

BTPS

Annual Report and Accounts 2025

www.btps.co.uk



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About BTPS

The BT Pension Scheme (BTPS or the 'Scheme'), is one of the largest private sector pension schemes in the UK. It is a closed defined benefit (DB) pension scheme for employees, former employees and dependants of BT. The Scheme closed to new members in 2001 and to future accrual, except for active members, in 2018.



£33.2bn

net scheme assets
at 30 June 2025



66%

invested in the UK



253,693

members at
30 June 2025



213,616

pensioner members
at 30 June 2025



£2.9bn

benefits paid in the
year to 30 June 2025



91%

interim funding position
at 30 June 2025

The Scheme's objectives and operating model are described in more detail on page 6, and our 2025 Trustee's report includes more information on our Governance arrangements (page 8), Funding and investment activities (page 11), and Member services (page 16).

You can also find out more about the BTPS in our [fact sheet](#).

Pension Scheme of the Year,
UK Pensions Awards 2025



Chair's statement



Challenging market conditions continued to dominate during the past year. The macro-economic environment became increasingly uncertain and markets remained volatile. We leaned on our expertise and our robust systems of governance to help weather the challenges. We maintained our focus on the Scheme's core objectives: ensuring the funding plan remains on track; that the Scheme's investment strategy stays resilient; and delivering a high-quality service to members.

Maintaining stability of the funding position

The last formal valuation undertaken for the Scheme was as at 30 June 2023 and showed a funding deficit of £3.7bn. We review the funding position regularly and our most recent interim funding update shows that the funding deficit has reduced to £3.2bn as at 30 June 2025. We remain on course to be fully funded by 2030.

Our journey plan is to run on the Scheme by reducing the level of investment risk gradually over time, increasing the level of cashflow-aware assets as the proportion of retired members increases. The income from those cashflow-aware assets (as defined on page 12), will help us reduce the range of investment outcomes and support funding stability. By 2034, when virtually all Scheme members will be retired, the Scheme intends for its assets to provide adequate income to meet members' benefit payments as they fall due.

Between now and 2034, the Scheme's assets will gradually evolve. Exposure to bonds and other assets generating secure income will increase, while more growth-oriented investments such as equities will reduce. Over the past 12 months, the Scheme's investment portfolio has moved in this direction as we seek to increase the level of portfolio income relative to ongoing member benefit payments.

Further details can be found in the Funding and investment section of the report by the Trustee.

While we hope all of our members have a long and happy retirement, one of the biggest funding risks for the Scheme is that members live longer than our actuarial models predict. In order to help protect the Scheme from the cost of unexpected increases in the life expectancy of members, we completed two new longevity reinsurance transactions during the Scheme year, building on similar transactions undertaken in 2014 and 2023, and increasing the longevity hedge to cover approximately 45% of the Scheme's longevity risk.

The intention of these transactions is to reduce the level of longevity risk within the Scheme to provide a less volatile funding position in the future.

Changes to the Trustee Board

This year we welcomed a number of new Trustee Directors to the Trustee Board. In October 2024, we welcomed Ricky Henderson and Pauline Rourke as Member Nominated Trustee Directors selected by BT's recognised trade unions and the National Federation of Occupational Pensioners (NFOP). Pauline takes over from Beryl Shepherd who retired as a Trustee after 15 years with BTPS. Ricky succeeds Andy Kerr, who sadly passed away in August 2024.

In January 2025, Steven Dickson was appointed as a Member Nominated Trustee Director, taking over from Ben Marshall, who retired after 8 years of service.

In June 2025, Matt Davies was appointed as an Employer Nominated Trustee Director, as successor to Emily Clark who, having left BT, stepped down from the Trustee Board in May 2025.

Member satisfaction remains high

Member feedback continues to play a vital role in the way we evolve our services. I was delighted to see in this year's member survey that overall satisfaction is 87%.

Our first external customer service survey, conducted with the Institute of Customer Service (ICS), showed a score of 89.1%. This is one of the highest scores in the country, beating the UK average of 75.8%.

We're committed to giving members choice in how they contact us and continue to invest in both our online and telephone services so that members can manage their pension in the way that suits them best.

Take-up of our online services continues to be strong with 42% of members registered to manage their BTPS pension online using the portal.

I was pleased to see the Scheme's fully online retirement service win an award for innovation at the Forum awards, which recognises excellence in customer operations across all sectors.

Chair's statement continued

A major investor in the UK

Representatives from the Trustee Board had a valuable opportunity to engage with members in person during our visit to one of the Scheme's sustainable investments, Milton Park, a prominent business, science, and technology community in Oxfordshire.

A home for over 250 companies, it's a fascinating hub for innovation, leveraging talent from the world-leading research found at both Oxford and Cambridge universities. A short video from the day can be viewed [here](#).

The Scheme is a significant investor in the UK with 66% of its total assets invested in UK gilts, corporate bonds, property, public equities, infrastructure and private equity. As all the Scheme's liabilities are in pounds, our exposure to UK assets is likely to continue to increase.

Managing regulatory change

In June 2025, the government published the Pension Schemes Bill. The Bill included new legislation to make it easier for sponsors of well-funded defined benefit (DB) pension schemes to access surplus in their pension schemes, subject to appropriate safeguards.

BTPS has already agreed a mechanism with BT as part of the 2020 valuation that provides some protection against the risk of overfunding by allowing money to be refunded if not needed by the Scheme, enabling BT to provide upfront funding with greater confidence.

In March 2024, The Pensions Regulator's (TPR) new General Code of Practice came into effect. The new code brings together and updates ten existing codes of practice into one set of clear, consistent expectations on scheme governance and administration, which serves to remind all pension schemes of the duties and standards expected. We are on track to complete our first Own Risk Assessment by June 2026.

The Pensions Regulator's new defined benefit (DB) funding code also came into effect last year, which outlines expectations for trustees of DB pension schemes regarding funding and investment strategy. This new code will apply for our next valuation in 2026, which we are well prepared for as we look to the future.

I would like to thank my fellow Trustee Directors and our primary services provider, Brightwell, for their continued hard work and commitment to the Scheme and its members throughout another busy and productive year.



Jill Mackenzie

Chair of the BTPS Trustee Board
30 September 2025



BTPS: Purpose, objectives and operating model

Purpose

The Scheme's primary purpose is to ensure that there are sufficient assets to pay the right benefits to members and their beneficiaries as they fall due.

Scheme objectives



Achieve full funding by
2030



Provide **top-quartile**
member services at
below-median cost



Ensure the Scheme
has an **appropriate**
investment strategy
for its member profile



Sustainable for the
long-term

BTPS operating model

BTPS is a defined benefit pension scheme for employees, former employees and dependants of BT and some of its associated companies.

The Scheme's Trustee is BT Pension Scheme Trustees Limited, a corporate Trustee with ultimate fiduciary responsibility for the Scheme and its members. The Board is comprised of nine Trustee Board Directors made up of four Employer-Nominated Directors (ENDs), four Member-Nominated Directors (MNDs) and a Chair appointed by the employer in consultation with the recognised trade unions and The National Federation of Occupational Pensioners (NFOP) (collectively, the BT Unions).

The Trustee delegates day-to-day responsibility for the management of the Scheme to Brightwell. The Trustee oversees Brightwell in its provision of a high-quality, cost-effective service to BTPS members and the Trustee. These services are deliberately tailored to the Scheme's needs and specific challenges.

Role of Brightwell

Brightwell is the primary service provider to BTPS. Brightwell works closely with the BTPS Trustee, and BT as the Scheme's sponsor, to ensure there is consistency in serving BT's current and former employees. Brightwell acquired pensions administration technology company Procentia in 2019 to strengthen its member services platform.

Brightwell provides a unique bundled service offering to BTPS. This service includes funding and investment services, pension administration and member services, scheme services, and scheme executive services.

BTPS: Purpose, objectives and operating model

A message from Morten Nilsson, Brightwell CEO

Brightwell is proud to have continued to serve BTPS throughout the year to 30 June 2025. We have supported the Trustee in progressing its strategic priorities, and continued to improve and evolve the service we provide to the Scheme's 253,693 members.

We continue to work closely with the Trustee to refine and implement the funding strategy, increasing the level of cashflow-aware assets as the proportion of retired members increases, and building the longevity hedge.

Innovation and continuous improvement are core to what we do and throughout the year we've developed and implemented smarter, more efficient ways of working.

Regulatory and industry engagement

We support the Scheme on its engagement with the government, regulators and the wider industry on issues of importance.

This includes preparing consultation responses, representing the Scheme in key industry groups and collaborating with partners to effect change.

Throughout the year, we collaborated with various industry stakeholders to engage with the government to advocate for reform of the Pension Protection Fund Levy (PPF). We were pleased to see this reform introduced as part of the Pension Schemes Bill in June.

Providing high quality services and value for money

We have continued to enhance our member services offering to BTPS, investing in our people, technology and processes. We're particularly proud of the Brightwell Pensions Academy which has been highly successful in training and developing the next generation of pensions administrators.

Through our dedicated team, investments in technology and the market-leading solution provided by Procentia, we are well placed to continue to provide BTPS members with a high quality, value for money service for the lifetime of the Scheme.

Our efficient, highly integrated model and deep industry knowledge, delivers significant value to BTPS across our full-service offering.

The team at Brightwell is committed to the delivery of the BTPS objectives, delivering the promised pensions to members every step of the way to, and throughout, their retirement.



Morten Nilsson

CEO, Brightwell



More information on Brightwell can be found at
www.brightwellpensions.com

Report by the Trustee: Governance of the Scheme

The governance arrangements for the Scheme are kept under continuous review and take account of the recommendations and Codes of Practice issued by The Pensions Regulator (TPR), and best practice.

The Trustee Board

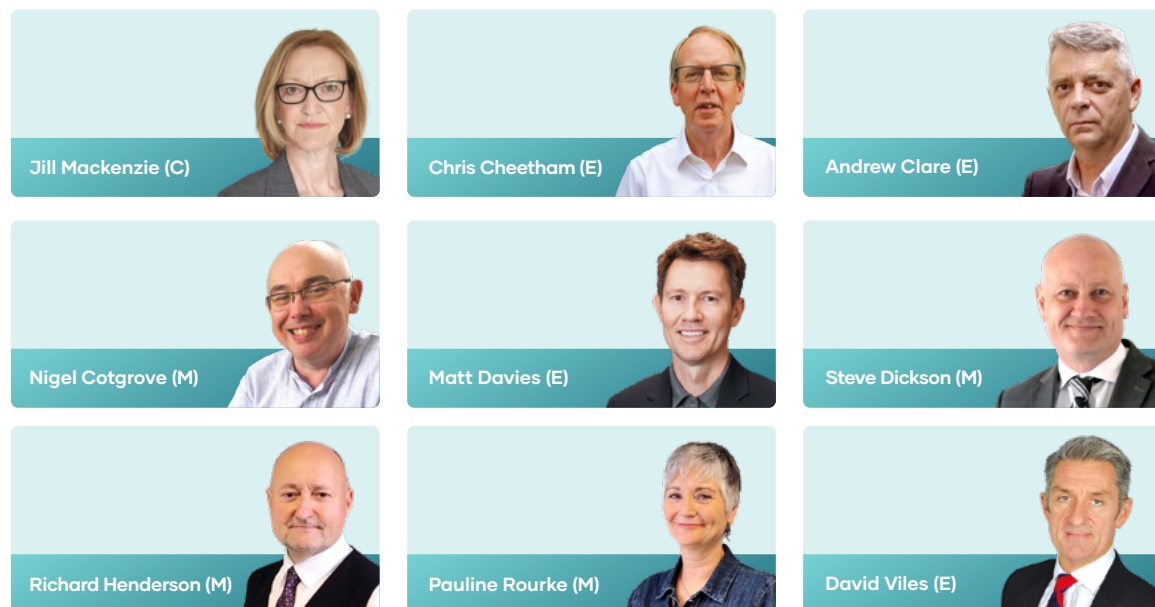
The Board is composed of four Member-Nominated Directors (MNDs), four Employer-Nominated Directors (ENDs), and a Chair appointed by BT in consultation with the BT Unions. The Board discharges its responsibilities through an annual programme of Board and Committee meetings.

Over the course of the year, the Board considered a wide range of strategic and operational initiatives related to the Scheme's funding, investments and administration, and oversaw the programme of communications to members. Regular training sessions are run for the Board to enhance its knowledge and understanding of issues impacting BTPS and to inform its decision-making.

Resignations from the Board during the year

Emily Clark and Ben Marshall resigned as Trustee Directors on 1 May 2025 and 10 January 2025 respectively. Andy Kerr sadly passed away on 28 August 2024.

Our Trustee Directors



(C) Chair, and **(E)** Employer-Nominated Trustee Directors (ENDs). The Chair of the Trustee Board is appointed by BT after consultation with, and agreement of, the BT Unions. BT will determine the Chair's period of office. BT also appoints four ENDs. An END can be removed from office by BT.

(M) Member-Nominated Trustee Directors (MNDs) are appointed by BT after being selected by the BT Unions. Existing MNDs will be re-nominated at the end of their term of office, unless the MND decides not to stand again, or if one of the BT Unions disagrees. On request of the BT Unions, BT will, unless it considers the request to be unreasonable, remove an MND from office.

Full Trustee biographies are included on the Scheme website www.btps.co.uk

Report by the Trustee: Governance of the Scheme continued

Board committees

The Board has established three committees to support the governance of the Scheme: the Administration and Communications Committee (A&CC), the Audit and Risk Committee (ARC), and the Investment Committee (IC). Two sub-committees of the A&CC have also been established: Internal Disputes Resolution Procedure Stage 2 Appeals Panel (IDRP2) and the Discretions Committee.

The table below shows the attendance by Trustee Directors at Trustee Board and Committee meetings (where they are a member) during the year ended 30 June 2025.

	Total meetings	Jill Mackenzie	Chris Cheetham	Emily Clark	Andrew Clare	Nigel Cotgrove	Matt Davies	Steve Dickson	Richard Henderson	Ben Marshall	Pauline Rourke	David Viles
Trustee Board	6	6	6	6	6	6	-	1	2	4	2	6
Audit and Risk Committee	3	-	-	3	-	-	-	1	1	2	-	3 (C)
Investment Committee	5	-	5 (C)	5	5	-	-	1	-	-	-	-
Administration and Communications Committee	4	-	-	-	4	4 (C)	-	-	2	2	2	-
Internal Disputes Resolution Procedure (IDRP) Stage 2 Appeals Panel	7	7 (C)	-	-	-	-	-	-	-	4	3	7
Discretions Committee	2	-	-	-	2	2 (C)	-	-	2	-	-	-

(C) – Committee Chair

Report by the Trustee: Governance of the Scheme continued

Internal control and risk management

The Trustee Board is responsible for the Scheme's internal controls and risk management. Brightwell supports the Trustee Board with day-to-day risk management activities, including the implementation of policies, procedures, controls and risk management actions. Brightwell provides escalation and assurance on the management of risks to the Trustee Board and its respective committees.

The Trustee has identified the principal risks facing the Scheme which could impact their ability to meet the Scheme's strategic objectives and affect the Scheme's reputation. These include:



Investment risk

The Scheme faces a number of investment-related risks including credit, liquidity and market risk, as well as execution and funding risks. To manage these, the Trustee oversees the implementation of a structured investment process managed by experienced investment professionals. Investment risk is monitored on an ongoing basis, and regular reporting is provided to the Investment Committee and the Trustee Board.



Member services execution risk

The Scheme is exposed to the risk of non-compliance with the Scheme rules and requirements, resulting in a failure to provide members with a high standard of service. Member services risk is closely monitored and regular reporting is provided to the Administration and Communications Committee and the Trustee Board.



