People's Partnership Limited

Annual Report and Financial Statements for the year ended 31 March 2026

Company number: 10267951

Our purpose

is to help people to build financial foundations for life.

Strategic Report

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Directors' Report

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Financial Statements

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people's partnership

See more online at
www.peoplespartnership.co.uk

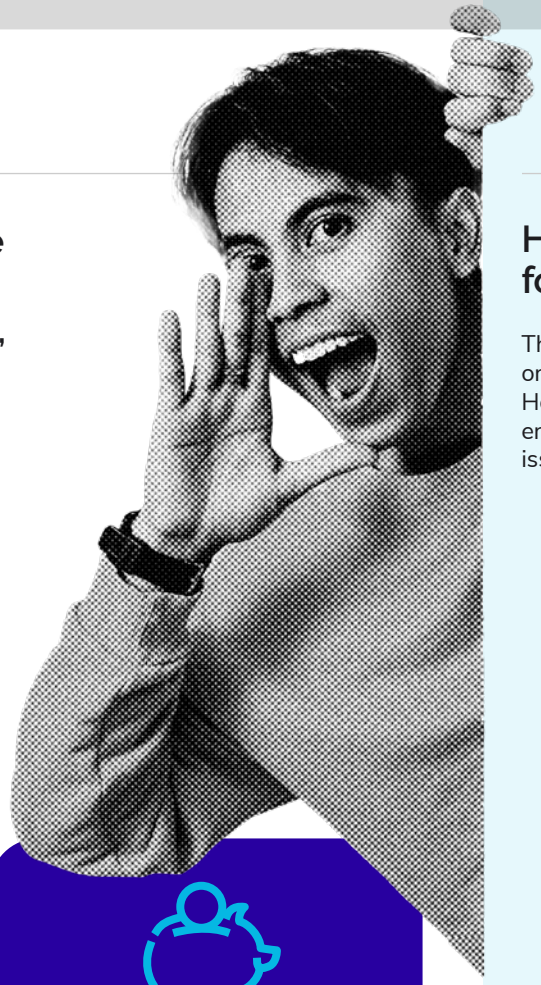
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Strategic Report

Who we are and why we're here

People's Partnership was founded for social good more than 80 years ago. We're a different kind of financial services business because we don't have shareholders, so we can put our customers first. Established as a provider for employers to offer a workplace pension, every year, we reinvest our profits to benefit members and help them achieve better financial foundations for life. We operate The People's Pension Scheme ("People's Pension"/ "the Scheme") on behalf of over 7 million members. People's Pension are leading the change in the pensions industry to make sure that pensions work for people across the UK.



People's Pension

our award-winning

workplace pension.

Through People's Pension, we help...

One in five*

UK workers

*Applies to people aged 22 and over with a workplace pension.

Over

7 million people

to save for a better retirement.

Helping people build financial foundations for life

The UK is home to nearly 70 million people and every one of us deserves to feel confident about our future. However, six in ten people* are unsure if they'll have enough money for retirement. We believe that's an issue worth solving.

Our purpose — **Helping people to build financial foundations for life.**

Our vision — **is for the UK to be a place where millions of people lead financially stronger lives because of their trust in us.**

Our mission — **is to use our profits to provide straightforward, accessible, trusted financial products and support that help people become financially stronger.**

People's Partnership Limited ("PPL" or the "Company") is a wholly owned subsidiary of People's Partnership Holdings Limited. For more information on our group, please see How We're Structured on page 44.

* Source: Retirement crisis predicted as Generation X aren't saving enough | People's Partnership

How we're different - we do the right thing

In our industry, many companies offer products and services that can be hard to tell apart. We recognise that to really stand out and make a difference for our customers, how we do things is as important as what we do.

Products and services for everyone

We provide high-quality, straightforward and accessible products and services that can benefit everyone, no matter how much they're able to save. People's Pension is available to all employers, from those with just a few employees to those with a payroll of thousands.

Customers first

Putting customers at the heart of what we do means we prioritise their needs ahead of making money. One example of this is our charging structure, which rewards members for saving more. Through a savings reward, we've paid back over £43 million to members in the past year alone, and in July 2025 we passed the £100m threshold for cumulative management charges returned to our members.

Reinvesting our profits means we can provide an award-winning* Scheme and customer service.

Trusted for life

Reinvesting our profits means we can provide an award-winning* Scheme and customer service. We make it easy for customers to interact with us in the way that's best for them, whether that's by phone, email, online or through our mobile app ("app"). This helps us build long-term relationships with our customers and earn their trust.

Better for society

As a purpose-driven organisation, we feel a responsibility to improve our industry by championing better financial outcomes for people. This includes producing research and insights, to influence the industry for the better. We also think it's important to contribute to people and communities in the construction industry who need support, through our Construction Workers' Charitable Trust ("Charitable Trust").



The values we live by

We are driven by our values, from the products we create, to how we communicate with our members and the way we work together to meet their needs.

Our core values are:

Understanding People

We understand people by putting ourselves in their shoes

We understand people by:

1. Asking questions
2. Actively listening
3. Learning from feedback

Creating Simplicity

We strip out complications and remove obstacles

We create simplicity by:

1. Challenging to improve
2. Working together
3. Creating straightforward solutions

Keeping our Promises

We always do what we say we will do

We keep our promises by:

1. Taking ownership to deliver
2. Setting clear expectations
3. Respecting others

* The Scheme won awards in the year for the Asset Owner Award for System and Governance Change at the 2025 Pensions for Purpose Awards, and the Innovation in System Stewardship Award at the 2025 Principles for Responsible Investment (PRI) Awards.

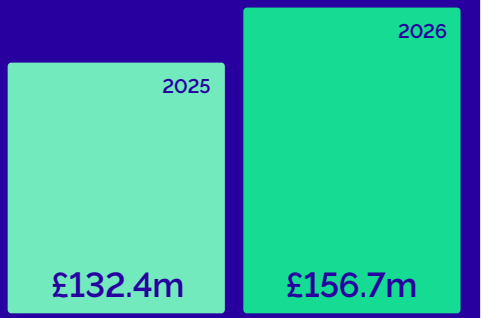
Highlights of our year: Key performance indicators

We use the following key performance indicators to track how we're performing against our strategic objectives and the outcomes we want to achieve.



Group revenue

£156.7m



Colleague engagement

76% 2026
79% 2025

76%

Key employer retention

96.4% 2026
97.5% 2025

96.4%



Customer satisfaction

88% 2026
85% 2025

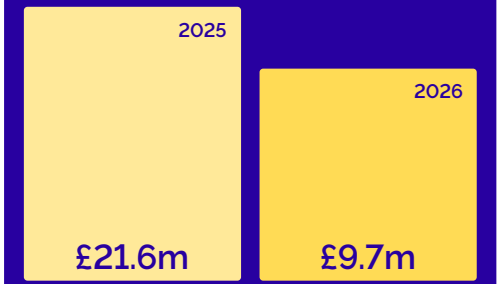
88%



EBITDA*

£9.7m

*Earnings before finance interest expense, tax, depreciation and amortisation



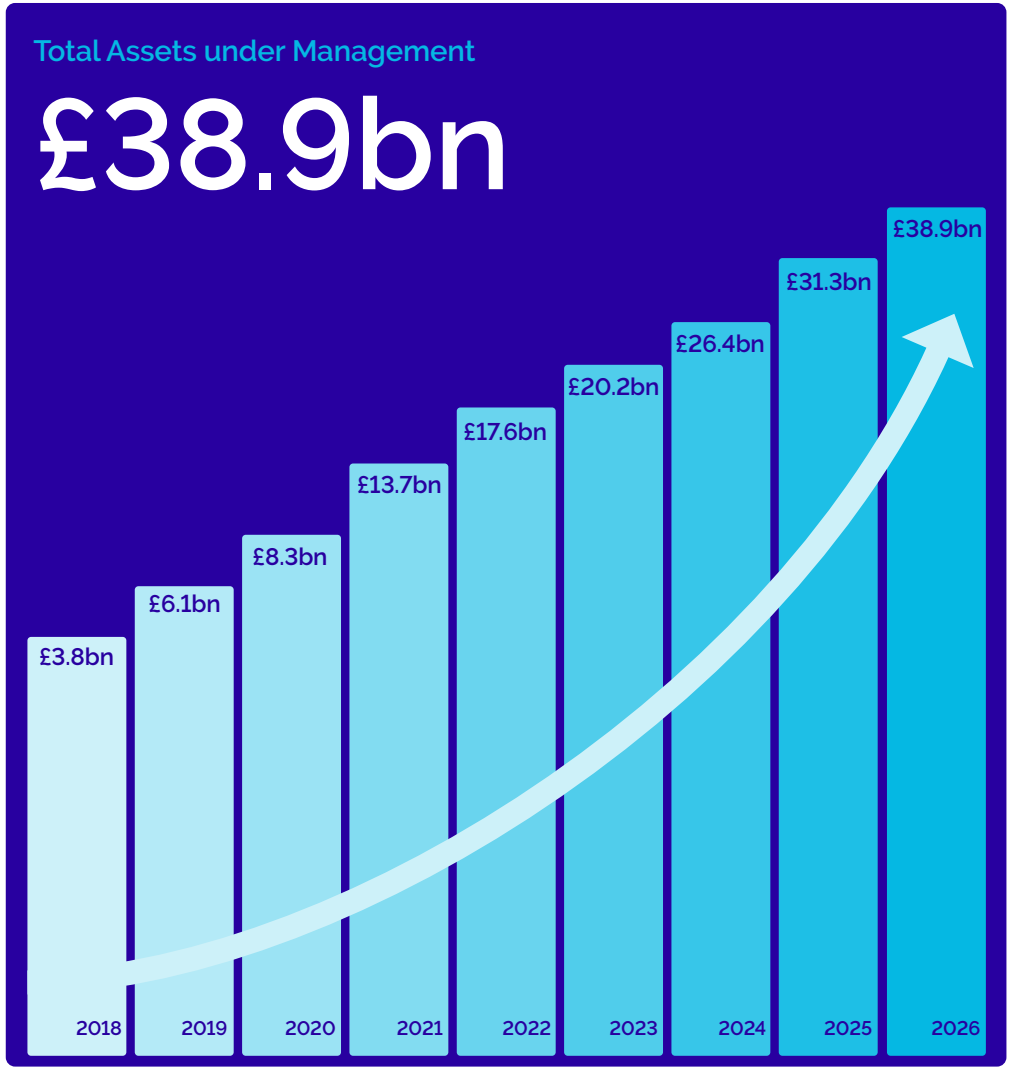
Service level performance

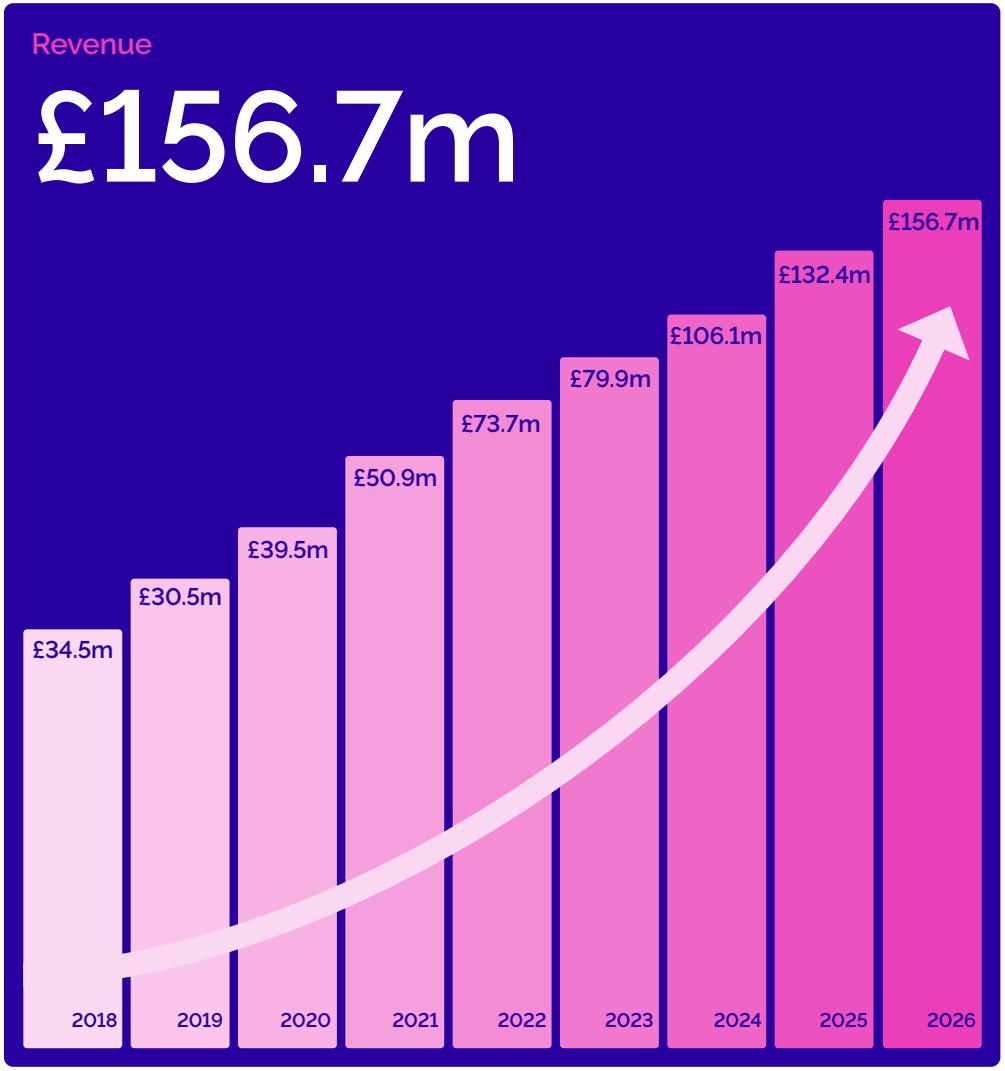
97% 2026
90% 2025

97%

Highlights of our year: Growing at pace

We have had another fantastic year of growth, maintaining the momentum of prior years. At 31 March 2026 our Assets under Management ("AUM") were £38.9bn and our Revenue for the year to 31 March 2026 was £156.7m.

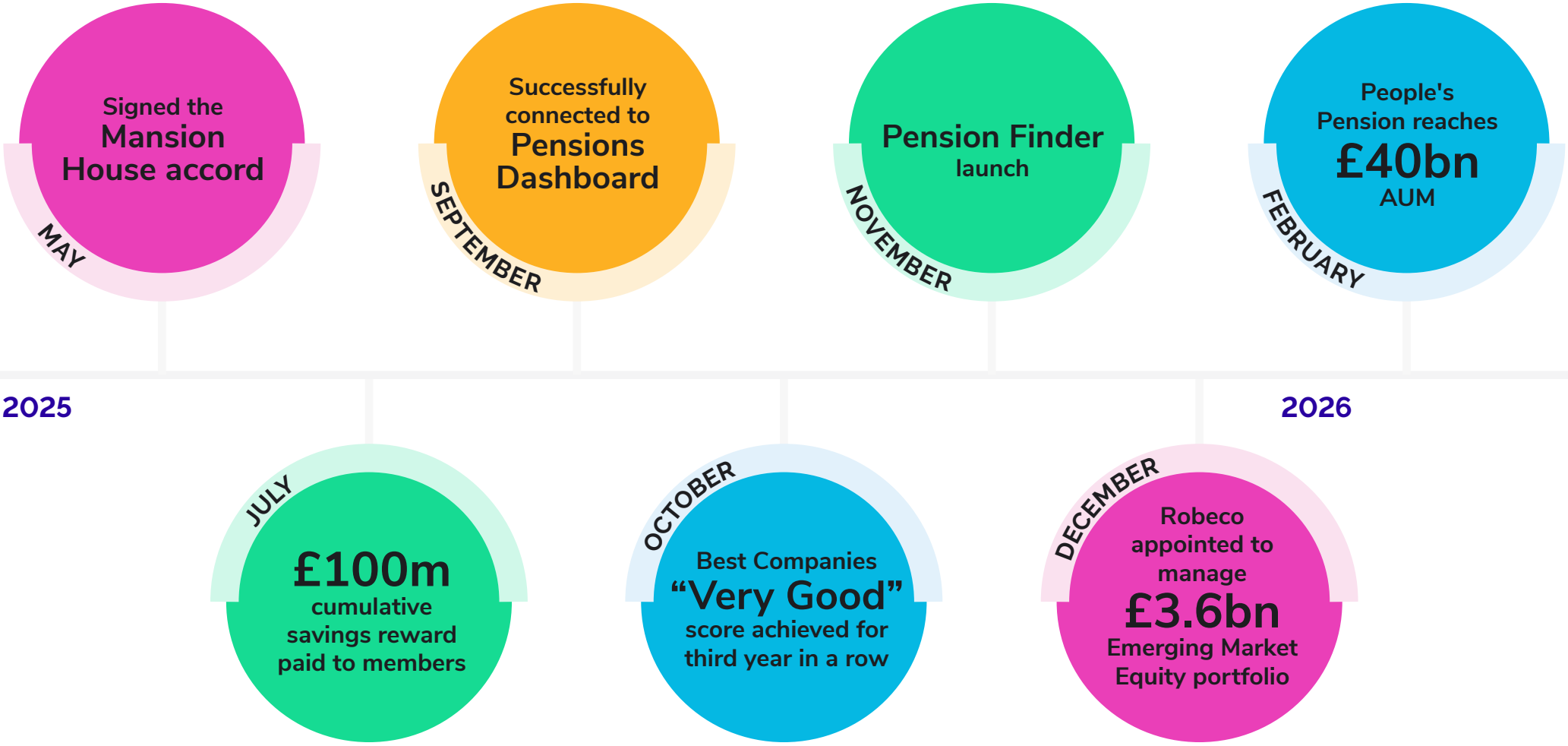




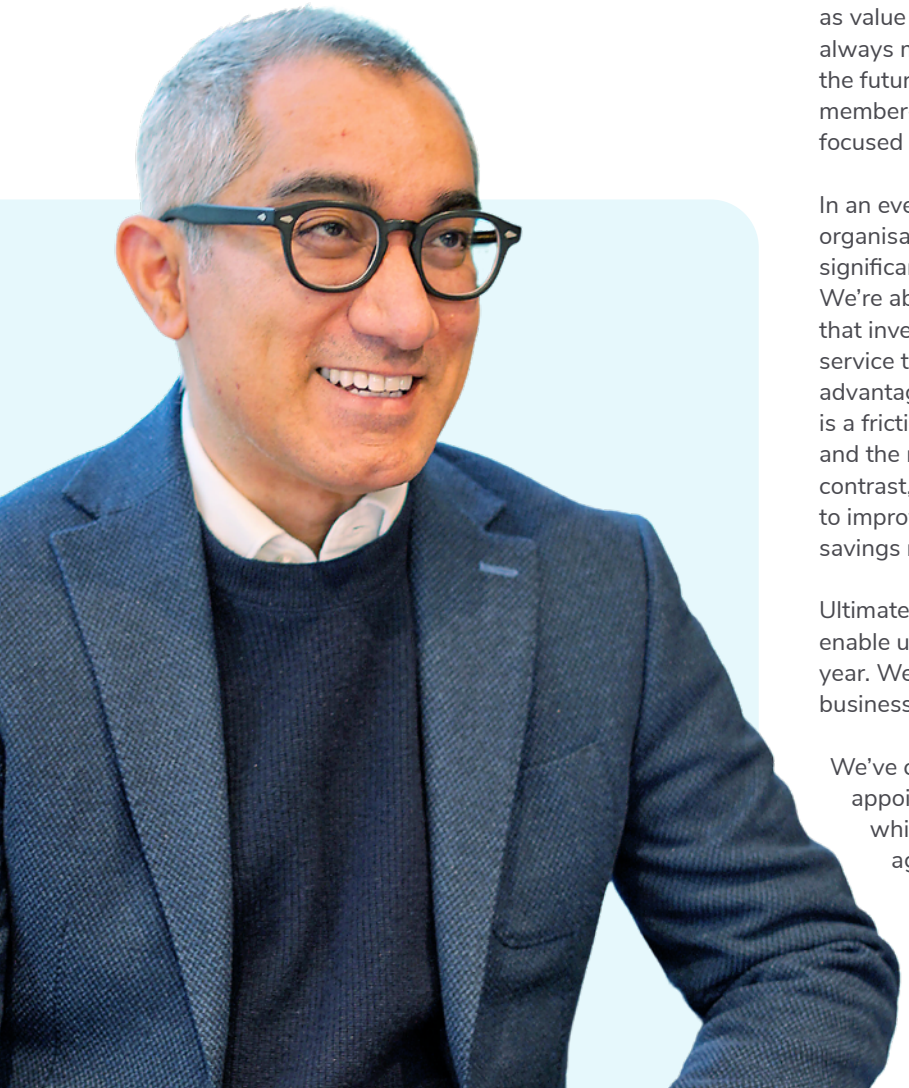
Highlights of our year: Key milestones

Key milestones in the financial year to March 2026

We have reached a number of notable milestones over the course of the 2026 financial year, as set out below. These are very significant milestones for us, and set the platform for acceleration as we invest in our proposition and continue to grow at pace.



Chair's Statement



The pension landscape is evolving rapidly, as the Government focuses on promoting economic growth and sees pension funds having a vital role. PPL has been at the heart of these policy discussions, advocating strongly for our members' interests and ensuring we're ready for the changes to come.

