sponsor.



### 3. Policies and practices

The Scheme's RI policy and SIP were most recently reviewed and updated in November 2024 and March 2024 respectively.

The NAPS SIP describes the Trustee's position on ESG issues by means of the following mission statement:

**“ Environmental (including climate change), social and governance (ESG) issues are multi-faceted and represent long-term systemic risks. We recognise that ESG risks are financially material and need to be managed as we have a long-term payment horizon. We therefore seek to integrate ESG considerations into our decision-making and reporting processes across all asset classes. Where consistent with our fiduciary duties, and applicable to our investment strategy, we require our investment managers to actively engage and utilise their proxy voting rights/ engagement to drive up ESG standards in the organisations in which we invest. ”**

The Scheme's SIP further describes BlackRock's responsibilities with respect to voting and engagement activities as follows:

- The Trustee expects BlackRock to, where possible, integrate financially material ESG considerations into the investment decision-making processes at a portfolio level, at asset level, across all asset classes and at all stages throughout the entire investment life cycle including in the selection, retention and realisation of investments. (NAPS SIP 7.7)
- The Trustee requires BlackRock to engage with investee companies and other relevant stakeholders, using a variety of means including collaboration with other investors, to protect or enhance the value of the Scheme's assets including over the medium to long term. Engagement can be in relation to a number of matters including, but not limited to, performance, strategy, risks, capital structure and management of actual or potential conflicts of interests. Engagement also aims to bring about change to the investee company's ESG practices and performance. BlackRock is required to keep records of each engagement and outcome. (NAPS SIP 7.9)
- In exercising the voting and other rights attached to the Scheme's investments, BlackRock will act according to its policy on proxy voting and shareholder engagement. (NAPS SIP 7.11)
- The Scheme's RI activities, annual voting and engagement will be captured through the Scheme's annual SIP implementation statement and TCFD report, made available on a publicly accessible website. (NAPS SIP 7.13)

### 4. Stewardship priorities

Each year, BlackRock set engagement priorities to calibrate their work around the governance and sustainability issues they consider to be top of mind for companies and their clients, building on themes from the past several years. BlackRock note that their priorities provide clients with insight into how they are conducting engagement and voting activities on their behalf.

Given the emphasis on BlackRock's stewardship process on behalf of the Trustee, the Trustee has undertaken an exercise to assess how well BlackRock's stewardship priorities aligned with the priorities of the Scheme. The Trustee was pleased to see that there was good alignment between priorities and so was comfortable that BlackRock's voting policy was also a reasonable reflection of the Trustee's views.

BlackRock's Investment Stewardship 2024 and 2025 engagement priorities were:



#### **Board quality and effectiveness -**

Quality leadership is essential to performance. Board composition, effectiveness, diversity and accountability remained a top priority.



**Climate and natural capital -** Climate action plans with targets to advance the transition to a low carbon economy. Managing natural capital dependencies and impacts through sustainable business practices.



#### **Strategy, purpose and financial resilience -**

A purpose driven long-term strategy, underpinned by sound capital management, supports financial resilience.



#### **Incentives aligned with financial value creation -**

Appropriate incentives reward executives for delivering sustainable long-term value creation.



#### **Company impacts on people -**

Sustainable business practices create enduring value for all key stakeholders.

More about the BlackRock investment stewardship team's engagement priorities can be found here:  
<https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf>

## 5. Monitoring and communication

The responsibility for the implementation, review and monitoring of the RI policy sits with the IC who rely on the support of their investment advisers.

Implementation of the Scheme's RI policy is delegated to BlackRock. BlackRock is charged with integrating ESG considerations where possible and where appropriate to the Scheme's investment strategy. It is also responsible for conducting voting and engagement activities on behalf of the Scheme.

BlackRock's stewardship policies are developed and implemented separately by two independent, specialist teams, BlackRock Investment Stewardship (BIS) and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognised norms of corporate governance and shareholder rights and responsibilities.

BIS is a dedicated function within BlackRock, which is responsible for stewardship activities in relation to clients' assets invested in index equity strategies. Voting decisions are made by members of the BIS team with input from investment colleagues as required, in each case, in accordance with its Global Principles and custom market-specific voting guidelines. BAIS, established in January 2025, manages BlackRock's stewardship engagement and voting on behalf of clients invested in active strategies globally. Their activities are informed by their Global Engagement and Voting Guidelines and insights from active investment analysts and portfolio managers, with whom they work closely in engaging companies and voting at shareholder meetings.

Index or active, BlackRock's stewardship teams, and all of BlackRock's stewardship efforts across the firm, are focused on making decisions in the best interests of BlackRock's clients. The strategic client team (a team within BlackRock who are focused on the NAPS and APS accounts) manage and track the voting activity and are responsible for producing internal and Trustee-facing ESG reporting.

BlackRock's representatives attend regular IC meetings to report on integration and stewardship activities. The relevant IC will, from time to time, also call on individual asset-class fund managers to present their views and activities for review by the Trustee Directors and their advisers.

In addition, the Trustee also receives written reports detailing stewardship activities and outcomes.

These include the following:

- Vote summary report (annually)
- Investment stewardship and engagement report (annually)
- ESG integration evidence (ad-hoc)
- SIP implementation statement (annually)
- BlackRock's Stewardship Code report (annually)

BA Pensions receives quarterly updates on voting, stewardship and engagement from BlackRock on behalf of the Trustee and will raise any areas of concern to the Trustee.

The Trustee Directors do not currently take the views of members and beneficiaries into account in respect of non-financial matters, including environmental and social issues, when setting the investment strategy of the Scheme.

The Scheme's SIP, RI policy and BlackRock's Stewardship Code report are made available on the Scheme's website.



## 6. NAPS voting (1 April 2024 - 31 March 2025)

Over the period from 1 April 2024- 31 March 2025, BlackRock voted at 1,872 shareholder meetings on 25,921 individual proposals and voted against management's recommendation on 1,274 occasions, equivalent to 4.9% of all proposals.

BlackRock had votes rejected for administrative reasons at 3 shareholder meetings on 88 proposals over the period. There were no missed ballots during the period.

The table below shows the 1,872 meetings, broken down by geographical area:

Number of meetings voted by geography	
United Kingdom	78
North America	570
Developed Europe ex-UK	344
Developed and Emerging Asia Pacific ex-Japan	481
Japan	184
Emerging Markets	215
<b>Total</b>	<b>1,872</b>

The table below shows the 25,921 proposals, split between votes in-line with management and against management:

Number of proposals voted by outcome	
Proposals where BlackRock voted in line with management	24,647
Proposals where BlackRock voted against management	1,274
<b>Total</b>	<b>25,921</b>

The table below shows proposals where BlackRock voted against management's recommendation, broken down by category:

Proposals voted against management by proposal category	
Director election	505
Shareholder proposals	16
Remuneration	239
Capital structure and dividends	200
Audit, report and accounts	106
Amend articles	73
Board structure and responsibilities	82
Other business	53
<b>Total</b>	<b>1,274</b>

## 7. MPF voting (1 April 2024 - 31 March 2025)

Over the period from 1 April 2024 - 31 March 2025, BlackRock voted at 2,613 shareholder meetings on 27,632 individual proposals and voted against management's recommendation on 2,387 occasions, equivalent to 8.6% of all proposals.

BlackRock had votes rejected for administrative reasons at 3 shareholder meetings on 38 proposals over the period. There were no missed ballots during the period.

The table below shows the 2,613 meetings, broken down by geographical area:

Number of meetings voted by geography	
United Kingdom	24
North America	250
Developed Europe ex-UK	127
Developed and Emerging Asia Pacific ex-Japan	1,923
Japan	39
Emerging Markets	250
<b>Total</b>	<b>2,613</b>

The table below shows the 27,632 proposals, split between votes in-line with management and against management:

Number of proposals voted by outcome	
Proposals where BlackRock voted in line with management	25,245
Proposals where BlackRock voted against management	2,387
<b>Total</b>	<b>27,632</b>

The table below shows proposals where BlackRock voted against management's recommendation, broken down by category:

Proposals voted against management by proposal category	
Director election	517
Shareholder proposals	43
Remuneration	333
Capital structure and dividends	669
Audit, report and accounts	177
Amend articles	305
Board structure and responsibilities	298
Other business	45
<b>Total</b>	<b>2,387</b>

### **BlackRock proxy voting guidelines**

All voting that took place on behalf of the Scheme during the relevant year was in line with BlackRock's proxy voting guidelines since voting was fully delegated to BlackRock.

BlackRock's voting guidelines are intended to help clients and companies understand their thinking on key governance matters. They are the benchmark against which they assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. They apply their guidelines pragmatically, taking into account a company's unique circumstances where relevant. They inform their vote decisions through research and engage as necessary. They review their voting guidelines annually and update them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year.

BlackRock's market-specific voting guidelines are available on their website at:

**<https://www.blackrock.com/corporate/insights/investment-stewardship#principles-and-guidelines>**

### **Most significant votes**

BlackRock's stewardship team voted on behalf of the Scheme at 1,872 shareholder meetings for NAPS and 2,613 shareholder meetings for MPF over the 12 months to March 25. BlackRock also engages on an on-going basis with companies with the intention of promoting or protecting long-term shareholder value, as described in their global engagement priorities.