Operational risk

The Scheme may be exposed to the risk of loss, whether direct or indirect, arising from inadequate or failed internal processes, personnel, and systems, or from external events. These risks include third-party failure, information security, cyber risk, regulatory change, criminal activity, pandemics and natural disasters. Operational risks are managed by a control environment which is regularly monitored, and reported to the Audit and Risk Committee and the Trustee Board.



Strategic risk

The Scheme is exposed to a range of strategic risks including covenant, environmental, social and governance, funding strategy and litigation/reputational risks. These risks are managed through a control environment which is regularly monitored and reported to the Trustee Board.



Report by the Trustee: Funding and investment

Investment strategy

The Scheme's main objective is to ensure there are sufficient assets to pay benefits to members and their beneficiaries as they fall due, and that all members and beneficiaries receive the benefits to which they are entitled under the rules of the Scheme. To do this, the Scheme aims to match cashflows received from its investments with cashflows it needs to pay benefits to members, whilst also managing funding volatility.

In considering the approach to meeting this objective, we take into account the expected progression of the Scheme's annual benefit payments relative to the projected level of Scheme assets as the Scheme matures. We have set an objective to reduce the level of investment risk gradually over time and to increase the level of cashflow-aware assets, which generate income to cover future pension payments as the proportion of retired members increases. The funding plan agreed as part of the 2023 valuation, alongside our hedging programme and the continued de-risking of the Scheme's investment strategy towards a cashflow-aware approach, means that the Scheme remains on track to eliminate the funding deficit by 30 June 2030. The Trustee considers that a strong employer is the best support for the Scheme, and it takes independent advice on the quality of the covenant of BT and its ability to meet its obligations.

Investment risks and returns are monitored on an ongoing basis and are reviewed regularly by the Trustee. This is based on a sensitivity analysis of the Scheme to a wide range of factors including inflation, interest rates, currency, equity, credit and longevity, in order to assess the potential impact on funding and the risks associated with different asset allocations. The volatility of the Scheme's funding position has been reduced through the implementation of an interest rate and inflation-hedging programme. Longevity risk has been further reduced over the year through the agreement of two new longevity insurance contracts.

The Scheme's assets and liabilities are actively monitored, and the Trustee receives ongoing reports on these. Delegation to Brightwell as sole fiduciary manager is clear and ensures the Scheme is well-positioned to respond quickly to changes in markets and funding levels.

Statement of Investment Principles

A Statement of Investment Principles (SIP) has been agreed by the Trustee following written advice from Brightwell and in consultation with BT. The preparation of this statement complies with the requirements of Section 35 of the Pensions Act 1995 and sets out, in general terms, the policy of the Trustee on a number of investment issues. This statement is reviewed regularly and was last updated on 4 June 2024. The most recent Statement of Investment Principles is available at <https://co.uk/RegulatoryReporting>.

Details on how the Trustee has implemented the SIP in relation to its stewardship activities are included in the Implementation Statement, which forms part of the Trustee's annual report, in Appendix One.



Report by the Trustee: Funding and investment continued

Asset allocation and the distribution of investments

The Trustee takes an integrated approach to the management of risk in the Scheme, setting an investment strategy that is consistent with funding a defined level of benefits within an acceptable level of risk while having regard to the ability of the employer to meet its obligation to the Scheme. The allocation of assets between different classes of investments is a key factor in delivering this investment strategy and is reviewed regularly by the Trustee.

The Scheme assets are managed, as a single portfolio, to a risk and return profile set at the most recent actuarial valuation of the Scheme. To deliver on Scheme objectives, a wide range of assets are held which, for practicality, are grouped by the Trustee into the following purpose-based categories:

Cashflow-aware: The primary objective of the cashflow-aware category, which is primarily comprised of fixed income assets such as corporate bonds, is to generate income to cover future pension payments. This allocation also contributes to the Scheme return target, and the importance of this allocation will grow as the Scheme matures and pays out more in pensions each year.

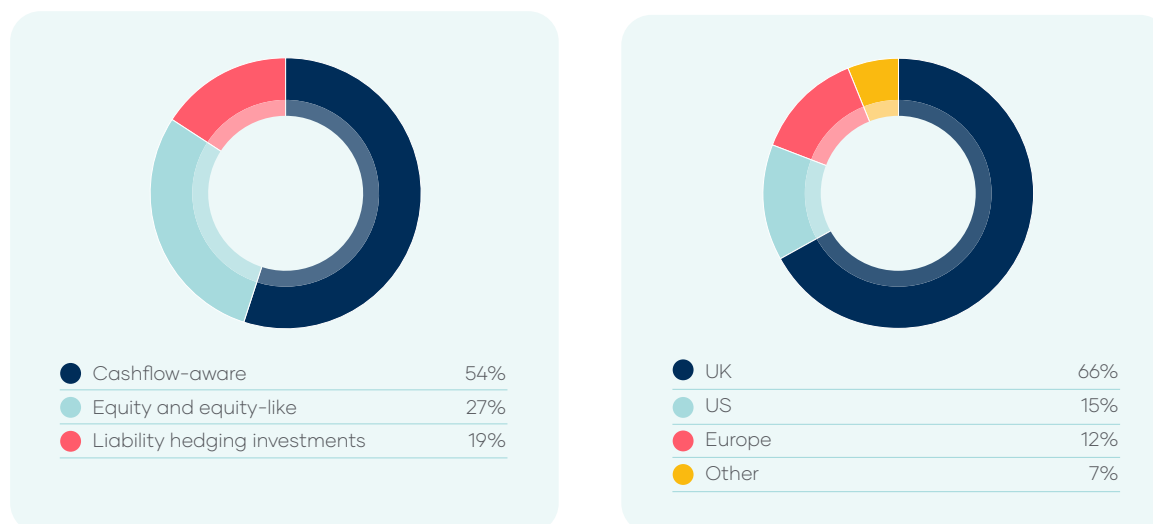
Equity and equity-like: Formed of higher-returning, growth-sensitive assets such as equities and property, this allocation is expected to be the largest contributor to the Scheme return target. This contribution will play a key role in improving Scheme funding over time.

Liability hedging investments: Offsetting the impact on Scheme liabilities due to changes in interest rates and inflation, these investments, which include government bonds and derivative contracts, contribute to funding stability.

The Scheme is a significant investor in the UK

Through a diverse set of investments in government and corporate debt, as well as infrastructure, property and private equity, the Scheme is a significant investor in the UK and supports UK growth. UK investments comprise around two-thirds of the portfolio today, compared with around half five years ago.

The distribution of investments and geographical breakdown as at 30 June 2025 is shown in the charts below:



Report by the Trustee: Funding and investment continued

The portfolio is managed to achieve the following funding and investment-related objectives:

1 Eliminate the funding deficit

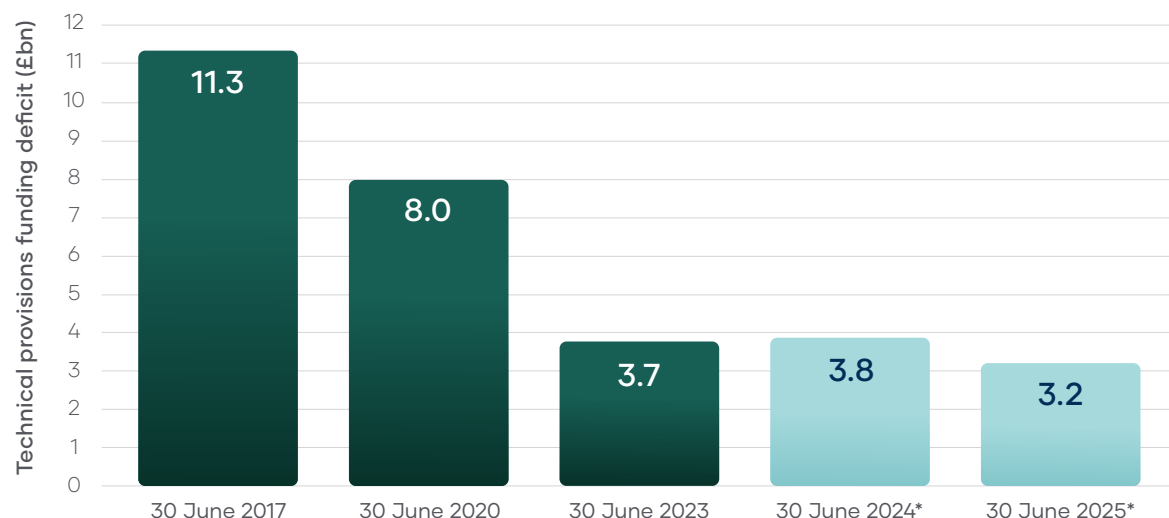
The most recent funding valuation, undertaken at 30 June 2023, concluded the deficit was £3.7bn. The Trustee has agreed a recovery plan with BT which aims to eliminate the deficit by 2030.

To close the deficit, BT will make additional payments to the Scheme, alongside long-term investment returns on the Scheme's investment portfolio. Full details of the recovery plan are included in the report by the actuary on page 50, and further information on the outcome of

the triennial valuation can be found at www.btps.co.uk

The current recovery plan forms part of the agreement reached between the Trustee and BT for the 30 June 2023 valuation, which built on the significant progress made up to the 2020 valuation. Prior to this, the deficit at 30 June 2017 was £11.3bn.

The chart below illustrates the reduction in the deficit since the 2017 valuation:



* Interim valuation

An interim valuation of the Scheme, as at 30 June 2025, has also been completed, in which the funding deficit reduced over the year from £3.8bn to £3.2bn. The reduction in the funding deficit largely reflects the payment of £600 million from BT in April 2025. The Scheme is still expected to achieve full funding by 30 June 2030 and based on these results, the additional contributions from BT of up to £300 million per year to the Scheme, outlined in the report by the actuary, are currently not required.

Report by the Trustee: Funding and investment continued

2 Increase funding stability

Alongside eliminating the funding deficit, the Scheme's investment portfolio has an important role to play in 'hedging' the Scheme against increases in the liabilities caused by changes to interest rates and inflation.

This is done using liability hedging investments, such as inflation-linked bonds, and inflation and interest rate derivatives. These investments hedge - or offset - the changes in the value of the Scheme's liabilities. If changes in interest rates or inflation cause the liabilities to increase, the value of these investments also increases, and vice versa.

Hedging the Scheme's liabilities in this way helps to improve the stability of the funding position by protecting against the deficit increasing because of changes to interest rates or inflation.

At the year end, the interest rate and inflation hedge ratios (on a technical provisions basis) are both approximately 95%. This means that c95% of any change to the Scheme's liabilities due to changes in interest rates and inflation is expected to be offset by the change in value of the liability hedging investments.

Longevity hedging

The Trustee also hedges longevity, using specialised insurance contracts, to offset the impact of increasing member life expectancy on Scheme liabilities.

The longevity hedge also plays a role in matching investment cashflows to pensioner payments.

During the year, the Trustee increased the longevity hedge to cover approximately 45% of the Scheme's longevity risk.

3 Generate cashflows

The investment portfolio also needs to generate income to cover pension payments now and in the future. To do this, the Trustee invests in income-generating assets, such as corporate bonds. As the Scheme matures and pays out more in pensions each year, this allocation will become more important.

The Scheme's cashflow coverage ratio, which measures the proportion of future pension payments covered by cashflow-aware assets, including investment-grade corporate and government bonds, is currently at 70% and is expected to increase over time as the Scheme matures.

4 Invest sustainably

The Trustee believes that investing responsibly supports long-term value, reduces risk and contributes towards better investment outcomes. As a long-term investor, these qualities are critical to enabling us to pay our members' pensions.

The Scheme has a long history of being a responsible investor and was a founding signatory of the Principles for Responsible Investment (PRI) in 2006. The importance placed on doing the best for our members over the long term is inextricably linked to sustainable investment and stewardship. It is a key part of how the Scheme fulfils its fiduciary duty.

Please refer to the following documents for further information:

- [SIP Implementation Statement](#)
- [Net Zero 2035 and TCFD report](#)
- [Stewardship Code Response](#)

5 Protect the Scheme's assets

The Scheme's assets are registered in the name of a custodian Trustee, Britel Fund Trustees Limited, through a deed of appointment on behalf of the Scheme, or are held in safekeeping with independent professional custodians appointed by the Trustee.

The Trustee's policy is to separate management and custody, which minimises the risk of the misuse of Scheme assets. A small proportion of liquid Scheme assets continue to be held with a secondary custodian to provide a prudent contingency in the unlikely event of short-term business continuity issues with the Scheme's master custodian. This additional capability is in line with regulatory recommendations.

Custody arrangements are reviewed regularly by the Trustee to ensure these are appropriate. The Northern Trust Company has been master custodian since 18 November 2008 and JP Morgan Chase was appointed as secondary custodian on 18 December 2015.



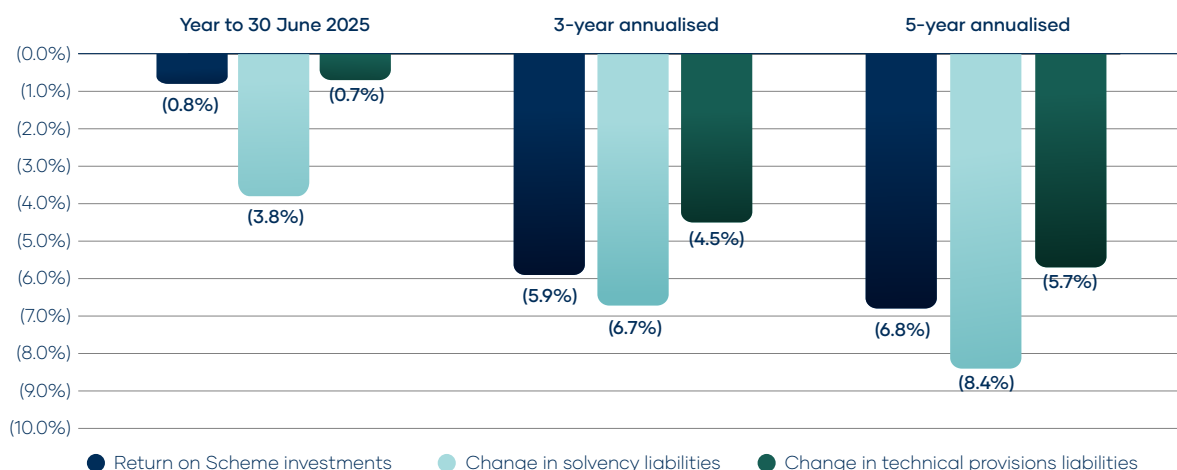
Report by the Trustee: Funding and investment continued

Measuring investment performance

The Trustee monitors investment performance against the objectives set out on pages 13 and 14. Reports are provided regularly to the Trustee and include information on Scheme level risks, cashflows and the performance of underlying mandates against their respective benchmarks. Overall, the Trustee assesses investment performance relative to both liabilities (the return required under the triennial valuation) and market-based indices (reference returns).

Assessment against the liabilities is the primary focus and is most important in determining whether performance is on track to achieve the Scheme's long-term funding requirements. However, in the shorter term, markets can be unpredictable, and it's also important to consider the returns of the Scheme's investments in the context of the wider market backdrop through indices that reflect asset class performance.