With more than 7 million members and almost £39bn in assets under management, our scale allows us to make a real difference. We're campaigning on critical issues such as value for money and pension transfers, so savers can always make informed choices. Our ability to influence the future of our industry demonstrates the power of a member-led business and our ability to be absolutely focused on the savers' voice.

In an ever-shifting environment, there is a real need for an organisation like ours, with a clear and powerful purpose, significant scale and the capability to invest successfully. We're able to think beyond the next year or two, recognising that investments in improving our proposition and customer service take time to generate returns. This gives us an advantage over a shareholder-owned model, where there is a friction between short-term profits for shareholders and the multi-year timeframes inherent to our business. In contrast, we're able to reinvest our profit in the business to improve outcomes for members or return it to them as a savings reward on their fees.

Ultimately, our model and purpose only matter if they enable us to consistently deliver for members year after year. We're continuing to transform every aspect of our business to ensure we can do this.

We've continued to build out our investment team and appointed another new investment manager in the year, which is closely aligned to our responsible investment agenda. We expect to make our first investments in real assets in the next 12 months, with the ongoing diversification of our portfolio enabling our members to own a stake in some of the most sophisticated asset classes available.

We're also focused on business resilience, given the volatile geopolitical environment. Our strong financial position and scale means we are financially robust, allowing us to stay solely focused on providing the service our members expect.

Our people are central to what we do and we've invested heavily to bring new skills into the organisation. We're delighted that so many talented people are inspired by our purpose and the quality of our offering, and want to be a part of our future. The redevelopment of our Crawley headquarters has created a welcoming and supportive environment, and brings a renewed sense of energy to our workplace. We were pleased to welcome Torsten Bell, Minister for Pensions, to officially unveil the building for us.

Two new Non-Executive Directors joined the Board this year. Richard Dallas brings 30 years of executive career expertise across pensions, financial services and fintech, while Jackie Leiper has extensive technical experience in financial services, with deep knowledge of pensions and investments. I also want to thank Dean Lamble and Jim McKinnon for their contributions, as they both retired from the Board this year.

In summary, PPL has come a long way in a short period but we still have plenty to deliver. We're doing this from a strong position, with a clear strategy and investments planned to further enhance our proposition and customer service. We'll also continue to play a strategic role in shaping the industry landscape, so we can help even more people build their financial foundations for life.

Jim Islam

Jim Islam
Chair

Chief Executive Officer's Statement

As a truly purpose-driven Group, we have a unique position in the UK financial services sector. Over the last year, we've continued to put our members first in everything we do, from the ongoing transformation of our business to our engagement with the Government and Regulators on the future of the pensions industry.

Building financial foundations for life

Our business exists to help people build financial foundations for life. In essence, this means that we offer products and services that are straightforward, high quality and open to all employers requiring to be enrolled with a workplace pension in the UK. Regardless of their income, we enable our members to build their pension savings over time, and we aim to support them by providing great value, strong investment performance, excellent service and transparent guidance, so they can make the right decisions at key moments.

We want as many people as possible to be able to benefit from our profit-for-people model. We've designed our strategy to ensure that we're a leading choice for employers and that we remain a great choice for our members, while putting our profits to work for their benefit.

We have made strong progress this year with every aspect of our strategy, adding new services to support our members and their employers, achieving record levels of customer satisfaction and continuing to invest heavily in our service model. Importantly, we don't outsource our operations, which means it's our people who show up every day to deliver for our members.

We're making great progress with increasing our appeal to a wider range of employers and advisers, and we've seen excellent results in our retention of key employers and in the number of significant new business wins. Our brand campaign has raised our profile and we'll continue to communicate how our model and purpose make us stand out in our industry.

As an asset owner, our focus is on selecting managers and opportunities that work for our members, with the aim of delivering consistently good returns. Investment performance over the last 12 months has been strong and our assets under management have continued to grow rapidly, reaching almost £39bn at the year end and cementing our position as the UK's largest private master trust.

We've shown we're prepared to make big decisions on who manages the assets under management, if we believe they'll deliver for members. We demonstrated this last year with the appointments of Invesco and Amundi, which have proved highly successful. This year, we were pleased to appoint Robeco to manage our growing emerging market equities portfolio, reflecting its cutting-edge investment approach and commitment to responsible investment. We expect to announce two further investment managers in the coming months to support us in delivering investments in real assets.

We're committed to the Mansion House Accord and to increasing our exposure to private markets, to support investment returns and economic growth. We've built our capability in private markets and expect to make our initial investments in the next 12 months.



CEO Statement (continued)

A pivotal time for the pensions industry

Pension reform is central to the Government's agenda. The Pensions Schemes Act 2026 ("the Act") received Royal Assent on 29 April 2026, and is designed to create better-value pension schemes that deliver for both savers and the economy, recognising the industry's significance as the largest source of domestic capital. The Act's other key measures include introducing a value for money framework, mandating default retirement solutions and creating a system for consolidating the many small pension pots left behind when savers move jobs.

We expect the Act to be followed by further legislation before the end of this Parliament, in response to Phase 2 of the Government's pensions review. This is considering the adequacy of current retirement saving, including critical issues such as contribution rates, saver behaviour and automatic enrolment rules.

PPL's scale and our unique purpose-driven model give us both the opportunity and responsibility to take a leading role in shaping these reforms. We're being very proactive in engaging Government and the regulators and unashamedly putting savers' needs first in every interaction. This means we stand out from other pension providers, who must also focus on protecting their shareholders' interests.

As just one example of our activities, we initiated a cross-industry pilot group called Pound for Pound, to showcase what's possible regarding value for money and inform Government and the regulators' thinking. There is further detail regarding the Pound for Pound initiative in our case study on page 21. We're now looking to establish a second version of this initiative. We're also actively campaigning for reform in the unadvised transfer market, taking lessons learned from the Australian pensions model to improve the protection and information available for savers making transfer decisions.

We see the default consolidator model as the right ambition to tidy up the huge volume of small pots around the industry. The proposals regarding small pots play to our strengths, given our expertise in efficiently combining small pots for our members. However, the proposed reform does not do enough to prevent the creation of small pots and we'll continue to contribute to the discussion about how best to do this.

A period of such profound and rapid change creates both risks and opportunities. These reforms will shine a light on the industry and the value it offers. It's our job to step into that light and make sure we're delivering value for members in every aspect of our activities. This means continuing our transformation strategy, so we're recognised as a leading workplace pension provider, while staying agile and adapting to the new landscape.

A strong partnership with the Trustee of People's Pension

This was our first full year as in-house investment adviser to the Trustee. This has further strengthened our relationship, which is united by a common purpose with the saver at its core. While we rarely disagree on the focus of our activities, the Trustee operates robust governance and rightly continues to challenge us on how quickly we can achieve our objectives and where we should prioritise investments. We strongly believe in the Trustee governance model which focuses on priority outcomes for members.

A personal honour

On a personal level, being recognised with a CBE in the King's Birthday Honours for services to the Pensions Industry in June 2026 was a wonderful and humbling surprise. It's an honour to lead such a wonderful, purpose-driven organisation, making a real difference to pension saving in the UK.

Looking forward

We already have a model that works really well for members. We will continue to move that model forward, to support members through retirement and encourage them to consolidate their funds with us. We'll also work to further improve our commercial appeal, so we're recognised as a leading workplace pension scheme provider and can compete effectively in every part of the market that we target. In addition, we want to be ready to play our part in the consolidation of the industry, while continuing to lead the debate about its direction and how to achieve the best outcomes for all pension savers in the UK.

We continue to support our legacy construction industry products, including our employee life and accident cover products, and our B&CE Benefits Scheme, together servicing over 427,000 members.

In conclusion, I'd like to thank everyone at People's Partnership for their hard work and contribution to another successful year, for both our members and our Group



Patrick Heath-Lay, CBE
Chief Executive Officer

Chief Finance Officer's Statement



With our members at the core of everything we do, we have delivered a strong financial performance in the year. This performance reflects the scale of People's Pension and our continued investment in enhancing outcomes for our growing membership.

Financial review

We have delivered strong financial results for the year ended 31 March 2026.

The PPL Group delivered another year of revenue growth, with revenue increasing to £156.7m (2025: £132.4m), reflecting the continued expansion of AUM and the strength of People's Pension proposition.

AUM increased significantly to £38.9bn at the year-end (2025: £31.3bn), underpinned by ongoing contributions from our growing membership and positive investment performance during the year. Investment performance contributed £4.3bn to this growth, demonstrating the resilience and effectiveness of our investment strategy.

EBITDA of £9.7m (2025: £21.6m), reflects the deliberate and continued investment we have made in our product proposition, brand and systems to support future growth and enhance outcomes for members. These investments are central to strengthening our long-term capabilities and ensuring we continue to deliver value at scale.

We continued to see strong momentum across the Scheme, with membership increasing to 7.2 million and sustained high levels of key employer retention at 96%, alongside continued new key employer growth. This scale remains a key driver of our financial performance, supporting both revenue growth and our ability to deliver value to members. Alongside our strong financial performance, we've continued to focus on the strategic planning and governance that will enable us to deliver successful change at pace.

Financial highlights

Total assets under management

£38.9bn

2025: £31.3bn

Group Revenue

£156.7m

2025: £132.4m

EBITDA*

£9.7m

2025: £21.6m

*Earnings before finance interest expense, tax, depreciation and amortisation

Membership

7.2m

2025: 7.0m

CFO Statement (continued)

Revenue

Revenue increased by 18% to £156.7m (2025: £132.4m), driven primarily by growth in AUM during the year. Our AUM surpassed £40bn in February 2026 for the first time, which is a significant growth milestone for us, and despite the global market's volatility in March 2026 our AUM stood at £38.9bn at the end of the year (31 March 2025: £31.3bn), an increase of 24%. The average AUM during the year was £36.5bn (2025: £29.6bn).

Growth in People's Pension's AUM is driven by three key elements:

- Fund Growth: the main default fund continued to deliver strong performance, growing 14.6% during the year, against a performance objective of 5.9%. This added £5.5bn to AUM, split £1.9bn of net contributions paid in, and £3.6bn in market gains.
- New active members: People's Pension added 509,141 new contributing members in the year (2025: 573,747), with 3,813 new employers joining the Scheme (2025: 3,101*).
- Average member contributions: we received annual contributions of £4,419m (2025: £4,225m), with the average contribution growing by 6% to £2,430 per member (2025: £2,297).

* Number for 2026 based on a refined method for counting new employers, comparative restated at 3,101.

Net Operating Expenses

Net operating expenses increased by 31% to £153.0m (2025: £117.1m). This reflects our continued investment in people to service our growth and in strategic development projects to ensure the business is able to deliver a great outcome for our members.

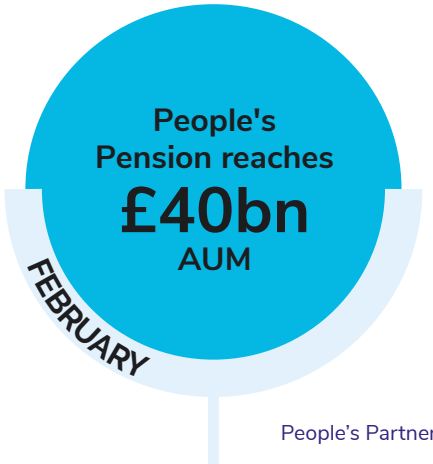
We more than doubled our investment in strategic development projects to £30.0m (2025: £13.5m). This investment is enabling us to deliver retirement products for members, enhance our product proposition and our brand, and continue to modernise and strengthen the resilience of our systems. We also invested in further improvements to our app and other tools for members.

Finance Income

Finance income decreased to £5.0m (2025: £5.5m), primarily due to in year reductions in the Bank of England interest rates, impacting the rates on the cash account and money market funds that we hold. We actively manage our cash to ensure we get the best return possible.

Profit Before Tax

The consolidated profit before tax for the financial year was £8.7m (2025: £20.8m), reflecting the increased investment we have made in enabling the business to deliver financial foundations for life for our members.





CFO Statement (continued)

Pensions

The Group's defined-benefit pension scheme accounting valuation at the year-end had a surplus of £6.4m compared with a surplus of £4.7m last year. Scheme asset values increased by £0.9m while scheme liabilities were £0.8m lower. The pension accounting standard only permits recognition of a surplus when the sponsor is entitled to a refund from the scheme. As this is the case, finance income of £0.2m has been recorded, along with a £1.5m surplus recognised within other comprehensive income.

Taxation

The tax charge for the year was £2.5m (2025: £5.4m). The effective rate of tax was higher in 2026 at 28.5% (2025: 25.9%), due to the inclusion of a prior year adjustment of £0.4m. Stripping this out would create an effective tax rate of 24% which is in-line with the UK corporation tax rate.

More information on our financial performance can be found in the Group Consolidated Financial Statements from page 54.

Balance Sheet

The Group continues to maintain a strong balance sheet, with net assets increasing to £129.2m (2025: £122.0m), supported by strong cash generation and disciplined financial management. Cash balances remained robust at £126.4m (2025: £122.3m), providing the financial flexibility to support our ongoing investment strategy.

Delivering for members

Our financial performance enables continued investment in improving outcomes for our members, whether that is in strengthening our investment capabilities to enhance performance of People's Pension or in continuing to develop our products further for the benefit of our members. During the year, we continued to enhance our in-house investment capabilities, expand our digital offering, enhance member engagement tools and improve service delivery.

We also passed a significant milestone in July 2025, exceeding £100m in cumulative savings reward returned to members, demonstrating our commitment to ensuring that the value we create is shared directly with those we serve.

Customer satisfaction and service performance remained strong, with satisfaction increasing to 88% and service levels achieved at 97%, reflecting the quality of our operational delivery.



Capital

The Group remains well capitalised, with all regulated entities maintaining capital above their respective regulatory requirements throughout the year.

We continue to operate with a prudent approach to capital management, ensuring that we have sufficient resources to meet regulatory requirements, support growth, and maintain resilience in a changing economic environment.

The Group has the following capital reserving requirements:

- People's Administration Services Limited ("PASL") is the Scheme Funder for People's Pension. In compliance with Master Trust supervision regime requirements, it has held the necessary capital to meet its obligations throughout the financial year. At 31 March 2026, PASL held Master Trust reserves of £36.9m as calculated in the Costs, Assets and Liquidity Plan ("CALP"), including a £0.5m contingency, as required by the Financial Support Undertaking ("FSU") with the Trustee of People's Pension. As stipulated in the FSU, Master Trust Reserves have been held in a ring-fenced account throughout the financial year and the Trustee of People's Pension has a legal charge applied to the capital held in this account.
- PASL is regulated by the Financial Conduct Authority ("FCA"). Throughout the year, PASL more than covered its FCA capital requirement of £20k (2025: £20k).
- B&CE Insurance Limited ("InsCo") is regulated by both the FCA and the Prudential Regulation Authority. It has held the necessary capital to meet its obligations throughout the financial year, being £5m, split £3m for the Long-Term Fund, and £2m for the General Fund. These amounts remain unchanged since the prior year.
- People's Investments Limited ("PIL") is FCA regulated and maintained capital throughout the year to cover its capital requirement of £1.

CFO Statement (continued)

Risk and resilience

We continue to operate within a robust risk management framework, ensuring that risks are identified, assessed and managed in line with our strategic objectives and with a clear focus on member outcomes.

The Group maintains a strong financial position, with a well-capitalised balance sheet and significant liquidity, providing resilience in the face of an evolving economic and regulatory environment. While we seek to increase the strength of our balance sheet as the business continues to scale, the strength we have enables us to continue investing in our capabilities while maintaining appropriate safeguards for the business and our members.

This combination of financial strength, prudent risk management and ongoing investment ensures that we remain well positioned to navigate uncertainty while continuing to deliver sustainable outcomes for our members.

Outlook

Looking ahead, we remain focused on delivering sustainable growth through continued development of our investment strategy, targeting strong investment performance, and ongoing investment in our proposition. To support this, we have committed to invest over £140m in furthering the proposition over the next four years as part of our 2030 Plan, to help our members build better financial foundations for life.

The pensions landscape continues to evolve at pace, with increasing emphasis on value for money, scale, and outcomes. Our scale, financial strength, and clear member-focused purpose position us well to respond to these changes and continue to deliver strong outcomes over the long term.

We will continue to invest with discipline, ensuring that we remain well positioned to support our members both now and in the future.

Kay Smith

Kay Smith
Chief Finance Officer



Our business model

Members' needs are at the heart of our business model, reflecting the purpose of our organisation.

The foundations of our business

Our business has the following strengths and key assets, which are fundamental to our ability to create value for members:

People and culture

As at 31 March 2026 we had employed 1,092 highly committed people, who come into work every day determined to deliver our purpose.

Specialist knowledge

We have deep in-house expertise across our business, including specialists in propositions, customer engagement, distribution, operations and our rapidly growing Investment Team, underpinned by highly experienced colleagues in our support functions.

Scale

As the provider of the UK's largest private master trust, we have the scale to attract great talent and to reinvest significant amounts each year for the benefit of customers.

Financial strength

We're well-capitalised and financially strong, with the resources to invest and to remain resilient in an uncertain economic environment.

Well-invested infrastructure

Our cloud-based systems provide a high-quality platform to deliver ongoing improvements to our customer service and operational performance.

How our business works

- ✔ We build products and services with everyone in mind. This means our products are simple, accessible and high quality, so our members can understand their pensions and feel confident in engaging with them.
- ✔ We continually invest in our products and services, to improve members' experience and outcomes.
- ✔ We focus on delivering our savings promise to members, through strong and sustainable investment performance. Our Investment Team advises People's Pension's Trustee directly on key issues, such as selecting investment managers and asset allocation, and is spearheading People's Pension's drive into new investment markets.
- ✔ We look to deliver excellent customer service, which includes acting transparently and providing clear information and guidance, so our members can make the right decisions.
- ✔ We invest in our colleagues, though apprenticeships and MBA sponsorships, to make PPL an even better place to work, help them achieve their potential and deliver for customers.
- ✔ We aim for operational excellence, which supports great customer service, gives us the capacity to grow and increases our efficiency, so we generate more profit to reinvest.

The value we create

Value for customers

The value we provide to customers takes many forms but the most important elements are the investment returns we deliver and the fees we charge. As we don't have shareholders, we return a substantial amount of our management charges to members – over £130m to date and £43.8m in the past year alone. Most significantly, in July 2025 we passed the £100m threshold for cumulative management charges returned to our members. We also offer members a unique best price guarantee, and a growing range of complementary services at no extra charge.

Value for our colleagues

We offer colleagues attractive rewards and benefits, the opportunity to learn and develop, and actively support their career progression and wellbeing. See pages 31 to 33 for more.

Value for our community

Our focus on local recruitment supports the regional economy and reduces commuting. We also help the community through volunteering days and our work with charities (see pages 34 to 35).

Value for society

We make an important contribution to society by supporting the financial wellbeing of our 7.2 million members and their families. In addition, we work to create positive change in our industry which benefits everyone.

Our strategy

Our strategy is threefold: being a leading choice for employers, making profits work for members and creating a great future for members.

The quality of the people we employ at People's Partnership is fundamental to the success of our strategy.



Our strategy (continued)

Our strategy is designed to make us the provider UK employers and pension savers choose, because we do the right thing, are on their side for the long term and give them excellent value for money and great outcomes.

To achieve this, we've set the following strategic objectives:



A leading choice for employers

We'll reach as many UK pensions savers as possible by having a strong proposition combining:

- commercial appeal;
- world-class asset ownership; and
- scalable service excellence for employers of all sizes.

We'll set the standard for delivering great outcomes and the features that matter, and be recognised and recommended by our target employee benefits consultants, corporate independent financial advisers and payroll providers.



Putting our profits to work for members for the long term

We'll continue to reinvest what we earn, to create value for our members, while finding the right long-term balance between:

- improving our member proposition;
- operational resilience and financial stability;
- delivering transformation and efficiency; and
- returning value to our members.



A great future for members

We'll give our members a compelling reason to choose us, for a lifetime of savings and retirement, by:

- providing excellent investment performance, through world-class asset ownership and service;
- offering everything members need to plan and manage their retirement income, and a hub for a range of trusted and needed financial products; and
- being open to anyone and ready for a world where members can choose their own pensions.

We'll back this with support that makes us stand out and leads them to keep coming back, by:

- ensuring we have easy to use, personalised customer journeys with a choice of channels;
- providing education, guidance and support, for making better individual and family financial decisions; and
- building a brand that is known and trusted as being 'for members'.

How our industry is changing

The pensions industry is rapidly evolving, with the Government and Regulators looking to reform the industry to ensure it delivers for savers. The Government also recognises the role pension funds can play in boosting economic growth and people's living standards, by investing in the UK's infrastructure and growth businesses.

Pension reform with long-term ambitions

The Pension Schemes Act, which came into force on 29 April 2026, represents the most significant reform of UK workplace pensions since auto-enrolment. It charts a path toward a consolidated, transparent and outcome-driven system, where scale and performance based on value are essential.

For defined contribution schemes such as People's Pension, the Act's highlights include:

The introduction of a 'mega-funds' framework

This proposal recognises that larger schemes are better positioned to deliver value through efficient administration, economies of scale and investment in private markets. To continue to receive auto-enrolment contributions, schemes will need to manage at least £25bn of assets in their main default fund by 2030. Schemes with at least £10bn in assets will be able to follow a transition pathway, provided they have a credible plan to reach £25bn by 2035.

The Act also contains a reserve power allowing the Government to set minimum investment targets for specified asset classes, including UK productive assets such as infrastructure.