The tables below set out 5 of the most significant votes for the Scheme over the year to 31 March 2025. The voting and engagement examples highlighted below are important to the Scheme in that they demonstrate sustained action taken in support of the Trustee's stewardship priorities.





Company Name	Shell, Plc
Meeting Date	21 May 2024
Trustee Stewardship Priorities	Climate change
BlackRock Stewardship Priority	Climate and natural capital
Approx. Scheme holdings at date of vote	Units in MPF pooled fund
Highlighted votes	<p>22) That Shell's Energy Transition Strategy 2024 be approved</p> <p>23) That the Company should align its medium-term scope 3 emissions reduction targets with the goal of the Paris Climate Agreement [Shareholder proposal]</p>
Rationale for votes	<p>BIS takes a constructive, long-term approach to engagement with companies and focuses on the management and oversight of the drivers of risk and financial value creation in a company's business model.</p> <p>On the ballot of Shell's May 2024 AGM was a management proposal to approve Shell's energy transition update and its Energy Transition Strategy 2024, which were disclosed on the company's website. The agenda of Shell's May 2024 AGM also included a shareholder proposal requesting that the company make changes to its climate-related strategy.</p> <p>At Shell's request, BIS engaged with members of the company's board and management team in April 2024 to better understand the company's approach to managing climate-related risks and opportunities, including its approach to setting and updating its climate-related targets, amongst other topics that are material to long-term financial value creation.</p> <p>BIS decided to support Shell's management proposal because the company provided a clear assessment of its plans to manage material climate-related risks and opportunities, while also demonstrating progress against its stated Energy Transition Strategy.</p> <p>BIS did not however support the shareholder proposal because they considered it overly prescriptive. It is the role of company leadership to set and implement the company's strategy. In BlackRock's assessment, support of this proposal would have contradicted the Energy Transition Strategy 2024 that had been put forward by the board and management team.</p>
Outcome of the vote	<b>The management proposal was approved with ~78% support from shareholders; the shareholder proposal did not pass and received ~19% support.</b>

<b>Company Name</b>	<b>Tesla, Inc.</b>
Meeting Date	13 June 2024
Trustee Stewardship Priorities	Board Structure
BlackRock Stewardship Priority	Board quality and effectiveness
Approx. Scheme holdings at date of vote	£2.9M
	<ol style="list-style-type: none"> <li>1) Elect Director James Murdoch</li> <li>2) Change State of Incorporation from Delaware to Texas</li> <li>3) Shareholder Proposal Regarding Declassifying the Board</li> <li>4) Shareholder Proposal Regarding Adopting Simple Majority Vote</li> </ol>
Rationale for votes	<p>BIS takes a constructive, long-term approach to engagement with companies and focuses on the management and oversight of the drivers of risk and financial value creation in a company's business model. Engagement may also help inform our voting decisions for those clients who have given us authority to vote on their behalf.</p> <p>BIS, alongside BlackRock's active investors, held multiple engagements with Tesla to better understand the Special Committee's process and how the interests of disinterested shareholders were taken into consideration. BIS also discussed the board's views on the concerns raised in the Tornetta Opinion concerns regarding director independence. Based on our assessment, BIS determined to not support the election of Director James Murdoch to convey our concerns regarding the board's decision-making process, independence, and effectiveness in overseeing management.</p> <p>As discussed in BIS' U.S. proxy voting guidelines, we assess the economic and strategic rationale behind a company's proposal to reincorporate on a case-by-case basis. In all instances, we will evaluate the changes to shareholder protections under the new charter/articles/bylaws to assess whether the move increases or decreases shareholder protections. BIS are satisfied that a re-domestication to Texas would not impair shareholders' rights, as most of the governance provisions in Texas and Delaware business codes are substantially similar.</p> <p>As discussed in BIS' U.S. proxy voting guidelines, in our view, directors should be re-elected annually; classification of the board generally limits shareholders' rights to regularly evaluate a board's performance and select directors. In addition, BIS generally favours a simple majority voting requirement to pass proposals. Therefore, BIS will generally support the reduction or the elimination of super majority voting requirements to the extent that we determine shareholders' ability to protect their economic interests is improved.</p>
<b>Outcome of the vote</b>	<b>All four proposals passed</b>

Company Name	Voestalpine AG
Meeting Date	3 July 2024
Trustee Stewardship Priorities	Board Structure
BlackRock Stewardship Priority	Board quality and effectiveness
Approx. Scheme holdings at date of vote	£1.5k
Highlighted votes	<p>1) Item 7a-7h: Elect Supervisory Board Members. BlackRock voted AGAINST</p> <p>2) Item 8: Approve Remuneration Report. BlackRock voted AGAINST.</p>
Rationale for votes	<p>Over the past four years, BIS has engaged with members of Voestalpine's management team to discuss the company's board composition and independence, compensation practices, and disclosures of climate-related risks and opportunities.</p> <p>To convey BIS' concerns about the length of director terms at Voestalpine, BIS did not support the election of directors Heinrich Schaller, Franz Gasselsberger, Ingrid Joerg, Florian Khol, Maria Kubitschek, Elisabeth Stadler, and Martin Hetzer (Items 7b-7h). BIS also did not support the election of director Wolfgang Eder, who along with Mr. Schaller, is a member of the nomination committee, to convey concerns about insufficient independence within the board and its committees. BIS note that Mr. Gasselsberger, who chairs the audit committee, has served on the board for 20 years and, as such, is not considered an independent director under BlackRock's voting guidelines. In addition, in their assessment, Mr. Gasselsberger and Ms. Stadler are both overcommitted.</p> <p>BIS also chose not to support the remuneration report because, in their view, the disclosure about the variable pay outcome and discretionary sign-on bonuses to newly appointed executives lacked sufficient detail to assess their alignment with shareholder interests. In addition, BIS had concerns about the amounts of supplementary pension contributions awarded to certain executives.</p>
Outcome of the vote	<p><b>The Supervisory Board was re-elected with ~58% of votes cast FOR.</b></p> <p><b>The Remuneration Report was passed with a similar ~58% of votes cast FOR.</b></p>

Company Name	Automatic Data Processing, Inc
Meeting Date	6 November 2024
Trustee Stewardship Priorities	Board Structure
BlackRock Stewardship Priority	Board quality and effectiveness
Approx. Scheme holdings at date of vote	£6.6M
Highlighted votes	Item 1: Elect Director William J. Ready. BlackRock voted AGAINST
Rationale for votes	<p>BlackRock Investment Stewardship voted against the re-election of Director William J Ready under BlackRock's policy on director commitments. We believe that where a sitting CEO also serves on a number of public company boards, there is a substantial risk that he/she will not be able to exercise sufficient oversight in exercising their duties as a board director.</p> <p>William J Ready is CEO of Pinterest, Inc. He also sits on the boards of Automatic Data Processing, Inc ("ADP"), Williams-Sonoma, Inc and a private company, Venminder. He is additionally an adviser to Highnote Platform, Inc, Silversmith Capital Partners, Brighton Park Capital, and the Wall Street Journal CEO Council. The company was notified of BlackRock policy in 2022, and the vote was first applied at the 2023 AGM.</p>
Outcome of the vote	William J Ready was re-elected with ~63% of votes cast FOR

<b>Company Name</b>	<b>Apple Inc</b>
Meeting Date	25 February 2025
Trustee Stewardship Priorities	Diversity, Equity and Inclusion
BlackRock Stewardship Priority	Company impacts on people
Approx. Scheme holdings at date of vote	£34.1M
Highlighted votes	<p>Item 4: Company should provide a report on ethical AI data acquisition and usage. BlackRock voted AGAINST</p> <p>Item 5: Company should provide a report on child safety on-line. BlackRock voted AGAINST</p> <p>Item 6: Company should consider abolishing DEi policies, programs, departments, goals. BlackRock voted AGAINST</p> <p>Item 7: Company should provide a report on discrimination in charitable contributions. BlackRock voted AGAINST</p>
Rationale for votes	<p>BlackRock Investment Stewardship voted against the items noted above.</p> <p>With respect to item 4, the company already has policies and disclosures in place to address the request being made by the proposal. On item 5, the company already provides transparent reporting and maintains board oversight of this issue. On item 6, BlackRock believes the board is best positioned to determine policies that align with the company's business strategy and compliance obligations. And on item 7, the company already provides sufficient disclosure and/or reporting regarding this issue.</p>
Outcome of the vote	<b>Items 4-7 were all not approved. Votes FOR were low with 8.6% of votes being cast in favour of item 4, 6.6% for item 5, 1.7% for item 6 and 1.4% for item 7.</b>