Annualised Scheme returns over the last 5 years are shown in the chart below. As described earlier, to increase funding stability, the Scheme holds liability hedging investments. When changes to interest rates or inflation expectations cause the Scheme's liabilities to increase (or fall), the value of these assets increases (or falls), contributing positively (or negatively) to total Scheme investment performance. To help illustrate this, and to provide context to the total Scheme return figures, changes in the value of the Scheme's liabilities are also included in the chart below:



Maintaining appropriate investment exposures to BT

The Scheme's investments in employer-related investments (ERI) should not be more than 5% of the Scheme's net assets, as required by the relevant ERI regulations*. At 30 June 2025, the total amount of ERI held by the Scheme was £0 million (2024: £10 million), representing 0.00% (2024: 0.03%) of the Scheme's net assets. There were no properties occupied by BT owned by the Scheme at 30 June 2025 and 30 June 2024.

In addition to the ERI described above, BTPS is a partner in several funding structures established with BT as part of triennial valuation agreements. The total value of these arrangements as at 30 June 2025 is £3.9bn, representing 11.7% of the Scheme's net assets. Full details of these arrangements are included in note 24 of the financial statements. None of these constitutes ERI for the purposes of the relevant ERI regulations, and the Trustee has taken reasonable steps to satisfy itself as to the appropriateness of the Scheme's investment exposures to BT.

* Primarily covered in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

Report by the Trustee: Member services

Innovation and Continuous Improvement

The Trustee is committed to delivering a high-quality, value-for-money service to Scheme members. To support this goal, we continuously review and refine member services, investing in both the team and the technology that underpin the Scheme's member services operations. Below is a snapshot of some of the improvement initiatives undertaken over the past year:



In April 2025, annual payslips and P60s were published online via the Portal alongside an email campaign to encourage Portal registration and early access, helping to improve the member experience and reduce the amount of paper letters being sent.



A cyber security leaflet was included in our pension increase communications to help members understand potential online threats and how to avoid them.



Bereavement training was delivered to all administrators throughout the year to better equip them in handling bereavement-related calls and improve support to Scheme members.



The BTPS website and portal has been tested against Web Content Accessibility Guidelines. This has resulted in a plan to enhance the website's accessibility.



In response to member feedback, a range of improvements have been made across our suite of communications to enhance clarity, understanding and overall member experience.



A pilot speech analytics programme was launched to gain insight into member sentiment during calls. This data will be used to identify trends and highlight potential areas for improvement.



Following the launch of the Scheme's full self-service online retirement journey in early 2024, uptake of the online retirement process has been significant, with 66% of members retiring now doing so fully online.

Member portal:

The last 12 months in numbers

302,000
calculations run

85,000
distinct member logins

66%
of members retiring
confirmed their
choices online

Over
141,000
portal registrations



62%
of total member
requests submitted
through the portal

Over 3,300
members committed
to retire through the
online journey



Report by the Trustee: Member services continued



Listening to our members

To improve the service provided to members, feedback is requested after all interactions. Key themes are reviewed and action is taken when shortcomings are identified. Feedback is requested after calls, emails or when queries are raised on the Portal to provide an 'in the moment' perspective on how easy BTPS was to deal with.

We also gather more detailed feedback when a member has completed an end-to-end process such as retirement. During the year, 42,000 post-interaction surveys were completed.

Annual member satisfaction survey:

145,000

surveys sent to members



21,000

completed surveys, the highest response rate yet, and significantly above the industry average

87%

overall satisfaction



Improvements seen in the majority of categories surveyed including timeliness, helpfulness and clarity.

We are very grateful to our members for the feedback they provide, which helps to ensure that the Scheme's member services continue to evolve and improve.

Scheme Membership and Pension Increases

On 31 March 2001, the Scheme was closed to new entrants. In the year to 30 June 2025, the number of active members fell from 12 to 9. The number of pensions being paid rose from 212,468 to 213,616. The number of members with deferred rights fell from 46,108 to 40,068. Membership of the Scheme falls into one of three 'sections': Section A, Section B and Section C. Details of these can be found at www.btps.co.uk.

Pensions are increased in accordance with legislation and the Rules of the Scheme. Currently, this means that where applicable, the rate of pension increases for Sections A and B is measured by reference to the Consumer Prices Index (CPI), and the rate of pension increases for Section C is measured by reference to the Retail Prices Index (RPI), up to 5%.

In April 2025, the increase for Sections A and B pensions in payment was 1.7% and the increase for Section C pensions was 3.5%. The Trustee does not have the power to pay pension increases above the level required by the Scheme Rules without the agreement of BT.

For deferred beneficiaries of all sections, each member's pension is revalued for the period between the date of leaving service and the date the pension commences. Revaluation for each year the benefit was deferred before 2011 is calculated by reference to RPI, and revaluation from 2011 onwards is calculated by reference to CPI.

Cash equivalent transfer values

Transfer values paid during the year were calculated in the manner prescribed by regulation. Discretionary benefits are not included in the calculation of transfer values.

Jill Mackenzie

30 September 2025

Chair of the BTPS Trustee Board

Statement of Trustee's responsibilities in relation to the audited financial statements

The audited financial statements, which are 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:

- 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
- 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 about 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 they either intend to wind up the Scheme, or have no realistic alternative but to do so; and
- making available each year, commonly in the form of a Trustee's annual report, information about the Scheme prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

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 controls as it determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for ensuring that adequate accounting records are kept, and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme, and to prevent and detect fraud and other irregularities.

The 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 to the Trustee of the BT Pension Scheme

Opinion

We have audited the financial statements of BT Pension Scheme ("the Scheme") for the year ended 30 June 2025 which comprise the Fund account, the Statement of net assets (available for benefits) and related notes, including the accounting policies 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 30 June 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Going concern

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

In our evaluation of the 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; and
- 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 and inspection of policy documentation as to the Scheme's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Trustee Board and Audit and Risk Committee minutes and the Scheme's Risk Register.

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

Independent auditor's report to the Trustee of the BT Pension Scheme continued

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 their delegates (including the Scheme administrator and the Scheme management) may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as the valuation of property, the longevity insurance contract, special purpose vehicles and Level 3 pooled investment vehicles. Based 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 and other adjustments to test based on risk criteria, and comparing the identified entries to supporting documentation. These include all material post-closing journal entries, journals with 'error' in the description field, and unusual manual journals posted to cash;
- Assessing whether the judgments made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have material effect on the financial statements from our general commercial and sector experience, and through discussion with the Trustee and their delegates (as required by auditing standards), and from inspection of the Scheme's regulatory and legal correspondence, and discussed with the Trustee and their delegates 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). 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 many 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, data protection legislation, and recognising the financial and regulated nature of the Scheme's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and their delegates, and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or is not 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 22 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

Independent auditor's report to the Trustee of the BT Pension Scheme continued

the inherently limited procedures required by auditing standards would be to 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, which comprises the Trustee's report (including the report on actuarial liabilities and the summary of contributions), and the Chair's Statement. 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 18, 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 they either intend to wind up the Scheme, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A more detailed description of our responsibilities is provided on the FRC's website at 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.

Grant Archer

for and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants

319 St Vincent Street,
Glasgow, G2 5AS

30 September 2025

Independent auditor's statement about contributions to the Trustee of the BT Pension Scheme

Statement about contributions

We have examined the Summary of contributions payable under the Schedule of Contributions to the BT Pension Scheme ("the Scheme") in respect of the Scheme year ended 30 June 2025 which is set out on page 23.

In our opinion, contributions for the Scheme year ended 30 June 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 Scheme Actuary on 13 November 2023.

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 Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 18, the Scheme's Trustee is responsible for ensuring that there is a prepared, maintained and, from time-to-time, revised payment schedule 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.

Grant Archer

for and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants

319 St Vincent Street,
Glasgow, G2 5AS

30 September 2025

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, a revised Schedule of Contributions showing the rates of contributions payable towards the Scheme by, or on behalf of, the employer and the active members of the Scheme, and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Scheme, and for ensuring that contributions are made to the Scheme in accordance with the Schedule. The summary opposite has been prepared on behalf of, and is the responsibility of, the Trustee. It sets out the employers' and employees' contributions payable to the Scheme under the Schedule of Contributions for the year ended 30 June 2025.

The Scheme's auditor reports on contributions payable under the Schedule, as shown in the '2025 per Schedule' column to the right, in their statement about contributions.

	2025 per Schedule £m	2025 additional £m	2025 total £m
Contributions			
Employer normal contributions	-	-	-
Employee normal contributions	-	-	-
Employer deficit funding contributions	10	-	10
Employer other contributions	28	-	28
Employee additional voluntary contributions	-	-	-
Total contributions reported in the Fund account	38	-	38
Payments by the employer to the co-investment vehicle	590	-	590
Total contributions and payments into the co-investment vehicle	628	-	628

Approved on behalf of the Trustee Board,

Jill Mackenzie

Chair

30 September 2025

Fund account

For the year ended 30 June 2025

	Notes	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Contributions and benefits			
Employer contributions	3	38	52
Employee contributions	3	0	0
Total contributions		38	52
Benefits paid or payable	4	(2,893)	(2,836)
Payments to and on account of leavers	5	(16)	(20)
Administration expenses	6	(22)	(25)
Net withdrawals from dealing with members		(2,893)	(2,829)
Return on investments			
Investment income	8	532	172
Change in market value of investments	9	(21)	1,086
Investment management expenses	10	(70)	(74)
Interest payable		(3)	(3)
Taxation	11	3	7
Net returns on investments		441	1,188
Net decrease in the Scheme during the year		(2,452)	(1,641)
Net assets of the Scheme			
At 1 July		35,693	37,334
At 30 June		33,241	35,693

The notes on pages 26 to 49 form part of these financial statements.

Statement of net assets (available for benefits)

As at 30 June 2025

	Notes	30 June 2025 £m	30 June 2024 £m
Investment assets			
Equities		1,402	1,433
Bonds		23,366	24,095
Property		1,386	1,545
Pooled investment vehicles	12	13,047	13,699
Loans		39	50
Derivatives	13	3,567	3,945
AVC investments	14	84	99
Deposits and short-term investments		637	747
Special purpose vehicles	16	2,311	1,724
Other investment assets	15	228	227
Total investment assets		46,067	47,564
Investment liabilities			
Derivatives	13	(8,707)	(8,957)
Longevity insurance contract	17	(1,053)	(1,010)
Other investment liabilities	18	(2,865)	(1,754)
Total investment liabilities		(12,625)	(11,721)
Total net investments		33,442	35,843
Current assets	21	53	56
Current liabilities	22	(254)	(206)
Net assets of the Scheme at 30 June		33,241	35,693

The financial statements summarise the transactions of the Scheme and 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 Actuary's statement and report on actuarial liabilities, and these financial statements should be read in conjunction with this report.

The notes on pages 26 to 49 form part of these financial statements.

These financial statements were approved by the Trustee Board on 30 September 2025 and signed on their behalf by:

Jill Mackenzie

Chair

David Viles

Trustee Director

Notes to the financial statements

1. Basis of preparation

Identification of the financial statements: The Scheme is established as a Trust under English law. The address for enquiries to the Scheme is included on page 68.

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, including amendments to these regulations issued on 1 March 2016, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRS 102) and guidance set out in the revised Statement of Recommended Practice ‘Financial Reports of Pension Schemes’ (Revised 2018) (Pensions SORP).

The financial statements have been prepared on the going concern basis. In performing the going concern assessment, the principal risks and uncertainties facing the Scheme have been reviewed and it has been concluded that these risks do not cast significant doubt on the Scheme’s ability to continue as a going concern. These include risks associated with Scheme funding, the employer covenant and Scheme investment performance, alongside legal, regulatory, and operational risks.

The impact of these risks, including the processes to mitigate and manage them, has been considered by the Trustee for a period of at least 12 months from the date of signing these financial statements. In reaching the going concern conclusion, the Trustee oversees reporting by Brightwell incorporating various severe but plausible individual and combined downside scenarios, covering the principal risks that could present a going concern risk to the Scheme, and consideration of post year-end events.

2. Accounting policies

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

Treatment of subsidiary undertakings

In accordance with FRS 102, the Trustees are not required to prepare consolidated financial statements and have chosen not to do so.

Subsidiary undertakings are included at fair value within investment assets, and a summary of the undertakings’ net assets is provided as a note to the financial statements.

Functional and presentational currency

The Scheme’s functional currency and presentational currency is sterling (GBP). Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Transactions denominated in foreign currencies are translated into sterling at the spot exchange rate at the date of the transaction.

Foreign exchange gains and losses arising on conversion or translation are dealt with in the Fund account as part of the Change in market value of investments.

Contributions

Employer and employee normal contributions, and employer deficit funding and other contributions, are accounted for on an accruals basis in accordance with the Schedule of Contributions certified by the Actuary. Additional voluntary contributions are accounted for on an accruals basis.

Benefits

Pensions in payment are accounted for in the year in which they relate. Payments represent all valid benefit claims notified to the Trustee during the Scheme year. Where there is a choice, 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, they are accounted for on the date of retirement or leaving. Pension benefits include realised gains or losses on longevity insurance contracts incurred during the year.

Transfers

Individual transfers in and out of the Scheme are accounted for on a cash basis. Group transfers are accounted for on a cash basis unless the terms of the agreements signed by the Trustee relating to such transfers state otherwise.

Administration and other expenses

Administration and other expenses are accounted for on an accruals basis.

Notes to the financial statements

Investments

Purchases and sales of securities are accounted for on a trade date basis. Property purchases are accounted for on exchange of unconditional contracts, otherwise on completion, and sales are accounted for on completion.

Offsetting financial assets and liabilities

Financial assets and liabilities are not offset unless there is a legally enforceable right to offset the assets and liabilities and the Scheme intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Valuation of investments

Investment assets and liabilities are included in the financial statements at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Securities listed on order-driven exchanges are valued at closing bid prices at the year end. Other securities listed on recognised stock exchanges are valued at closing bid prices. For bond investments this valuation is reduced by the accrued interest therein, with accrued interest included in other investment assets. Bond investments are classified as Level 1 in the fair valuation hierarchy where the valuation can be supported by quoted trade prices in active markets.

Unquoted securities consist of equities, bonds, pooled investment vehicles and loans, and are included at fair values estimated by the Trustee using appropriate valuation techniques. Unquoted equities are valued in accordance with International Private Equity and Venture Capital (IPEV) guidelines based on the latest information provided by investment managers, and the price of recent market transactions if they represent fair value. Unquoted bonds are valued using the latest market prices or discounted cash flow models that consider credit risk. Unquoted pooled investment vehicles are fair valued at year end based on the year end, or most recently available, net asset valuations provided by investment managers. Unquoted corporate loans are carried at fair value using the latest available prices in the market.

UK investment properties are independently valued by Savills plc, chartered surveyors, on the basis of market value in accordance with the latest version of the RICS Valuation: Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the Red Book). Overseas properties are valued by independent nationally recognised appraisal firms that hold the Member of the Appraisal Institute designation. The valuations take into consideration the current estimate of the rental values and market yields of properties.

Derivatives are fair valued using the following valuation techniques:

For exchange-traded derivatives that are assets, fair value is based on closing bid prices. For exchange-traded derivatives that are liabilities, fair value is based on closing offer prices.

Futures contracts are exchange-traded and fair value is determined using the exchange price for closing out the contract at the year end.

Options can be exchange-traded or over-the-counter (OTC) contracts. For exchange-traded options contracts, fair value is determined using the exchange price for closing out the option at the year end. For over-the-counter options contracts, fair value is determined using pricing models that consider the time value of money, volatility, and the current market and contractual prices of the underlying instruments.

Swaps are over-the-counter contracts and fair value is the current value of the future expected net cash flows, taking into account the time value of money. Fair value is calculated using discounted cash flows and market data at year end.

Open forward foreign currency contracts are over-the-counter contracts and are valued using forward currency rates at the year end. The unrealised appreciation or depreciation on open forward foreign currency contracts is calculated based on the discounted net present value of the difference between the contracted rate and the rate to close out the contract.