This will likely drive schemes to consolidate, resulting in fewer, larger providers, who will invest in the UK and overseas, and in both public and private assets.

The introduction of value for money metrics for all workplace pensions

For any employer operating a pension scheme in the UK, the trustees and managers of that scheme will have to assess the value they provide to members and publish their results and the underlying data. The rating will broadly reflect three metrics – costs and charges, service quality and investment performance – broadening from the current market focus on cost to place more emphasis on achieving better long term outcomes. Schemes that fall short of a 'fully delivering' rating will face material consequences, ranging from submitting an improvement plan to The Pensions Regulator to a forced transfer of members to a better-rated scheme.

A legal framework to require the consolidation of small, deferred pension pots

When people change jobs, they typically join a new pension scheme. This can result in them having many small pension pots dormant in their previous schemes. The proposed 'default consolidator' model would automatically consolidate pots worth £1,000 or less into a small number of authorised schemes. This could offer a practical, scalable way to address the problem, reducing inefficiency and helping savers build more meaningful balances. The consolidation solution is designed to come fully into force once the megafunds market is established, which is expected after 2030.

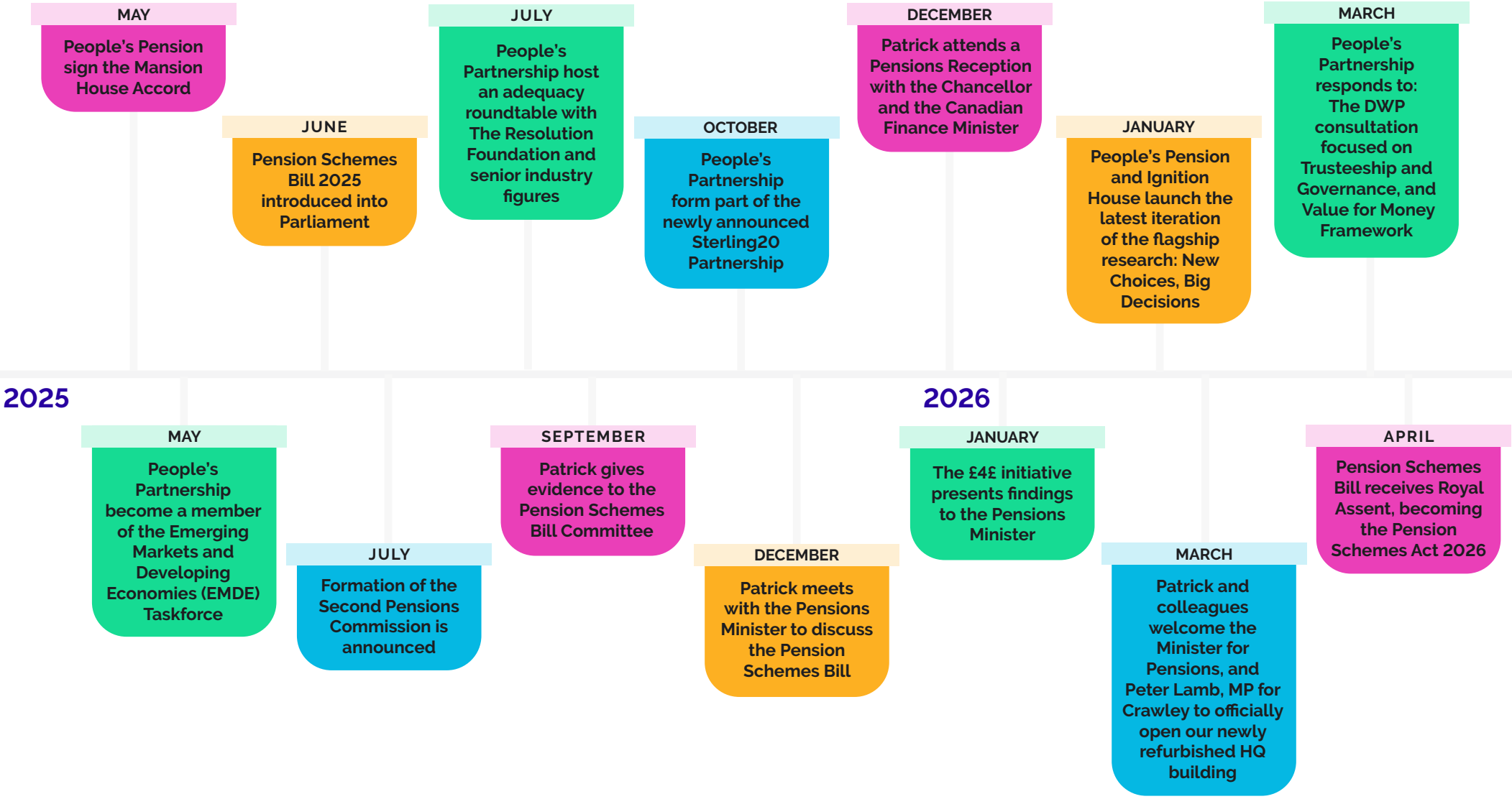
A new duty on schemes and trustees to offer a default retirement product

Savers reaching retirement face complex decisions about what to do with their pension savings. The requirement for schemes to offer a default retirement product will provide a straightforward route to a lifetime income for savers, who will retain the ability to opt out and access their pension how they wish.

The Pension Schemes Act, which came into force on 29 April 2026, represents the most significant reform of UK workplace pensions since auto-enrolment.

How our industry is changing: People's Partnership industry engagement timeline

Throughout this financial year, we have actively engaged with government, policy makers, industry and wider stakeholders to advocate for our members. This includes attending and hosting industry events, working closely with government on legislative changes, launching research and responding to consultations. Milestones include:



How our industry is changing: Pound for Pound case study

Pension industry poised to shift focus from cost to value as 'Pound for Pound' initiative unveiled

Government, regulators and leading pension providers came together for a roundtable on 22 July 2025, demonstrating the sector's shared ambition to deliver better outcomes for savers through a joined-up approach to Value for Money ("VFM").

The event marked the first public discussion of the 'Pound for Pound' ("£4£") initiative – a pilot group of providers brought together by People's Pension, which included Aviva, Smart Pension, TPT Retirement Solutions, L&G and NatWest Cushon, and supported by Australian firm SuperRatings. The initiative explored how the UK pensions market can move beyond cost-based comparisons and instead assess performance through broader value-based metrics, understanding the practicalities of a process that will shift market conversations away from cost towards value. This was seen as essential for the success of the Government's proposed approach laid out in the Pension Schemes Bill 2025.

Hosted by the Minister for Pensions, Torsten Bell MP and co-chaired by People's Pension CEO Patrick Heath-Lay and Pensions UK Chair Emma Douglas, the roundtable included the FCA, DWP, Pensions UK and a number of the Mansion House Accord signatories, including the £4£ Pilot group. Insights from Australia's superannuation system were central to the session – highlighting how clear benchmarking, transparency and regulatory oversight have transformed member outcomes and understanding of value in Australia. The UK's £4£ pilot drew on these lessons, providing anonymised benchmarking reports to UK schemes and assessing how qualitative and quantitative data can be used to meaningfully assess value.

Participants at the roundtable agreed that agreed that collaboration was important in defining and embedding a robust and fit for purpose VFM regime. Intended to inform the ongoing development of VFM metrics in the UK, the discussion focused on how lessons from Australia and insights from providers could inform regulatory thinking and support the development of a UK VFM framework.



"The Government's drive to evolve the pensions market and centre it on value is a significant step change. As a pension provider, shining a light on how we 'measure up' on value in a transparent and consistent way is a major shift but one that we must all rightly embrace. This needs to be introduced in a well-planned and effective manner that aligns to Government reforms, enables effective regulatory oversight and most importantly instils greater confidence in the pension system for savers. We set up the £4£ initiative to help inform this shift in focus from cost to value, and we are really encouraged by the shared appetite to collaborate and support this fundamental market change."
Patrick Heath-Lay, CBE, CEO of People's Partnership



How our industry is changing: What these changes mean for us and our members

We see much to welcome in the Act. It aligns to our principles and we're determined to step up to the challenge as the industry transforms. We'll continue to use our unique model to channel the value we create into better outcomes for savers.

People's Pension already exceeds the scale requirement and we expect our AUM to be larger still by 2030. In a consolidating market, we're a fantastic home for people's pensions and we've long understood the benefits of scale and remaining a market leader. As the largest private master trust, focused on our purpose of helping people build financial foundations for life, we want to set the standard in the market for delivering great outcomes for our members and we believe we're well placed to succeed.

Our strategic priorities, which are set out in more detail on page 18, reflect the actions we need to take so that we flourish as the industry evolves. For example:

- we're continuing to add products and services, to ensure we have a compelling proposition in workplace pensions;
- we already have the strategy and expertise to invest in private markets, as part of our focus on delivering strong and sustainable investment returns; and
- we're continuing to invest in our business, so we can deliver even better value for our customers.

We recognise that the needs of individual members will become increasingly important over the years ahead, with the introduction of pension dashboards, small pot consolidation and the focus on retirement solutions. In addition to ensuring we have the products, services and guidance they need, we'll continue to raise the profile of our brand, so individuals really understand our difference in this market and choose us to support them through their retirement.



Operational review and business update

Continuing to grow People's Pension

Our success in positioning People's Pension as a leading choice for employers and a great choice for members is reflected in the Scheme's continued growth.

People's Pension's membership increased by 3% to 7.2m (31 March 2025: 7.0m). This reflects our excellent retention of key employers, at 96.4% (2025: 97.5%), despite extremely strong competition. We saw customer retender exercises increase four-fold compared to 2025 and we successfully retained the vast majority of our mandates.

We also secured significant new business wins. The value of new contributions from existing clients and new clients switching providers grew 88% in 2026. We've also seen good wins with employers offering pensions to their employees for the first time, where we saw a 27% increase year on year. We were pleased to see an increase of 34% in the number of tenders we received from intermediaries, showing their conviction that we're an attractive provider for their clients. In total, the number of new employers joining us was up 23% to 3,813 (2025: 3,101).

Key employer retention

96.4% 2026
97.5% 2025

96.4%

Enhancing our commercial appeal to employers

To become a leading choice in our market, it's essential that we have a well-known and respected brand. This year marked a significant milestone as we launched our first brand campaign, directly promoting the Scheme to employers, intermediaries, members and consumers. We used punchy creative executions to bring our purpose to life in a meaningful way, so people know who we are and what we stand for when they are saving for retirement with us.

The campaign featured billboards across the country and promotions at major UK pension conferences. We also launched a campaign to reach Generation Z through a different approach, such as using influencers on Instagram to discuss pensions and planning for the future. This was the start of a multi-year brand investment, as we continue to raise our profile and differentiate ourselves in our industry.

To support our growth plans, we expanded and reshaped our distribution team, with more than half the team having joined us in the last 12 months. We're attracting talented people who really want to deliver on our purpose and are dedicated and focused on developing and enhancing a really competitive proposition to take to market.

We've also built an engagement and communication team. Through quarterly campaigns, we can educate savers on important topics that we know lead to better outcomes, such as getting started with a pension, increasing contributions, consolidating their pension pots and having a retirement plan. As part of this, we launched our Pension Talk webinar platform in January for mass engagement with employers, intermediaries, customers and members. Our first webinar attracted over 1,000 attendees, demonstrating impressive scale and reach.

We also relaunched our digital employer toolkit just before the financial year end, to help employers with employee engagement and communication. This has included delivering 212 dual-branded or branded microsites, which are embeddable within employer portals and communication tools.

We'll be revising the member savings reward, which will see members receiving modestly lower savings reward. We believe the net benefit of further enhancements to our investment strategy and proposition will comfortably outweigh the increase in price, and that the vast majority of members will be better off over the long term. We'll continue to review our pricing annually.

Over 1,000 attendees at our first Pension Talk webinar

Maintaining construction industry schemes and products

We constantly review all our products and services – current and legacy – to make sure we're delivering real value for money for our customers and members. When there's clearly a better option for members, we'll let them know. Overall, construction industry specific schemes, namely the B&CE Benefits Scheme (comprising of Lump Sum Retirement Benefit ("LSRB") and Additional Voluntary Contribution ("AVC")), still serves 322k members (2025: 329k). In addition, the Employee Life Cover from B&CE Scheme and Employee Accident Cover product still serve 106k members (2025: 108k).

Operational review and business update (continued)

Ensuring we're a great choice for members

Alongside People's Pension we offer tools and guidance that add value for members and their employers, at no extra cost to them. This helps us to stand out as the workplace pension provider that gives members the support they need to manage their money, plan for retirement and get the best possible outcome for their savings.

Existing members have continued to consolidate their pensions with us and we saw £645m of transfers in during the year (2025: £551m). However, transfers out request volumes have increased, driven by an increase in people seeking to track down their historical pension pots.

We're responding by giving as much guidance as we can to people thinking about transferring their pension, since the wrong choice can significantly reduce the value of their pension in the long term. It's very important in these circumstances that they can talk to somebody that can give them unbiased information and support so that they can make the right choice for themselves.



We've continued to enhance our app to embed core functionality previously only accessible through our portal. For example, members can now nominate beneficiaries in the app, which we expect to be a key metric in the future value for money calculation. We also built in core journeys, such as transfers, made our financial wellbeing proposition available through the app and worked to improve the app's usability. We've seen continued excellent take-up, with 602,000 downloads by 31 March 2026 (31 March 2025: 312,000). The app currently has a rating of 4.7 out of five on Apple's App Store, based on 2,891 reviews, and 4.8 out of five for the Android app, based on 799 reviews. This ranks it in the top two* in our industry and shows the quality of the user experience.

We continued to launch new tools for members during the year. Our Pension Finder is designed to assist with finding lost pensions from previous employers and to help members with their consolidation decision-making. We designed it to be very transparent, with the tool incorporating our charges calculator so they can understand the impact on returns of different providers' charges. The Pension Finder launched in November 2025 and there have been more than 60k requests to find lost pensions within five months.

As more members move from building up pensions to drawing them down, we need to help them manage their pension savings more sustainably in retirement. Our new regular income planning tool enables people to understand what level of income their savings can support and allows them to choose either an income value or a target duration for their income. It provides an updated view of how long their income is expected to last each time they log into their account, issues alerts as their pots diminish and provides flexibility to adjust their choice as their circumstances change.

*Apple's App Store rankings, May 2026.

602,000 app downloads with an Apple App Store rating 4.7/5

The regular income planning proposition will form the foundation of our default decumulation solution, which we are continuing to progress. We're working closely with the Department for Work and Pensions ("DWP") to ensure we're designing a solution that will support members at retirement in the way the DWP envisages.

We've successfully trialled personalised video statements for members, which have generated very high levels of engagement, with 4.7/5 star rating and 95% watch to the end. We intend to roll these out in the first half of the next financial year. We will continue to increase personalised engagement in coming years as we leverage our investment in cloud-based infrastructure, implementation of Salesforce, and a new content management system.

We're also aiming to introduce an annuity guidance service for our members in the next few months and we are continuing to review our self-select investment fund range, to ensure that members who want to make their own investment decisions have the right choices available to them.

This year, we published the latest edition of New Choices, Big Decisions. This longitudinal study, launched in 2015, provides valuable insights into how older retirement savers have struggled to navigate the pension freedoms introduced that year. The research output fed into DWP's work on default decumulation, influencing the market's direction and positioning us as a thought leader in this area.

Operational review and business update (continued)

Investments

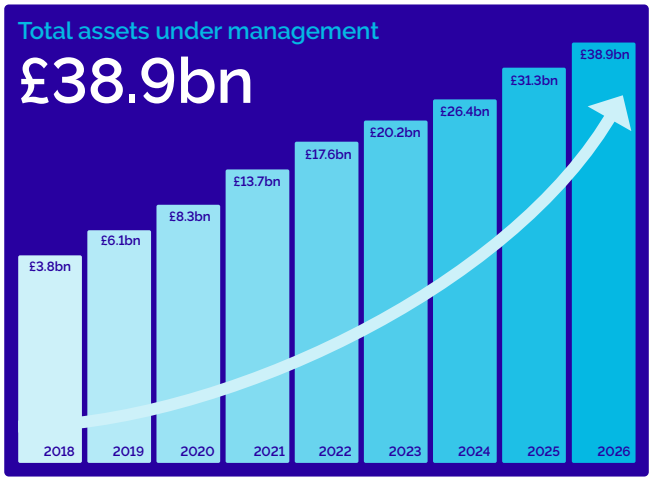
Becoming a world-class asset owner

For us, being a world-class asset owner starts with achieving strong, sustainable investment returns for our members. It also includes:

- running an efficient and cost-effective operation focused on delivering value for money for members
- having a process that identifies innovative ideas and brings these into the portfolio
- identifying and making use of our 'edge' when it comes to investing in global markets
- integrating Responsible Investment considerations so that we are a Responsible Owner of the assets we hold on behalf of members.

Strong and consistent investment returns are central to our ability to attract employers and deliver for members. People's Pension's AUM grew from £31.3bn at 31 March 2025 to £38.9bn at the year end, with positive investment performance contributing £4.3bn of this increase. The main growth default fund performed well, growing by 14.6% during the year, against a performance objective of 5.9%.

The main growth default fund performed well, growing by 14.6% during the year, against a performance objective of 5.9%



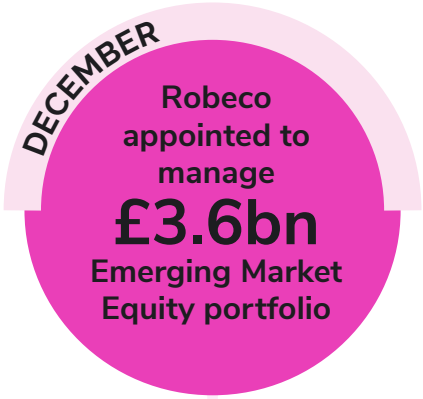
This was our first full year as primary investment adviser to the People's Pension Trustee. Asset allocation advice is one of the highest value-adding activities, and it's important that we can do that directly. Becoming the primary investment adviser enables us to continue to strengthen the close relationship we have with the Trustee. We have a shared set of investment beliefs that we use to inform all our work, and we can act as a single, coherent asset owner. We believe this is a far more effective model than a trustee and provider relationship.

We have upgraded our investment strategy considerably and are now operating a more advanced model, with a significantly greater capability and skillset focused on the investments in the Master Trust.

During the year we continued to embed our key partnerships with Invesco and Amundi, which benefit from the significant work we put in to construct bespoke investment management agreements (IMAs). These result in a very different relationship compared with investing in a pooled fund, allowing us to hold our managers to a high standard and ensure they remain aligned to our objectives.

We added another investment manager this year, appointing Robeco to manage our £3.6bn emerging market equity portfolio. This marks a shift from a passive approach to a very cost-efficient active quant strategy, reflecting the structural challenges we have seen in markets and indices in the region. Robeco is a world leader in its approaches to ESG and responsible investing.

Having put these strong foundations in place, we are continuing to build on them. For example, we ensure we have a regular information flow from our investment managers, so we can extract key insights and combine them with our own to support our decisions. While our investment managers are responsible for day-to-day investment decisions, having segregated mandates means we continue to control important elements of our portfolio construction, such as rebalancing and cash management. We test our decisions through our Management Investment Committee, made up of a key group of senior people, while our quarterly Investment Forum analyses the whole portfolio.



Operational review and business update (continued)

Investments (continued)

In November 2025, we announced significant changes to the £6bn Pre-Retirement Fund, to deliver better outcomes for our older members. This resulted in significantly restructuring the fixed-income allocation by reducing cash holdings and exposure to sovereign bonds, instead focusing on a global portfolio of high-quality, short-dated corporate bonds, actively managed by Invesco.

We also look to identify innovative ideas and bring these into the portfolio where they can add value, while accessing them in the most cost-efficient ways that make use of our scale. One example of this working over the year was appointing Invesco to manage over £260mn in AAA-rated Collateralised Loan Obligations ("CLO") for us. This diversifies our fixed income exposure and offers members long-term income generation as part of their default investment. We believe this is the first time a UK master trust has made a strategic allocation to CLO investments.

Much of what we do is index tracking investing but we still need to access markets in the most efficient way. Overall our aim is to generate returns at the Total Fund level that are ahead of peer group averages, and pleasingly since September 2022 we have achieved this. We anticipate a continuation of our success in this area over the forthcoming year. We recognise that the scale of our AUM means even small improvements to our approach can have a large impact in monetary terms. We therefore have a relentless focus on minimising costs and maximising returns, for example through our approach to managing cash and efficient trading.

As noted in last year's report, our new Co-Heads of Real Assets joined us in May 2025. We've identified a potential pipeline of opportunities and aim to make our first investments in the next financial year. We'll seek the most attractive opportunities, so we will invest internationally as well as in the UK. We continue to target an allocation of £4bn to real assets by 2030.

Following our recruitment in real assets, the main components of our internal investment team are now in place. We will make further hires as the Scheme grows.

During the year, we published our first Responsible Investment ("RI") report. It provides an in-depth look at our manager selection process, as well as our managers' voting and engagement practices, including an assessment of their alignment with our RI policy and thematic priorities. The importance of RI is reflected in winning the 2025 Principles for Responsible Investment's (PRI) Innovation in System Stewardship Award. This recognises our work in leading the development of the Asset Owner Statement on Climate Stewardship, launched in February 2025, and our allocation of £20 billion in developed market equities to Amundi, in part due to its strong alignment to our RI Policy.