Company Name	Roche Holding AG.
Meeting Date	25 March 2025
Trustee Stewardship Priorities	Shareholder concerns
BlackRock Stewardship Priority	Incentives aligned with value creation
Approx. Scheme holdings at date of vote	£0.7M
Highlighted votes	<p>Item 2.1: Advisory vote to ratify remuneration report. BlackRock voted AGAINST</p> <p>Item 6.1: Re-elect Severin Schwan as Director and Board Chair. BlackRock voted AGAINST</p> <p>Item 6.11: Reappoint Joerg Duschmale as Member of the Compensation Committee. BlackRock voted AGAINST</p> <p>Item 6.12: Reappoint Anita Hauser as Member of the Compensation Committee. BlackRock voted AGAINST</p> <p>Item 6.13: Reappoint Richard Lifton as Member of the Compensation Committee. BlackRock voted AGAINST</p>
Rationale for vote	<p>BlackRock Investment Stewardship voted against the items noted above. BIS voted against the remuneration report (item 2.1) and the directors' re-election to the remuneration committee (items 6.11-6.13) due to concern over disclosure and the structure of the company's remuneration arrangements. In particular, the company provides very limited information on how annual bonus outcomes are determined and no performance conditions apply to the long-term incentive arrangements. BIS voted against the board chair (6.1) due to concern about insufficient independence on the remuneration and nomination committees.</p>
Outcome of the vote	<p><b>All five items were approved with all directors being re-elected and/or re-appointed. Dr Severin Schwan was re-elected as Chairman of the Board of Directors by 97.93% of the votes. The remuneration report was approved by 95.15% of votes cast.</b></p>

## 8. NAPS engagement (1 April 2024 - 31 March 2025)

During this period, BlackRock had 1,322 engagements in total across the listed equity and credit portfolios. Engagements were typically focused on understanding the opportunities and risks faced by the investee company. On every occasion, BlackRock also raised matters relating to at least one ESG topic with current or potential investee companies, leading to 2,253 discussions on ESG themes across all engagements.

The table below summarises the amount of times BlackRock priority topics were discussed at the 1,322 engagements.

<b>Total company engagements</b>	<b>1,322</b>
<b>Engagements by region</b>	<b>Total</b>
Americas	542
EMEA	414
APAC	366
<b>Engagement themes</b>	
Governance	1,261
Social	490
Environmental	502
<b>Top 10 Engagement topics</b>	
G-Corporate Strategy	695
G-Board Composition and Effectiveness	673
G-Remuneration	528
E-Climate Risk Management	476
G-Business Oversight/Risk Management	411
G-Executive Management	347
G-Governance Structure	308
G-Sustainability Reporting	249
S-Human Capital Management	237
G-Other	131

### External capabilities<sup>4</sup>

BlackRock engaged with the Scheme's external fund managers for monitoring and due diligence purposes, with the aim of ensuring that investee funds were managed in line with the agreed investment process. Recognising that different managers in different asset classes would reasonably take different approaches to responsible investment, BlackRock was also responsible for escalating any major ESG-related issues to BA Pensions.

<sup>4</sup> The Investment Manager provided oversight of external managers in private equity, alternatives, real assets and illiquid income.

## 9. MPF engagement (1 April 2024 - 31 March 2025)

During this period, BlackRock had 753 engagements in total across the portfolio. Engagements were typically focused on understanding the opportunities and risks faced by the investee company. On every occasion, BlackRock also raised matters relating to at least one ESG topic with current or potential investee companies, leading to 1,345 discussions on ESG themes across all engagements. The table below summarises the amount of times BlackRock priority topics were discussed at the 984 engagements.

<b>Total Company Engagements</b>	<b>753</b>
<b>Engagements by region</b>	<b>Total</b>
Americas	320
EMEA	198
APAC	235
<b>Engagement themes</b>	
Governance	719
Social	291
Environmental	335
<b>Top 10 Engagement topics</b>	
G-Corporate Strategy	396
G-Board Composition and Effectiveness	366
E-Climate Risk Management	323
G-Remuneration	281
G-Business Oversight/Risk Management	248
G-Executive Management	195
G-Sustainability Reporting	162
S-Human Capital Management	137
G-Governance Structure	136
G-Other	96

## 10. Affiliations and initiatives

BlackRock Manager engaged with the global investment and corporate community through a range of industry affiliations.

Coalitions and shareholder groups provide BlackRock with the opportunity to promote a sustainable financial system globally, to advocate on a variety of corporate governance topics and to learn from its peers in the investment industry. BlackRock also works informally with other shareholders (where such activities are permitted by law) to engage companies on specific issues or to promote market-wide enhancements to current practice.

## 11. Member Enquiries

In the year to March 2025, BA Pensions received no queries from Scheme members about responsible investment.

The Trustee does not take members' views into account when setting the Scheme's investment strategies, but the Trustee does receive a summary of all member enquiries relating to responsible investment matters. Please visit the 'Scheme documents' page of the member website <https://www.mybapension.com/naps/documents/index> for more details of the Scheme's responsible investment activities. If you would like more information on the Scheme's responsible investment policies or its approach to stewardship and can't find the information on the website, you can email us at [esg@bapensions.com](mailto:esg@bapensions.com)

## 12. Conclusion

The Trustee monitored the BlackRock's implementation of their investment principles so far as they related to stewardship by means of written quarterly and annual reports, which are interrogated systematically by the BA Pensions, the Trustee and advisers.

The Trustee and advisers also had regular access to BlackRock's strategic client team and stewardship team.

On the basis of the information provided to them and their advisers, the Trustee is of the opinion that the stewardship components of the Scheme's SIP have been implemented as envisaged in the 12 months to 31 March 2025.



### Task Force on Climate-Related Financial Disclosures (TCFD)

The Scheme will produce its climate-related report, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) for the Scheme year 1 April 2024 -31 March 2025. This report breaks down climate-related activities into the four key elements of TCFD reporting, namely governance, strategy, risk management and metrics and targets. This report will be published by the statutory deadline of 31 October 2025 in the responsible investment section of the Scheme's website: <https://www.mvbapension.com/naps/documents/responsible-investment>

# Statement of Trustee's Responsibilities

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 Trustee. Pension scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- (i) 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
- (ii) 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 Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is 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 it either intends to wind up the Scheme, or has no realistic alternative but to do so; and
- making available each year, commonly in the form of a Trustee's annual report, information about the Scheme prescribed by pensions legislation, which it should ensure is fair and impartial.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions.

The Trustee is responsible for such internal control as it determines 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 it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities.

The Trustee is 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.





# Independent Auditor's Report

Independent auditor's report to the Trustee of the New Airways Pension Scheme

Chair's Review

Trustee Directors and Advisers

Trustee's Report

Implementation Statement

Statement of Trustee's Responsibilities

Independent Auditor's Report

Fund Account

Statement of Net Assets

Notes to the Financial Statements

Independent Auditor's Statement

Summary of Contributions

Schedule of Contributions

Actuarial Certificate

Report on Actuarial Liabilities

Membership Information

Compliance Statement

## Opinion

We have audited the financial statements of the New Airways Pension Scheme ("the Scheme") for the year ended 31 March 2025 which comprise the fund account and the statement of net assets (available for benefits) and related notes, including the accounting policies as set out in note 2.

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 March 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 as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The Trustee has prepared the financial statements on the going concern basis as it does not intend to wind up the Scheme and as it has concluded that the Scheme's financial position means that this is realistic. It has 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 Trustee's 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 Trustee's 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 Trustee's 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 Trustee as to the Scheme's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether it has knowledge of any actual, suspected or alleged fraud.
- Reading Trustee Board meeting minutes and the Scheme's breach log.

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 Trustee (or its delegates) 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 Trustee; 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 and any unusual postings to cash.
- Assessing whether the judgements made in making accounting estimates are indicative of a 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 Trustee (as required by auditing standards), and from inspection of the Scheme's regulatory and legal correspondence and discussed with the Trustee 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 taxation 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 Trustee 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 55 of the annual report.

#### *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 Trustee is responsible for the other information. The other information comprises the information included in the Trustee's report other than the financial statements and our auditor's report thereon. 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.

## Trustee's responsibilities

As explained more fully in their statement set out on page 33, the Scheme Trustee is 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 it either intends to wind up the Scheme, or has 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](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Scheme Trustee, 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 Trustee those matters we are required to state to it 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 Trustee, for our audit work, for this report, or for the opinions we have formed.

**Gemma Broom**

**For and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

*15 Canada Square*

*London E14 5GL*

*Date: 29 September 2025*



# Fund Account

For the year ended 31 March 2025

	Note	31 March 2025 £'m	31 March 2024 £'m
<b>Contributions and Benefits</b>			
Employer contributions	3	0.5	0.4
<b>Total contributions</b>		<b>0.5</b>	<b>0.4</b>
Transfers in	4	0.1	1.1
		<b>0.6</b>	<b>1.5</b>
Benefits paid or payable	5	(579.0)	(505.5)
Payments to and on account of leavers	6	(22.2)	(17.9)
Administrative expenses	7	(10.4)	(10.2)
		(611.6)	(533.6)
<b>Net withdrawals from dealings with members</b>		<b>(611.0)</b>	<b>(532.1)</b>
<b>Returns on Investments</b>			
Investment income	8	115.1	127.3
Investment management expenses	9	(6.2)	(7.5)
Change in market value of investments	10	(849.9)	(574.1)
<b>Net return on investments</b>		<b>(741.0)</b>	<b>(454.3)</b>
<b>Net decrease in the fund during the year</b>		<b>(1,352.0)</b>	<b>(986.4)</b>
<b>Net assets of the Scheme at 1 April</b>		<b>14,067.6</b>	<b>15,054.0</b>
<b>Net assets of the Scheme at 31 March</b>		<b>12,715.6</b>	<b>14,067.6</b>

The notes on pages 40 to 54 form part of these financial statements.