The longevity insurance contract is valued based on the future expected net cash flows, taking into account the time value of money and using market data at the year end.

Notes to the financial statements

Special purpose vehicles

In accordance with the Pensions SORP, the asset-backed funding arrangement (ABF) described in Note 16 of the Financial statements is classified as a special purpose vehicle. The ABF entitles the Scheme to receive a stream of cashflows over a fixed period. The Scheme's right to receive these cashflows ceases in the event the Scheme becomes fully funded before the end of the fixed period. The ABF is valued using a stochastic valuation approach that considers the time value of money and the probability of the Scheme becoming fully funded before the end of the fixed period.

The co-investment vehicle described in Note 16 of the Financial statements is classified as a special purpose vehicle. Payments by BT into the co-investment vehicle increase the value of the Scheme's interest in this special purpose vehicle, and are treated as a change in market value in the Fund account. A deterministic valuation approach, which takes into account the conditions for receiving distributions from the co-investment vehicle at maturity, is used to value the Scheme's interest in this special purpose vehicle at the year end.

Distributions from the special purpose vehicles are treated as either income or capital receipts in accordance with the agreement between the Scheme and the Scottish Limited Partnership through which the arrangements are conducted.

Investment income

Dividend income from equity investments is accounted for on the ex-dividend date. Interest income from bonds, deposits and short-term investments is accounted for on an accruals basis. Rental income from property is

accounted for on an accruals basis. Income from pooled investment vehicles is accounted for when declared by the investment manager. Insurance risk fees on longevity insurance contracts are recognised in the year incurred.

Change in market value of investments

The change in market value of investments during the year comprises all increases and decreases in the fair values of investments held at any time during the year, including gains and losses realised on sales of investments during the year and unrealised changes in market value of investments held at the year end.

Sale and repurchase agreements

Securities sold subject to repurchase agreements are included in the financial statements within their respective investment classes at the year end fair value of the securities to be repurchased. Cash received is recognised as an asset and the corresponding obligation is recognised as a liability. Securities purchased subject to reverse repurchase agreements are included in the financial statements within other investment assets at the year end fair value of the securities to be repurchased. The Scheme does not recognise the cash delivered to the counterparty as a receivable.

Collateral

Cash collateral balances due from and due to brokers are included in the financial statements within other investment assets and liabilities. Non-cash collateral pledged to the Scheme is not recognised, whilst non-cash collateral pledged by the Scheme continues to be recognised in the financial statements.

Commitments

Commitments for property investments are stated at the amount authorised by the Trustee to provide development finance and to purchase properties. Commitments for securities investments are stated at the amount which may be called on partially paid and unpaid shares, or which may be due on sub-underwriting contracts, or which remain undrawn in commitments to pooled investment vehicles.

Accounting estimates and judgements

No significant judgements have been made by the Trustee in the application of the principal accounting policies. Significant assumptions and estimates have been made in the valuation of the Scheme's financial assets and liabilities classified as level 3 under the fair valuation hierarchy. Details of these financial assets and liabilities, the valuation techniques applied, and the significant valuation assumptions, are provided in note 19 of these financial statements.

As noted above, UK investment properties are valued in accordance with the RICS Red Book standards. There is risk to the fair value of the Scheme's property investments, comprising variation in the yields that the market attributes to the real estate investments and the market income that may be earned. Real estate investments can be impacted adversely by external factors such as the general economic climate, supply and demand dynamics in the market, competition and increase in operating costs.

Notes to the financial statements

3. Contributions

Contributions to the Scheme are set out in the following table. In addition to the deficit funding contributions, the employer also made payments of £590 million to the co-investment vehicle during the year. This receipt is recognised within Change in market value of investments in the Fund account.

	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Employer normal contributions	0	0
Employer deficit funding contributions ¹	10	20
Employer other contributions ^{2,3} (refer to note 6)	28	32
Employer contributions	38	52
Employee normal contributions	0	0
Employee additional voluntary contributions	0	0
Employee purchase of added years	0	0
Employee contributions	0	0
Total contributions	38	52

¹ Deficit funding contributions are being paid into the Scheme by the employer in accordance with a recovery plan, due to end on 31 December 2035, in order to improve the Scheme's funding position.

² Employer other contributions include reimbursement of the Pension Protection Fund levy (PPF levy) in accordance with the Schedule of Contributions certified on 13 November 2023.

³ An amount of £27 million is included within Employer other contributions in respect of administrative expenses.

4. Benefits paid or payable

	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Pensions ⁴	2,535	2,427
Commutations of pensions and lump sum retirement	354	405
Lump sum death benefits	4	4
	2,893	2,836

⁴ The Scheme has entered into longevity insurance arrangements to protect the Scheme against costs associated with potential increases in life expectancy. These arrangements cover approximately 45% of the Scheme's longevity risk. Pensions benefits include a realised loss of £31 million on the arrangement during the year (2024: realised loss of £28 million).

In 2019, the High Court clarified that trustees will need to equalise benefits to allow for inequalities that arise from the calculation and payment terms for guaranteed minimum pensions (GMP). As a result, some members will receive higher pensions and will be eligible for back pay of historical pension entitlements. All GMPs were equalised in the prior year, with amounts paid on equalisation recognised as benefits in the year to 30 June 2024.

Notes to the financial statements

5. Payments to and on account of leavers

	Year ended 30 June 2025 (£m)	Year ended 30 June 2024 (£m)
Individual transfers out	16	20
	16	20

6. Administration expenses

	Year ended 30 June 2025 (£m)	Year ended 30 June 2024 (£m)
Net PPF levy and associated costs (refer to note 3)	3	4
Administration expenses ⁵	19	21
	22	25

⁵ Administration expenses include £10 million of expenses to operate both BT Pension Scheme Management Limited and BT Pension Scheme Administration Limited (2024: £11 million), actuary fees, custody fees, legal fees and other professional fees, and Trustee fees and expenses. Refer to note 24 'Related party transactions' for further information.

7. Auditors' remuneration

A summary of remuneration received by KPMG LLP as auditors to the Scheme and subsidiary undertakings during the year are disclosed in the table below.

	Year ended 30 June 2025 (£k)	Year ended 30 June 2024 (£k)
Fees payable to the Scheme auditor for audit of the Scheme financial statements	457	444
Fees payable to the Scheme auditor for audit of the Scheme subsidiaries and investment entities pursuant to legislation	2,056	1,844
Total audit fees	2,513	2,288
Audit-related assurance services	31	15
Taxation compliance services	-	-
Other assurance services	-	-
All other services	-	-
Total non-audit fees	31	15
Fees payable to the Scheme's auditor in respect of associated pension scheme	22	22
	2,566	2,325

Notes to the financial statements

8. Investment income

	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Dividends from equities	42	17
Income from bonds ⁶	565	576
Net rental income from properties ⁷	57	47
Income from pooled investment vehicles	330	186
Derivatives	(421)	(686)
Longevity reinsurance risk fees	(38)	(31)
Special purpose vehicles	43	47
Interest payable on repurchase agreements	(85)	(45)
Interest on deposits and short-term investments	39	61
	532	172

⁶Includes income of £54 million (2024: £54 million) on bonds issued by BT. Refer to note 24 'Related party transactions' for further information.

⁷Net rental income from properties is stated after deducting £43 million of property related expenses (2024: £37 million).

9. Reconciliation of investments

	Market value at 30 June 2024, £m	Net investment / (divestment), £m	Change in market value, £m	Market value at 30 June 2025, £m
Investment assets/(liabilities)				
Equities	1,433	85	(116)	1,402
Bonds	24,095	276	(1,005)	23,366
Property	1,545	(30)	(129)	1,386
Pooled investment vehicles	13,699	(956)	304	13,047
Loans	50	(9)	(2)	39
Derivatives ⁸	(5,012)	(331)	203	(5,140)
AVC investments	99	(22)	7	84
Special purpose vehicles	1,724	(180)	767	2,311
Longevity insurance contract	(1,010)	-	(43)	(1,053)
	36,623	(1,167)	(14)	35,442
Deposits and short-term investments	747		(17)	637
Other investment assets/(liabilities)	(1,527)		10	(2,637)
	35,843		(21)	33,442

⁸Derivatives include both derivative assets and liabilities which are presented separately in the Statement of net assets.

Notes to the financial statements

9. Reconciliation of investments (continued)

	Purchases at cost and derivative payments £m	Sales proceeds and derivative receipts £m	Net investment / (divestment) £m
Investment assets / (liabilities)			
Equities	1,723	(1,638)	85
Bonds	7,958	(7,682)	276
Property	106	(136)	(30)
Pooled investment vehicles	2,483	(3,439)	(956)
Loans	-	(9)	(9)
Derivatives ⁸	1,284	(1,615)	(331)
AVC investments	-	(22)	(22)
Special purpose vehicles	-	(180)	(180)
Longevity insurance contract	-	-	-
	13,554	(14,721)	(1,167)

Transaction costs are incremental costs directly attributable to the acquisition or disposal of an investment, and are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs incurred during the year amounted to £2 million and include commissions (2024: £4 million). In addition to these transaction costs, indirect costs are incurred through the bid-offer spread on investments and costs charged within pooled investment vehicles. These are not separately provided to the Scheme.

Investment class	Year ended 30 June 2025			Year ended 30 June 2024		
	Commissions £m	Taxes £m	Total £m	Commissions £m	Taxes £m	Total £m
Equities	1	-	1	1	-	1
Property	1	-	1	1	1	2
Pooled investment vehicles	-	-	-	1	-	1
Total	2	-	2	3	1	4

Notes to the financial statements

10. Investment management expenses

	Year ended 30 June 2025 £m	Year ended 30 June 2024 £m
Investment management expenses ⁹	70	74
	70	74

⁹ Investment management expenses include £37 million of expenses to operate BT Pension Scheme Management Limited (2024: £37 million). Refer to note 24 'Related party transactions' for further information.

11. Taxation

The Scheme is a registered pension scheme under the provisions of Finance Act 2004. This enables the Scheme to benefit from an exemption to UK income tax on investment income and an exemption from capital gains tax on disposals of investments. However, income from trading activity remains taxable in the UK.

The tax charge or credit presented in the Fund account represents irrecoverable withholding taxes, or refunds of withholding taxes arising on investment income.

In managing the tax risk and profile of the Scheme, the Trustee seeks to comply with all relevant tax laws and regulations in all relevant jurisdictions in which the Scheme operates and/or invests.

12. Pooled investment vehicles

	30 June 2025 £m	30 June 2024 £m
Equities	1,349	1,304
Bonds	2,122	2,025
Hedge funds	5,313	5,821
Liquidity funds	335	334
Mature infrastructure	915	724
Private equity	990	1,292
Property	2,023	2,199
	13,047	13,699

Included within Property is £725 million (2024: £649 million) related to the investment in limited partnerships whose sole purpose is to hold property investments. These investments are managed on a direct basis by the Scheme's real estate investment manager and BTPS is the sole limited partner to these partnerships. The main asset in each of these limited partnerships is property. On this basis, the Trustee has classified these limited partnership investments as direct property assets.

The fair value of subsidiary undertakings that are included in the Scheme's net assets as pooled investment vehicles amounted to £4,741 million (2024: £5,016 million). This comprised of £8,014 million of assets and £3,273 million of liabilities (2024: £8,547 million of assets and £3,531 million of liabilities).

Notes to the financial statements

13. Derivatives

Objectives

The Trustee has authorised the use of derivatives as part of the overall investment strategy for the Scheme. The main objectives for the use of derivatives are summarised below.

Futures contracts

Futures contracts are entered into as a method of managing the Scheme's exposure to a particular market or sector. Futures contracts provide an efficient way of modifying portfolio risk to remain within asset allocations governed by the investment strategy of the Scheme.

Options contracts

Options contracts are purchased or sold as a method of managing the Scheme's exposure to a particular market or sector.

Swap contracts

Swap contracts are used to modify the Scheme's exposure to various asset classes. Interest rate swaps are held to decrease the Scheme's interest rate risk exposure. Inflation swaps are held to decrease the Scheme's inflation risk exposure.

Foreign exchange forward contracts

Foreign exchange forward contracts are used to manage the Scheme's currency exposures.

Disclosure of the derivatives held at year end is set out opposite.

Assets	30 June 2025 £m	30 June 2024 £m
Futures	5	2
Options	2	7
Swaps	3,308	3,900
Forward foreign exchange	252	36
	3,567	3,945

Liabilities	30 June 2025 £m	30 June 2024 £m
Futures	(4)	(12)
Options	(27)	(18)
Swaps	(8,628)	(8,851)
Forward foreign exchange	(48)	(76)
	(8,707)	(8,957)

Notes to the financial statements

13. Derivatives (continued)

The economic exposure represents the notional value of securities purchased or sold under the futures contracts. All of the contracts settle within one year (2024: all contracts settle within one year). As at 30 June 2025, the Scheme held cash collateral of £10 million on futures contracts (2024: the Scheme held cash collateral of £8 million on futures contracts).

Futures	30 June 2025				30 June 2024			
	Exposure		Asset £m	Liability £m	Exposure		Asset £m	Liability £m
	Long £m	Short £m			Long £m	Short £m		
Type of contract								
Exchange traded								
Equities	-	-	-	-	-	-	-	-
Fixed interest	247	(564)	5	(4)	235	(434)	2	(3)
	247	(564)	5	(4)	235	(434)	2	(3)
Over the counter								
Fixed interest	-	-	-	-	-	(13)	-	(9)
	-	-	-	-	-	(13)	-	(9)
	247	(564)	5	(4)	235	(447)	2	(12)

Notional amount of outstanding contracts represents the value of underlying securities covered by the purchased options. All of the contracts settle within two years (2024: all of the contracts settle within two years).

Options	30 June 2025			30 June 2024		
	Notional £m	Asset £m	Liability £m	Notional £m	Asset £m	Liability £m
Type of contract						
Exchange traded						
Equities	707	2	-	1,782	7	-
	707	2	-	1,782	7	-
Over the counter						
Currency options - put	926	-	(1)	1,875	-	(4)
Currency options - call	1,179	-	(10)	826	-	(1)
Interest rate swaptions – fixed versus floating	200	-	(16)	200	-	(13)
Credit swaptions – CDS index	29	-	-	-	-	-
	2,334	-	(27)	2,901	-	(18)
	3,041	2	(27)	4,683	7	(18)

Notes to the financial statements

13. Derivatives (continued)

Swaps	30 June 2025				
Type of contract	Expiration	Nature of swap	Notional £m	Asset £m	Liability £m
Equity total return	< 4 years	Index	1,886	2	(6)
Bond total return	< 2 years	Government bond	716	7	(12)
Interest rate	< 50 years	Fixed versus floating	53,880	1,636	(8,068)
Inflation	< 46 years	Fixed versus RPI or CPI	31,549	1,662	(542)
Credit default	< 5 years	CDS index	56	1	-
			88,087	3,308	(8,628)

Swaps	30 June 2024				
Type of contract	Expiration	Nature of swap	Notional £m	Asset £m	Liability £m
Equity total return	< 4 years	Index	2,977	2	(19)
Bond total return	< 2 years	Government bond	220	-	(58)
Interest rate	< 50 years	Fixed versus floating	48,953	1,516	(8,209)
Inflation	< 46 years	Fixed versus RPI or CPI	30,962	2,381	(564)
Credit default	< 5 years	CDS index	46	1	(1)
			83,158	3,900	(8,851)

The Scheme held cash collateral of £15 million, received pledged bond collateral of £477 million, and it pledged bond collateral of £5,990 million on OTC derivative contracts (2024: the Scheme held cash collateral of £35 million, received pledged bond collateral of £97 million, and it pledged bond collateral of £5,130 million on OTC derivative contracts).