Just before the end of the financial year, we announced our updated climate approach. Our objective is to manage climate transition risks to asset values. Global emissions are not on track to limit warming to 1.5 degrees, as envisaged in the Paris Agreement. Therefore, we're moving away from a single, top-down target of having a 1.5 degrees aligned portfolio and instead emphasising practical, evidence-based action. We'll implement this with a bottom-up approach to reflect differences across markets, asset classes, and sectors, setting targets on a case-by-case basis. The Scheme will continue to have a net zero ambition that is aligned with the Paris Agreement.



Operational review and business update (continued)

Operational review

Our goal is to deliver first-class customer service at scale for each of our 7.2 million members and over 100,000 employer accounts.

The clearest indicator that we are on the right track is the achievement of our highest-ever customer satisfaction score of 88% (up from 85% in 2025), following customer contacts. This is further reflected in our Trustpilot rating of 4.2.

Alongside this, we operate to defined service standards - typically five working days for most customer requests, three working days for email responses, and one working day for more immediate requests such as fund switches. This year, we achieved our service level targets 97% of the time, up from 90% in 2025.

Customer satisfaction

88% 2026
85% 2025

88%

Service level performance

97% 2026
90% 2025

97%

Building capability at scale

To deliver this at scale, we continue to invest in digital capability, automation, and self-service, while simplifying and standardising internal processes. This enables us to focus more time on complex cases, person-to-person support where it matters most, and helping members make informed decisions at key moments.

For example, we have optimised our online claims journey, now rated 4.8/5 stars by users, significantly increasing digital submissions. As a result, over 63% of claims are processed fully automated, without human intervention, creating a smoother and faster experience while freeing up capacity for more complex cases, such as bereavement claims.

We have also introduced a new solution to verify customer identity and bank details digitally, strengthening both security and efficiency while removing the need for customers to submit large volumes of documentation.

We continued to roll out automation and continuous improvement initiatives, including further development of our workflow solution. This now supports auto-allocation of work, improved SLA control, and integrated quality assurance within processing, helping drive greater consistency, efficiency, and quality at scale.

In parallel, we continue to develop our contact centre platform to ensure it continues to work effectively for our colleagues and customers. For example, we have also integrated Genesys. For example, this year saw an integration of our contact centre platform with our employer CRM system, saving time when servicing this customer group.

Transfers and informed decisions

Managing transfer volumes remains an ongoing challenge, with fluctuations of up to 60% month-on-month. In response, we have invested significantly in improving both the customer journey and operational efficiency. This includes a pension finder tool on our member portal, alongside a more intuitive online transfer-in journey. At the same time, we have accelerated our transfer-out processes, ensuring that once members have made an informed decision, their requests are actioned promptly. As a result, we have achieved our fastest-ever monthly end-to-end processing times for both transfers in and out.

Supporting informed decision-making is central to processing times. Our guidance teams provide clear, unbiased support throughout the transfer process, with customer satisfaction ratings of 94%. We now support approximately 25,000 members each year, and are continuing to expand our guidance offering. This includes self-managed drawdown support for members who prefer human interaction over purely digital journeys.

Operational review and business update (continued)

Operational review (continued)

People and capability

At the heart of first-class customer service are our people, who power the experience we deliver every day.

This year, we have invested in creating an environment where colleagues can perform at their best, including the redesign of our Crawley head office, providing a highly inclusive, inspiring and functional space.

We are also building professional capability and expertise, becoming the first master trust to join the Pensions Management Institute Development Partnership Programme, giving our colleagues access to structured, industry-recognised learning pathways.

Alongside this, we continue to invest in learning, development and career progression, as well as building multi-skilled teams to improve flexibility and resilience in responding to changing demand.

Looking ahead

We are focused on continuing to strengthen the member, employer and adviser experience as well as broader industry outcomes.

We will continue to improve how customers interact with us by expanding self service options and building out our digital capabilities. This includes more intuitive digital tooling, secure ways for customers to prove who they are (digital identification and verification), and better ways for them to find the information they need. Our aim is to make it simple, fast, and convenient for customers to get what they need without having to contact us - unless they choose to.

For those customers who do contact us, we are committed to the high level of service we provide. We are also focused on further increasing first-contact resolution, so customers get what they need the first time they reach out. Within our contact centre, we are reshaping how teams are organised by introducing more specialist support, for example for customers in vulnerable circumstances and for more complex or technical queries. This ensures customers receive the right expertise at the right time, rather than a one-size-fits-all service.

We will also introduce more end-to-end case management in our administration, allowing us to manage customer requests from start to finish. This will improve speed, consistency, and control, and ensure work flows efficiently through the operation. Alongside this, we will continue to simplify processes and expand the use of automation, including AI tools, to handle routine tasks and improve efficiency.

Finally, we will continue to expand and evolve our guidance service, strengthening the support we provide to members as they make important decisions. To that end, we plan to introduce retirement guidance in the near future.

We are actively preparing for the introduction of pensions dashboards - having connected in September 2025 - which we believe will play a key role in helping savers locate and reconnect with their pension savings more easily. We also look forward to working with government and industry to address the proliferation of small pots, supported by provisions within the Pension Schemes Act, as an important step in improving member outcomes and reducing system complexity.

In parallel, we are preparing for the introduction of the Value for Money framework. We see this as an opportunity to demonstrate the strength of our customer service and member outcomes, while continuing to raise the bar across all aspects of our business.



Successfully connected to **Pensions Dashboard**

SEPTEMBER

Risk management

We are committed to identifying, assessing, and managing risks, while implementing control measures to mitigate significant risks to acceptable levels.

Risk management framework

Our Group risk management framework enables a holistic risk-based approach to managing our business. It integrates concepts of strategic planning and operational management into the following risk management framework elements, all with a focus on customer outcomes:

- Risk Governance
- Risk Appetite
- Risk Management Process, including identification and assessment of current, and emerging risks.
- Three Lines Model, with appropriate Roles and Responsibilities

The Company's success is dependent on the proper identification, assessment, and ongoing management of risk. Risks are managed at the Group level and People's Partnership has established a framework of policies, procedures and internal controls that apply to subsidiary companies over the process of risk management and acceptance.

All risk policies are subject to the PPL Board of Directors' approval and ongoing review by management and the risk management team.

Risk context

The future is uncertain, and it carries risk and opportunity for our business. These risks and opportunities may be related to our strategy and delivery of our objectives, the activities and processes of the organisation, the expectations of our stakeholders, or our key relationships and dependencies.

Risk strategy

Our Group-wide risk management process supports the achievement of our strategy by enabling informed decision-making through a clear understanding of risks and their potential impact on our objectives. We are committed to identifying, assessing, and managing risks, while implementing control measures to mitigate significant risks to acceptable levels. Defined risk appetites, tolerances, and limits are established at the Group level for each risk category. To fulfil its responsibility, the Group has adopted risk policies, approved by the Board of Directors and regularly reviewed by management.

Risk appetite

The Board of PPL determines the nature and extent of the principal risks it is willing to take and communicates this through the Group risk appetites. It forms the foundation of the risk management framework and guides management decision-making across the Group. The risk appetite is reviewed at Board-level and is monitored by management on an ongoing basis.

Risk governance

Risk governance operates under the Group's Three Lines model, providing consistent and integrated oversight across all entities within the Group:

Risk is reviewed regularly by senior management, the Executive Leadership Team, and is subject to oversight by the Group Audit & Risk Committee and the Board, ensuring a coordinated and consistent approach to risk management across the Group.

Business Functions:

Business functions are responsible for identifying, assessing, and managing risks within the Group Risk Framework. Risk ownership sits with senior executives, who are accountable for implementing and embedding appropriate controls and mitigations within their areas of responsibility.

Group Risk and Compliance:

The Group Risk & Compliance function, led by the Chief Risk Officer (CRO), provides independent oversight and challenge across the Group. It supports business leaders in assessing and managing risk, maintains the Group Risk Register, and ensures alignment with regulatory and governance expectations. Risks are monitored on an ongoing basis, with the Chief Executive Officer (CEO) retaining overall executive accountability, and the Board holding ultimate responsibility.

Internal Audit:

Internal Audit provides independent assurance to management and the Board on the effectiveness of the Group's risk management, governance, and control framework, including how risks are managed across individual entities and functions.

Risk management (continued)

Principle risks and uncertainties

The Group and the Company are exposed to a broadly consistent range of risks compared with previous years, including financial, operational, and legal, regulatory and compliance risks associated with operating in a regulated environment. The risk environment is monitored on an ongoing basis and, where necessary, actions are taken to manage or mitigate risks to a level considered acceptable, with a consistent focus on customer outcomes.

The specific risks faced by the Company are shaped by Group-level strategic decisions, how those activities are executed by the Company, and the external operating environment. While not all Group-level risks apply directly to the Company, a number of risk categories within the Group risk taxonomy are relevant to, and have a direct impact on, the Company's operations and delivery of its objectives.

Accordingly, the following Group-level risk categories are considered applicable to the Company:

Financial Risk

The risk that financial management processes are inadequate, resulting in inaccurate, incomplete or late financial reporting, tax calculations or payments, capital or liquidity pressures, or insufficient oversight of third-party suppliers, which may lead to regulatory breaches, financial loss, operational disruption or reputational damage.

Management of risk is supported by:

- Established financial policies and accounting controls
- Timely, accurate financial reporting and forecasting
- Ongoing capital and liquidity monitoring
- Tax controls to support accurate calculation and payment obligations
- Supplier onboarding, due diligence and ongoing monitoring.

Risks relating to credit, liquidity and market exposures are articulated separately in the Directors' Report.

Operational Risk

The risk that operations, including the effectiveness of people, processes and supporting technology, fail or are inadequate, resulting in service delivery falling below required standards, inaccurate or poorly managed data, fraud or error not being identified or prevented, and adverse impacts on members, regulatory compliance, financial outcomes and reputation.

Operational Risk incorporates risks arising from workforce capability and capacity, and from technology systems and controls, recognising their role in enabling effective and resilient operations and protecting against threats such as cyber.

Management of risk is supported by:

- Clearly documented processes and first-line operational controls
- Monitoring of service levels, operational performance and capacity
- Incident, issue and root cause management processes
- Data management, system integrity and quality controls
- Fraud prevention, detection and response measures
- Appropriate technology controls to support operational resilience and availability
- Capability, training and conduct standards embedded across operational teams
- Independent oversight by risk, compliance and internal audit.

Regulatory and Compliance Risk

The risk that the organisation fails to maintain effective governance, oversight and compliance arrangements, resulting in breaches of regulation, legal or contractual obligations, financial crime exposure, or ineffective committee governance, leading to penalties, remediation costs and reputational harm.

Management of risk is supported by:

- Clear governance structures, roles and delegated authorities
- Regulatory and legislative horizon scanning
- Engagement with regulators, industry bodies and stakeholders
- Compliance monitoring and advisory activity
- Legal and contract management controls.

Strategic Risk

The risk that the organisation fails to define, align and execute its strategy in line with organisational and member objectives, is unable to respond effectively to external change or shocks, or lacks the operational resilience and delivery capability to implement strategic change, resulting in missed outcomes, loss of value and diminished member confidence.

Management of risk is supported by:

- Formal strategic planning, approval and review processes
- Executive oversight and decision making forums
- Change and portfolio governance arrangements
- Scenario planning and stress testing
- Operational resilience capabilities supporting strategic delivery.

Our people

Our colleagues are at the heart of how we help our members to build financial foundations for life

Through our Colleague Promise, we set out what we offer employees in return for their commitment, skills and experience. The four elements of our Colleague Promise are:

Purpose	Our purpose is the core of our business and our colleagues feel proud to be part of a business that delivers positive social impact.
Potential	We offer all colleagues the opportunity to learn and progress so they can be their best selves, do the most meaningful work of their careers and achieve their highest potential.
Package	Our pay and benefits package is designed to ensure competitive remuneration for the role, in a flexible way that best suits personal circumstances.
People	Our culture is rooted in our core values, creating an environment that is a dynamic blend of flexibility, diversity and support, and which our colleagues describe as caring, collaborative and based on teamwork.

Our focus this year has been on continuing to enhance key aspects of our Colleague Promise, while ensuring the organisation can meet its strategic objectives by recruiting new talent and enabling our colleagues to progress their careers with us.

Reflecting our continued growth and success, we increased our colleague population to 1,092 colleagues at the year end (31 March 2025: 1,005). Teams across the business develop products and services, support customers and members to understand pensions and deliver an ambitious programme of transformation. With £4.4bn of contributions flowing through our operations each year, we have teams working on the secure and controlled journey of contributions, from payroll deductions all the way to investments in our funds.

Our retention rate remains strong and within our target range of 85-90%. This allows for some natural turnover and opportunities for change, while retaining talent and knowledge in the business.

Potential: helping our colleagues progress

We remain highly focused on our people's career development, with our culture and commitment creating opportunities to progress quickly. There were 82 internal moves in the year, representing 28% of all hires.

Apprenticeships are an important way of developing our people and enabling career progression. We currently have 26 apprentices in place, with 13 having completed their apprenticeships in the last 12 months.

To further support all colleagues' development, we launched LinkedIn Learning during the year. This online learning platform offers thousands of expert-led courses on demand. More than 600 colleagues are already making use of the learning available to enhance their skills.

We increased our colleague population to 1,092 colleagues at the year end

Our people (continued)

Package: providing competitive and flexible rewards

Our flexible benefits programme puts choice in the hands of our people, allowing colleagues to tailor their benefits to what matters most to them. It continues to be hugely popular. During our annual flexible benefits window, almost 90% of colleagues logged into the platform to review their options, with over 70% choosing a personalised package.

A strong pension remains a core part of our offer. We double colleague contributions up to 14% of salary, supporting colleagues to build their long-term financial security. By the year end, almost all colleagues were actively saving into a pension with us.

Supporting wellbeing and work-life balance is a key part of our people promise. This year, we extended Bupa private medical insurance to all colleagues, helping them access timely, high-quality healthcare. We also introduced enhanced family care policies last year, with strong uptake across maternity and paternity leave and paid carer days available each year.

Our approach has been recognised externally. In November 2025, we were highly commended in the Best Employee Wellbeing Strategy category at the Engage Awards, highlighting the strength of support we provide to colleagues.

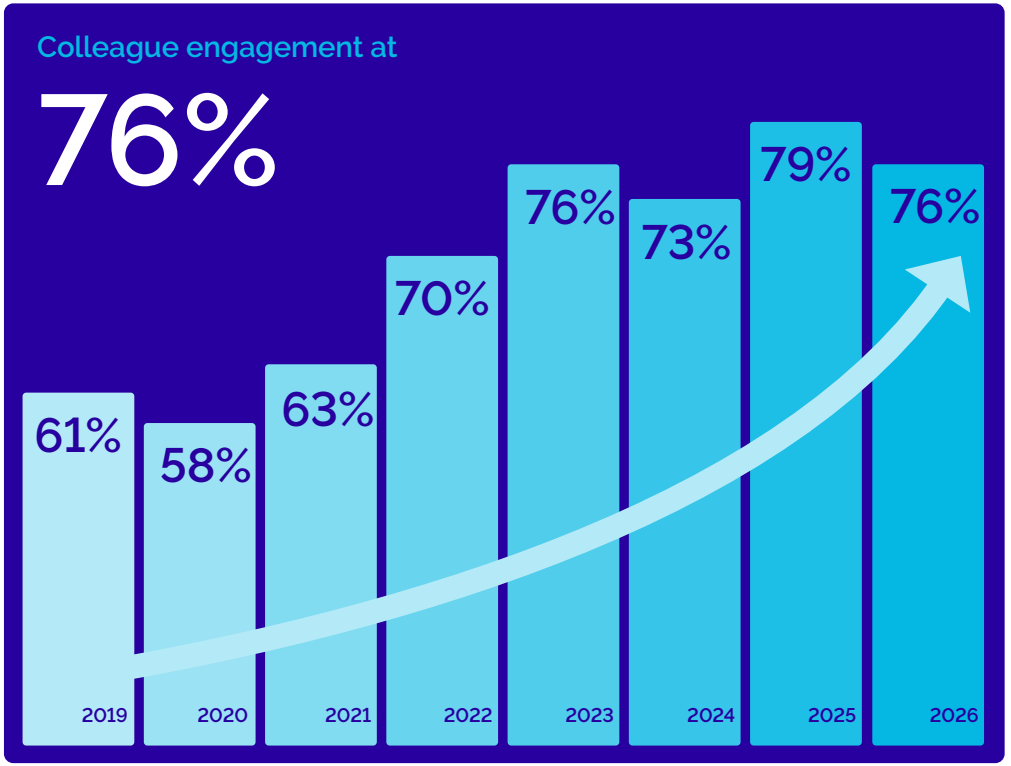
93% of our employees contribute to People's Pension



People: focusing on engagement, culture and diversity

Colleague engagement has remained strong at 76% in our March 2026 survey (2025: 79%). This is our joint second-highest score on record and an encouraging performance during a period of significant change. We maintained our 1-star Best Companies accreditation for the third year, reflecting '**very good**' levels of workplace engagement.

This year, we've provided more opportunities for our people to come together, including an all-colleague offsite event, a leaders event and social occasions, such as our end of year party. We've expanded how we communicate, using digital display screens, focus groups and wider use of groups within Microsoft Teams messaging. Our quarterly business updates continue to deliver strong engagement, with high attendance, positive feedback and meaningful interaction through active panel discussions and opportunities to ask live questions.



Our people (continued)

We remain committed to embedding an inclusive culture where everyone feels respected and valued. Our Inclusion, Diversity & Equality Policy ensures fair and consistent practices, supported by mandatory training and our Colleague Promise. Survey scores for feeling respected and inclusion remain strong and above the industry average, with 90% of colleagues feeling respected (2025: 93%) and 90% seeing us as an inclusive employer (2025: 91%)

At the year end, approximately 57% of all our colleagues were female and we had 45% female representation in our senior leadership, up from 40% at 31 March 2025 and above our target of 42%. We are signatories to the Women in Finance Charter and we continue to outperform this benchmark, with the latest review published in March 2026 showing an average of 37% female representation in senior leadership.

We carefully select our recruitment partners for senior roles and ensure they are well briefed on our expectations for diverse shortlists. Our success in improving our gender balance also reflects our competitive proposition for senior leaders and the attractions of working for a purpose-led organisation.



Female representation at senior levels 45%

We have an ambition to set a social mobility target and have collected information regarding the socioeconomic backgrounds of our workforce, so we can create a benchmark for improvement. Our findings show that while we have good overall representation of different socioeconomic backgrounds, we have more to do at senior levels, so our goal will focus on career progression.

Colleague-led networks are invaluable for creating a workplace where everyone feels welcome. There are now seven networks: Mental Health, Disability 360, Multicultural, Parents and Carers, Pride, Gender and our new Charity Network. Each network brings people together, runs events and helps us learn from each other.

This year, we engaged an external partner to put a structured programme in place to support our networks, helping them to collaborate to amplify their impact, identify opportunities to improve and consider training needs. Each network now has an executive sponsor and a director advocate, strengthening governance and support.

Our refurbished headquarters includes several features that recognise the needs of particular colleague groups. These include dedicated prayer rooms with washing facilities and low-sensory zones.

We continue to strengthen our Speak Up culture, supported by a network of trained Speak Up Champions and clear, accessible processes for raising concerns. This is reflected in positive Speak Up scores in our annual colleague survey, indicating growing confidence that voices are heard and acted upon – 90% of colleagues said they are aware of the Whistleblowing policy and 83% know who to speak to if they had an issue.

Social impact and community engagement

Increasing our social impact

In January 2026, we were pleased to announce the appointment of our first Social Purpose and Sustainable Business Director. We created the role to ensure that we are clear and intentional about how we deliver our purpose and ensure the best outcomes for our members and society.

Reflecting this, our social impact and community work this year has focused on supporting the people and communities who face the biggest barriers to financial security. This means we prioritise initiatives that:

- Improve access to employment, particularly for underserved communities.
- Build digital and financial capability, removing barriers that prevent people from engaging fully with work, society or their finances.
- Strengthen local communities, focusing on the places where our colleagues live and work.
- Engage our colleagues through meaningful, impactful activities.

We have selected every partnership and programme based on evidence of need, alignment with our values and its ability to deliver lasting impact. We continue to keep evolving our approach and partnerships to drive the greatest outcomes.

Our digital inclusion partnership with Good Things Foundation

Digital inclusion is a critical enabler of financial inclusion. In the UK, nearly 8 million working-age adults lack essential digital skills. Vulnerable groups are particularly affected, with 69% of people without basic digital skills having a disability or impairment.

Our partnership with Good Things Foundation (GTF) is a strategic commitment to reducing digital barriers that prevent people from accessing employment, essential services and their pension. Together, we have created three pension learning modules for GTF's online learning platform: Pension Basics, Managing Your Pension Online and Taking Your Pension Money. These have received more than 1,200 views from the GTF audience, demonstrating early reach and relevance.

We have also:

- completed a digital review assessment of two of our member journeys (onboarding and sign-up), strengthening their accessibility and inclusive design;
- delivered four knowledge-sharing webinars to PPL's colleagues, employers, website users and members;
- supported joint public relations and community impact storytelling, increasing the visibility of digital inclusion as a core organisational value; and
- donated 100 refurbished laptops to digitally excluded individuals, taking the total to more than 450 within the last 3 years.

Our employment support partnership with Catch22 (Career Hive)

Employment is the gateway to financial resilience. By supporting young people at a critical life transition, we can help create the foundation for long-term financial wellbeing.

To achieve this, we are piloting a new partnership with Catch22 to support care-experienced young people into employment. This group faces some of the most significant barriers to financial stability, including lower employment rates and limited support networks.