Chair's  
Review

Trustee  
Directors  
and Advisers

Trustee's  
Report

Implementation  
Statement

Statement of  
Trustee's  
Responsibilities

Independent  
Auditor's  
Report

Fund  
Account

Statement of  
Net Assets

Notes to  
the Financial  
Statements

Independent  
Auditor's  
Statement

Summary of  
Contributions

Schedule of  
Contributions

Actuarial  
Certificate

Report on  
Actuarial  
Liabilities

Membership  
Information

Compliance  
Statement

# Statement of Net Assets

(available for benefits)

	Note	31 March 2025 £'m	31 March 2024 £'m
<b>Investment assets</b>			
Equities	10	726.9	412.1
Fixed interest bonds	10	3,600.4	4,115.0
Index-linked bonds	10	7,025.2	8,105.3
Property	10	493.7	754.3
<b>Pooled arrangements</b>			
Property	11	545.1	581.9
Alternative investments	11	1,140.7	1,276.0
Private equity	11	746.8	771.4
Cash	11	212.4	191.7
Derivatives	13	138.3	134.8
AVC Mixed Portfolio Fund	15	101.9	117.5
Cash	10	182.9	148.0
Reverse repurchase agreements	10	272.0	90.1
Other investment balances	10	860.8	657.7
		<b>16,047.1</b>	<b>17,355.8</b>
<b>Investment liabilities</b>			
Derivatives	13	(182.6)	(190.6)
Repurchase agreements	10	(2,411.6)	(2,416.0)
Other investment balances	10	(726.0)	(672.4)
<b>Total net investments</b>		<b>12,726.9</b>	<b>14,076.8</b>
External AVC investments	16	0.1	0.1
<b>Total investments</b>		<b>12,727.0</b>	<b>14,076.9</b>
Current assets		0.5	0.6
Current liabilities		(11.9)	(9.9)
<b>Net assets of the Scheme at 31 March</b>		<b>12,715.6</b>	<b>14,067.6</b>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. 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 takes into account such obligations, is dealt with in the report on actuarial liabilities on pages 60 to 62 and these financial statements should be read in conjunction with this report.

The notes on pages 40 to 54 form part of the financial statements.

These financial statements were approved by the Trustee Board on 25 September 2025 and were signed on their behalf by:

Wayne Phelan  
Trustee Director

Neil Cottrell  
Trustee Director



# Notes of the Financial Statements

Chair's  
Review

Trustee  
Directors  
and Advisers

Trustee's  
Report

Implementation  
Statement

Statement of  
Trustee's  
Responsibilities

Independent  
Auditor's  
Report

Fund  
Account

Statement of  
Net Assets

Notes to  
the Financial  
Statements

Independent  
Auditor's  
Statement

Summary of  
Contributions

Schedule of  
Contributions

Actuarial  
Certificate

Report on  
Actuarial  
Liabilities

Membership  
Information

Compliance  
Statement

## 1. Basis of preparation

The financial statements 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 issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (revised July 2018). The Scheme is established as a Trust under English law. The address for enquiries about the Scheme can be found on page 6.

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as they believe that the Scheme has adequate resources to realise its assets and meet pension payments for at least the next twelve months. In reaching this conclusion, the Trustee has considered the latest results for International Airlines Group (IAG) (parent of British Airways Plc) and the Scheme's funding position. Also, no contributions are currently due to the Scheme under the Schedule of Contributions certified on 15 December 2022.

## 2. Accounting policies

The principal accounting policies of the Scheme are as follows:

### a. Contributions

i. Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and the Trustee.

ii. Employer augmentation contributions are accounted for in accordance with the agreement under which they are payable.

### b. Payments to members

i. Pensions in payment are accounted for in the period to which they relate.

ii. Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if there is no member choice, the date of retiring or leaving.

iii. Individual transfers out of the Scheme are accounted for when member liability is discharged, which is normally when the transfer amount is paid.

### c. Administrative and investment management expenses

Expenses are accounted for on an accruals basis.

### d. Investment income

ii. Dividends from equities are accounted for on the ex-dividend date.

ii. Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.

iii. Rental income is accounted for on an accruals basis in accordance with the terms of the lease.

iv. Income from pooled arrangements is accounted for when declared by the fund manager, net of any associated management fees.

iii. Swap income is accounted for on an accruals basis.

iv. Receipts from annuity policies are accounted for as investment income on an accruals basis.

v. Income from cash and short-term deposits is accounted for on an accruals basis.

### e. Investment change in market value

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.

### f. Investments

Investments are included at fair value as described below:

i. Quoted securities in active markets are usually valued at either the current bid price or the last traded price as of year-end, depending on the convention of the stock exchange on which they are quoted, at the reporting date.

ii. Accrued interest is excluded from the market value of fixed income bonds and is included in investment income receivable.

iii. Directly and indirectly owned investment properties have been valued at the year-end in accordance with the Royal Institution of Chartered Surveyors' (RICS) Valuation - Global Standards, taking into consideration the current estimate of the rental values and market yields. The valuations for the direct properties have been carried out by Cushman & Wakefield, chartered surveyors, who have the appropriate knowledge and experience to value such assets.

iv. Real Estate Investment Trusts (REITs) are treated as equities.

v. Exchange traded derivatives are stated at market value determined using market quoted prices.

vi. Over-the-counter (OTC) derivatives are stated at fair value using pricing models and relevant market data as of the year-end date.

vii. Swaps are valued by taking the current value of future cash flows arising from the swap determined using discounted cash flow models and relevant market data at the reporting date.

viii. Annuity policies are deemed to be immaterial and so have not been included in the financial statements.

ix. Repurchase agreements are accounted for as follows:

- For repurchase agreements, the Scheme recognises and values the securities that are delivered out as collateral, and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.
- For reverse repurchase agreements, the Scheme does not recognise the securities received as collateral in its financial statements. The Scheme does recognise the cash delivered to the counterparty as a receivable in the financial statements.

#### g. Pooled arrangements

The private equity, alternative, indirectly owned property and some cash assets are invested in externally pooled funds. A proportion of the private equity, alternatives and property investments (direct and indirect) are pooled internally and held jointly in unitised funds on behalf of the Airways Pension Scheme and the New Airways Pension Scheme.

Private equity and alternative investments are valued at the best estimate of fair value, taking the latest available valuations issued by the managers and adjusting for any cash movements occurring between the date of the valuation and the Scheme year end.

Pooled investment properties have been valued in accordance with accounting policy note (f)(iii). Pooled properties are valued by the manager of those funds taking the latest valuation available on a net assets basis.

#### h. Foreign currencies

The Schemes functional and presentation currency is pound sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

#### i. Accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of net assets date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Trustee confirms that no judgements have had a significant effect on amounts recognised in the financial statements.

### 3. Contributions

	2025 £'m	2024 £'m
<b>Employer contributions</b>		
Deficit funding	-	-
Augmentation	0.5	0.4
	<b>0.5</b>	<b>0.4</b>

Details of the deferral of deficit funding contributions during the year are on page 8. Further details regarding contributions are included in the summary of contributions on page 56.



#### 4. Transfers in

	2025 £'m	2024 £'m
Individual transfers in from other schemes	0.1	1.1

#### 5. Benefits paid or payable

	2025 £'m	2024 £'m
Pensions	452.0	417.2
Commutations of pensions and lump sum retirement benefits	125.0	86.2
Lump sum death benefits	1.1	1.2
Taxation where lifetime or annual allowance exceeded	0.9	0.9
	<b>579.0</b>	<b>505.5</b>

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Scheme in exchange for the Scheme settling their tax liability.

#### 6. Payments to and on account of leavers

	2025 £'m	2024 £'m
Individual transfers out to other schemes	22.2	17.9

## 7. Administrative expenses

The Scheme bears the cost of administration. However, the levies required by the Pension Protection Fund are payable by BA. The New Airways Pension Scheme bears an allocation of the overall costs of BA Pensions except where a cost relates specifically to the Scheme, in which case the cost is met by the Scheme in full. The administrative expenses include the in-house costs of running the BA Pensions team that provide member services, finance operations and trustee support. They also include the costs of external advisers engaged by the Trustee, including the auditor, actuary, investment consultants, covenant advisers, legal advisers and compliance costs. The split of costs at the year-end are as follows:

	2025 £'m	2024 £'m
BA Pensions in-house administration and processing	7.2	7.0
External professional fees	3.2	3.2
	<b>10.4</b>	<b>10.2</b>

## 8. Investment income

	2025 £'m	2024 £'m
Dividends from equities	12.6	4.9
Income from fixed interest bonds	132.4	132.8
Income from index-linked bonds	42.5	36.3
Net rents from properties	27.3	44.2
Net (payments)/receipts from swaps	(4.7)	6.9
Interest on repurchase agreements - net	(111.6)	(108.8)
Annuity income	3.9	3.8
Interest on cash deposits - net	9.7	6.1
Other income	3.0	1.1
	<b>115.1</b>	<b>127.3</b>

## 9. Investment management expenses

The Scheme bears the cost of investment management expenses.