Notes to the financial statements

13. Derivatives (continued)

Forward foreign exchange							
Currency		30 June 2025			30 June 2024		
Bought	Sold	Notional £m	Asset £m	Liability £m	Notional £m	Asset £m	Liability £m
GBP	USD	7,683	228	(1)	7,673	32	(29)
GBP	Other	356	4	(1)	401	3	-
USD	Other	1,365	-	(35)	1,327	1	(5)
Other	Other	1,239	20	(11)	2,225	-	(42)
		10,643	252	(48)	11,626	36	(76)

All of the contracts settle in less than one year (2024: all of the contracts settle in less than one year).

14. Additional voluntary contributions

Members' additional voluntary contributions (AVCs) are invested separately from the principal Scheme on a money purchase basis with Legal & General Investment Management Limited and Standard Life Assurance Company. These assets are in the form of pension policies securing additional benefits on a money purchase basis for members who elected to pay AVCs. Members participating in these arrangements receive an individual annual statement each year confirming the amounts held in their account and the movements in the year. The aggregate amount of AVC investments is as follows:

	30 June 2025 £m	30 June 2024 £m
At start of year	99	113
Net withdrawals by members	(22)	(27)
Change in market value of investments	7	13
At end of year	84	99

15. Other investment assets

	30 June 2025 £m	30 June 2024 £m
Accrued investment income	164	174
Amounts due from brokers	33	23
Margin deposits - initial	3	4
Margin deposits - variation	10	10
Other ¹⁰	18	16
	228	227

¹⁰ Relates to pension surplus on the Hermes Group Pension Scheme valued in accordance with FRS 102. Refer to note 24 'Related party transactions' for further information.

Notes to the financial statements

16. Special purpose vehicles

	30 June 2025 (£m)	30 June 2024 (£m)
Asset-backed funding arrangement	970	1,031
Co-investment vehicle	1,341	693
	2,311	1,724

Asset-backed funding arrangement

The asset-backed funding arrangement is undertaken through the entity BT Falcon 1 LP. On 12 May 2021, the Scheme invested as a limited partner in BT Falcon 1 LP, a Scottish limited partnership, in which the other partners are companies in the BT group. The partnership holds a loan note issued by EE Group Investments Limited, a BT group company, with a face value of £1,925 million.

The loan note pays interest at a coupon rate of 3.377% per annum. Repayments to BT Falcon 1 LP follow a linear amortisation profile, with payments on the note due annually in June.

The loan note is due to mature in 2033, 12 years after issue. The Scheme received a deficit funding contribution from BT of £1,660 million to fund its investment in BT Falcon 1 LP. EE Group Investments Limited owns 100% of the shares in EE Limited. BT Falcon 1 LP holds security over certain EE Group Investments Limited's assets, including its shares in EE Limited, so that in the case of default under the loan note, the Scheme, as a limited partner, ultimately has recourse to the shares of EE Limited.

The purchase cost of the Scheme's limited partnership interest was £1,660 million. Under the terms of the limited partnership agreement and subject to the conditions therein, on or before 30 June each year, BT Falcon 1 LP will distribute to the Scheme capital and interest amounts it has received in respect of the loan note, provided that the Scheme was in deficit on a technical provisions basis as at 30 June of the preceding year.

The Trustee commissioned Willis Towers Watson to perform a valuation for financial statements purposes of the Scheme's limited partnership interest in BT Falcon 1 LP at inception and at each year end. The valuation is based on the net present value of the coupon receipts, discounted as for securities of similar standing, and uses a stochastic model to estimate the likelihood of becoming fully funded on a technical provisions basis before the term of the partnership is completed. As at 30 June 2025, following receipt of the fifth £180 million payment of capital and interest, the value of the Scheme's limited

partnership interest in BT Falcon 1 LP was £970 million, representing 2.9% of the Scheme's net assets, whilst the principal amount outstanding of the EE loan note held by BT Falcon 1 LP was £1,277 million.

As the loan note is held by BT Falcon 1 LP and BT Falcon 1 LP is a Scottish limited partnership with separate legal personality, it does not amount to an employer-related investment for the purposes of the relevant ERI regulations.

Co-investment vehicle

The Scheme is a limited partner in the co-investment vehicle, BT Falcon 2 LP. The general partner of BT Falcon 2 LP is BT Corporate Limited, and BT plc is a limited partner in BT Falcon 2 LP. In the year to 30 June 2025, BT made payments of £590 million into the co-investment vehicle. Amounts paid by BT into the co-investment vehicle are included in the fair value of the assets of the Scheme. During the year, the co-investment vehicle advanced the funds in the vehicle to Britel Scotland II LP, a Scheme-owned entity, via a loan arrangement.

The loan advanced by BT Falcon 2 LP has been made on an arms-length basis. In considering the fair value of the Scheme's interest in the co-investment vehicle, the Trustee has considered the fair value of the vehicle's net assets, including the loan advanced to Britel Scotland II LP. A deterministic valuation approach, which takes into account the conditions for receiving distributions from the co-investment vehicle at maturity, has been used to value the Scheme's interest in this special purpose vehicle at the year end. The loan payable by Britel Scotland II LP is recognised within Note 18 'Other investment liabilities'. As at 30 June 2025, the value of the Scheme's Limited Partnership Interest in BT Falcon 2 LP was £1,341 million, representing 4.0% of the Scheme's net assets.

As both BT Falcon 2 LP and Britel Scotland II LP are Scottish Limited Partnerships, this arrangement does not amount to an employer-related investment for the purposes of the relevant ERI regulations.

Notes to the financial statements

17. Longevity insurance contract

	30 June 2025 £m	30 June 2024 £m
Longevity insurance contract ¹¹	1,053	1,010
	1,053	1,010

¹¹Represents unrealised losses on longevity insurance contracts involving the exchange of future payments based on expected longevity with future payments based on actual longevity. The Scheme pledged bond collateral of £1,467 million in respect of longevity insurance contracts at 30 June 2025 (2024: the Scheme pledged bond collateral of £1,434 million). The Scheme entered two new longevity insurance contracts in the year which increases the longevity risk hedged to 45%.

18. Other investment liabilities

	30 June 2025 £m	30 June 2024 £m
Amounts due to brokers	79	25
Deferred income	13	14
Repurchase arrangements	1,426	981
Payable to co-investment vehicle	1,341	693
Margin deposits - initial	6	6
Margin deposits - variation	-	35
	2,865	1,754

Including the value of securities delivered under the contracts, the Scheme pledged bond collateral of £1,624 million in respect of repurchase arrangements (2024: the Scheme pledged bond collateral of £982 million).

Notes to the financial statements

19. Fair valuation hierarchy

The fair values of financial assets and liabilities have been estimated based on the following fair value hierarchy:



Level 1

Unadjusted quoted price in an active market for identical assets or liabilities that can be accessed 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 that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing whether inputs are observable, and whether the unobservable inputs are significant, may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. The Scheme's financial assets and liabilities have been fair valued using the hierarchy categories.

30 June 2025	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities	1,033	-	369	1,402
Bonds	13,322	9,247	797	23,366
Property	-	-	1,386	1,386
Pooled investment vehicles	-	4,414	8,633	13,047
Loans	-	39	-	39
Derivatives	3	(5,143)	-	(5,140)
AVC investments	-	84	-	84
Longevity insurance contract	-	-	(1,053)	(1,053)
Special purpose vehicles	-	-	2,311	2,311
Deposits and short term investments	637	-	-	637
Other investment assets/(liabilities)	112	(2,767)	18	(2,637)
	15,107	5,874	12,461	33,442

30 June 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities	1,113	-	320	1,433
Bonds	14,478	8,824	793	24,095
Property	-	-	1,545	1,545
Pooled investment vehicles	-	4,638	9,061	13,699
Loans	-	50	-	50
Derivatives	6	(5,018)	-	(5,012)
AVC investments	-	99	-	99
Longevity insurance contract	-	-	(1,010)	(1,010)
Special purpose vehicles	-	-	1,724	1,724
Deposits and short term investments	747	-	-	747
Other investment assets/(liabilities)	131	(1,674)	16	(1,527)
	16,475	6,919	12,449	35,843

Notes to the financial statements

19. Fair valuation hierarchy (continued)

The significant assumptions applied in the determination of fair values for financial assets and liabilities subject to valuation techniques are set out below.

Level 2	30 June 2025 £m	30 June 2024 £m	Valuation technique	Significant assumptions
Bonds	9,247	8,824	Evaluated pricing models, broker quotes	Credit risk, market risk, yield curves
Pooled investment vehicles	4,414	4,638	Fund net asset values	Redemption premium/discount
Loans	39	50	Amortised cost	Discount rate, credit risk
Derivatives	(5,143)	(5,018)	Forward rates, yield curves	Cost of carry, yield curves
AVC investments	84	99	Fund net asset values	Redemption discount
Other investment liabilities /assets	(2,767)	(1,674)	Amortised cost	Repo rate, credit risk, discount rate
	5,874	6,919		

Level 3	30 June 2025 £m	30 June 2024 £m	Valuation technique	Significant assumptions
Equities	369	320	IPEVC guidelines	Discount rate, earnings assumptions
Bonds	797	793	Evaluated pricing models, broker quotes	Credit risk, market risk, yield curves
Property	1,386	1,545	RICS guidelines	Rental yields, occupancy rates
Pooled investment vehicles	8,633	9,061	Fund net asset values	Redemption premium/discount
Longevity insurance contract	(1,053)	(1,010)	Discounted cashflow	Discount rate, cashflow profile, actuarial assumptions
Special purpose vehicles	2,311	1,724	Discounted cashflow, stochastic analysis	Discount rate, cashflow profile, actuarial assumptions
Other investment assets	18	16	Projected unit method, amortised cost	Inflation rate, salary increases, mortality assumptions
	12,461	12,449		

Notes to the financial statements

20. Investment risks

Investment objective

The investment objective of the Scheme is to maintain an investment portfolio with appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits payable under the Trust Deed and Rules, as they fall due. The Trustee sets the investment strategy for the Scheme as detailed in the Statement of Investment Principles (SIP). FRS 102 requires the disclosure of information in relation to market risk and credit risk.

Market risk

This is the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk.

- **Interest rate risk:** This is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.
- **Currency risk:** This is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Other price risk:** This is the risk that the fair value or future cashflows 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 issuers, or factors affecting all similar financial instruments traded in the market.

Credit risk

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

Inflation risk

This is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in inflation.

The Scheme is subject to inflation risk because some of the Scheme's investments are held in inflation-linked bonds and derivatives. The Trustee hedges Scheme liabilities on a sensitivity basis as part of the investment strategy. Under this strategy, if inflation increases the value of inflation-linked investments will rise to help match the increase in actuarial liabilities arising from an increase in inflation-linked pension payments. Similarly, if inflation falls, the inflation-linked investments will fall in value, as will the actuarial liabilities.

Longevity risk

This is the risk of higher than expected life expectancy trends amongst the Scheme's pensioners.

Longevity insurance arrangements have been entered into to protect the Scheme against costs associated with potential increases in life expectancy of the Scheme's pensioners. These arrangements cover approximately 45% of the Scheme's longevity risk.

Liquidity risk

This is the risk that the Scheme will encounter difficulty in realising its assets or raising funds to meet its obligations, primarily in respect to funding members' pension benefits and collateral requirements. The Trustee manages the Scheme's liquidity risk by monitoring potential and actual future liquidity requirements on an ongoing basis, ensuring that sufficient cash resources can be made available for the projected cash requirements of the Scheme.

The Trustee manages investment risks within agreed risk limits which take into account the Scheme's strategic investment objectives. These objectives and risk limits are implemented by Brightwell, and through investment management agreements in place with investment managers, and are monitored by the Trustee. Further information on the Trustee's approach to risk management is detailed in this note.

Notes to the financial statements

20. Investment risks (continued)

Market Risk

Interest rate risk

The Scheme is subject to interest rate risk on investments including bonds, pooled investment vehicles, loans, derivatives, deposits and short-term investments. The Trustee hedges Scheme liabilities on a sensitivity basis as part of the investment strategy. Under this strategy, if interest rates fall, the value of these investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, investment values will fall in value, as will the actuarial liabilities, because of an increase in the discount rate.

Currency risk

The Scheme is subject to currency risk as some investments are held in overseas markets, either as segregated investments or pooled investment vehicles. The Trustee manages currency exposures with strategic currency hedging benchmark limits achieved through a currency hedging policy. It is also exposed to indirect currency risk on underlying investments held in pooled investment vehicles.

Other price risk

Other price risk arises in the Scheme's investments portfolio that includes equities, property, pooled investment vehicles and derivatives. The Trustee has set a target investment return expected to be sufficient to

support payment of the Scheme's liabilities. A diverse portfolio of investments is used to manage exposure to price movements.

The table below summarises the extent to which various classes of investments are affected by market risks.

Market risk					
	Interest rate risk	Currency risk	Other price risk	30 June 2025 £m	30 June 2024 £m
Equities	●	●	●	1,402	1,433
Bonds	●	●	●	23,366	24,095
Property	●	●	●	1,386	1,545
Pooled investment vehicles	●	●	●	13,047	13,699
Loans	●	●	●	39	50
Derivatives	●	●	●	(5,140)	(5,012)
AVC investments	●	●	●	84	99
Longevity insurance contract	●	●	●	(1,053)	(1,010)
Special purpose vehicles	●	●	●	2,311	1,724
Deposits and short term investments	●	●	●	637	747
Other investment assets/(liabilities)	●	●	●	(2,637)	(1,527)
Total investment assets				33,442	35,843

In the table, the relevant risks affect the asset classes with significant exposure, some exposure or minimal exposure, with the following definitions:

- An investment risk determined to have significant exposure is a risk that, in the judgment of management, represents a material component of gross overall investment risk exposure to the Scheme, before derivative overlay contracts are taken into consideration to manage investment risk.
- An investment risk determined to have some exposure is a risk that, in the judgement of management, has a limited contribution to gross overall investment risk exposure to the Scheme.
- An investment risk determined to have minimal exposure is a risk that, in the judgment of management, has a minimal contribution to gross overall investment risk to the Scheme.

In addition, the Trustee uses derivative contracts to manage investment risk exposures of the Scheme, as detailed in note 13.

Notes to the financial statements

20. Investment risks (continued)

Credit risk

The Scheme is subject to direct credit risk as it invests in bonds, pooled investment vehicles, loans, over-the-counter derivatives, special purpose vehicles, and holds deposits and short-term investments. It is also exposed to indirect credit risk on underlying investments held in pooled investment vehicles. The Pensions SORP recommends that credit risk exposure on investments in pooled investment vehicles is disclosed on a look-through basis. Credit quality of direct and indirect investments subject to credit risk is provided in this note.