Our key activities have included funding a dedicated Catch22 employability coach and providing support for 40 young people leaving care in Greater Manchester. Each young person receives:

- one-to-one career coaching;
- help with job searches, applications and interview skills;
- access to a bursary for training, travel or work clothing; and
- ongoing support once in work.

"People's Partnership's support enabled care-experienced young people to access tailored coaching, practical resources, and sustained guidance, helping them overcome barriers to employment and build confidence for long-term financial independence."
Catch22



Social impact and community engagement (continued)

Our work to strengthen our local community

This year, we focused on our role as an active and responsible employer in Crawley and the surrounding region. This matters because strong communities create the conditions for long-term financial wellbeing. Many of our community partners support individuals who are at risk of financial hardship, unemployment or exclusion.

Among the activities and local partners we've worked with are:

- St Catherine's Hospice, our staff-chosen charity partner who we support through colleague-led community engagement and fundraising significantly exceeding our fundraising target of £7,500 (£15,000 with match funding) by raising £24,321.
- Love Local Jobs – Dare to Dream – inspirational career development content delivered to local schools, supporting young people's aspirations and employability.
- We have also supported a number of other local charities, including Crawley Open House, Horsham Matters, Easter Team, Freeshop Crawley, Circles Network, Greenaway Foundation, Crawley Community Action, Crawley Community Youth Service, and Raystede Animal Welfare.

Volunteering

Through these initiatives, we look for opportunities for our colleagues to volunteer. Our colleagues are given two days a year to volunteer for charities of their choice. We recorded 300 volunteering days during the year, which is a 56% increase from the previous year, demonstrating increased internal ownership of our social purpose.

"Over 100 People's Partnership volunteers accelerated our community centre restoration, bringing energy, teamwork, and genuine interest, significantly reducing timelines while strengthening relationships and supporting future community use."
Crawley Community Action

Our charitable trust

PPL's heritage is in the construction industry. In 1991, we set up the Construction Workers' Charitable Trust (formerly the Building and Civil Engineering Charitable Trust) as a national scheme to support people who work, or have worked, in the construction industry.

The Trust exists because:

- Construction workers have historically been underserved by financial services.
- Employment insecurity, injury and health issues create steep barriers to financial resilience.
- As the provider of People's Pension, our purpose is to support the people who build the nation, both literally and figuratively.

"Through its Charitable Trust, People's Partnership supports individuals affected by serious illness, ensuring access to financial assistance and specialist support during challenging times, improving wellbeing and reducing financial hardship."
Mesothelioma UK

The Trust provides financial assistance for people in hardship, as well as grants for training, education, skills and occupational health initiatives. Our role includes governance and operational support for the Trust, as well as making significant donations each year. This year, we donated a total of £502,775 (2025: £315,399), enabling the Trust to support 1,284 people.

Our strategic partnerships in the construction sector

As well as supporting the Trust, we continue to invest in our relationships with key employer federations across the construction sector. These partnerships strengthen employers' access to high-quality pension provision for their employees, helping to provide financial foundations for workers in the construction sector. They also raise our visibility and credibility as a values-driven pension provider, enhancing our commercial strategy while staying true to our purpose of supporting underserved workers.

"People's Partnership's continued support enables Construction Youth Trust to equip young people with skills, training and opportunities, helping them access sustainable careers in construction and build long-term financial resilience."
Construction Youth Trust

Section 172(1) statement

The Directors of People's Partnership Limited recognise their duty under section 172 of the Companies Act 2006 to act in a way they consider, in good faith, would be most likely to promote the success of the Company and its subsidiaries for the benefit of its members as a whole.

To support the Directors in fulfilling their s172 duties, Board papers highlight the relevant s172 considerations and the stakeholders impacted. This ensures that Directors consistently have regard to their statutory duties when reviewing papers and in the course of Board discussions and decision making.

In fulfilling their duties, the Directors take the following matters into consideration:

a) The likely consequences of any decision in the long term

Pensions are inherently long-term products, and as a result the Board adopts a long-term perspective when making decisions. This is supported by the Company's focus on reinvesting profits to improve financial outcomes for members, enabling Directors to prioritise sustainable value rather than short-term profit maximisation, which is often a key consideration for shareholder-owned businesses.

During 2025/26, the Directors reviewed and approved the Company's strategy, as well as the four-year plan and the detailed two-year annual budget that provides the resources necessary to successfully implement the strategy. The strategy is designed to deliver long-term growth for the business. Decisions were assessed for their potential impact on the Company's financial resilience, operational effectiveness and ability to respond to evolving regulatory, technological and market conditions. Particular emphasis was placed on maintaining a strong capital position, investing in systems, processes and people, and supporting initiatives that enhance service and product offerings for members.

The Board also supported the Company's work to engage with Government and the regulator, to help shape the long-term future of the industry and to ensure that the needs of savers remain central to policy and regulatory reform.

b) The interests of the Company's colleagues

Our people are critical to the success of our business and form a core component of the Company's business model. The Board receives regular reports and presentations from management on workforce- related matters and monitors key indicators such as employee engagement levels and attrition.

The CEO and CFO engage regularly with employees at all levels across the business, enabling them to understand colleagues' perspectives and experiences. Relevant insight from these interactions are shared with the Board. Board members meet with colleagues throughout the year, including through participation in learning and development initiatives.

Further details and examples of engagement with colleagues are provided on pages 31 to 33 of this Strategic Report.

c) The need to foster the Company's business relationships with suppliers, customers, and others

Members and their employers are central to the Board-approved strategy, and the Board therefore gives careful consideration to their interests when making decisions. The Board receives regular reports and presentations on the Company's progress in building and maintaining effective relationships with employers and members, including updates on KPIs such as employer retention, customer satisfaction and service level performance.

The Company has a dedicated Procurement function focused on fostering mutually beneficial relationships with suppliers across the business. During the year, the Board did not take any specific decisions directly relating to suppliers.



Section 172(1) statement (continued)

d) The impact of the Company's operations on the community and the environment

As part of a Group that reinvests profits to improve financial outcomes for its members, the Company seeks to give back to both its members and the wider community. Pages 34 and 35 of this Strategic Report sets out further information on the Company's approach to environmental matters, support for the community, the activities of its Charitable Trust and how it puts its people first. The Board has oversight of these matters and considers them as part of its broader governance and decision-making responsibilities.



e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Company's reputation for putting members first and delivering high-quality financial products has been built over time and is fundamental to its long-term success. Maintaining high standards of business conduct is central to this approach, and the Board promotes a culture in which colleagues are expected to uphold these standards in their day-to-day work, in line with the Company's values.

The Company has subsidiaries that are regulated by the Financial Conduct Authority and the Prudential Regulation Authority, and the Directors are mindful of and fully support the applicable regulatory requirements. PPL and PASL play key roles in the operation and management of People's Pension, which is authorised and regulated by The Pensions Regulator ("TPR"). Individuals performing roles within PPL and PASL, together with members of People's Partnership's Executive Committee, are required to meet TPR's fitness and propriety criteria.

All Group colleagues are assigned mandatory learning and development programmes appropriate to their roles including training on the Senior Managers Certification Regime and Treating Customers Fairly. Compliance with these requirements is monitored regularly, supporting a culture of responsibility and high standards of business conduct in line with the Company's values.

The Board received reports from the Group Audit and Risk Committee on the effectiveness of the Group Whistleblowing arrangements, providing assurance that appropriate mechanisms were in place to support the reporting and escalation of concerns.

f) The need to act fairly between members of the Company

The Company is wholly owned by the Group's ultimate holding company, People's Partnership Holdings Limited, and accordingly this matter is not applicable.

Supporting the Directors to meet their s172 duties

From the start of the 2025/26 financial year, we've enhanced our Board papers so that each paper highlights the relevant s172 considerations and the stakeholders concerned. This will help to ensure the Directors have their s172 duties at the front of their minds when reviewing Board papers and during their subsequent discussions and decisions.

The Strategic Report was approved by the Board of Directors on 28 July 2026 and signed on its behalf by:

Jim Islam

Jim Islam
Director
28 July 2026
Company number: 10267951 (England and Wales)
Registered office:
Manor Royal
Crawley
West Sussex
RH10 9QP

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Directors' Report

Board of Directors of PPL

Unless otherwise stated, all the Directors listed here served throughout the financial year and up to the date of signing the Financial Statements. Read the biographies of all our current Directors here.



Jim Islam

Non-Executive Independent Chair

Jim is Chair of the Board and the Remuneration & Nominations Committee. He is an actuary with extensive board-level leadership experience in insurance, investment management and the life and pensions sectors. He is a Fellow of the Society of Actuaries, USA, and a Fellow of the Institute and Faculty of Actuaries. Jim has held senior finance and general management roles at Lloyd's of London and Legal & General Group and also various Managing Director and Finance Director roles covering UK and global businesses. He is also an RNLI Trustee, the charity that saves lives at sea, and serves on the Board of OneFamily.



Laura Chappell

Non-Executive Director

Laura is a prominent pensions industry figure and is currently Chief Executive of Brunel Pension Partnership. She has over 25 years' experience within asset management. Having worked in institutional fund management for much of her career including Barclays Global Investors (now BlackRock), M&G, Schroders and Brewin Dolphin, Laura has a passion for seeing responsible and sustainable investing in action and has a deep-rooted commitment to pension fund members.



Pat Billingham

Non-Executive Director

Pat is Chair of the Group Audit & Risk Committee and InsCo, as well as being a Non-Executive Director of PASL, a member of the Remuneration and Nominations Committee and Senior Independent Director. Pat's Executive career was as a tax specialist, both as an Inspector of Taxes and as a tax partner at EY. She has strong financial services credentials, including her understanding of regulated businesses and the governance associated with regulation. Pat is a Non-Executive Director at Hamilton Managing Agency Limited, an insurance business which includes a Lloyd's Syndicate and its Irish subsidiary, where she is Senior Independent Director and Chair of the Risk Committee.



John Allott

Non-Executive Director

John represents construction industry employee groups, as well as serving on our Group Audit & Risk Committee and Remuneration & Nominations Committee. He was appointed National Officer for Unite the Union in 2002. He has extensive board experience, having chaired the Joint Industry for Plumbing Mechanical Engineering Services for England and Wales and served on the Construction Industry Training Board (CITB). He is currently a Board member of JTL Training Limited and a Trustee of Plumbing Pensions UK.

Board of Directors of PPL (continued)



Ciarán Barr

Non-Executive Director

As well as serving on our Board, Ciarán is Chair of our subsidiary PIL and a member of the Remuneration & Nominations Committee. Ciarán is an investment professional with over 30 years' experience across fund management, strategy and economics, including a transformational leadership role at the Railways Pension Scheme, one of the UK's largest and most complex schemes. He is currently a Board member and Investment Oversight Committee Chair at LGPS Central, a Trustee of the Railway Benefit Fund, and a Non-Executive Director and Finance & Audit Committee Chair at Studio Wayne McGregor Ltd.



Veronica Oak

Non-Executive Director

Veronica is Chair of the administration board, PASL. She brings a wealth of experience gained within the financial services sector. She has spent over 20 years as an independent marketing and business development consultant, helping companies develop their strategy, new products and services. Veronica has held a number of non-executive director positions, including two with mutual organisations (OneFamily and The Hanley Economic Building Society), and has also served on the boards of Chesnara plc and Sanlam, and a trade body that represents the interests of life assurance and investment providers.



Kyla Farmer

Non-Executive Director

Kyla represents the Construction Industry Employer Groups. She is a member of the Remuneration & Nominations Committee. Kyla has over 20 years' experience working in HR and People Functional leadership roles across several different industries. She has worked for large PLC organisations as well as owner operated, and private equity backed, SMEs.



Richard Dallas

Non-Executive Director

Richard is also the Non-Executive Chair of two financial services-focused fintechs (Aurem and Sparq) operating in adjacent markets in the Middle East and UK. Richard is also a mentor and coach, and is committed to fostering continued development. With a distinguished 30-year executive career, Richard brings deep commercial, product, and technology expertise from across pensions, financial services and fintech. Known for driving growth, new business models and transformation, Richard has successfully navigated major regulatory and industry changes at prominent companies, including Smart Pension, Aegon, Lloyds Banking Group, Sage Group, and Charles Schwab Inc.

Board of Directors of PPL (continued)



Rupert Perkins

Non-Executive Director

Rupert represents construction industry employer groups. He is the Managing Director of John Perkins Construction, an award-winning construction company based in Bristol and Newport. Beyond his role at John Perkins Construction, Rupert is actively involved in industry leadership. He serves as President of the Southwest Builders Federation, a Non-Executive Director of the Building Safety Group, and an Ambassador for the Considerate Constructors Scheme. He also spent eight years as a member of the Construction Industry Training Board (CITB) Industry Funding Committee.



John Neal

Non-Executive Director

John represents Construction Industry Employee Groups. He is the National Pensions Officer for Unite the Union, providing support and advice to Unite members and officers on collective issues relating to pensions. He has been a trustee of Unite's pension scheme for ten years, leading the board on environmental, social, and governance (ESG) matters. John is a scheme advisory board member for the Local Government Pension Scheme, the NHS Pensions Scheme and a Joint Superannuation Committee member for the Civil Service Pension Scheme. He is also a constituent organisation representative on the Plumbing Pensions Scheme and a member of the Trade Union Share Owners group.



Jackie Leiper

Non-Executive Director

Jackie serves as a Non-Executive Director on our Board, PASL, InsCo and also serves on the Group Audit and Risk Committee. Jackie brings extensive executive and technical experience in financial services, with deep expertise in pensions and investments. She has held senior roles within Lloyds Banking Group, including Chief Customer & Digital Officer, CEO of Embark Group, and Managing Director of Workplace Pensions, Individual Pensions & Investments. Jackie has served on multiple Boards, including Deputy Chair of Scottish Financial Enterprise, Chair of the ABI Long Term Savings Committee, Trustee of the Bank of Scotland Foundation, and the CAF Group Board as Trustee. Jackie is Deputy Chair of Scottish Financial Enterprise and joined the CAF Group Board as a Trustee in October 2025 and also will chair the subsidiary CFSL.

Former Directors who served during the year

Jim McKinnon, Non-Executive Director left on 1 December 2025

Dean Lamble, Non-Executive Director left on 1 September 2025

Executive Leadership Team



Patrick Heath-Lay, CBE

Chief Executive Officer

Patrick became Chief Executive Officer in 2012 and has brought a wealth of experience to a range of financial and customer service focused roles within the company. He is responsible for driving the Group's strategy and was instrumental in the launch of People's Pension, which now serves around 7 million people across the UK. Patrick is passionate about bringing simplicity to the complex world of financial services, providing straightforward and accessible products for everybody. He remains driven to ensure that we, as a company, strive to do what's best for our members and help people across the UK build stronger financial lives.



Angela Staral

Chief Operating Officer

Angela is responsible for all customer operations and servicing across the Group. She brings over 20 years of experience in the financial services industry to her role, from companies such as Goldman Sachs, HSBC and ING. Her focus is on delivering operational excellence and driving the continued improvement of our service for members.



Dan Mikulskis

Chief Investment Officer

Dan leads our investment team, driving forward the investment strategy of People's Pension using a collaborative model focused on deep partnerships with a select group of high-quality asset managers. Dan has worked in the investment sector since 2003, with prior experience in investment consulting at Lane Clark & Peacock (LCP), where he was a partner, as well as at Redington and Mercer.



Deborah Finlayson

Chief People Officer

Deborah became Chief People Officer in November 2022, bringing over 20 years' experience in HR. She has worked across a variety of financial services organisations, including FinTech. Her focus is on strategy, culture, talent and performance, creating business growth by aligning business ambitions with the way people work.



David Meliveo

Chief Commercial Officer

David brings over 20 years of experience to his role as Chief Commercial Officer, from senior positions in companies such as Royal London, the AA, Saga, Autoglass, easyJet and Glaxosmithkline. He is responsible for product development, distribution, marketing, and customer experience. He looks to foster enduring relationships and his expertise in identifying market trends and his commitment to commercial delivery have been pivotal to his career.



Kay Smith

Chief Finance Officer

Kay has over 20 years' experience in financial services and brings a wealth of expertise to her role. Her career has spanned high-growth, high-change organisations where she has consistently demonstrated her ability to enhance financial performance and operational efficiency. As an executive director at People's Partnership, Kay works closely with the board of trustees, executive team and external partners to develop and implement financial strategies that support our goals.

Executive Leadership Team (continued)



Nigel Rodgers

Chief Information Officer

Nigel is responsible for our group information technology and digital estate. He has two decades of experience working in dual-regulated financial services businesses, as chief information officer. His previous roles include leading IT, change and commercial property.



Jose Morago

Chief Risk Officer

Jose has over 25 years of professional experience in financial services, primarily in the insurance sector, spanning both life and non-life. Jose has extensive hands-on expertise in all aspects of risk management, compliance, and regulation and a proven ability to develop and implement risk strategies and frameworks for leading insurers, ensuring effective oversight of key enterprise risks and regulatory confidence.

Former Executive Leadership Team members who served in the year and post year end

Dominic Fielding, Chief Risk Officer left on 17 April 2025.

Directors

The Directors who were in office during the year and up to the date of signing this report are shown on pages 39 to 41.

The Board of PPL is the strategic Board of the Group, taking decisions over our business objectives and where we will deploy investment. The PPL Board consists of founding director seats occupied by representatives of employer industrial parties and Trade Union industrial parties and specialists (including senior Executive Directors and Non-Executive Directors) with diverse skills. The PPL Board structure is designed to bring a diverse range of skills and experience in order to drive People's Partnership's strategic priorities.

Directors' liability insurance

The Directors have the benefit of an indemnity. This is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force during the year and at the date of approval of the Financial Statements. The third-party indemnity provides against liability incurred by the director to a person other than the company or an associated company.

Dividends

No dividends were paid to the Parent Company during the year (2025: £nil). The Directors do not recommend the payment of a final dividend (2025: £nil).

Corporate governance

How we're structured

People's Partnership Holdings Limited ("PPHL") is the ultimate owner of the other Group companies.

People's Partnership Limited ("PPL") is a wholly owned subsidiary of PPHL. PPL is the parent company to People's Administration Services Limited ("PASL"), B&CE Insurance Limited ("InsCo"), People's Investments Limited ("PIL") and The People's Pension Trustee Limited ("TPPTL"), which have been held for the whole year, and it is also parent to 4 other dormant entities.

Collectively PPHL and its subsidiaries are known as the "Group".

PPHL's role is to act as custodian of our core social business principles, to hold our strategic PPL Board to account, and to give representation to our founding members. PPHL also act as agent, facilitating the collection of pension contributions on behalf of PASL and insurance premiums on behalf of InsCo.

PPL is responsible for the strategic direction and decision making of the Group, and administers all employment and third party contracts on behalf of all the Group entities.

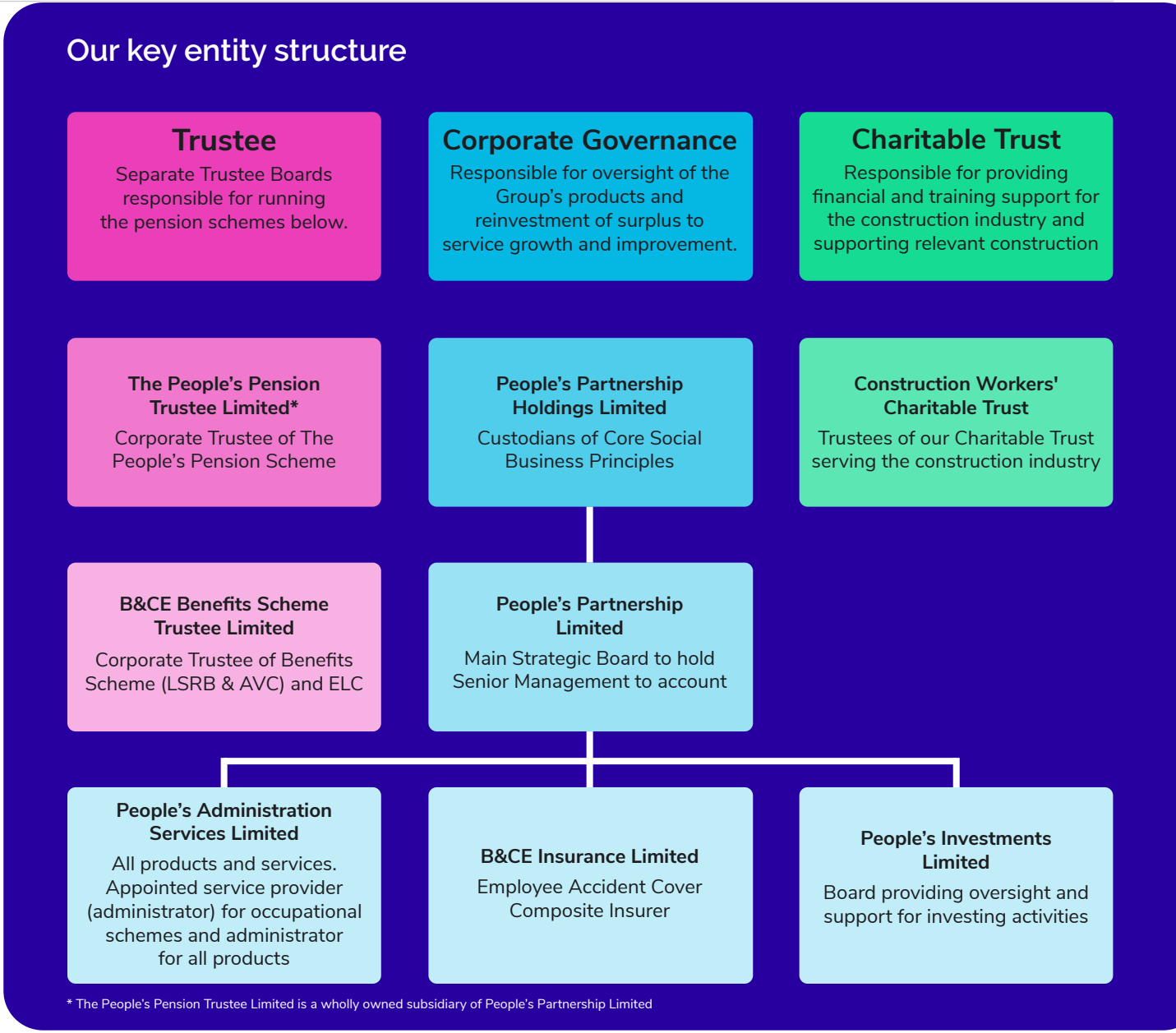
PASL is responsible for the administration of all products provided by the Group and it is the Scheme Administrator of People's Pension.