	2025 £'m	2024 £'m
Investment management expenses	6.2	7.5

## 10. Reconciliation of investments

	Value at 31 March 2024 £'m	Purchases at cost & derivative payments £'m	Sales proceeds & derivative receipts £'m	Change in market value £'m	Value at 31 March 2025 £'m
Equities	412.1	479.9	(179.7)	14.6	726.9
Fixed interest bonds	4,115.0	2,446.7	(2,731.6)	(229.7)	3,600.4
Index-linked bonds	8,105.3	1,612.7	(2,023.3)	(669.5)	7,025.2
Property	754.3	8.0	(250.6)	(18.0)	493.7
<b>Pooled arrangements:</b>					
Property	581.9	49.4	(29.1)	(57.1)	545.1
Alternative investments	1,276.0	9.1	(204.4)	60.0	1,140.7
Private equity	771.4	52.3	(96.3)	19.4	746.8
Cash	191.7	1,624.2	(1,615.8)	12.3	212.4
<b>Derivatives</b>					
Swaps	(52.3)	122.1	(113.1)	(34.8)	(78.1)
Futures	1.5	124.0	(132.1)	3.4	(3.2)
Forward foreign exchange	(5.0)	127.2	(131.5)	46.3	37.0
AVC Mixed Portfolio Fund	117.5	1.8	(22.5)	5.1	101.9
External AVC investments	0.1	-	-	-	0.1
	<b>16,269.5</b>	<b>6,657.4</b>	<b>(7,530.0)</b>	<b>(848.0)</b>	<b>14,548.9</b>
Cash	148.0			(5.4)	182.9
Repurchase agreements	(2,325.9)			-	(2,139.6)
Other investments	(14.7)			3.5	134.8
	<b>14,076.9</b>			<b>(849.9)</b>	<b>12,727.0</b>

There was no (2024: one) individual UK investment which comprised greater than 5% of the net assets of the Scheme at the year end (in absolute terms) (2024: 5.5% of UK index-linked gilt 2032 1.25%).

Transaction costs are included in the cost of purchases and deducted from sale proceeds, however due to MiFID II, research costs have been unbundled and are now included within investment management expenses. Direct transaction costs analysed by main asset class and type of cost are as follows:

	Fees £'m	Commission £'m	Taxes £'m	2025 Total £'m	2024 £'m
Equities	0.1	0.1	0.1	0.3	0.2
Other	-	0.4	-	0.4	0.4
<b>2025</b>	<b>0.1</b>	<b>0.5</b>	<b>0.1</b>	<b>0.7</b>	<b>0.6</b>
<b>2024</b>	<b>-</b>	<b>0.5</b>	<b>0.1</b>	<b>0.6</b>	



In addition to the transaction costs disclosed above, indirect costs in relation to bonds are incurred through the bid-offer spread. Indirect costs are also incurred in relation to external pooled arrangements through charges made to those vehicles.

Included within other investments balances are net trade receivables £196.2m (2024: £2.0m), net income receivables £37.1m (2024: £39.6m), derivative cash at broker £46.5m (2024: £30.3m), property net trade payables £(1.4)m (2024: £(4.5)m) and negative bond and future cash collateral £(143.6)m (2024: £(82.1)m).

## 11. Pooled arrangements

The indirect property, alternatives, private equity and some cash investments are invested in externally held pooled funds. A small amount of the property investments (direct and indirect) are pooled internally and held jointly in unitised funds on behalf of the Airways Pension Scheme and the New Airways Pension Scheme. The remainder of the alternatives and private equity is held directly on behalf of the Scheme. As of 31 March 2025, the value of these funds are as follows:

	2025 £'m	2024 £'m
<b>Property</b>		
Externally held pooled indirect funds	545.1	581.7
Direct UK property fund	-	0.2
<b>Total property unitised</b>	<b>545.1</b>	<b>581.9</b>
<b>Alternatives</b>		
Direct investment funds	1,140.7	1,276.0
<b>Private equity</b>		
Direct investment funds	746.8	771.4
<b>Cash</b>		
Direct investment funds	212.4	191.7

Within alternatives direct investment funds there is one client specific fund. The table below shows the enhanced disclosure breakdown of the underlying assets held in this fund.

	2025 £'m	2024 £'m
Corporate bonds	25.5	19.1
Floating rate notes (or loan notes)	343.1	313.1
Futures	(3.8)	(0.9)
Fixed income futures	3.8	0.9
Liquidity funds	22.1	25.0
<b>Total</b>	<b>390.7</b>	<b>357.2</b>

## 12. Taxation

The Scheme is a registered pension scheme for tax purposes under the Finance Act 2004. The Fund is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income.

### 13. Derivatives

The Scheme uses derivative instruments for both investment purposes and to manage exposures to financial risks, such as interest rate, foreign exchange and liquidity risks arising in the normal course of business.

A summary of the Scheme's outstanding derivative contracts at the year-end aggregated by key characteristics were as follows:

#### Swaps

Nature	Duration	Nominal amount £'m	Asset value £'m	Liability value £'m
<b>Over-the-counter (OTC)</b>				
Interest rate swaps	<1 to 27 years	687.3	41.2	(73.5)
<b>Total OTC</b>		<b>687.3</b>	<b>41.2</b>	<b>(73.5)</b>
<b>Cleared</b>				
Inflation-linked swaps	<1 to 20 years	4,375.1	8.3	(41.7)
Interest rate swaps	<1 to 50 years	7,966.7	36.3	(48.7)
<b>Total Cleared</b>		<b>12,341.8</b>	<b>44.6</b>	<b>(90.4)</b>
<b>Total 2025</b>		<b>13,029.1</b>	<b>85.8</b>	<b>(163.9)</b>
<b>Total 2024</b>		<b>12,582.4</b>	<b>117.8</b>	<b>(170.1)</b>

Included within index-linked and fixed interest bond balances, as disclosed in note 10, is £119.4m (2024: £46.0m) in respect of initial margins arising on cleared swap contracts.

#### Futures

The Scheme had exchange traded stock index futures outstanding at the year-end relating to its equity and bond portfolio as follows:

Nature	Economic Exposure £'m	Expires	Asset Value £'m	Liability value £'m
Equity future assets	158.5	<1 year	-	(2.3)
Equity future liabilities	39.5	<1 year	1.0	-
Fixed income futures assets	433.6	<1 year	1.1	-
Fixed income futures liabilities	1,391.2	<1 year	-	(3.2)
Swaptions	1,800.0	1-2years	2.0	(1.8)
<b>Total 2025</b>	<b>3,822.8</b>		<b>4.1</b>	<b>(7.3)</b>
<b>Total 2024</b>			<b>13.4</b>	<b>(11.9)</b>

Included within fixed interest bond balances as disclosed in note 10 are £12.8m (2024: index-linked and fixed interest bond balances of £31.9m) in respect of initial margins arising on open futures contracts.

#### Forward foreign exchange contracts

The Scheme holds investments in a number of currencies, and their policy is to hedge within agreed limits.

The Scheme enters into over-the-counter foreign exchange forward contracts to offset the impact of currency fluctuations in foreign currency. The open FX contracts at the year-end were as follows:

Contract	Maturity date	Nominal value £'m	Asset value £'m	Liability value £'m
<b>EUR</b>				
Forward to sell EUR	Apr- Sep 25	€866.3	5.2	(2.5)
Forward to buy EUR	Apr- Sep 25	€54.0	-	(0.1)
<b>USD</b>				
Forward to sell USD	Apr- Sep 25	\$1,789.7	42.1	(0.1)
Forward to buy USD	Apr- Sep 25	\$78.4	-	(0.7)
<b>Other JPY &amp; AUD</b>				
Forward to buy AUD	Apr-Sep 25	A\$188.5	-	(3.8)
Forward to buy CAD	Apr-Sep 25	C\$41.6	-	(0.8)
Forward to sell JPY	Apr-Sep 25	¥6,385.3	0.9	-
Forward to buy JPY	Apr-Sep 25	¥31,146.7	0.1	(3.3)
<b>Total 2025</b>			<b>48.3</b>	<b>(11.3)</b>
<b>Total 2024</b>			<b>3.4</b>	<b>(8.4)</b>

### Repurchase and reverse repurchase agreements

The Scheme uses these asset types as a source of leverage to hedge the long-term exposure of pension liabilities to interest and inflation. They are traded over the counter and collateralised accordingly.

At the year end, amounts payable under repurchase agreements amounted to £2,411.6m (2024: £2,416.0m) and amounts receivable under reverse repurchase agreements amounted to £272.0m (2024: £90.1m).