30 June 2025	Investment grade £m	Non-investment grade £m	Unrated £m	Total £m
Direct exposure				
Bonds	20,725	651	1,990	23,366
Pooled investment vehicles	-	-	13,047	13,047
Loans	-	-	39	39
OTC derivatives	(5,143)	-	-	(5,143)
Special purpose vehicles	-	-	2,311	2,311
Deposits and short term investments	637	-	-	637
Gross exposure	16,219	651	17,387	34,257
Credit derivatives (notional amount of contracts)	(56)	-	-	(56)
Net exposure	16,163	651	17,387	34,201
Indirect exposure				
Bonds	9	174	107	290
Pooled investment vehicles	-	-	1,171	1,171
Loans	-	141	1,751	1,892
OTC derivatives	-	-	15	15
Special purpose vehicles	-	-	-	-
Deposits and ST investments	22	-	2	24
Gross Exposure	31	315	3,046	3,392
Credit derivatives (notional amount of contracts)	(117)	-	-	(117)
Net exposure	(86)	315	3,046	3,275

Notes to the financial statements

20. Investment risks (continued)

30 June 2024	Investment grade £m	Non-investment grade £m	Unrated £m	Total £m
Direct exposure				
Bonds	21,724	610	1,761	24,095
Pooled investment vehicles	-	-	13,699	13,699
Loans	-	-	50	50
OTC derivatives	(5,018)	-	-	(5,018)
Special purpose vehicles	-	-	1,724	1,724
Deposits and short term investments	747	-	-	747
Gross exposure	17,453	610	17,234	35,297
Credit derivatives (notional amount of contracts)	(46)	-	-	(46)
Net exposure	17,407	610	17,234	35,251
Indirect exposure				
Bonds	114	201	98	413
Pooled investment vehicles	-	-	1,060	1,060
Loans	43	162	2,087	2,292
OTC derivatives	16	-	-	16
Special purpose vehicles	-	-	-	-
Deposits and short term investments	3	-	-	3
Gross exposure	176	363	3,245	3,784
Credit derivatives (notional amount of contracts)	(143)	-	-	(143)
Net exposure	33	363	3,245	3,641

An investment grade rating indicates that the counterparty to the security has a relatively low risk of default. Credit risk is managed under a credit risk management and counterparty approval policy. Approved counterparties are subject to credit risk assessments, regular monitoring of exposures against approved limits, credit quality and changes in credit conditions. Credit risk on derivatives depends on whether the derivatives are exchange-traded or over-the-counter. Exchange-traded derivatives are transacted with clearing brokers and credit risk is restricted to margin amounts posted to the clearing broker. Over-the-counter derivatives are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure by the counterparty. International Swaps and Derivatives Association (ISDA) agreements with executed credit support annexes are in place with counterparties. The credit risk for over-the-counter derivatives is managed by collateral arrangements with counterparties.

The Scheme's investments in pooled investment vehicles are unrated. Credit risk on pooled investment vehicles is mitigated by the underlying investments of the pooled investment vehicles being ring-fenced from the investment manager, the regulatory environments in which the investment managers operate and diversification of investments amongst a number of pooled arrangements. Due diligence reviews of investment managers are conducted on an ongoing basis, including the monitoring of any changes to the regulatory and operating environments of investment managers.

Notes to the financial statements

21. Current assets

	30 June 2025 £m	30 June 2024 £m
Other debtors	53	56
	53	56

All contributions due to the Scheme were paid in full within the timescale required by the Schedule of Contributions in force at the year end.

22. Current liabilities

	30 June 2025 £m	30 June 2024 £m
Accrued benefits	165	134
Other creditors	89	72
	254	206

23. Securities lending

No securities were on loan as at 30 June 2025 (30 June 2024: none).

24. Related party transactions and balances

In considering the Scheme's related party relationships, it is necessary to assess the substance of relationships and not merely their legal form.

FRS 102 defines key management personnel as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity".

This note provides information on transactions between the Scheme and related parties, all of which were conducted on terms equivalent to those that prevail in arm's length transactions.

Trustee related party transactions

Members of the Trustee Board represent key management personnel of the Scheme. Total compensation payable to members of the Trustee Board during the year was £0.4 million (2024: £0.5 million).

Notes to the financial statements

24. Related party transactions and balances (continued)

As employees of BT, Emily Clark and Matt Davies received no fees.

Two Trustee Directors and the spouse of one Trustee Director were members of the Scheme at 30 June 2025 (2024: two Trustee Directors and the spouse of one Trustee Director were members of the Scheme).

Further details on the compensation of members of the Trustee Board is included in the below table:

	Year ended 30 June 2025 £k	Year ended 30 June 2024 £k
Jill Mackenzie (appointed as Chair 30 November 2023)	160	127
Otto Thoresen (stepped down 29 November 2023)	-	63
Chris Cheetham	50	50
Andrew Clare (appointed 30 November 2023)	35	21
Emily Clark (stepped down 1 May 2025)	-	-
Nigel Cotgrove	50	38
Matt Davies (appointed 1 June 2025)	-	-
Steven Dickson (appointed 11 January 2025)	17	-
Andrew Kerr (died on 28 August 2024)	7	44
Richard Henderson (appointed 27 October 2024)	24	-
Ben Marshall (stepped down 10 January 2025)	19	35
Pauline Rourke (appointed 27 October 2024)	24	-
Beryl Shepherd (stepped down 31 May 2024)	-	32
David Viles	50	50
	436	460

Employer-related transactions

Hermes GPE FRWL Topco Limited is an investment of the Scheme and it invests in Fallago Rig Windfarm Limited (FRWL). FRWL operates a wind farm that is generating electricity from renewable sources in Great Britain. Effective 1 April 2014 to 31 March 2034, FRWL and BT entered into a power purchase agreement. BT agreed to purchase 50% of the metered output generated by the wind farm and certain associated benefits, including Renewable Obligation Certificates (ROCs) and Levy Exemption Certificates (LECs). In addition, effective 1 April 2014 to 31 March 2034, FRWL Holdco Limited (also an investment of the Scheme) and BT agreed to make certain payments based upon the difference between the price payable under the power purchase agreement for electrical output and a price specified in the agreement. The net amount payable in the year by BT under these arrangements was £12 million (2024: £13 million).

Notes to the financial statements

24. Related party transactions and balances (continued)

Self-investments designated as employer-related investments

As at 30 June 2025, the Scheme held £0 million in BT ordinary shares (2024: £0 million) and £0 million in BT index-linked investments (2024: £10 million). The total amount of employer-related investments represent 0% of the net assets of the Scheme (2024: 0.03%). As at 30 June 2025, there were no properties occupied by BT owned by the Scheme (2024: none).

Limited partnership investments not designated as employer-related investments

On 25 June 2018, Britel Scotland II LP subscribed for £2bn of bonds issued by BT in the primary market. Britel Scotland II LP is a Scottish limited partnership in which the Scheme is invested. The bonds were issued in three nominal and three CPI-linked tranches as detailed below:

 **15 years**
£330 million fixed interest and £330 million CPI-linked

 **21 years**
£330 million fixed interest and £330 million CPI-linked

 **24 years**
£340 million fixed interest and £340 million CPI-linked

As at 30 June 2025, the notional amount of these bonds held was £1,777 million (2024: £1,777 million), and these investments were valued at £1,566 million (2024: £1,555 million) and represent 4.7% of the net assets of the Scheme (2024: 4.4%). These bonds are held by Britel Scotland II LP, a Scottish limited partnership, and therefore are not employer-related investments for the purposes of the relevant ERI regulations.

The asset-backed funding arrangement, described in Note 16, is undertaken through the entity BT Falcon 1 LP. On 12 May 2021, the Scheme invested in BT Falcon 1 LP, a Scottish limited partnership, making a capital contribution of £1,660 million for a limited partnership interest. On the same day, BT Falcon 1 LP purchased a loan note with a nominal value of £1,925 million issued by EE Group Investments Limited, a subsidiary of BT. The capital contribution is less than the nominal value of the loan note, which reflects the probability of the Scheme becoming fully funded and therefore, the annual payments to the Scheme ending before the underlying loan note matures. Under the terms of the limited partnership agreement and subject to the conditions therein, on or before 30 June each year, BT Falcon 1 LP will distribute to the Scheme capital and interest amounting to the £180 million it has received in respect of the loan note, provided that the Scheme was in deficit on a technical provisions basis as at 30 June of the preceding year. As the loan note is held by BT Falcon 1 LP, and this entity is a Scottish limited partnership with separate legal personality, it does not amount to an employer-related investment for the purposes of the relevant ERI regulations.

As at 30 June 2025, following receipt of the fifth £180 million payment of capital and interest, the value of the Scheme's limited partnership interest in BT Falcon 1 LP was £970 million, representing 2.9% of the Scheme's net assets, whilst the principal amount outstanding on the EE loan note held by BT Falcon 1 LP was £1,277 million.

The Scheme is a limited partner in the co-investment vehicle, BT Falcon 2 LP. The general partner of BT Falcon 2 LP is BT Corporate Limited, and BT plc is a limited partner in BT Falcon 2 LP. In the year to 30 June 2025, BT made payments of £590 million into the co-investment vehicle. Amounts paid by BT into the co-investment vehicle are included in the fair value of the assets of the Scheme. During the year, the co-investment vehicle advanced the funds in the vehicle to Britel Scotland II LP, a Scheme-owned entity, via a loan arrangement.

As at 30 June 2025, the value of the Scheme's Limited Partnership Interest in BT Falcon 2 LP was £1,341 million, comprising of the principal amount paid into Falcon 2 LP by BT plus accrued interest to date. A corresponding investment liability of £1,341 million is included in the Statement of net assets, reflecting the loan arrangement between BT Falcon 2 LP and Britel Scotland II LP.

As both BT Falcon 2 LP and Britel Scotland II LP are Scottish Limited Partnerships, this arrangement does not amount to an employer-related investment for the purposes of the relevant ERI regulations.

Notes to the financial statements

24. Related party transactions and balances (continued)

Hermes Group Pension Scheme

The Hermes Group Pension Scheme (HGPS) is a defined benefit pension scheme closed to new entrants and future accrual. Effective 15 December 2017, Hermes ceased to be a principal employer of HGPS under the Flexible Apportionment Arrangement. The Trustee of the BT Pension Scheme assumed Hermes' liabilities in respect to HGPS as the sole principal employer, as well as obligations for all future contribution payments and expenses. HGPS is funded with the assets of the scheme that are held separately from those of the BT Pension Scheme. However, the Trustee of the BT Pension Scheme has the ability to use Scheme assets, if needed, to fund HGPS obligations under its trust deed and rules.

The pension surplus of HGPS at 30 June 2025 amounted to £18 million (2024: £16 million), calculated on an FRS 102 basis by the scheme's actuary. The pension surplus is included in Other investment assets, with any gains and losses on revaluation included in Change in market value of investments.

Hermes Group Pension Scheme	30 June 2025 £m	30 June 2024 £m
Scheme assets	148	159
Scheme liabilities	(130)	(143)
	18	16

No contributions were paid or due to HGPS from December 2018.

Other related parties

The Scheme wholly owns BT Pension Scheme Management Limited (BTPSM, trading as Brightwell), and BT Pension Scheme Administration Limited (BTPSA, trading as Brightwell) is a wholly owned subsidiary of BTPSM. A share of the cost of operating BTPSA and BTPSM is included in Administration expenses and Investment management expenses. Total fees payable to Brightwell for the year to 30 June 2025 were £55 million (2024: £55 million). BTPSM also leases a building owned by the Scheme. The Scheme is the sole investor in a number of pooled investment vehicles that are subsidiaries. A summary of the net assets of these subsidiaries is included in note 12 'Pooled investment vehicles'.

25. Commitments and contingent liabilities

	30 June 2025 £m	30 June 2024 £m
Property	131	257
Calls on partly paid shares and underwriting commitments	2,384	2,491
	2,515	2,748

26. Subsequent events

There were no subsequent events requiring disclosure in the Scheme's financial statements.

Actuary's statement and report on actuarial liabilities

The most recent actuarial valuation of the Scheme was carried out as at 30 June 2023.

The main purpose of an actuarial valuation of the Scheme is to determine whether or not the assets already held by the Trustee are sufficient to finance the prospective benefit entitlements of current and former members. An actuarial valuation requires assumptions to be made about future financial and demographic conditions. A summary of the results of the formal actuarial valuation as at 30 June 2023 is in the table opposite, together with the assumptions used.

BT Pension Scheme	30 June 2023
Assets - £million	37,334
Liabilities (Technical Provisions) - £million	41,035
Deficit - £million	3,701
Funding level	91%
Average nominal discount rate (per annum)	5.3%
Average RPI inflation (per annum)	3.6%
Average CPI inflation (per annum)	3.2%
Life expectancy (age at death)	
Average male pensioner age 65	86.5
Average female pensioner age 65	88.1
Average male pensioner at 65 (age 45 now)	88.1
Average female pensioner at 65 (age 45 now)	89.9

The above discount rate is a Scheme average; the full assumption allows for a transition from return-seeking assets to liability cashflow-hedging assets over time. The above mortality rates are also a Scheme average; the full assumptions take into account influences on mortality expectations such as pension amount. Further details on the assumptions used are set out in the Scheme's Statement of Funding Principles which is available to members on request.

Actuary's statement and report on actuarial liabilities

As set out above, the formal valuation of the Scheme as a continuing scheme revealed a deficiency of £3.7bn.

As part of the formal valuation, the Trustee and BT agreed a recovery plan such that BT will pay additional contributions in the expectation of returning the Scheme to a fully funded position by 30 June 2030.

Since this agreement, BT have paid £10 million directly into the Scheme in each of March 2024, April 2024 and April 2025, and £100 million, £590 million and a further £590 million into the Scheme's co-investment vehicle in March 2024, April 2024 and April 2025 respectively. The contributions yet to be paid under this agreement are as follows:

- From 2026 to 2030, £10 million per year directly into the Scheme, and
- £590 million by 30 April each year from 2026 to 2029 and £490 million by 30 April 2030 either directly to the Scheme or to the Scheme's co-investment vehicle. If these contributions are paid to this co-investment vehicle their value will be recorded as an asset in the Scheme accounts and, to the extent there is a funding deficit at 30 June 2034, the co-investment vehicle will pay funds to the Scheme (subject to certain criteria).

In addition, BT has agreed to pay up to a further £300 million per year to the Scheme, if needed, to meet any future emerging funding deficit in excess of £1bn up to 30 June 2026, or in excess of £500 million between 1 July 2026 and 30 June 2033. The need for these contributions will be assessed every 6 months.

BT also agreed that it will pay additional contributions to the Scheme in respect of the small number of members who continue to accrue benefits in the Scheme, and in certain other circumstances. Full details of these arrangements are set out in the Schedule of Contributions and in a funding agreement between the Trustee and BT. A copy of the certificate to the most recently agreed Schedule of Contributions is included following this statement. In the unlikely event that the employer ceased paying contributions to the Scheme ("discontinuance"), the Trustee could seek to meet benefit payments by continuing it as a closed fund.

Given the size and nature of the Scheme, and the present capacity of the insurance market, it is unlikely to be practicable for the Trustee to secure members' accrued rights by the purchase of appropriate annuities in the event of the Scheme being discontinued.

The terms currently available from life assurance companies are, in any event, such that the premiums charged to secure accrued rights in full would significantly exceed the realisable value of the Scheme's present assets. The solvency position as at 30 June 2023 was a deficit of £9.2bn; this assumes a low-risk, closely-matched investment strategy with additional margins for risk included and would be considered in the event the Trustee could not place reliance on the BT covenant. The Scheme's financial position and the level of BT's contributions will formally be reviewed again in full as part of an actuarial valuation due no later than 30 June 2026.

Interim valuation as at 30 June 2025

Since the formal valuation of the Scheme as at 30 June 2023, interim valuations of the Scheme as at 30 June 2024 and 30 June 2025 have been completed. The latest interim valuation as at 30 June 2025 showed that the funding deficit has decreased to £3.2 billion since 30 June 2023. The decrease has largely been driven by payments made by BT, although the impact of these was partially offset by under-performance of the Scheme's assets relative to expectations, and other effects such as there being fewer member deaths than expected.

The funding position as at 30 June 2025 is slightly behind the projected position from 30 June 2023 however, the Scheme is still expected to achieve full funding by 30 June 2030. Based on this, the additional contributions of up to £300 million per year to the Scheme will not be required.

The solvency position as at 30 June 2025 has also been calculated and showed a solvency deficit of £7.6 billion.