InsCo is responsible for operating insurance products for employees in the construction industry and to manage a life insurance product that is in run off.

PIL is responsible for providing investment advice to the Trustee of People's Pension, a UK Master Trust that is administered by PASL.

TPPTL is the corporate trustee responsible for the governance and oversight over People's Pension.

Our key entity structure



* The People's Pension Trustee Limited is a wholly owned subsidiary of People's Partnership Limited

Corporate governance (continued)

Corporate governance and overall framework

The Company's Board is made up of Non-Executive Directors, along with two Executive Directors (Chief Executive Officer and Chief Finance Officer). This governance structure is designed to make sure that decisions are in the best interests of our members.

The principal objectives of the Board of the Company is to drive the delivery of the strategic objectives of the Group.

Ethics, bribery and corruption

We review our Anti-Bribery and Corruption Policy annually, and it applies to all colleagues, directors, consultants and contractors, and to any other people or bodies associated with People's Partnership companies. We don't tolerate bribery and corruption in any form. Anyone aware of any incidence of either has a duty to report it in line with our whistleblowing policy, or to the Chief Risk Officer. The Board monitors and receives regular updates on whistleblowing matters and is updated on whistleblowing reports at every meeting.

Our Operational Procedure on anti-money laundering sets out in detail how we carry out checks to minimise the risk of any customer or supplier of People's Partnership carrying out money laundering activities.

All our colleagues are required to undertake e-learning on anti-bribery and corruption and anti-money laundering once a year.

Remuneration governance framework

Our People's Partnership Group Remuneration and Nominations Committee sets the overall policy for rewarding our directors, both executive and non-executive, as well as deciding on individual pay and other benefits for our senior leadership team. We report the total amount of remuneration paid to directors but not individual amounts.

Overall, we pay people in line with their contribution to the business which also includes an opportunity to be rewarded for the company related performance too, which is a way of sharing in our success. All our remuneration and benefits packages are regularly reviewed against the external market.

We also consider the potential of our remuneration plans and performance targets to make sure that our remuneration policies don't encourage unethical behaviours.

All of our people also benefit from access to our award-winning employee pension scheme, People's Pension.

Future developments

For details of likely future developments for the Group, see the Strategic Report.

Financial risk management

The Group's operations expose it to a variety of financial risks, disclosed in further detail in the notes to the Financial Statements. They include the effects of:

- **Credit risk**

The Group's transactions in sterling cash deposits, investments and trading with customers expose it to the risk that the counterparty may not repay the amounts owed. For sterling cash deposits and investments, the Group mostly deals with a list of highly rated UK counterparties to reduce the risk that the counterparty will not repay the deposit or investment. Counterparty risk may also arise from revenue that cannot be recovered from financial products administered by the Group. This risk is managed through active credit control and cashflow monitoring.

- **Liquidity risk**

Cash management maintained by the Group includes operating on-demand sterling cash deposits designed to ensure the Group has sufficient available liquid funds for operations.

- **Market risk – interest rate risk**

The Group invests its surplus funds in investment funds which may hold a proportion of interest-bearing assets. Changes in the interest rates may result in income increasing or decreasing. However, the Group is not reliant on interest receivable for its income.

- **Market risk – price risk**

The significant majority of the Group investments have been in Sterling Liquidity Funds so there is no material price risk.

- **Market risk – Foreign exchange risk**

Given the nature of the Group's operations, no significant exposure to direct foreign exchange risk exists. The Group, however, is exposed to indirect foreign exchange risk due to the composition of the Sterling Liquidity Funds in which the Group invests. This risk is mitigated by the diversified nature of exposures within the Sterling Liquidity Funds.

The Board of the Company is the Board that is responsible for the strategic direction of the Group. The Group is exposed to a number of risks that will be managed by the Board, the details of which can be found in the Annual Report and Financial Statements of the Parent Company.

Corporate governance (continued)

Disabled colleagues:

Details of the Group's approach to providing equal opportunities, including those with disability and different ability, are included in the Strategic Report.

Colleague consultation:

Details of the Group's approach to communication with colleagues are included in the Strategic Report.

Political and charitable donations:

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2025: £nil).

During the year, we supported the Charitable Trust with resources and volunteers, as well as donations and grants of £502,775 from the Group (2025: £315,399). The Company also made additional donations of £4,269 (2025: £6,886)

Auditor:

Pursuant to Section 487 of the Companies Act 2006, the incumbent auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Going concern

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the date of signing the Financial Statements. The Directors have prepared forecasts for the Company and the Group, including its cash position, for at least 12 months from the date of signing of these Financial Statements. The Directors have also considered the effect upon the Company and the Group's business, financial position and liquidity of more pessimistic, but plausible, trends in its business using stress testing and scenario analysis techniques.

The scenarios tested showed that the Company and the Group will be able to operate at adequate levels of liquidity for at least the next 12 months from the date of signing the Financial Statements. In addition, the Directors have confirmed that they intend to keep the Company as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Streamlined Energy and Carbon Reporting

This section of the report includes the disclosures required by the Streamlined Energy and Carbon Reporting "SECR" regulation.

Improving our environmental performance

We recognise our responsibility to contribute as much as we can to protecting the environment. As a financial services business, our main environmental impacts are consuming resources and producing emissions from the energy we use at our premises and through travel. We look to minimise our impact by reducing waste where possible and applying sensible policies and initiatives.

Our primary initiative in the year was completing the refurbishment of our headquarters building, which incorporates numerous environmental enhancements. These include installing a heat recovery system, energy-efficient passive LED lighting combined with PIR sensors, sensor taps and flushes, and replacing the canteen with a modern self-service café, meaning the building no longer uses any energy from gas. We are working to add solar PV panels to the building, which will further improve its environmental credentials. We were pleased that the refurbishment improved the building's EPC rating to A.

We are currently developing net zero targets aligned to the science-based target methodology, to drive the next stage of our environmental performance improvement. We will also continue to refine our calculation of our carbon footprint, in particular by working with our supply chain to obtain specific information on our Scope 3 emissions, reducing the need for estimation.

Our carbon emissions performance

Our market-based carbon emissions for the year to 31 March 2026 decreased by 65% to 25.9 tCO_2e, reflecting our procurement of 100% renewable electricity. While this results in zero market-based emissions for electricity, location-based measures continue to attribute emissions based on grid intensity. Using a location-based calculation, which assumes that the mix of electricity we consume is the same as the mix provided by the electricity grid, our emissions in the year were 184.5 tCO2e, down 33%.

Emissions from natural gas and other fuels have declined by 69% since 2025, primarily due to the transition from gas boilers to an air source heat pump and the closure of the kitchen. Consequently, gas consumption has dropped by 79% at the Manor Royal site and by 54% at the Manhattan site.

Corporate governance (continued)

Electricity emissions have reduced by 21% since 2025; in part, due to the installation of LED lights. The largest reduction in electricity emissions was seen at the Manor Royal site, which decreased by 16% since 2025.

Transport emissions have decreased by 55% since 2025, primarily driven by a 47% reduction in Scope 3 grey fleet mileage, with the replacement of a diesel company van and petrol company car with electric vehicles also contributing to the overall decrease.

In addition to our absolute performance, we measure our emissions relative to the revenue we generate. Our relative location-based performance improved by 37% and our market-based performance improved by 69%, showing that we can grow the business without a corresponding increase in our emissions.

The table to the right summarises our energy consumption and greenhouse gas emissions for the year ended 31 March 2026 (with comparatives for 2025), all of which took place in the UK.

For SECR reporting:

- **Scope 1** (Direct) emissions are those arising from direct combustion of natural gas, diesel and fuels utilised for transportation operations, for example, company vehicle fleets.
- **Scope 2** (Energy Indirect) emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations.
- **Scope 3** (Other Indirect) emissions cover emissions resulting from sources not directly owned by People's Partnership i.e., grey fleet business travel undertaken in employee-owned vehicles only.

	Unit	2025-26	2024-25	% change
Energy consumption	kWh	1,025,951	1,349,654	
Scope 1 - Direct emissions	tCO2e	16.5	50.1	
Scope 2 - Energy indirect emissions - location-based	tCO2e	158.6	201.3	
Scope 2 - Energy indirect emissions - market-based	tCO2e	-	-	
Scope 3 - Other indirect emissions	tCO2e	9.4	23.7	
Total emissions - location-based	**tCO2e**	**184.5**	**275.1**	**(32.9%)**
Relative emissions - location-based	tCO2e/£m	1.2	1.9	(36.8%)
Taking into account green energy purchased				
Total emissions - market-based	tCO2e	25.9	73.7	(64.9%)
Relative emissions - market-based	tCO2e/£m	0.2	0.5	(68.5%)

SECR emissions calculations – methodology

We calculated our emissions using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

We used the Government Emissions Factor Database 2025 version 1.0, utilising the published kWh gross Calorific Value (CV) and kgCO2e emissions factors relevant for the reporting period 1 April 2025 to 31 March 2026.

We made some estimations to cover missing billing periods for properties, which we calculated on a kWh/day pro-rata basis at the meter level. The estimations were applied to two electricity supplies and one gas supply. All estimations equated to 1.2% of reported consumption. This is an improvement on the 2025 estimation level of 6.3%.

We calculated market-based emissions using REGO-backed electricity contracts for our Manor Royal and Manhattan buildings, resulting in an emission factor of 0 tCO2/kWh.

Corporate governance (continued)

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware.
- Each Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' Report was approved by the Board of Directors on 28 July 2026 and signed on its behalf by:

Jim Islam

Jim Islam
Director
28 July 2026
Company number: 10267951 (England and Wales)

Registered office:
Manor Royal
Crawley
West Sussex
RH10 9QP



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Financial Statements

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements



The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. 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 member of People's Partnership Limited

Opinion

We have audited the financial statements of People's Partnership Limited ("the Company") for the year ended 31 March 2026 which comprise the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated and Company's Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2026 and of the Group's profit for the year then ended;
- 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
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group 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 Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company'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 their 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 directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' 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 directors' assessment that there is no material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company'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 Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

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:

Our risk assessment procedures included:

- Enquiring of directors, the Group Audit and Risk Committee, internal audit, legal, risk and compliance and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board, Group Audit and Risk Committee, meeting minutes;
- Considering remuneration incentive schemes and performance targets for management;
- Using analytical procedures to identify any usual or unexpected relationships; and
- Inspecting correspondence with regulators to identify instances or suspected instances of fraud.

Independent Auditor's Report to the member of People's Partnership Limited (continued)

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

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no judgement or estimation uncertainty related to revenue.

We did not identify additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unauthorised personnel, seldom used accounts or descriptions and those posted with unusual account combinations.
- Assessing whether the judgement made in making estimates are indicative of a potential bias.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and have discussed the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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 Group is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies legislation), pensions legislation, distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group 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 Group's license to operate. We identified regulatory capital and liquidity as those most likely to have such an effect recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Independent Auditor's Report to the member of People's Partnership Limited (continued)

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report 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 that work:

- We have not identified material misstatements in the Strategic Report and the Directors' Report;
- In our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 50, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give 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 Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Daniel Rutter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

28 July 2026

Consolidated Statement of Comprehensive Income for the year ended 31 March 2026



	Note	2026 £000	2025 £000
Revenue	4	156,661	132,397
Net operating expenses	6	(152,986)	(117,082)
Profit before interest and taxation		3,675	15,315
Finance income	5	5,038	5,502
Profit before taxation		8,713	20,817
Tax charge on profit	8	(2,483)	(5,392)
Profit for the financial year		6,230	15,425
Other comprehensive income			
Actuarial gain on Pension Scheme	18	1,456	259
Deferred tax charge on Pension Scheme surplus		(432)	(65)
Other comprehensive income for the year, net of income tax		1,024	194
Total comprehensive income for the year		7,254	15,619

The above amounts derive from continuing activities.

The notes and information on pages 57 to 81 form part of these Financial Statements.

The Company applies the exemption available in section 408 in the Companies Act 2006 and does not present the Company's profit and loss account for the year.

Consolidated and Company Statement of Financial Position as at 31 March 2026

	Note	Group 2026 £000	Group 2025 £000	Company 2026 £000	Company 2025 £000
Non-current assets					
Tangible assets	10	8,149	4,601	8,149	4,601
Investments in subsidiaries	11	-	-	80,055	80,055
Deferred tax asset	16	-	1,787	-	988
Pension Scheme surplus	18	6,437	4,708	6,437	4,708
		14,586	11,096	94,641	90,352
Current assets					
Trade and other receivables	12	19,127	17,239	25,509	17,975
Deferred tax asset	16	255	-	255	-
Reinsurers share of technical provisions	13	15	15	-	-
Cash and cash equivalents	14	126,398	122,312	23,292	28,993
		145,795	139,566	49,056	46,968
Current liabilities					
Trade and other payables	15	28,821	27,406	24,603	19,615
Defered tax liability	16	212	-	212	-
		29,033	27,406	24,815	19,615
Net current assets		116,762	112,160	24,241	27,353
Total assets less current liabilities		131,348	123,256	118,882	117,705
Non-current liabilities					
Deferred tax liability	16	2,139	1,301	2,139	1,301
Net assets		**129,209**	**121,955**	**116,743**	**116,404**
Equity					
Called-up share capital	20	106,050	106,050	106,050	106,050
Retained earnings		40,758	33,504	12,663	12,324
Merger reserve	25	(17,599)	(17,599)	(1,970)	(1,970)
Total Equity		**129,209**	**121,955**	**116,743**	**116,404**

The notes and information on pages 57 to 81 form part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 28 July 2026 and were signed on its behalf by:

Jim Islam

Jim Islam
Director
28 July 2026

Company number: 10267951

Consolidated Statement of Changes in Equity for the year ended 31 March 2026

	Group				Company			
	Called-up share capital £000	Retained earnings £000	**Merger reserve £000**	Total £000	**Called-up share capital £000**	Retained earnings £000	**Merger reserve £000**	Total £000
Balance as at 1 April 2024	22,599	8,608	(17,599)	13,608	5,000	11,000	-	16,000
Profit for the financial year	-	15,425	-	15,425	-	1,227	-	1,227
Other comprehensive income for the year	-	194	-	194	-	97	-	97
Total comprehensive income for the year	**-**	**15,619**	**-**	**15,619**	**-**	**1,324**	**-**	**1,324**
Proceeds from issue of ordinary shares	83,451	-	-	83,451	101,050	-	-	101,050
Total transactions with owners recognised directly in equity	**83,451**	**-**	**-**	**83,451**	**101,050**	**-**	**-**	**101,050**
Net assets movement due to group reconstruction	-	9,277	-	9,277	-	-	(1,970)	(1,970)
Total reserves movement	**-**	**9,277**	**-**	**9,277**	**-**	**-**	**(1,970)**	**(1,970)**
Balance as at 31 March 2025	**106,050**	**33,504**	**(17,599)**	**121,955**	**106,050**	**12,324**	**(1,970)**	**116,404**
Balance as at 1 April 2025	**106,050**	**33,504**	**(17,599)**	**121,955**	**106,050**	**12,324**	**(1,970)**	**116,404**
Profit for the financial year	-	6,230	-	6,230	-	(684)	-	(684)
Other comprehensive income for the year	-	1,024	-	1,024	-	1,023	-	1,023
Total comprehensive income for the year	**-**	**7,254**	**-**	**7,254**	**-**	**339**	**-**	**339**
Balance as at 31 March 2026	**106,050**	**40,758**	**(17,599)**	**129,209**	**106,050**	**12,663**	**(1,970)**	**116,743**

The notes and information on pages 57 to 81 form part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 March 2026

1 General information

People's Partnership Limited (the "Company") is a private company, limited by shares. The Company is incorporated and domiciled in England and Wales. The address of its registered office is Manor Royal, Crawley, West Sussex, RH10 9QP.

The Company was a wholly owned direct subsidiary of People's Partnership Holdings Limited ("the Ultimate Parent Company" / "PPHL") during the year.

The Company is a wholly owned subsidiary and is exempt from the requirement to prepare Group Financial Statements by virtue of Section 400 of the Companies Act 2006. However, the Directors have elected to prepare Group Financial Statements, and these consolidated Financial Statements represent a sub-consolidation of the wider group of companies, headed by PPHL, which are publicly available.

Collectively the Company and all its subsidiaries are known as 'People's Partnership' or the 'Group'.

2 Basis of preparation

These Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities, measured at fair value through profit or loss and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in "Critical accounting judgements and key sources of estimation uncertainty" on page 62.

Going concern

The Directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the Financial Statements. The Directors have prepared forecasts for the Company and the Group, including its cash position, for at least 12 months from the date of signing of these Financial Statements. The Directors have also considered the effect upon the Company and the Group's business, financial position and liquidity of more pessimistic, but plausible, trends in its business using stress testing and scenario analysis techniques.

The scenarios tested showed that the Company and the Group will be able to operate at adequate levels of liquidity for at least 12 months from the date of signing the Financial Statements. In addition, the Directors have confirmed that they intend to keep the Company as a going concern for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions under FRS 102 paragraphs 1.8 to 1.12, which need to be complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which the member is consolidated. These consolidated Financial Statements represent a sub-consolidation of the wider group of companies, headed by PPHL. The Company is a wholly owned subsidiary of PPHL, and the Company and Group are included within the consolidated accounts of PPHL. Therefore, the Group and Company represent qualifying entities, and comply with the required conditions, except one subsidiary, InsCo, which is a financial institution. Accordingly, exemptions regarding financial instrument disclosures required by sections 11 and 12 of FRS 102 are not available in respect of InsCo.

The following relevant exemptions available under FRS 102 in respect of certain disclosures for the Company and Group Financial Statements have been applied:

- the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102 (exemption not available for InsCo); and
- the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

2 Basis of preparation (continued)

Future changes to FRS 102 impacting the PPL Group

The Financial Reporting Council ("FRC") have introduced significant amendments to FRS 102, as part of its 2024 periodic review. These changes aim to bring FRS 102 closer to IFRS, particularly IFRS 15 (Revenue) and IFRS 16 (Leases), and will be effective for accounting periods beginning on or after 1 January 2026, with early adoption permitted. For PPL Group, such changes will be effective for the 2027 Financial Statements.

The key future change to the PPL Group Financial Statements will be the requirement to bring operating leases on balance sheet under FRS 102 Section 20 as updated. As at the 2026 year end, the Group had future minimum lease payments of £8m, which under the new standard would require an asset and liability to be recorded at present value, and lease expenses will be split into depreciation and interest, rather than a single rental expense. No restatement of comparatives will be required.

It is not expected that the changes to the revenue recognition standard (FRS 102 Section 23) will result in a change to the way the Group records revenue.

3 Summary of significant accounting policies

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

Basis of consolidation

The Group Financial Statements consolidate the results of the Company and its subsidiaries. A subsidiary is an entity that is controlled by the Company. Uniform accounting policies have been applied across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Where merger accounting has been applied, the carrying value of assets transferred has been used, rather than fair value.

Revenue

Revenue represents Scheme administration fees, employer charges for new employers joining People's Pension and insurance premium income receivable. Revenue is measured at fair value of the services provided, net of tax (if applicable), and recognised when the right to consideration has been earned.

- Scheme administration fees are recognised on a monthly basis in line with the timing of delivery of the administration services, invoiced in line with the administration agreements.
- People's Pension new employer set up fees are recognised once an employer has signed up to People's Pension.
- Insurance premiums - General business premiums written relate to business incepted during the year. All general business written is United Kingdom accident insurance. Premiums, gross of commission and net of insurance premium tax, are recognised when they become payable.

Insurance contracts

Long-term business reinsurance contracts

InsCo retains 10% of the long-term business, with the balance ceded to a reinsurer under a quota share agreement.

Claims outstanding

A provision is made for claims outstanding at the period end as follows:

General business – amounts are provided to cover the estimated ultimate cost of settling claims arising out of events which have occurred by the end of the accounting period, including claims incurred but not reported less amounts already paid in respect of those claims. Under the terms of the policies, all potential claims must be notified to the Company within twelve months of the insured event occurring.

Research and development expenditure

All research and development expenditure is expensed to the Consolidated Statement of Comprehensive Income as incurred.

Operating leases

Operating lease rentals are charged on a straight-line basis to the Consolidated Statement of Comprehensive Income, over the lease term. Lease incentives are spread over the life of the lease.

Income from shares in group undertakings

Dividend income from investments in group undertakings is recognised when the shareholder's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Colleague benefits

The Group provides a range of benefits to colleagues, including annual bonus, paid holiday and pension.