## 14. Collateral

Collateral is used by the Scheme to manage credit risk. The collateral balances at the year-end are as follows:

Counterparty	Collateral Type	Pledge £'m	Derivative position
Barclays	UK Gilt	(5.4)	FX forwards, swaps & repurchase agreements
Canadian Imperial	UK Gilt	(4.1)	Repurchase agreements
Citigroup	UK Gilt & Cash	8.8	FX forwards, swaps & repurchase agreements
Credit Agricole	UK Gilt	(3.4)	Repurchase agreements
Goldman Sachs	UK Gilt	(11.6)	FX forwards, swaps, swaptions & repurchase agreements
HSBC	UK Gilt	0.6	FX forwards & repurchase agreements
JP Morgan	UK Gilt	(0.4)	FX Forward & swaps
Lloyds	UK Gilt	(4.2)	FX forwards & repurchase agreements
Merrill Lynch	UK Gilt	(19.2)	FX Forwards & swaps
Morgan Stanley	UK Gilt	(2.6)	FX forwards, swaps, swaptions & repurchase agreements
National Australia	UK Gilt	(8.5)	Repurchase agreements
NatWest	UK Gilt	5.4	FX forwards
Santander	UK Gilt	(6.0)	Repurchase agreements
UBS	Cash	23.3	FX forwards
		<b>(27.3)</b>	

Collateral pledged with a counterparty is reflected as a negative value. However, they are included in the statement of net assets as part of the Scheme assets. The collateral balances at the 2024 year end amounted to £28.9m.

The repo agreement collateral is equivalent to the open exposure which is the repo'd asset position minus the cash loan value, therefore is expected to be lower than the repo asset value reported in the Statement of Net Assets

## 15. Additional voluntary contributions (AVCs)

The Trustee holds assets to secure additional benefits on a defined contribution basis for those defined benefit section members electing to pay AVCs. Members participating in this arrangement each year receive an annual statement confirming the amounts held in their account and the movements in the year.

There are three AVC funds. The Mixed Portfolio Fund, which is a separately managed unitised fund, the Short-Dated Gilts Fund and the Equity Biased Fund, which are held within the investments. The aggregate amounts of AVC investments are as follows:

	% held	2025 £'m	2024 £'m
<b>Mixed Portfolio Fund</b>			
Pooled investment vehicles - equities		81.2	92.5
Pooled investment vehicles - fixed interest		18.7	20.7
Pooled investment vehicles - cash		2.0	4.3
<b>Total Mixed Portfolio Fund</b>	<b>91.95%</b>	<b>101.9</b>	<b>117.5</b>
Short-dated Gilts Fund		8.7	10.4
Equity Biased Fund		117.5	121.1
		<b>228.1</b>	<b>249.0</b>

## 16. External AVC investments

In addition to the AVCs shown in note 15 above, there are four external AVC schemes. They are run for members who transferred from the British Caledonian Group Pension & Life Assurance Scheme (British Caledonian), the Davies & Newman Holdings Plc Pension and Life Assurance Scheme (Davies & Newman) and the Dan Air Services Ltd Pension and Life Assurance Scheme (Dan Air). These funds have been separately invested for the benefit of the individuals. The values of these funds are as follows:

	2025 £'m	2024 £'m
<b>Davies &amp; Newman and Dan Air</b>		
Utmost (formerly known as Equitable Life Assurance)	0.1	0.1
<b>Total Mixed Portfolio Fund</b>	<b>0.1</b>	<b>0.1</b>

## 17. Defined contribution scheme

Within the Scheme is the British Airways Money Purchase Section (BAMPS). This section was closed to further benefit accrual on 30 September 2012. Some of the members transferred out, and any remaining members are deferred. These assets are not held separately, but members receive an annual statement informing them of the value of their entitlement. The total figures are shown below:

	2025 £'m	2024 £'m
Balance of BAMPS at 1 April	6.1	6.0
Interest	0.7	0.5
Retirements	(0.5)	(0.4)
<b>Balance of BAMPS at 31 March</b>	<b>6.3</b>	<b>6.1</b>

## 18. Fair value determination

The fair value of financial instruments has been estimated using the following fair value hierarchy:

- Level (1)** The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level (2)** Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level (3)** Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

As of 31 March 2025	Level (1) £'m	Level (2) £'m	Level (3) £'m	Total £'m
Equities	726.9	-	-	726.9
Bonds	8,551.6	2,074.0	-	10,625.6
Property	-	-	493.7	493.7
Pooled arrangements	-	212.4	2,432.6	2,645.0
Derivatives	(3.2)	(41.1)	-	(44.3)
AVC Mixed Portfolio Fund	-	101.9	-	101.9
External AVCs	0.1	-	-	0.1
Cash	61.0	121.9	-	182.9
Repurchase agreements	-	(2,139.6)	-	(2,139.6)
Other investment balances	278.4	(143.6)	-	134.8
	<b>9,614.8</b>	<b>185.9</b>	<b>2,926.3</b>	<b>12,727.0</b>

As of 31 March 2024	Level (1) £'m	Level (2) £'m	Level (3) £'m	Total £'m
Equities	412.1	-	-	412.1
Bonds	10,171.8	2,048.5	-	12,220.3
Property	-	-	754.3	754.3
Pooled arrangements	-	191.7	2,629.3	2,821.0
Derivatives	1.5	(57.3)	-	(55.8)
AVC Mixed Portfolio Fund	117.5	-	-	117.5
External AVCs	0.1	-	-	0.1
Cash	65.3	82.7	-	148.0
Repurchase agreements	-	(2,325.9)	-	(2,325.9)
Other investment balances	71.9	(86.6)	-	(14.7)
	<b>10,840.2</b>	<b>(146.9)</b>	<b>3,383.6</b>	<b>14,076.9</b>



## 19. Investment risk disclosures

The disclosure of information in relation to certain investment risks are as follows:

**Credit (or counterparty) risk:** the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

**Interest rate risk:** the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Currency risk:** the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

**Other price risk:** the risk that the fair value of future cash flows of a financial instrument 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 financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Scheme has exposure to investment risks as a result of the investments it makes to implement its investment strategy described in the Trustee's Report. The Trustee manages 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 manager and monitored by the Trustee by regular reviews of the investment portfolios.

Further information on the Trustee's approach to risk management and the Scheme's exposures to certain risks is set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

### (i) Credit (or counterparty) risk

The Scheme is subject to credit risk because the Scheme invests in bonds, pooled investment vehicles, OTC derivatives, repurchase agreements and holds cash balances.

Credit risk arising on bonds is mitigated by investing predominantly in Government bonds where the credit risk is minimal or investment grade corporate bonds which are predominantly rated BBB or above. The Trustee manages the associated credit risk by requesting that the investment manager diversifies the portfolio to minimise the impact of a default by any one issuer. Credit risk arising on other investments is mitigated by investment mandates requiring counterparties to have predominantly investment grade credit quality.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or OTC. Exchange traded derivatives are guaranteed by a regulated exchange where OTC is not; therefore, the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC derivatives is reduced by collateral arrangements (see note 14). In January 2022 the Trustee initiated a move to central clearing for certain OTC derivatives, bringing the Scheme in line with industry standards and offering potential advantages in terms of the spread of counterparties and associated transaction costs.

Cash is held with financial institutions which are at least investment grade credit rated. This was the position at the year end.

The Scheme invests in private equity, alternatives, real assets, indirect property funds and cash funds through pooled arrangements and some of these investments are exposed to credit risk and leverage. This risk is mitigated through active management of the funds, the regulatory environments in which the pooled arrangements operate, and the diversification of investments amongst a number of funds.

The Trustee carries out due diligence checks on an ongoing basis and monitors any changes to the management, regulatory, and operating environment of the funds. The Scheme's holdings in pooled investment vehicles are unrated and predominantly held through shares of limited liability partnerships, and open-ended investment companies.

### (ii) Interest rate risk

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in instruments where the price is sensitive to movement in interest rates, such as bonds and interest rate swaps, and indirectly via pooled investment vehicles. The Scheme's liabilities are also sensitive to movements in interests, specifically government bond yields as these form the basis of the discount rate assumption. The Trustee has set an interest rate target hedge ratio of 95% to mitigate the impact of interest rate movements on the overall Scheme funding level as part of its liability-matching investment strategy. Under this strategy, if interest rates fall, the value of liability-matching investments will rise to help offset the corresponding increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the liability-matching investments will fall in value, as will the actuarial liabilities due to an increase in the discount rate.

### (iii) Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets, either as segregated investments or via pooled arrangements. The Trustee limits overseas currency exposure through a currency hedging policy.

Some of the Scheme's investments are in overseas currencies. To minimise the currency risk, the Trustee has put in place a currency hedging strategy using forward foreign exchange contracts.

The Scheme's total net unhedged exposure by major currency at the year-end was as follows:

	2025 £'m	2024 £'m
US Dollar	167.7	195.8
Euro	(27.2)	109.7
Other	429.8	187.3
	<b>570.3</b>	<b>492.8</b>

### (iv) Other price risk

Other price risk arises principally in relation to the Scheme's return-seeking portfolio which includes directly held equities and properties, investments held in pooled arrangements including private equity, alternatives, real assets, property and equity futures. The Scheme has set a target investment strategy of 12.5% of investments in return-seeking assets.