Graham McLean FIA

Towers Watson Limited (a WTW Company)

30 September 2025

Actuary's statement and report on actuarial liabilities

Form of Actuary's certification of Schedule of Contributions

Name of scheme: BT Pension 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 could have been expected on 30 June 2023 to be met by the end of the period specified in the recovery plan.

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 13 November 2023.
3. I also certify that any rates of contributions forming part of this schedule which the scheme requires me to determine are not lower than I would have provided for had I had responsibility for preparing or revising the schedule, the Statement of Funding Principles and any recovery plan.

The certification of the adequacy of the rates 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.

Date: 13 November 2023

Name: Graham McLean

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: Watson House, London Road, Reigate, Surrey RH2 9PQ

Name of employer: Towers Watson Limited (a WTW company)

Technical provisions statement

Actuarial certification for the purposes of Regulation 7(4)a of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: BT Pension Scheme

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Scheme's Technical Provisions as at 30 June 2023 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated 13 November 2023.

Graham McLean

Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited (a WTW company)

13 November 2023
Watson House
London Road
Reigate
Surrey
RH2 9PQ

Appendix one: SIP Implementation Statement

SIP Implementation Statement background

The following information is the Trustee's statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustee has complied with the voting and engagement policies detailed in the Scheme's Statement of Investment Principles (SIP).

What is the Statement of Investment Principles (SIP)?

Regulatory changes in 2018 and 2019 required trustees of UK defined benefit pension schemes to disclose further information in relation to how they undertake stewardship – exercising voting rights and engaging with their investments – in their SIP, and introduced the concept of an annual Implementation Statement. The legislation states that the Implementation Statement must be included in the annual report and accounts, and that it must also be made publicly available online. The most recent BTPS SIP was approved on 4 June 2024. The most recent iteration includes minor changes to align current practice and to reflect the results of the recent valuation, as well as investment strategy reviews. The SIP sets out the investment principles and practices that the Trustee follows when governing the Scheme's investments. It describes the rationale for selecting the investment strategy, and explains the risks and expected returns of the Scheme, and the Trustee's approach to sustainable investing (which includes climate change). This Implementation Statement is in respect of the Scheme's SIP in place from 1 July 2024 to 30 June 2025.

The purpose is to:



Set out the extent to which, in the opinion of the Trustee, the stewardship activities detailed in the Scheme's SIP, required under section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it), have been followed during the year.



Describe the voting behaviour by, or on behalf of, the Trustee over the year (including the most significant votes), and state any use of services of a proxy voter during that year. A copy of this implementation statement will be made available on the BTPS website alongside the Scheme's SIP <https://www.btps.co.uk/RegulatoryReporting>

Implementation Statement conclusion

Overall, the Trustee is satisfied that over the relevant period, the Scheme's investments and stewardship activities, specifically voting and engagement, have been managed in accordance with the SIP at that time.

Please see the Scheme's stewardship report for more detail on the Scheme's stewardship activities over the year. This can be found at <https://www.btps.co.uk/SustainableInvestment>

SIP Implementation Statement

The goal of integrating sustainability is to reduce the range of Scheme funding outcomes and increase the resilience of meeting member benefit obligations. Robust evaluation and management of sustainability related risks and opportunities helps achieve this goal and aligns with the Trustee's fiduciary duty.

How are the Scheme's investments governed?

The main objective of the Trustee is to ensure that there are sufficient assets to pay benefits to members and their beneficiaries as they fall due, and that all members and beneficiaries receive the benefits to which they are entitled under the Rules of the Scheme. In considering its approach to meeting this objective, the Trustee considers the expected progression of the Scheme's total annual benefit payments relative to the projected level of Scheme assets as the proportion of retired members increases over time. The Trustee takes an integrated approach to the management of risk in the Scheme. The Trustee therefore invests the assets of the Scheme consistent with funding a defined level of benefits within an acceptable level of risk, having appropriate regard to the affordability of both the immediate and longer-term cash cost to BT, and the funding obligations which BT (and other entities where relevant) may have, from time-to-time, to the Scheme. The Trustee recognises the importance of establishing and maintaining stability in the Scheme's funding position and understands that continued investment in risky assets might, over the short to medium term, influence the volatility of the funding level of the Scheme, and hence may influence the level of future contributions that may be required from BT.

The Trustee has established a core set of investment beliefs that provide a framework for consistent and effective investment decision-making. This includes beliefs that are related to the nature and characteristics of the Scheme, such as the importance of having an appropriate governance structure, the need to take into account the liabilities when setting investment strategy, and having an understanding of both the competitive advantages and disadvantages facing the Scheme. The investment beliefs recognise the importance of being a responsible investor and include market-related beliefs, such as those concerning the relationship between risk and return, the importance of diversification and the belief that markets can be inefficient. The Trustee, supported by its Investment Committee, regularly reviews its investment beliefs against the investment outcomes being delivered by the Scheme. In early 2020, the Trustee agreed a new investment belief on managing the Scheme's investments to create long-term sustainable value. Building on this, in October 2020, the Trustee formalised, via the Statement of Investment Principles, an ambition to reach Net Zero greenhouse gas emissions by 2035. The Trustee believes it has an active role to play in using its influence as an asset owner to encourage sustainable long-term investing through our managers' stewardship activities.

The objective of the Net Zero ambition is to reduce the range of funding outcomes and its implementation is designed to avoid impairing risk-adjusted returns.

In general, the Trustee prefers engagement over exclusion or divestment as a way of improving long-term behaviour, aligning our stewardship activities with the UK Stewardship Code principles.

Our asset manager oversight and engagement activities are set out on page 58. The key focus areas we monitor across our managers include:

- Whether our managers have formal processes in place for identifying, prioritising, and tracking engagements and statistics in relation to engagements for change
- Collaborations with other entities and participation in stewardship initiatives, and
- Engagement case studies that demonstrate the outcomes of the engagements and their effectiveness (we have highlighted some examples on page 65).

The Scheme's investments should be managed to create sustainable long-term value, supporting the generation of optimal investment returns to ensure the Scheme can pay all benefits. The Trustee's approach to sustainable investment is purposefully designed to ensure it doesn't detrimentally impact investment return.

SIP Implementation Statement

The Trustee's expectations of stewardship, engagement and voting

The Trustee has reviewed how, and the extent to which, the Scheme's policies on stewardship have been followed during the Scheme year 1 July 2024 to 30 June 2025. It involves analysing the voting behaviour by, or on behalf of, the Trustee (including a selection of significant votes, determined by the Trustee or in collaboration with the Scheme's investment managers, and cast by the Trustee or on its behalf) during the year, stating any use of the services of a proxy voter. In relation to stewardship activities, the Scheme's Statement of Investment Principles (SIP) sets out policies across the following areas:

ESG integration	Emerging long-term risks	Reducing emissions and Net Zero 2035	Members' views
Integrating all financially material considerations, including environmental, social and governance (ESG) factors, throughout the investment process	Monitoring emerging long-term risks, such as climate change and technology disruption, that may have a material adverse effect on the Scheme	Reducing exposure to greenhouse gas emissions and establishing an ambition for the Scheme's investment portfolio to achieve Net Zero greenhouse gas emissions by 2035	Considering the views of members to help inform the Trustee's approach to ESG considerations and stewardship
Investment managers are expected to consider both the risks and opportunities that arise from ESG factors, where appropriate, in the selection, retention and realisation of the investments they manage on behalf of the Scheme. As relevant to the asset class and strategy, they are expected to provide evidence and ongoing reporting on the ESG integration process across, for example, fundamental analysis, asset valuation and portfolio construction, as well as engagement and voting activities. The Trustee delegates the exercise of voting rights and engagement activities to investment managers and Federated Hermes EOS, a specialist stewardship provider. Progress is monitored via regular engagement meetings with investment managers and Federated Hermes EOS.	Given the time horizon of the Scheme, the Trustee recognises that emerging, long-term risks including, for example, climate and technology disruption, may have a material adverse impact on the Scheme. These risks are monitored by the Trustee as part of their regular review of the Scheme's risk register. Day-to-day implementation and monitoring of the controls in place to manage these risks is delegated to Brightwell. Managers are held to account for managing material ESG risks, and the Scheme takes measures to monitor and mitigate these risks.	The Trustee believes that reducing exposure to greenhouse gas emissions over time can improve investment outcomes and reduce the impact of potential adverse outcomes associated with future climate risk. Consequently, the Trustee has established an ambition for the Scheme's investment portfolio to achieve Net Zero greenhouse gas emissions by 2035. The Trustee monitors progress against this ambition on an annual basis.	<p>The Trustee believes in engaging with members to understand their views on different topics. There are several mechanisms in place to facilitate this including:</p> <ul style="list-style-type: none"> • BT's recognised Trade Unions (CWU and Prospect) and the National Federation of Occupational Pensioners (NFOP) nominate Trustee directors. • Providing an annual presentation by the Trustee Board, Brightwell and its advisers, to BT's recognised Trade Unions and NFOP. • Updating members on the Scheme's stewardship, engagement and voting activities via the Scheme's report and accounts, TCFD disclosures, Stewardship Report, and the Scheme's annual Principles for Responsible Investment (PRI) transparency and assessment report. • Producing a short member-focused summary report of the key stewardship, climate change and voting information. • Inviting feedback from members through the annual member newsletter and annual member surveys, and supporting a 'member panel' who volunteer to take part in more in-depth research with the Scheme.

SIP Implementation Statement

What does it mean to vote?

When an investor owns shares in a company, they become a part-owner of that business. Having a share also gives them the right to vote at the company's annual general meeting (AGM), which is where companies submit resolutions for shareholders to approve, such as executive remuneration or appointing an auditor.

Shareholders can file resolutions to allow other shareholders to vote on matters that are not raised by management. As very few investors now attend AGMs in person, votes are cast as 'proxy votes' via phone, online or email. Often, the items to be voted on could impact a company's long-term performance, making proxy voting an important way for active investors to influence corporate behaviour on sustainability issues.

BTPS believes that making full use of its voting rights is part of its fiduciary duty and requires Federated Hermes EOS and its asset managers to execute all votes for the Scheme's directly held public securities. It believes that proxy voting activity should not be conducted in isolation but rather as part of a wider engagement strategy. The Scheme's investment managers and Federated Hermes EOS are given a measure of discretion and flexibility, and can follow their own voting policy on most voting activities to support their wider engagement with the company, and to align with their overall financial rationale for investment in the company.

The Scheme monitors the investment managers' and Federated Hermes EOS's voting activities and requests they highlight key voting decisions on a quarterly basis, alongside a thorough review of all their votes cast on an annual basis.

The investment managers and Federated Hermes EOS are also regularly asked about their approach to conflicts of interest however, there were no concerns raised during the year. The Scheme does not engage in stock lending.

While the Scheme is invested in a diverse range of asset classes, the next few pages focus on the equity investments which have voting rights attached. The Scheme's equity holdings, as at 30 June 2025, are held in both segregated and pooled investment funds, and are managed on an active basis. The Scheme's equity holdings are invested with three investment managers. Voting on the equity mandates is undertaken by the individual managers and Federated Hermes EOS. In addition, there are also mandates in other asset classes, where Federated Hermes EOS conducts additional engagement activities on behalf of the Scheme.

Significant votes

We pay particularly close attention to votes that we deem to be significant, as determined by the Trustee in collaboration with its investment managers. When determining which votes are considered significant, we assess several criteria including those outlined by Pensions UK in its vote-reporting template.

We categorise significant votes as:

- a vote which can have a potential impact on financial outcomes
- votes which might have a material impact on future company performance, for example, approval of a merger or a requirement to publish a business strategy that is aligned with the Paris Agreement on climate change
- votes with a potential impact on stewardship outcomes
- votes on any decision which may reduce the investor voice (e.g. around shareholder rights), such as a debt for equity swap, management buyout of a significant share of equity or a downgrading of voting rights
- votes in relation to companies that represent a significant size of holding in the mandate
- votes which are high profile or controversial
- votes where there is a significant level of opposition from investors to the company resolution
- votes where there is a significant level of support for an investor resolution
- votes where there is a high level of reputational risk, and
- votes where there is a high level of political or regulatory interest, a high level of industry debate, or any vote in non-listed equity asset classes e.g. in private equity, infrastructure or other asset classes.

SIP Implementation Statement

Asset manager oversight and engagement

The Scheme believes that all financially material considerations, including sustainability factors, must be integrated throughout the investment process. Outside of the government bond and liability-driven investment strategy, which is managed by Brightwell, BTPS outsources investment management to externally appointed asset managers.

Asset managers are selected to align with the Scheme's beliefs, policies and objectives. This is a fundamental part of the appointment process of a new manager and the ongoing oversight of the Scheme's managers' activities.

Before appointing an asset manager on behalf of BTPS, Brightwell seeks to understand their philosophy and approach, to determine if they are suitable for the Scheme. This includes an assessment of the alignment between the Scheme's beliefs and goals, the investment time horizon, approach to sustainable investment and engagement with underlying companies. Assessment of the Scheme's asset managers' stewardship capabilities forms part of a wider focus on their approach to integrating sustainability considerations. Over the past few years, the Scheme has developed and improved its sustainability approach.

The initial manager selection process focuses on three key factors from a sustainability perspective:

1. How sustainability is integrated into their investment strategy and approach
2. If their sustainability approach is consistent with their overall investment strategy, and
3. How this work is evidenced in the manager's investment papers and reporting.

These questions are asked to understand how an asset manager is taking sustainability into account in their investment process, and how they will be active stewards of the Scheme's capital through voting and engagement. Once appointed, we expect asset managers to consider both the risks and opportunities that arise from sustainability factors in the selection, retention and realisation of investments.

The Scheme's managers are expected to:

-  Undertake ESG integration and actively engage with investments
-  Undertake proxy voting and, where appropriate, exercise advocacy related to stewardship
-  Provide ongoing reporting regarding their sustainable investment integration process and activities
-  Reflect the sustainability information they have considered in their investment process and if investment decisions have been changed as a result, and
-  Apply best international practice stewardship approaches or adapt to accepted local market conventions and regional best practice

The Scheme's managers are regularly challenged on underlying holdings and portfolio level attributes.

SIP Implementation Statement

How is stewardship integrated into BTPS investment processes?

Sustainable investment and stewardship considerations have been integrated into multiple investment processes. For example, ahead of appointing a new fund manager, sustainability questions are asked as part of the formal due diligence questionnaire process. The responses are reviewed in tandem by the Brightwell investment team to understand their quality and, if required, meetings are held with the manager to better understand their approach.

High stewardship standards are expected from the Scheme's managers and alignment with the UK Stewardship Code, or international equivalent, is encouraged.

Over the past year, regular manager meetings have been conducted, supporting better oversight of their stewardship activities and requested responses to our annual Net Zero and Stewardship questionnaire, which covers manager governance, diversity and inclusion, engagement, climate, nature, inequality and voting topics to gather appropriate information from our managers and understand their different sustainability approaches.

It is important to collate more in-depth sustainability information from the Scheme's managers, but also to ensure that we communicate the Scheme's expectations clearly.

The sustainability best practice manager expectations documents set out current best practice principles in relation to sustainable investment.

Evidence and quality is sought across the following areas, demonstrating ongoing commitment and development:



Public commitments and initiatives



Training and expertise



Policies



Application to funds managed, including our mandates

Indicators of good practice across each of the areas is provided as a guide rather than an exhaustive list.

Feedback is provided to managers with a separate score card of where they currently are relative to best practice sustainability expectations.

Through all of this, stronger, more collaborative relationships with the Scheme's managers can be developed, enabling greater potential to positively influence stewardship practices.