- **Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

- **Defined contribution scheme**

Since the employee defined benefit pension scheme closed to new entrants in January 2014, the Group has provided a defined contribution arrangement for colleagues in People's Partnership's trust-based People's Pension, the assets of which are independent of the Group. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position.

- **Defined benefit scheme**

The Company is the Principal Employer of the Group employee defined benefit scheme ("Pension Scheme"). The PPL Group operates the defined benefit Pension Scheme for the benefit of a group of its colleagues, the assets of which are held separately from those of the Group in independently administered funds. The Pension Scheme closed to new members from 3 January 2014 and closed to future benefit accrual at the end of September 2024.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation asset and liabilities are not discounted.

- **Current taxation**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations on which applicable tax regulation is subject to interpretation and establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

- **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Tangible assets and depreciation

Property, plant and equipment are held at their historical cost less accumulated depreciation and any accumulated impairment, where applicable. Additions to property, plant and equipment are capitalised at cost including any direct installation costs.

Provision is made for depreciation of property, plant and equipment on a straight-line basis at the following rates per annum:

Asset class	%	Asset class	%
Freehold land	-	Freehold premises - building	3.0
Office furniture	10.0	Plant and machinery	10.0
Motor vehicles	20.0	Office machinery - IT equipment	33.3
Leasehold improvements*	10.0	Office machinery - office equipment	20.0

* Leasehold improvements depreciated over the term of the lease from the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Dilapidation provision is made for the best estimate of dismantling and removing leasehold improvements made to leasehold buildings under the terms of the leasehold agreement. The provision is capitalised as a tangible asset at the time of undertaking the leasehold improvements, and is depreciated over the remaining lease term.

Repairs and maintenance are expensed as incurred.

Disposal and impairment

Tangible assets are derecognised on disposal or when, subject to the outcome of an impairment review, no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Net operating expenses'. On impairment, the value of reduction of the carrying amount is recognised in profit or loss and included in 'Net operating expenses'.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

Financial instruments

The Group has chosen to adopt the recognition and measurement provisions of IAS 39 and disclosure requirements of sections 11 and 12 of FRS 102 in respect of financial instruments, but only with regards to financial instruments held within InsCo. As InsCo is a financial institution, no exemptions from financial instrument disclosures are available where their financial instruments are material to these Group Financial Statements.

Financial assets

The Group classifies its financial assets in the following categories:

- loans and receivables held at amortised cost
- financial assets at fair value through profit or loss ("FVTPL")
- actuarial gains or losses arising from the pension scheme surplus at fair value through other comprehensive income ("FVOCI")

Basic financial assets, including trade and other receivables, cash and bank balances and loans receivable from other Group Companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is the bid price market value on the day of the transaction, or where investments are dealt at a single price, this value is used.

Such assets are subsequently carried at fair value and the changes in fair value as either realised or unrealised gains and losses are recognised in the Consolidated Statement of Comprehensive Income within gains from financial instruments, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

In the Company's Financial Statements, investments in subsidiaries are valued at cost or, where there has been an impairment in value, at their recoverable amount. This policy is applied consistently throughout the Group where a company has subsidiary undertakings.

The surplus from B&CE Staff Pension Scheme (see note 18) is recognised as a financial asset. It is measured at the amount recoverable by the Company. Movements in the surplus arising from remeasurements, including actuarial gains and losses arising from experience adjustments, are recognised in other comprehensive income (OCI). Any ongoing financing element (net interest on the surplus) is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

The Group classifies its financial liabilities at FVTPL and does not hold any financial liabilities at amortised cost.

The Group's financial liabilities are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the financial instrument.

Basic financial liabilities, including trade and other payables, and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

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

Finance Income

Finance income, comprising interest income earned on short-term cash deposits held as part of cash and cash equivalents, is recognised using the effective interest method on an accruals basis. Amounts earned but not yet received at the reporting date are included within accrued income. Recognition is limited to amounts considered recoverable.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

3 Summary of significant accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates:

- Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain colleagues. The cost of these benefits and present value of the obligation depends on a number of factors, including life expectancy, inflation, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

- Deferred tax assets

Deferred tax assets are assessed based on the current trading performance and expected future taxable profits of the Group. The Group reasonably expects to be profitable in future years so has recognised a deferred tax asset for tax losses that are likely to be used in the next three financial years. Sensitivities have been used to assess the impact of changes in the key assumptions supporting profit forecasts, and further specific downside scenarios have been modelled in the current year to capture the heightened estimation uncertainty in the established profit forecast due to the current economic environment.

There are no critical accounting judgements, except as disclosed in note 25 relating to the composition of historical retained earnings reserve accounted for under merger accounting.

4 Revenue

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax. The Group operates exclusively within the UK and in two principal areas of activity, that of Administration services and Other services.

Group revenue is analysed as follows:

Revenue 2026	Admin fees £000	Other services £000	Group total £000
Scheme administration fees	**155,580**	-	155,580
Insurance premiums / income	**-**	546	546
Employer set up fees	**535**	-	535
	156,115	546	156,661

Revenue 2025	Admin fees £000	Other services £000	Group total £000
Scheme administration fees	**131,104**	-	131,104
Insurance premiums / income	**-**	559	559
Employer set up fees	**734**	-	734
	131,838	559	132,397

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

5 Finance income

	2026 £000	2025 £000
Finance income		
Interest	**4,765**	5,293
Other finance income	**273**	209
	5,038	5,502



6 Operating expenses and auditor's remuneration

Included in Consolidated Statement of Comprehensive Income are the following:

Group	Note	2026 £000	2025 £000
Staff costs	7	**73,671**	60,912
Directors' remuneration	7	**1,613**	1,352
Operating lease charges	19	**1,903**	1,743
Depreciation of tangible assets	10	**941**	761
Dilapidations charge	10	**60**	50

Services provided by the Company's auditor and their associates	Note	2026 £000	2025 £000
Fees payable to the Company's auditor for the audit of the Company and the Group's consolidated Financial Statements		**149**	85
Fees payable to the Company's auditor and their associates for other services:			
• The audit of the Company's subsidiaries		**163**	157
• Audit-related assurance services		**65**	63

Audit related assurance services are the limited assurance opinion on the CASS (client asset) for PASL and the audit of the Non-Directive Return for InsCo for the current year.

Fees payable to the Company's auditor for the audit of the Company are paid by PPL and not recharged.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

7 Employee information and directors' remuneration

Group	Note	2026 £000	2025 £000
Staff costs during the year amounted to:			
Wages and salaries		**58,513**	48,788
Social security costs		**7,631**	5,405
Other defined benefit pension costs	18	**-**	112
Employer defined contribution pension costs		**6,247**	5,215
Restructure costs		**1,280**	1,392
		73,671	60,912

Other defined contribution pension costs are in respect of employees who are not members of the defined benefit Pension Scheme and are members of People's Pension.

Group	Note	2026	2025
The average monthly number of staff employed during the year was:		**1,059**	971
These were split across the following departments:			
Business Operations		**750**	690
Marketing, Sales & Innovation		**139**	132
Business Support Functions		**157**	130
Executive Leadership Office		**13**	19
		1,059	971

The directors of the Company who were in office during the year are listed on pages 39 to 41. The directors' remuneration in respect of their services for the PPL Group, and Company during the year was:

Group	2026 £000	2025 £000
Aggregate remuneration	**1,571**	1,144
Pension contributions paid in the year	**42**	208
	1,613	1,352

The figures above comprise Non-Executive Director fixed remuneration in respect of services to the Company and Group, and Executive Directors' remuneration (a combination of fixed salary, variable bonus and pension contributions) in respect of their services to the Group during the year.

The Executive Directors remuneration in respect of the Company is fully apportioned to subsidiary companies within the Group, except a payment for compensation for loss of office in 2025 for one director of £175k, which was paid into their money purchase pension scheme. Non-Executive Directors remuneration is apportioned across the Company and subsidiary companies in line with their services to the relevant entity during the year.

The Company paid all remuneration.The aggregate remuneration for the highest paid director in the Group was:

Group	2026 £000	2025 £000
Aggregate remuneration	**607**	503
Pension contributions paid in the year	**-**	19
	607	522

The number of directors accruing pension benefits under defined benefit pension scheme was 1 (2025: 1). The accrued pension in the defined benefit scheme of the highest paid director at the year-end was £69k (2025: £67k).

The number of directors accruing pension benefits under money purchase pension schemes was 1 (2025: 1).

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

8 Taxation

Analysis of tax charge on profit for the year:

Group	2026 £000	2025 £000
Current tax	**193**	1,798
Current tax charge in respect of prior periods	**140**	51
Total current tax charge	**333**	1,849
Deferred Tax		
Utilisation of deferred tax asset against trading profits	**1,679**	3,433
Origination and reversal of timing differences	**227**	-
Tax charge in respect of prior periods	**244**	110
Total deferred tax charge	**2,150**	3,543
Total tax charge	**2,483**	5,392

a) Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher (2025: higher) than the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below:

Group	2026 £000	2025 £000
Profit before tax	**8,713**	20,817
Profit before taxation multiplied by the standard rate of tax in the UK of 25% (2025: 25%)	**2,178**	5,204
Effects of		
Adjustment in respect of previous periods	**384**	161
Expenses not deductible	**4**	27
Pension Scheme adjustments	**(68)**	-
Tangible assets	**(15)**	-
Total tax charge for the year	**2,483**	5,392

b) Deferred tax

The Group has recognised deferred tax assets of £0.3m (2025: £1.8m), in respect of trading losses carried forward.

The assets have been recognised and are calculated using a tax rate of 25%.

c) Factors affecting future tax changes

The main rate of corporation tax for the year ended 31 March 2026 is 25%, and this is expected to continue for the foreseeable future.

The Group has trading tax losses of £1.0m (2025: £7.1m) available for offset against future trading profits.

9 Profit for the financial year

As prescribed by section 408 of the Companies Act 2006, the Company's Statement of Comprehensive Income has not been included in these Financial Statements. The Company's total comprehensive income for the financial year was £339k (2025: £1,324k).

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

10 Tangible assets

Group and Company	Freehold land and buildings £000	Plant £000	IT and office equipment £000	Office furniture £000	HQ refurbishment £000	Sub-total £000	Dilapidation provision £000	Total £000
Cost								
As at 1 April 2025	6,733	-	4,939	948	1,980	14,600	500	15,100
Reclassification*	(1,693)	1,726	11	1,936	(1,980)	-	-	-
Additions	-	1,102	1,172	2,194	-	4,468	150	4,618
Disposals	-	(1,434)	(2,919)	(681)	-	(5,034)	-	(5,034)
As at 31 March 2026	**5,040**	**1,394**	**3,203**	**4,397**	**-**	14,034	**650**	**14,684**
Accumulated depreciation								
As at 1 April 2025	5,295	-	4,368	773	-	10,436	63	10,499
Reclassification *	(1,654)	1,654	-	-	-	-	-	-
Charge for the year	202	53	519	167	-	941	60	1,001
Disposals	-	(1,433)	(2,917)	(615)	-	(4,965)	-	(4,965)
As at 31 March 2026	**3,843**	**274**	**1,970**	**325**	**-**	6,412	**123**	**6,535**
Net book value								
As at 31 March 2026	**1,197**	**1,120**	**1,233**	**4,072**	**-**	7,622	**527**	**8,149**
As at 31 March 2025	1,438	-	571	175	1,980	4,164	437	4,601

* During the year, management identified that certain items of plant and machinery had historically been included within 'Freehold land and buildings'. These assets have now been reclassified to 'Plant'. In addition, assets previously presented as 'HQ refurbishment' have been reclassified to the appropriate underlying asset classes, as the HQ refurbishment project completed during the current financial year. These reclassifications have no impact on net book value.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

11 Investments in subsidiaries – Company only

Investment in subsidiaries as at 31 March 2026 and 31 March 2025

Name	Principle activity	Ownership	Class of shares	Holding	2026 Value of investment £	2025 Value of investment £
People's Administration Services Limited	Pension Administrator for People's Pension	Direct	Ordinary	100%	**65,050,000**	65,050,000
B&CE Insurance Limited	Composite insurer	Direct	Ordinary	100%	**15,000,000**	15,000,000
The People's Pension Trustee Limited	Dormant corporate trustee	Direct	Ordinary	100%	**1**	1
People's Investments Limited	Investment adviser to the Group	Direct	Ordinary	100%	**5,000**	5,000
People's Health Limited	Dormant company	Direct	Ordinary	100%	**2**	2
B&CE Financial Services Limited	Dormant company	Direct	Ordinary	100%	**1**	1
People's Insurance Limited	Dormant company	Direct	Ordinary	100%	**1**	1
People's Financial Services Limited	Dormant company	Direct	Ordinary	100%	**1**	1
					80,055,006	80,055,006

All the above subsidiaries are included in the Group consolidated Financial Statements.

All subsidiary companies are incorporated and domiciled in England and Wales and share a registered address with the Company. The Directors believe the carrying value of the investments, all held at cost less accumulated impairments, is supported by either the underlying assets or future cash flows.

PPL Members granted a parental guarantee to People's Investments Limited, in support of the available exemption from audit under s479 of the Companies Act for the year ended 31 March 2026 and 31 March 2025.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

12 Trade and other receivables

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Amounts owed by the Parent Company	20	-	208	-
Amounts owed by Group undertakings	-	-	18,633	13,055
Trade receivables	11,887	11,953	3	-
Other receivables	73	43	73	36
Prepayments and accrued income	6,901	5,243	6,577	4,884
Taxation	246	-	15	-
	19,127	17,239	25,509	17,975

13 Reinsurers' share of technical provisions

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Reinsurers' share of technical provisions for:				
Term assurance	15	15	-	-

14 Cash and cash equivalents

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Cash at bank and in hand	31,226	36,664	23,292	28,993
Short term deposits	95,172	85,648	-	-
	126,398	122,312	23,292	28,993

Included in cash and cash equivalents is £36.9m (2025: £47.9m) of ring-fenced Master Trust reserves (see note 24).

15 Trade and other payables

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Trade creditors	3,108	2,850	3,012	2,819
Amounts due to Parent Company	-	1,051	-	1,013
Corporation tax	-	885	-	105
Other taxation and social security	2,202	1,167	1,923	1,649
Other payables	1,006	1,052	8	-
Accruals and deferred income	22,505	20,401	19,660	14,029
	28,821	27,406	24,603	19,615

Amounts due to Parent Company are unsecured, interest free and payable on demand.



Notes to the Financial Statements for the year ended 31 March 2026 (continued)

16 Deferred tax assets and liabilities

	Group		Company	
Deferred tax assets	**2026 £000**	2025 £000	**2026 £000**	2025 £000
Tax losses carried forward	**255**	1,787	**255**	988
	255	1,787	**255**	988
Deferred tax asset movement analysis:				
As at 1 April	**1,787**	5,122	**988**	-
Transferred as part of Group reorganisation	**-**	-	**-**	1,095
Transfer of deferred tax asset to deferred tax liability	**-**	168	**-**	167
Adjustment in respect of prior years	**147**	(21)	**147**	-
Credit/(charge) to income statement for the year	**(1,679)**	(3,482)	**(880)**	(274)
As at 31 March	**255**	1,787	**255**	988
Included on the Consolidated Statement of Financial Position as:				
Non-current assets	**-**	1,787	**-**	988
Current assets	**255**	-	**255**	-
	255	1,787	**255**	988

	Group		Company	
Deferred tax liabilities	**2026 £000**	2025 £000	**2026 £000**	2025 £000
Staff Pension Scheme	**1,609**	1,177	**1,609**	1,177
Accelerated capital allowances	**742**	124	**742**	124
	2,351	1,301	**2,351**	1,301
Deferred tax liability movement analysis:				
As at 1 April	**1,301**	1,030	**1,301**	-
Transferred as part of Group reorganisation	**-**	-	**-**	1,119
Transfer of deferred tax asset to deferred tax liability	**-**	168	**-**	168
Adjustment in respect of prior years	**391**	87	**391**	-
Charge/(credit) to income statement for the year	**227**	(49)	**227**	(18)
Charge to other comprehensive income for the year	**432**	65	**432**	32
As at 31 March	**2,351**	1,301	**2,351**	1,301
Included on the Consolidated Statement of Financial Position as:				
Non-current liabilities	**2,139**	1,301	**2,139**	1,301
Current liabilities	**212**	-	**212**	-
	2,351	1,301	**2,351**	1,301

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

16 Deferred tax assets and liabilities (continued)

PPL Company

In the financial year ended March 2025, PPHL entered into a Business Transfer Agreement on 30 September 2024 which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL. As part of this, a net deferred tax asset of £1,095k (comprising £1,262k relating to trading losses and a deferred tax liability of £167k relating to accelerated capital allowances), and a deferred tax liability of £1,119k relating to the Pension Scheme Surplus, were all transferred from PPHL to PPL. PPL has then accounted for these as noted above.

PPL Group

In accordance with merger accounting as disclosed in the 2025 financial statements, the elements of deferred tax transferred as part of the Business Transfer Agreement to PPL Company were reflected as if they had always been included in the PPL Group accounts.

Deferred tax recognition and sensitivities

Deferred tax assets have been recognised on the basis that management consider it probable that future taxable profits will be available against which the deferred tax asset on losses carried forward can be utilised. Key assumptions in the forecast are subject to sensitivity testing which, together with additional modelling and analysis, support management's judgement that the carrying value of deferred tax assets continues to be supportable. The evidence for the future taxable profits is a three-year forecast which is subject to internal review and challenge, including by the Board.

The value of the PPL Group and Company deferred tax asset on losses carried forward is sensitive to assumptions in respect of forecast profits. Based on the current PPL Group trading forecast, the deferred tax asset based on carried forward trading losses will be fully utilised during the 2028 financial year.

The impact of illustrative downward movements in key assumptions on the value of the UK deferred tax asset has been reviewed, for a scenario where revenue is 5% lower than forecast, and costs are 5% higher than forecast, both over a three-year time period. Under the revenue scenario, £0.7m of the deferred tax asset would not be utilised by the end of the 2028 financial year. However, this would be fully utilised in the 2029 financial year. Under the cost scenario, there remains sufficient cumulative forecast profit to fully utilise the brought forward trading losses by the end of the 2028 financial year.

It is further noted that the relative growth in AUM of People's Pension is an important factor in assessing a possible decline in forecast revenue. If AUM growth, rather than the modelled 4.6%-5% growth rate assumed in the forecast over the three-year period, was set to zero, then the 5% reduction in revenue would be realised. Based on the current 3-year trading forecasts, revenue would have to decline by 4.9%, or costs increase by 6.6%, before any impairment of the deferred tax asset would be required.

The relationship between the deferred tax asset and the sensitivities is not always linear. Therefore, the cumulative impact on the deferred tax asset of combined sensitivities or longer extrapolations based on the analysis performed will be indicative only.



Notes to the Financial Statements for the year ended 31 March 2026 (continued)

17 Financial instruments

The Group had the following financial instruments held in relation to B&CE Insurance Company Limited, as a qualifying entity for financial instruments disclosures. The remaining entities consolidated within these Group accounts have taken the exemption available due to them being qualifying entities, as disclosed in the accounting policies in note 3, and those disclosures relating to the other Group entities are included in the consolidated Financial Statements of PPHL, which are publicly available.

The carrying values of the financial instruments are summarised below:

Group	2026 £000	2025 £000
Financial assets measured at amortised cost		
Cash and cash equivalents	**22,422**	21,713
Premiums receivable	**60**	63
Reinsurers' share of technical provisions	**15**	15
Financial liabilities measured at amortised cost		
Amounts owed to Group undertakings	**281**	285
Technical provisions	**174**	200
Other payables	**762**	762
Accruals and deferred income	**149**	227

Financial instruments relate to a contractual right to, or requirement to pay, cash flows in the future. Accordingly, prepayments and deferred income are not classed as financial instruments. In addition, taxation balances of £16k (2025: £17k) are not financial instruments as there is no contractual obligation in place.

Investments in subsidiaries are also outside the scope of disclosure requirements.

18 Pension commitments

PPL is the Principal Employer of the Group operating the occupational defined benefit pension scheme known as the B&CE Staff Pension Scheme ("Pension Scheme"). As such, there is a requirement to disclose the pension commitments relating to the Pension Scheme in PPL.

Pension Scheme background

The Pension Scheme provides benefits based on final pensionable salary. The assets of the Pension Scheme are held separately from those of the Company, in an independently administered trust fund. The weighted average duration of the defined benefit obligation at the end of the reporting period is 12 years (2025: 13 years).

The Trustees of the Pension Scheme seek contributions from the employer at such rates as the Trustees determine, on the advice of the Pension Scheme actuary, to be sufficient to meet the expected cost of the benefits payable from the Pension Scheme. At present, as the Pension Scheme is fully funded with a healthy surplus, and closed to future accrual of benefits, no contributions are payable. To assess the expected cost of the benefits payable from the Pension Scheme, the Trustees obtain regular actuarial valuations of the Pension Scheme from the Pension Scheme actuary. The Trustees choose an appropriate funding method for the actuarial valuation, together with an appropriate set of actuarial assumptions. The Trustees seek the advice of the Pension Scheme actuary before determining the methods and assumptions.

If the actuarial valuation shows that the Pension Scheme's assets are insufficient to meet the expected cost of members' past service benefits, the Trustees will put in place a recovery plan which will require additional contributions from the employer.