The Scheme manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

## 20. Contingent liabilities and contractual commitments

The following contractual commitments existed at the year-end:

	2025 £'m	2024 £'m
Property	98.9	120.2
Alternative investments	134.2	138.8
Private equity	53.7	108.7
	<b>286.8</b>	<b>367.7</b>

## 21. Self-investment

The Scheme holds no direct or indirect investment in BA or in International Consolidated Airline Group SA, or any shares or other securities as defined by section 40 of the Pensions Act 1995.

## 22. Related party transactions

The Corporate Trustee of NAPS is New Airways Pension Scheme Trustee limited (NAPSTL). This company is dormant, and its set up cost was paid by the Scheme.

BAPTL, a company limited by guarantee, holds the assets on behalf of the Scheme as Custodian Trustee, including the assets of the pooled arrangements. The Directors of BAPTL are all Directors of either Airways Pension Scheme Trustee Limited (APSTL) or NAPSTL. The two companies described in the paragraph below are wholly owned by BAPTL.

BA Pensions provides administration services to the Scheme. The Scheme is recharged for these services, as shown in the fund account, and in note 7.

The Trustee Directors of the Scheme are considered to be key management personnel. Vidett Trust Corporation Limited was remunerated by BA in respect of its services as Chair of the Trustee Companies. Pensioner elected Trustee Directors who were not employed by the Employer were also paid by the Employer until 31 January 2025. From 1 February 2025 the three pensioner elected Trustee Directors were paid directly by the Scheme. This aggregate amount paid was £3,597.

In addition to the member nominated Trustee Directors, two (2024: two) of the Trustee Directors of NAPSTL appointed by BA Plc that served during the year were deferred members or pensioners of NAPS. If a Trustee Director is a member or a pensioner, then their pension rights are on terms normally granted to members.

## 23. Guaranteed Minimum Pension (GMP) equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should equalise pension benefits for the effect of unequal GMP so that equal benefits are provided for men and women in respect of GMP earned between 17 May 1990 and 5 April 1997. In November 2020, the Court confirmed that transfers out of pension schemes which had been calculated without equalising for the effect of unequal GMP should in certain cases be adjusted to reflect equalised benefits. The issues determined by the judgments affect many defined benefit pension schemes. The Trustee of the Scheme is aware that the issue will affect the Scheme and has already received advice from its Scheme Actuary to understand the impact on the Scheme. Under the rulings, schemes are required to backdate benefit adjustments in relation to GMP equalisation and may need to provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest, the Trustee does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined. In the meantime, the funding figures provided on page 8 of the Trustee report include an approximate allowance of £40m for the impact of GMP equalisation.



# Independent Auditor's Statement About Contributions

## Independent Auditor's Statement about Contributions to the Trustee of the New Airways Pension Scheme

### Statement about contributions

We have examined the summary of contributions payable under the Schedule of Contributions to the New Airways Pension Scheme in respect of the Scheme year ended 31 March 2025 which is set out on page 56.

In our opinion contributions for the Scheme year ended 31 March 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 15 December 2022.

### Scope of work

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 the Trustee and the Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 56, the Scheme's Trustee is 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 Trustee is 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 Trustee, 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 Trustee those matters we are required to state to it 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 Trustee, for our work, for this statement, or for the opinions we have formed.

**Gemma Broom**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square, Canary Wharf  
London E14 5GL

Date: 29 September 2025

# Trustee's Summary of Contributions

## Statement of Trustee's responsibilities in respect of contributions

The Scheme's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a 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 Trustee is 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.

## Trustee's summary of contributions payable under the Schedule in respect of the Scheme year ended 31 March 2025

This summary of contributions has been prepared on behalf of and is the responsibility of the Trustee. It sets out the Employer and employee contributions payable to the Scheme under the Schedule of Contributions certified by the Actuary on 15 December 2022 in respect of the Scheme year ended 31 March 2025. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's statement about contributions.

Contributions payable under the Schedule in respect of the Scheme year	£'m
Employer deficit funding contributions - regular	-
<b>Contributions payable under the Schedule (as reported on by the Scheme Auditor)</b>	<b>-</b>

## Reconciliation of contributions

Reconciliation of contributions payable under the Schedule of Contributions reported in the financial statements in respect of the Scheme year:

	£'m
Contributions payable under the Schedule (as above)	-
Contributions payable in addition to those due under the Schedule: Employer augmentation	0.5
<b>Total contributions reported in the financial statements</b>	<b>0.5</b>

This report was approved by the Trustee Board on 25 September 2025 and was signed on their behalf by:

**Wayne Phelan**  
Trustee Director

Chair's  
Review

Trustee  
Directors  
and Advisers

Trustee's  
Report

Implementation  
Statement

Statement of  
Trustee's  
Responsibilities

Independent  
Auditor's  
Report

Fund  
Account

Statement of  
Net Assets

Notes to  
the Financial  
Statements

Independent  
Auditor's  
Statement

Summary of  
Contributions

Schedule of  
Contributions

Actuarial  
Certificate

Report on  
Actuarial  
Liabilities

Membership  
Information

Compliance  
Statement

# Schedule of Contributions

New Airways Pension Scheme

Chair's  
Review

Trustee  
Directors  
and Advisers

Trustee's  
Report

Implementation  
Statement

Statement of  
Trustee's  
Responsibilities

Independent  
Auditor's  
Report

Fund  
Account

Statement of  
Net Assets

Notes to  
the Financial  
Statements

Independent  
Auditor's  
Statement

Summary of  
Contributions

Schedule of  
Contributions

Actuarial  
Certificate

Report on  
Actuarial  
Liabilities

Membership  
Information

Compliance  
Statement

**Name of Employer(s): British Airways Plc (“BA”) as the Principal Employer  
for and on behalf of the Participating Employers of the Scheme**

This Schedule of Contributions has been prepared in accordance with Part 3 of the Pension Act 2004 and the Occupational Pension Schemes (Scheme Funding) Regulations (ISI 2005/3377) It sets out the contributions, other than the members additional voluntary contributions payable to the New Airways Pension Scheme (“the Scheme”) over the period of 5 years from the date that the Actuary certifies the Schedule.

It also shows the contributions that are payable to the Plan between the effective date of the valuation (31 March 2024) and the date that the Actuary certifies the Schedule.

New Airways Pension Scheme Trustee Limited, the Trustee of the Scheme, and BA have agreed this Schedule, as indicated below by authorised signatories (all other Participating Employers of the Scheme have nominated the Principal Employer to agree the Schedule of Contributions on their behalf).

**Employer’s contributions in respect of shortfall funding**

There are no deficit reduction contributions payable by BA.

**Employer’s contributions in respect of administration and other costs**

BA will pay:

- any additional contributions as decided by the Trustee, on the advice of the Actuary, and in accordance with the Scheme Rules, to meet benefit augmentations; and
- all Pension Protection Fund levies, either directly or by reimbursing the Scheme.

The Trustee and BA have agreed a package of additional security and other measures aimed at improving members' benefit security which are documented in a separate legal agreement. This Schedule incorporates all sums payable to the Scheme from time to time.

Any contributions, as described above, will be paid within 19 days of the due date notified by the Trustee.

This Schedule of Contributions replace the Schedule of Contributions dated 15 December 2022 with effect from the date of certification.

**This Schedule of Contributions is agreed**

**on behalf of the Trustee of the Scheme:**

Signature: \_\_\_\_\_ authorised signatory

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**on behalf of the Participating Employers of the Scheme:**

Signature: \_\_\_\_\_ authorised signatory

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_



# Actuarial Certificate

## Schedule of Contributions New Airways Pension Scheme

This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

**Name of Scheme:** New Airways Pension Scheme ("the Scheme")

### Adequacy of rates of contributions

1. I certify that in my opinion the rates of contributions shown in this Schedule of Contributions 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.

I also certify that the rates of contributions shown in this schedule are not lower than I would have provided for had I had responsibility for preparing or revising the Schedule of Contributions and the Statement of Funding Principles.

### Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 26 June 2025.

The certification of the adequacy of the rate of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature: \_\_\_\_\_

Date: 26 June 2025

Name: **Aaron Punwani FIA**  
**Appointed Scheme Actuary**  
**Fellow of the Institute and Faculty Actuaries**

Address: Lane Clark & Peacock LLP  
95 Wigmore Street  
London W1U 1DQ

### About Lane Clark & Peacock LLP

We are a limited liability partnership registered in England and Wales with registered number 0C301436 LCP is a registered trademark in the UK and in the EU. All partners are members of Lane Clark & Peacock LLP. A list of members names is available for inspection at 95 Wigmore Street, London, W1U 1DQ the firm's principal place of business and registered office.

Lane Clark & Peacocks LLP is authorised and regulated by the Financial Conduct Authority for some insurance mediation activities only and is licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

© Lane Clark & Peacock LLP 2025

<https://www.lcp.com/en/important-information-about-us-and-the-use-of-our-work> contains important information about LCP and LCP Delta (including LCP's regulatory status and complaints procedure), and about this communication (including limitations as to its use).

### Notes not forming part of the certification

In giving the above opinion I have interpreted the phrase "can be expected to continue to be met" as being satisfied by consideration of the proposed contributions under the economic and demographic scenario implied by the Trustee's funding assumptions as set out in the Statement of Funding Principles dated 26 June 2025 without any further allowance for adverse contingencies. My opinion does not necessarily hold in any other scenarios.