The support of the Scheme's investment managers is critical in helping deliver the Scheme's sustainability goals, including its Net Zero 2035 ambition, and funding objectives. Documenting and sharing manager expectations on sustainability will help ensure that the managers the Scheme partners with are supporting BTPS in becoming an industry-leading asset owner, achieving its ambitious sustainable investment goals, and helping the Scheme respond to the ever increasing regulatory and reporting obligations.

SIP Implementation Statement

Manager voting information

Manager:

GQG Investment Management

Fund type:

Segregated active equity fund

Use of proxy advisor services:

GQG votes its proxies through the proxy advisor ISS and uses bespoke voting policies based on sustainability themes.

Voting activity:

Number of meetings at which the manager was eligible to vote: 33

Number of resolutions on which the manager was eligible to vote: 504

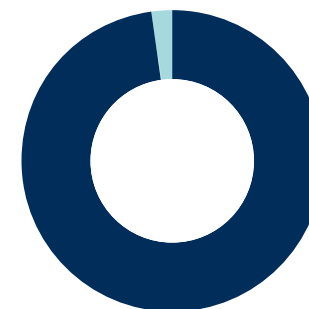
Percentage of eligible votes cast: 100%

In what % of meetings, for which you did vote, did you vote at least once against management? 36%

* In accordance with ISS's Sustainability Policy, 10 abstain votes and 2 withhold votes were cast for this mandate. These votes can be classified as either for or against management. For the 'resolutions voted' chart to the right, we have not double counted these resolutions.

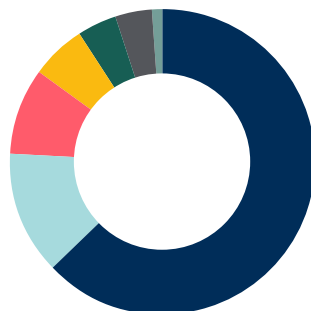
Resolutions voted

With management	98%
Against management	2%
Abstained	0%



What we've voted on

Board structure	63%
Audit and accounts	13%
Remuneration	9%
Shareholder resolution social and ethical	6%
Capital structure and dividends	4%
Other	4%
Amend articles	1%



Votes against management resolutions

Board structure	45%
Shareholder resolution social and ethical	20%
Remuneration	15%
Audit and accounts	10%
Other	10%



SIP Implementation Statement

Manager:

GQG Investment Management

Fund type:

Segregated active equity fund

Significant vote

Company: Chubb Limited

Date of vote: 15 May 2025

Vote topic: Elect Evan G Greenburg as Board Chairman

Voting instruction: For

Rationale: The independent lead director has robust powers.

Approximate size of holding as at the date of the vote (as % of portfolio): 2.5%

Why a significant vote?: Size of holding, vote against ISS recommendation, potential impact on stewardship outcome.

Outcome of vote: Pass (Greenburg elected as Chair).

Significant vote

Company: Visa Inc.

Date of vote: 28 January 2025

Vote topic: Report on lobbying payments and policy

Voting instruction: Against

Rationale: The company has committed to providing additional meaningful disclosure regarding its direct and indirect lobbying activities.

Approximate size of holding as at the date of the vote (as % of portfolio): 2.0%

Why a significant vote?: Size of holding, dissent level, potential impact on stewardship outcome.

Outcome of vote: Fail (the company is not required to provide additional reporting on lobbying payments and policy).

SIP Implementation Statement

Manager voting information

Manager:

TCI Fund Management

Fund type:

Pooled active equity fund

No proxy advisory service used

Voting activity:

Number of meetings at which the manager was eligible to vote: 15

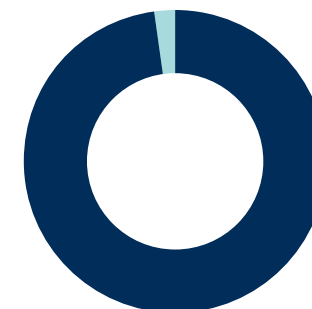
Number of resolutions on which the manager was eligible to vote: 292

Percentage of eligible votes cast: 100%

In what % of meetings, for which you did vote, did you vote at least once against management? 1%

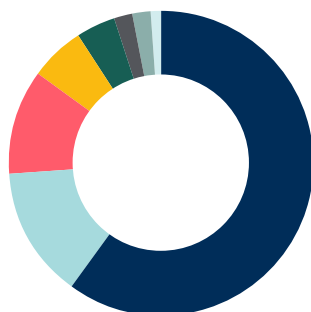
Resolutions voted

With management	98%
Against management	2%
Abstained	0%



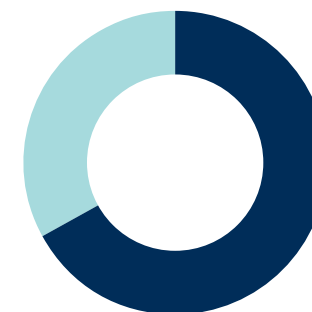
What we've voted on

Board structure	60%
Remuneration	14%
Capital structure	11%
Audit and accounts	6%
Social	4%
Environmental	2%
Environmental and social blended	2%
Other	1%



Votes against management resolutions

Social	67%
Other	33%



SIP Implementation Statement

Significant vote

Company: Aena S.M.E SA

Date of vote: 9 April 2025

Vote topic: Advisory vote on company's 2024 updated report on Climate Action Plan

Voting instruction: For

Rationale: The plan is ambitious, and is in line with TCI's previous engagement with the Company.

Approximate size of holding as at the date of the vote (as % of portfolio): 3.1%

Why a significant vote?: Position size.

Outcome of vote: Pass (the updated Climate Action Plan was approved).

Significant vote

Company: Ferrovial SE

Date of vote: 24 April 2025

Vote topic: Approve climate strategy report goals

Voting instruction: For

Rationale: TCI felt comfortable in the progress achieved, and on the trajectory of this initiative.

Approximate size of holding as at the date of the vote (as % of portfolio): 6.1%

Why a significant vote?: Position size.

Outcome of vote: Pass (the climate strategy report goals were approved).

Significant vote

Company: Microsoft Corporation

Date of vote: 10 December 2024

Vote topic: Report on risks of using artificial intelligence and machine learning tools for oil and gas development and production

Voting instruction: For

Rationale: The proposal concerns Microsoft developing and selling AI, machine learning, cloud computing, internet of things, and high performance computing technologies to customers in the upstream oil and gas industry. The shareholder states that such sales are not included in Microsoft's greenhouse gas emissions or reduction commitments and may lead to reputational, financial and retention risks, as Microsoft facilitates new oil and gas extraction through advanced technology sales to such customers.

Approximate size of holding as at the date of the vote (as % of portfolio): 11.6%

Why a significant vote?: Position size.

Outcome of vote: Fail (The company is not required to report on the risks of AI by its customers in the oil and gas industry).

SIP Implementation Statement

Manager voting information

Manager:
Caledonia Investments

Fund type: Pooled active equity fund

Use of proxy advisor services:
Caledonia uses Broadridge to organise their proxy votes, but vote independently of their recommendations. Caledonia is continuing to improve on tracking its voting activities, including reporting on significant votes.

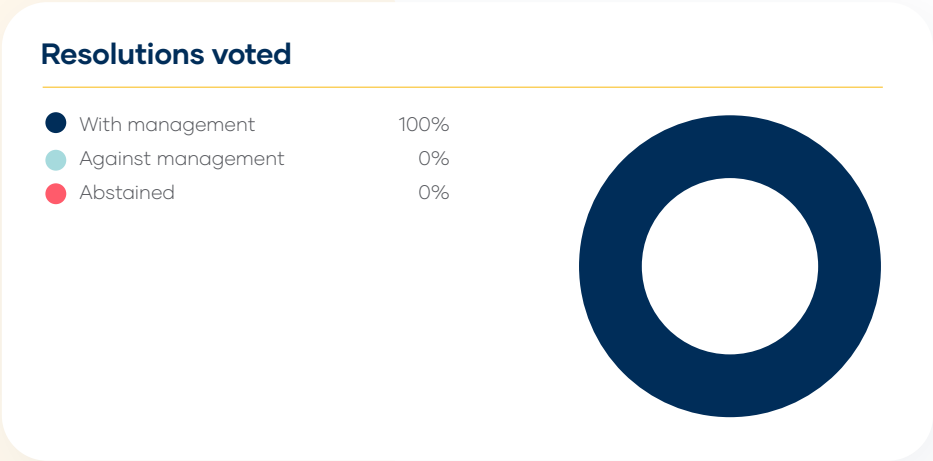
Voting activity:

Number of meetings at which the manager was eligible to vote: 13

Number of resolutions on which the manager was eligible to vote: 181

Percentage of eligible votes cast: 100%

In what % of meetings, for which you did vote, did you vote at least once against management? 0%



SIP Implementation Statement

Engagement case studies

Environmental – Supporting sustainable investment strategy development

Diversified core infrastructure engagement via KKR

Issue: KKR engaged with John Laing, a global infrastructure platform, to support the development of a formal sustainable investment strategy, including setting decarbonisation targets and managing financed emissions.

Action: KKR worked closely with John Laing throughout 2024 to integrate sustainability into investment processes. This included supporting alignment with a net zero by 2050 target and a goal for 70% of assets under management (AUM) to be net zero-aligned by 2030. KKR also provided oversight through portfolio management structures and advocated for structured ESG governance.

Outcome: Within a year of setting the commitment, 31% of John Laing's AUM was aligned with Paris Agreement-compliant decarbonisation plans. Progress continues, and the company remains committed to sector-leading climate action across its portfolio.

Social – Addressing health and safety concerns

Infrastructure engagement via Federated Hermes

Issue: Federated Hermes identified a high frequency of health and safety incidents, particularly less severe ones, at Scandlines, a European Ferry company, which raised operational risk concerns.

Action: Federated Hermes advocated for a third-party health and safety review, supported the tender process, and engaged a new CEO to broaden executive ownership of health and safety

Outcome: An external consultant issued a gap analysis with prioritised recommendations. As a result, the company is implementing changes, including leadership recruitment. Early 2025 data shows reduced incident rates, but engagement remains ongoing.

Governance – Strengthening governance and board independence in a Latin American mining company

Emerging market debt engagement via Wellington Management

Issue: Wellington engaged with a Latin American mining company regarding heightened governance concerns due to a past environmental accident, ongoing reparations, and signs of increasing government influence amid a CEO transition and recent board changes.

Action: Wellington engaged with the company to understand governance dynamics, focusing on the CEO selection process, board appointment mechanisms and safeguards against undue political influence. Discussions also covered the company's regulatory dependence and its efforts to manage government relationships responsibly.

Outcome: The company reaffirmed its commitment to strong governance and recognised the importance of balancing regulatory engagement with board independence. Wellington continues to monitor the CEO appointment and board changes, with particular attention to adherence to bylaws and the independence of non-executive directors.

For more information on engagements carried out on the Scheme's behalf, please see the Scheme's latest Stewardship report: [BTPS Portal - Sustainable investment](#)

Appendix two: Changes to Scheme membership

Changes to membership

	30 June 2025	30 June 2024	30 June 2023
Membership			
Active members:	9	12	15
Deferred members:	40,068	46,108	53,073
Current pensioners of whom:	213,616	212,468	210,359
Retired employees	177,453	176,490	174,489
Widows / widowers	34,310	34,118	33,988
Children/dependants	1,853	1,860	1,882
	Year ended 30 June 2025	Year ended 30 June 2024	Year ended 30 June 2023
Changes to membership			
Normal age retirements from active status	0	0	0
Late retirements from active status	1	0	1
Ill health early retirements	20	29	29
Early retirement	2,949	3,533	3,400
Deferred benefits set up	2	1	0
Normal age retirements from deferred status	2,251	2,539	2,599
Benefits transferred out and trivially commuted	99	78	192
Optants out	0	0	0
Death in service	0	0	0
Death in retirement	6,563	6,534	7,094
Death in deferment	66	58	96
Late retirement	122	115	102
Child leavers	60	49	34
New records set up			
Section B rejoiners	0	0	0
Spouses, civil partners and dependants	2,270	1,969	2,032
Children	24	35	23
Benefits transferred in	0	0	0

Appendix three: Management and advisers

Scheme registration number

10085003

Trustee

BT Pension Scheme Trustees Limited

Trustee Directors

Jill Mackenzie

Chris Cheetham

Andrew Clare

Emily Clark (stepped down 1 May 2025)

Nigel Cotgrove

Matt Davies (appointed 1 June 2025)

Steven Dickson (appointed 11 January 2025)

Richard Henderson (appointed 27 October 2024)

Andrew Kerr (died on 28 August 2024)

Ben Marshall (stepped down 10 January 2025)

Pauline Rourke (appointed 27 October 2024)

David Viles

Scheme Secretary

BT Pension Scheme Management Limited (BTPSM,
trading as Brightwell)

Actuary

Graham McLean FIA, Towers Watson Limited
(a Willis Towers Watson Company)

Auditor

KPMG LLP

15 Canada Square

Canary Wharf

London E14 5GL

Pensions Administrator

BT Pension Scheme Administration Limited (BTPSA,
trading as Brightwell)

Venture House

Venture Way

Chesterfield S41 8NR

Bankers

The Northern Trust Company

Royal Bank of Scotland

Primary Service Provider to BTPS (including sole fiduciary manager)

BT Pension Scheme Management Limited (BTPSM,
trading as Brightwell)

Primary External Investment Managers

GQG Partners LLC

Federated Hermes Limited

Insight Investment Management Limited

M&G Investment Management Limited

Wellington Management International Limited

Custodians appointed by the Trustee

The Northern Trust Company

JP Morgan Chase

Principal Sponsoring Employer

British Telecommunications plc (BT)

1 Braham Street

London E1 8EE

If you require further information regarding this report, please contact:

Scheme Secretary

BT Pension Scheme Management Limited

One America Square

17 Crosswall

London EC3N 2LB

Contact details

The Trustee of the BT Pension Scheme

The Scheme Secretary
BT Pension Scheme
One America Square
17 Crosswall
London, EC3N 2LB
Website: www.btps.co.uk

Member support

The BT Pension Scheme member support team can be contacted between 8:30am and 5pm Monday to Friday (excluding Bank Holidays), on **0800 731 1919**.

If calling from overseas, the contact number is **+44 (0) 203 023 3420**.

Alternatively, please email member@btps.co.uk

Or send a message through the Pensions Portal at www.btps.co.uk

The address for correspondence is:

BTPS, Sunderland, SR43 4AD

MoneyHelper

MoneyHelper is here to make money and pension choices clearer. It provides impartial help, is backed by government and is free to use. MoneyHelper can be contacted through moneyhelper.org.uk or on the following phone number:

Pensions Helpline: **0800 011 3797**

Pensions Ombudsman

If you have a complaint or dispute concerning your workplace or personal pension arrangement you should contact the Pensions Ombudsman at:

10 South Colonnade
Canary Wharf
London
E14 4PU

Contact number: **0800 917 4487**

The Pensions Regulator

Pension schemes are regulated by The Pensions Regulator which has the power to impose civil penalties and to bring criminal prosecutions for serious breaches of the requirements of the legislation. The Pensions Regulator can be contacted at the following address:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

Pension Tracing Service

Information about the Scheme (including a contact address) has been provided to the Pension Tracing Service as required by law. Because the Pension Tracing Service holds the same information for other pension schemes, it offers a service which enables members to trace benefits from previous employers' schemes. The Pension Tracing Service can be contacted on **0800 731 0193** or by submitting a tracing request on gov.uk/find-pension-contact-details

Report and Accounts

This Report and Accounts is available on the Scheme's website: btps.co.uk

We send each member a short document in hard copy or by email summarising the key developments of the Scheme during the year. Members also receive the Summary Funding Statement each year.

BTPS

www.btps.co.uk