In giving my opinion that "the rates of contributions shown in this Schedule are not lower than I would have provided for had I had responsibility for preparing or revising the Schedule of Contributions and the Statement of Funding Principles I have had regard to covenant advice received by the Trustee of the Scheme.

# Report on Actuarial Liabilities

(Forming part of the Trustee's Report)

Chair's  
Review

Trustee  
Directors  
and Advisers

Trustee's  
Report

Implementation  
Statement

Statement of  
Trustee's  
Responsibilities

Independent  
Auditor's  
Report

Fund  
Account

Statement of  
Net Assets

Notes to  
the Financial  
Statements

Independent  
Auditor's  
Statement

Summary of  
Contributions

Schedule of  
Contributions

Actuarial  
Certificate

Report on  
Actuarial  
Liabilities

Membership  
Information

Compliance  
Statement

## New Airways Pension Scheme Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the statutory funding objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to, based on their pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer which are set out in the statement of funding principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as of 31 March 2024. This showed that on that date:

*The value of  
the technical  
provisions was:*

**£12,340  
million**



*The value of the  
assets at that  
date was:*

**£14,070  
million**



The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the appendix to the statement of funding principles):

### Method

The actuarial method to be used in the calculation of the technical provisions is the projected unit method.

### Significant actuarial assumptions

Assumption	Value
Discount rate	A term-dependent margin over the full nominal gilt yield curve of 0.55% p.a. from 31 March 2024 to 31 March 2030 and 0.45% p.a. from 31 March 2030 onwards. This was equivalent to a single margin of 0.49% p.a. over the full nominal gilt yield curve as of 31 March 2024
Retail Prices Index (RPI) inflation	Term-dependent rates derived from the difference between the full index-linked and nominal gilt yield curves
Deferred pension revaluation: - PIRO - GMP (as specified)	RPI-0.9% p.a. to 2030 and RPI-0.1% p.a. from 2030* Fixed rate or Escalation of S148 rates assumed to be in line with RPI+1.5% p.a.*
Pension increases in payment: - PIRO (capped at 5% p.a.) - Dan Air (floored at 3% p.a. and capped at 5% p.a.) - Post 88 GMP (capped at 3% p.a.)	RPI-0.9% p.a. to 2030 and RPI-0.1% p.a. from 2030* RPI-0.9% p.a. to 2030 and RPI-0.1% p.a. from 2030* RPI-0.9% p.a. to 2030 and RPI-0.1% p.a. from 2030*

\*With relevant annual caps and floors applied to the forward rates. Where annual caps apply for increases in payment, the rate in a given year reflects the relevant caps and floors, the assumptions for RPI or CPI inflation, and assumed volatility of CPI inflation of 1.5% pa.

**Mortality:** the base table of mortality assumed at 31 March 2024 is summarised below. This is based on standardised tables of mortality rates which are determined by reference to historic experience of occupational pension schemes. These tables are then calibrated based on the results of mortality analysis to reflect the demographic profile of the Scheme (by reference to several factors such as age, gender, category of membership, pension amount and postcode).

Group	
Male non-pensioners	93% of S4PMA
Female non-pensioners	88% of S4PFA
Male pensioners	97% of S4PMA
Female pensioners	91% of S4PFA
Male dependants	105% of S4PMA
Female dependants	101% of S4PFA

The tables above were adjusted to incorporate improvement factors from 2017 based on the latest CMI projection model as at 31 March 2024; this was the CMI 2023 projection model.

To address future improvements in mortality from 2017, the following were applied to the CMI 2023 core projection model: an allowance for long-term trend reductions in mortality rates of 1.5% p.a., a smoothing parameter (S) of 7, an initial additional improvements parameter (A) of 0.5% p.a., an allowance for 2020 and 2021 data of 0% and allowance for 2022 and 2023 data of 20%.

Members who left the Scheme on the closure date (31 March 2018) are classified in accordance with the size of their Additional Voluntary Contribution (AVC)/British Airways Pension Plan (BAPP) fund value. Members assessed to have high, medium and low AVC/BAPP fund values are assumed to commute 10%, 13% and 18% of their pension upon retirement, respectively, i.e. exchange the relevant proportion of their pension for a lump sum at retirement. Other deferred members are assumed to commute 16% of their pension on retirement.

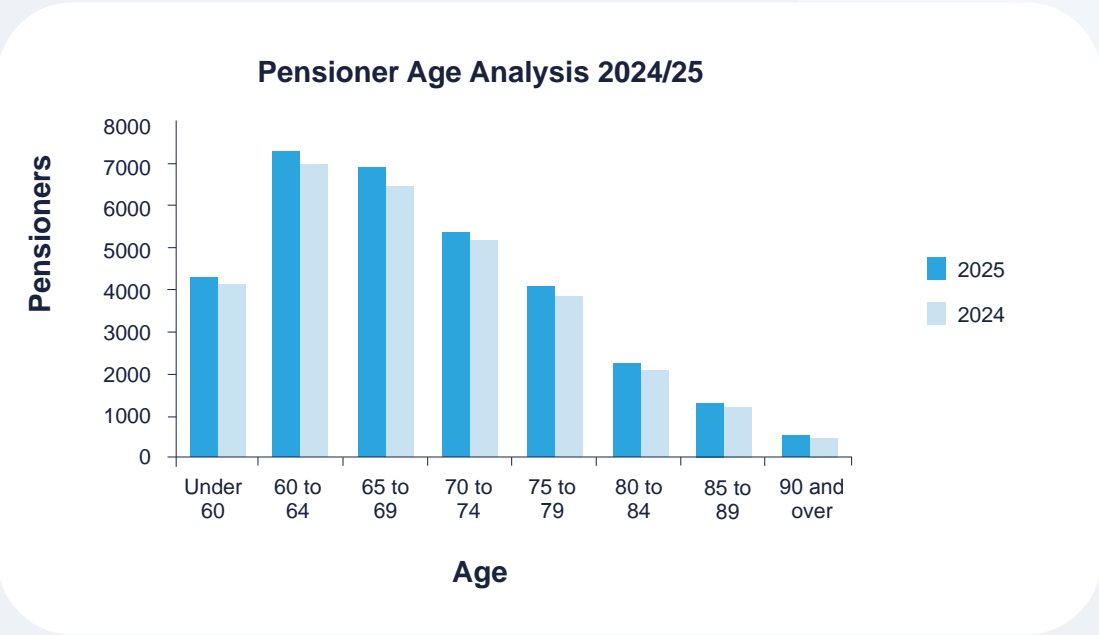
Commutation is assumed to take place on the following terms:

- for retirements and exits up to 30 September 2024, on the terms in force at 31 March 2024; and
- for other non-pensioners, on the terms in force from 1 October 2024 onwards.

# Membership Information

(Forming part of the Trustee’s Report)

	2025	2024
Pensioners in payment	32,083	30,686
Dependant pensioners	5,006	4,924
Deferred pensioners	22,023	24,230
	59,112	59,840



# Compliance Statement

## The Scheme

The Scheme provides retirement benefits for employees of BA and some of its subsidiaries and associated companies and benefits for dependants of members and pensioners who die.

The Scheme was established under a Trust Deed dated 16 March 1984 and was the Scheme offered to eligible new employees of BA between 1 April 1984 and 31 March 2003. On 1 April 1993, the British Airways Money Purchase Section (BAMPS), a section within the Scheme, was established. The original section of the Scheme is referred to as the final salary section (FSS).

On 15 May 1996, the Trustees of the Scheme resolved to amend the Rules of the Scheme to introduce a new sub-section of the FSS, to be known as NAPS2. The original FSS is now called NAPSI.

The Scheme ceased to be offered to employees joining after 31 March 2003.

The Scheme's benefits structure for benefits earned from 1 April 2007 was amended to provide a choice of two arrangements: Scheme 60 and Scheme 65.

From 1 October 2010, the standard accrual within the Scheme was reduced from 1/60<sup>th</sup> to 1/75<sup>th</sup>, and maximum contributions were increased to 50%.

BAMPS contributions and BAMPS contributory service ceased from 1 October 2012.

The Scheme was exempt approved by the Inland Revenue and is now a registered scheme under the Finance Act 2004. NAPS FSS was contracted-out of the State Second Pension (formerly known as the State Earnings-Related Pension Scheme) until contracting-out ceased with effect from 6 April 2016. NAPS BAMPS was not contracted-out of the State Second Pension.

The Scheme closed to future accrual on 1 April 2018, and no further benefits will accrue. Some eligible employed deferred members opted for transitional options allowing a promotional/incremental pay link to continue for a limited period. The promotional/incremental pay link arrangements ended on 31 March 2021. Special conditions will continue to apply in respect of Senior First Officer pilots who achieve command on or before 31 December 2023 or 30 June 2024 (as applicable).

Following the closure of NAPS to future accrual, employed deferred members of NAPS may be automatically enrolled into the British Airways Pension Plan, a defined contribution pension scheme offered by BA.

## Scheme registered address

Waterside HAA1, Harmondsworth, UB7 0GB, England.