On 3 January 2014, the Pension Scheme closed to new entrants and all non-member employees were offered membership into People's Pension in its place. The Pension Scheme closed to future accrual of benefits at the end of September 2024. Up to the end of September 2024, combined contributions continued to be 31% of pensionable salaries. Since 1 June 2018, the employee contribution had been up to 9% and the Group implemented a salary sacrifice scheme. Employees could either contribute 9% of their salary to the Pension Scheme or sacrifice the equivalent amount of salary, so the Group could contribute the full 31% while saving the employee some National Insurance Contributions.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

18 Pension commitments (continued)

Pension Scheme background *(continued)*

As disclosed above, as the Pension Scheme is fully funded with a healthy surplus, and is closed to future accrual of benefits, no contributions have been payable since 30 September 2024.

The latest triennial actuarial valuation of the Pension Scheme, using the project unit method, performed by the professionally qualified appointed pension scheme actuary took place on 31 December 2022. The results show that the Pension Scheme is 104% funded at 31 December 2022 (2019: 100%). The technical provisions funding position has improved since the 2019 valuation, moving from a nil deficit position at the 2019 valuation to a surplus of £1.9m at the 2022 valuation. The increase in gilt yields over the period has reduced the magnitude of both the Pension Scheme's assets and liabilities, due to the Liability-Driven Investments assets in place, which match the change in value of the liabilities.

Pension Scheme year end disclosures – Group and Company

The Company estimates that the projected pension credit for the year to 31 March 2027 is £396k (year to 31 March 2026 £273k).

The principal assumptions used by the Pension Scheme actuary in agreement with the Company after updating the latest valuation of the Pension Scheme for Section 28 of FRS 102 purposes were:

	31 March 2026 % p.a.	31 March 2025 % p.a.
Discount rate	**6.15**	5.80
Rate of increase in salaries	**2.85**	2.55
Price inflation (RPI)	**3.40**	3.15
Consumer price inflation (CPI)	**2.85**	2.55

Sensitivity analysis

The surplus on 31 March 2026 was £6,437,000. The following shows what the increase/(reduction) of surplus would have been if the actuarial assumptions used were changed:

	Surplus on 31 March 2026 £000	Surplus on 31 March 2025 £000
0.5% decrease in discount rate	**(2,469)**	(2,641)
1 year increase in member life expectation	**(1,659)**	(1,694)
0.5% increase in salary increases	**(197)**	(200)
0.5% increase in inflation	**(1,223)**	(1,186)

	Male	Female
Average future life expectancy in years for a pensioner currently aged 60	**27.4**	29.0
Average future life expectancy in years at age 60 for a non-pensioner currently aged 40	**28.9**	30.6

Pension Scheme assets and liabilities – Group and Company

On the basis of Section 28 of FRS 102, the assets valued at bid price, where appropriate, and liabilities of the Pension Scheme and the expected rates of return were as follows:

	Value at 31 March 2026 £000	Value at 31 March 2025 £000
Equity securities	**6,992**	14,113
Debt securities - government	**12,997**	13,790
Debt securities - corporate	**12,342**	12,316
Cash and cash equivalents	**15,578**	6,825
Total market value assets	**47,909**	47,044
Present value of Pension Scheme liabilities	**(41,472)**	(42,336)
Surplus in the Pension Scheme	**6,437**	4,708

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

18 Pension commitments (continued)

Recoverable surplus

The Group's and Company's ability to receive a refund, where a pension surplus exists on the wind up of the Pension Scheme, is not restricted by the Pension Scheme's trust deed and in the event that the Pension Scheme is run on until all members and former members have died and the Principal Employer then gives notice to terminate the Pension Scheme, any remaining surplus assets would be returned to the Principal Employer. Hence, the Group and Company do recognise the funding surplus at the present and prior year-ends.

The Pension Scheme asset and liability values recognised on the basis of Section 28 of FRS 102 reflect market conditions at the Group and Company's year-end date and can be expected to vary greatly from year to year, without necessarily affecting the Pension Scheme's long-term ability to provide the required benefits.

Analysis of amounts recognised in the Consolidated Statement of Comprehensive Income:	Group		Company	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Analysis of the amount charged to net operating expenses				
Current service cost	**-**	(112)	**-**	-
Total operating charge	**-**	(112)	**-**	-
Analysis of the amounts credited to finance income				
Interest income on Pension Scheme assets	**2,651**	2,472	**2,651**	1236
Interest on Pension Scheme liabilities	**(2,378)**	(2,263)	**(2,378)**	(1,132)
Net return	**273**	209	**273**	104
Amount recognised in the Consolidated Statement of Comprehensive Income	**273**	97	**273**	104

Analysis of amounts recognised in other comprehensive income ("OCI"):	Group		Company	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Actual return on assets excluding amounts included in net interest	**1,053**	(5,305)	**1,053**	(2,653)
Actuarial gain on Pension Scheme obligations	**403**	5,564	**403**	2,782
Actuarial gain recognised in OCI	**1,456**	259	**1,456**	129

Reconciliation of present value of Pension Scheme liabilities:	Group		Company	
	2026 £000	2025 £000	**2026 £000**	2025 £000
1 April	**42,336**	47,581	**42,336**	-
Fair value of liabilities on transfer	**-**	-	**-**	45,054
Current service cost	**-**	112	**-**	-
Interest cost	**2,378**	2,263	**2,378**	1,132
Contributions paid by members	**-**	7	**-**	-
Actuarial gains	**(403)**	(5,564)	**(403)**	(2,782)
Benefits paid	**(2,839)**	(2,063)	**(2,839)**	(1,068)
31 March	**41,472**	42,336	**41,472**	42,336

Reconciliation of fair value of Pension Scheme assets:	Group		Company	
	2026 £000	2025 £000	**2026 £000**	2025 £000
1 April	**47,044**	51,702	**47,044**	49,529
Interest income on Pension Scheme assets	**2,651**	2,472	**2,651**	1,236
Contributions paid by members	**-**	7	**-**	-
Contributions paid by employer	**-**	231	**-**	-
Actuarial return on assets	**1,053**	(5,305)	**1,053**	(2,653)
Benefits paid	**(2,839)**	(2,063)	**(2,839)**	(1,068)
31 March	**47,909**	47,044	**47,909**	47,044

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

18 Pension commitments (continued)

Virgin Media case

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards.

Given the legislative solution provided by the Pension Schemes Act 2026, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

19 Operating leases

At 31 March 2026, the Group and Company had the following future minimum lease payments, including VAT, under non-cancellable operating leases:

	Group		Company	
Payments due	**2026 £000**	2025 £000	**2026 £000**	2025* £000
Not later than one year	**1,647**	1,787	**1,647**	1,787
Later than one year and not later than five years	**4,160**	5,518	**4,160**	5,518
After five years	**2,241**	3,362	**2,241**	3,362
	8,048	10,667	**8,048**	10,667

* The operating lease commitment note includes amounts due over 5 years for 2026 as disclosed above, and 2025 comparative has been included this year for comparability purposes.

Group

During the year, £1.9m was recognised as an expense in the Consolidated Statement of Comprehensive Income in respect of operating leases (2025: £1.7m). This included £276k relating to the employee electric vehicle scheme, where the operating lease expenditure is offset by employee salary sacrifice agreements (2025: £162k).

Subsequent to the year end, the Company and Group entered into a new property lease in July 2026, replacing a property lease included in this note. The increase in the future minimum lease payments is £14,905k, comprising of: not later than one year £747k, later than one year and not later than five years £7,973k, after 5 years £6,185k.

20 Called-up share capital

Group	**2026 £000**	2025 £000
Issued, allotted and fully paid 106,050,001 (2025: 106,050,001) ordinary shares £1 each	**106,050**	106,050

Company	**2026 £000**	2025 £000
Issued, allotted and fully paid 106,050,001 (2025: 106,050,001) ordinary shares £1 each	**106,050**	106,050

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

21 Related party transactions

During the year, the Group and Company incurred transactions payable to the following entities, who have common directors with Directors of PPHL. As PPHL is the ultimate parent company of the group that PPL is consolidated into, transactions paid by PPL in respect of related parties with the Directors of PPHL are considered to be related party transactions for the PPL Company and Group.

The amounts below are inclusive of value added tax (VAT):

	Group		Company	
Industrial Organisation	**2026 £000**	2025 £000	**2026 £000**	2025 £000
Build UK	**23**	26	**23**	13
Civil Engineering Contractors Association	**2**	-	**2**	-
Federation of Master Builders National Federation of Builders	**24**	24	**24**	12
National Federation of Builders	**23**	7	**23**	7
Scottish Building Federation	**11**	10	**11**	10

There were no balances outstanding to the related parties noted above at the year-end date (2025: £nil).

In accordance with paragraph 33.1A of FRS 102 "Related party disclosures", the Company and its Group is exempt, as a wholly owned subsidiary, from the requirement to disclose transactions with entities that are part of the wider PPHL Group, or investees of that same group, qualifying as related parties.

In addition, the Group and Company have taken advantage of the exemption available under paragraph 33.1A of FRS 102 not to disclose transactions and balances between Group entities that have been eliminated on consolidation.

Further, the Group and Company have taken advantage of the exemption for the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

There are no other related party transactions requiring disclosure in this year's Financial Statements in accordance with Paragraph 33 of FRS 102.

22 Ultimate parent undertaking and controlling party

PPL is the parent of the smallest group of undertakings to consolidate these Financial Statements. The ultimate parent and the controlling party of the Group is PPHL, a company incorporated and domiciled in England and Wales. PPHL is the parent of the largest group of undertakings to consolidate these Financial Statements.

As PPHL is a company limited by guarantee, there are no shareholders, and accordingly it is considered that there is no controlling party.

23 Financial risk management

This note presents information about the major financial risks to which the relevant consolidated financial assets and financial liabilities of B&CE Insurance Company Limited ("InsCo"), as a material financial institution consolidated within these Group Financial Statements, is exposed, and its objectives, policies and processes for their measurement and management.

The remaining entities consolidated within these Group accounts have taken the exemption available due to them being qualifying entities, as disclosed in the accounting policies in note 3, and those disclosures relating to the other Group entities are included in the consolidated Financial Statements of PPHL, which are publicly available.

There is exposure to a range of insurance and financial risks through the financial assets, financial liabilities, reinsurance assets and policyholder liabilities held within InsCo. The most important components of financial risk are:

- insurance risk
- market risk (including interest rate risk and equity price risk)
- credit risk
- liquidity risk.

The disclosures below, therefore, relate solely to the financial instruments held within InsCo at both the current and comparative reporting dates.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

23 Financial risk management (continued)

InsCo's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on InsCo's financial performance. It manages these positions within an asset liability management ("ALM") framework that has been developed to achieve investment returns in excess of obligations under insurance contracts.

a) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and, therefore, unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that InsCo faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. InsCo has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(i) Frequency and severity of claims

The accident liability contracts frequency and severity of claims can be affected by several factors. InsCo manages these risks through its underwriting strategy and proactive claims handling.

The concentration of accident insurance risk accepted is wholly within the United Kingdom and the Isle of Man. The carrying amount of outstanding claims arising from the accident insurance contracts is £135k (2025: £160k).

(ii) Sources of uncertainty in the estimation of future claims payments

The sources of estimation uncertainty in establishing the ultimate liability arising from claims made under insurance contracts are discussed in the accounting policies.

Claims on insurance contracts are payable on a claims-occurrence basis. InsCo is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. Claim events covered by insurance contracts are required to be notified to InsCo within a year of the event occurring and a larger element of the claims provision relates to incurred but not reported claims ("IBNR"). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees. Such awards are pre-determined lump-sum payments in accordance with the policy conditions and the headlines rate for Employee Accident Cover product is £40,000.

InsCo takes reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for the costs of handling the claims at the end of the reporting year.

In calculating the estimated cost of unpaid claims (both reported and not), InsCo estimates its liabilities based upon actual claims experience, using standard actuarial techniques where the historic average pattern of claims settlement is used to project future cash flows from claims that have occurred but not yet been settled. Greater weight is given to actual claims experience for each older year of cover deemed to not yet be fully settled. For more recent years of cover greater weight is placed on the overall experience derived from cohorts of business that are deemed to be fully paid. Benefits were uprated in February 2021 and the data relating to claims occurring prior to that date have been adjusted for use in the estimation process.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

23 Financial risk management (continued)

a) Insurance risk (continued)

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to InsCo, where information about the specific claim event and its nature is available.

(iii) Sensitivity analysis

The following table presents the general business sensitivities on the insurance liabilities to movements in the assumptions used in the estimation of insurance liabilities. No discounting has been used because the run-off period is not long enough to warrant it.

	Number of IBNR claims +10% £000	Number of IBNR claims -10% £000
At 31 March 2026		
Impact on profit after tax and equity	**7**	(7)
At 31 March 2025		
Impact on profit after tax and equity	**12**	(12)

(iv) Claim development tables

There are no material individual claims and open claims over 12 months old are immaterial. As a result, InsCo has elected not to disclose claims development tables, as the uncertainty about the amount and timing of the claims payments is typically resolved within one year.

b) Market risk

Interest rate risk

Interest rate risk arises primarily from holding cash within the Sterling Liquidity Funds, which pays a variable interest rate linked to UK interest base rates. The Sterling Liquidity Funds mainly invest in Government and corporate bonds.

A sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. The following table presents interest rate sensitivities on the cash assets of InsCo.

A 1% decrease in interest rates would have the below impact on profit after tax and equity from the Sterling Liquidity Funds investments held by InsCo, assuming no withdrawals of the invested capital at the year-end:

	2026 £000	2025 £000
Decrease in profit after tax and equity	**(168)**	(163)

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

23 Financial risk management (continued)

c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where InsCo is exposed to credit risk is amounts due from corporate bond issuers.

The assets bearing credit risk are summarised below, together with an analysis by credit rating:

	2026 £000	2025 £000
Financial assets measured at amortised cost		
Premiums receivable	**60**	63
Reinsurers' share of technical provisions	**15**	15
Non-financial instruments		
Cash at bank and in hand	**22,422**	21,713
Total assets bearing credit risk	**22,497**	**21,791**
Analysis by credit rating		
AAAm	**19,656**	19,656
AA-	**2,766**	2,057
Below BBB or not rated	**75**	78
Total assets bearing credit risk	**22,497**	**21,791**

No financial assets are past due or impaired at the reporting date and the Directors expect no significant losses from non-performance by these counterparties.

d) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The primary liquidity risk of InsCo is the obligation to pay claims to policyholders as they fall due. InsCo holds sufficient liquid assets to meet any general business claims that may arise and claims under long-term business are available on demand from the reinsurer. The table below analyses the maturity of InsCo's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis.

The amounts disclosed in the table represent undiscounted cash flows.

	< 6 months or on demand £000	Total and carrying value £000
Financial liabilities		
At 31 March 2026		
Creditors	1,192	1,192
Financial liabilities	**1,192**	**1,192**

	< 6 months or on demand £000	Total and carrying value £000
Financial liabilities		
At 31 March 2025		
Creditors	1,273	1,273
Financial liabilities	**1,273**	**1,273**

The majority of the claims outstanding balance is expected to settle within one year (2025: within one year).

Capital management

InsCo maintains an efficient capital structure of equity shareholder funds, consistent with the Group's risk profile and the regulatory and market requirements of its business. The Group and the regulated entities within it are subject to several regulatory capital tests and employ a number of realistic tests to allocate capital and manage risk. The Group and the regulated entities within it have met all these requirements throughout the financial year.

The Insurance Company reports under the Non-Solvency II firms sector of the PRA Rulebook (referred to as the "NDR" regime). In reporting our financial strength, capital and solvency are measured using the regulations prescribed by the PRA under the NDR regime. Under NDR regime regulations, the Capital Resources Requirement Fund CRR for the Insurance Company is £5m which is made up of £3m for the Long-Term Fund and £2m for the General Fund, which is based on the Base Capital Resources Requirement for Long-Term and General Insurance business respectively as set by the PRA rulebook.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

23 Financial risk management (continued)

Capital management (continued)

The Group's objectives in managing its capital are to:

- match the profile of its assets and liabilities, taking account of the risks inherent in the business
- maintain financial strength to support new business growth
- satisfy the requirements of its policyholders, regulators and rating agencies
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- allocate capital efficiently to support growth.

The available capital is subject to certain restrictions as to its availability to meet capital requirements. No transfer from the long-term fund can take place without an up to date actuarial valuation.

The majority of the surplus can be distributed to the shareholder subject to meeting the requirements of the business.

The capital held within the shareholder funds is generally available to meet any requirements. As at 31 March 2026, both funds met their individual capital requirements with the long-term fund Financial Strength Ratio ("FSR") of 180% (2025: 170%) and the general fund FSR of 790% (2025: 765%).

24 Financial support undertaking

PASL entered into a Financial Support Undertaking ("FSU") deed with People's Pension in June 2022 and this imposed an obligation on PASL to hold a ring-fenced CALP Reserve Amount consisting of the Master Trust Reserve plus an additional £0.5m contingency. As part of the requirements of the FSU, People's Pension have a fixed and floating charge over the bank account held by PASL.

25 Merger reserve

As fully disclosed in the 2025 PPL Group Financial Statements, the PPHL Group undertook a restructuring in September 2024, which involved:

(i) the capitalisation of an intercompany loan of £64,050k payable from PPL to PPHL;

(ii) the transfer of the trade and assets of PPHL to PPL, including existing employee contracts, under a Business Transfer Agreement ("BTA"), with a net carrying value of assets and liabilities of £15,629k;

(iii) all third-party trading and lease contracts held with PPHL were novated to PPL;

(iv) consideration paid for the transfer of the business was the issue of 17,599,094 ordinary £1 shares by PPL to PPHL. The difference between the consideration paid by PPL and the final BTA net assets carrying value has been accounted for as a merger reserve of £1,970k within equity for PPL Company;

(v) the issue of 19,400,906 further ordinary £1 shares by PPL to PPHL for cash consideration; and

(vi) PPL becoming the principal employer of the Group DB scheme, whereby the transfer of the Pensions Scheme's assets and liabilities from PPHL to PPL was formalised via a flexible apportionment agreement ("FAA") on 30 September 2024.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

25 Merger reserve (continued)

Accounting treatment of the BTA in 2025

PPL Group

The BTA was assessed and determined that it met the definition of a business as transferred and, therefore, was a Group Reconstruction under Section 19 of FRS 102 and, consequently, was accounted for using merger accounting.

PPL Company

The difference between the consideration paid by PPL and the final BTA net assets carrying value was accounted for as a merger reserve of £1,970k within equity for PPL Company.

The net assets and associated trade as transferred under the BTA met the definition of a business and, therefore, as a common control transaction it represented a group reconstruction transaction under FRS 102 Section 19, to which merger accounting was applied in accordance with the requirements of the standard. Accordingly, the acquisition by PPL Group was not accounted for in accordance with FRS 102 Section 19 "Business Combinations and Goodwill", but instead was accounted for using merger accounting.

The PPL Group Consolidated Statement of Financial Position comparatives for 2024 were restated in the 2025 Financial Statements as though it had always existed in the post-BTA form, as a result of treating the PPHL Group reorganisation in line with merger accounting. Therefore, for the PPL Group, all the net assets as transferred were presented as if PPL Group had always held those assets and liabilities.

Further, the PPL Group Consolidated Statement of Comprehensive Income was also restated to account for the trading results related to the trade as transferred as part of the BTA, therefore in the context of the 2026 PPL Group Financial Statements, the trading results of PPHL Company were reflected in the PPL Group Consolidated Statement of Comprehensive Income for the first half of 2025 until the date of the Group reorganisation. These, therefore, do not reflect the actual ownership period relating to the BTA.

The 2025 PPL Group Financial Statements outlined the full impact of applying merger accounting on the restatement of the prior period for the Group, as reflected in the 2025 Financial Statements and the relevant accompanying notes.

From the BTA date onwards, all trade was accounted for within the PPL Group.

The share issue by PPL of 17,599,094 shares relating to the consideration of the initial BTA valuation was accounted for under merger accounting, restating the opening comparative position as at 31 March 2023, and this now forms the share capital disclosed in note 20.

Reserves

The impact of merger accounting created a new "merger reserve", which constituted the value of the shares issued as consideration for the BTA net assets, as though these had always been in issue. This merger reserve will remain in the PPL Group Consolidated Statement of Financial Position on an ongoing basis as a result of merger accounting.

To account for the PPHL trade and assets as if they were always part of the PPL Group, the historical equivalent of the net assets value as transferred were recognised in PPL Group retained earnings, for all periods prior to the date of the BTA.

Therefore, in the context of the 2025 PPL Group Financial Statements, the trading profit for the first half of 2025, relating to the trade transferred under the BTA, was included in the Statement of Comprehensive Income of PPL Group, and so added to retained earnings.

Cash was not an asset class transferred as part of the BTA and therefore, the net increase or decrease in cash in each restatement period was retained by PPHL. Consequently, when applying merger accounting, the difference arising from the cashflows of the transferred trade between reporting dates was captured as the "net assets movement due to group reconstruction" within the PPL Group Statement of Changes in Equity.

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

25 Merger reserve (continued)

Merger Accounting – PPL Company

The accounting for the BTA was only applied prospectively to PPL Company and, therefore, no prior year periods were restated in 2025 as a result of the BTA, as PPL Company accounting for the BTA represents the legal substance of the transaction, and the PPL Company-only accounts present the history of it as a legal entity. Therefore, only profits realised by PPL Company were recorded in PPL Company retained earnings.

PPL issued 17,599,094 shares as full consideration for the initial carrying value of the net assets acquired under the BTA. As the transaction was within the scope of s611 of the Companies Act 2006 in relation to Group Reconstruction Relief (and the aggregate nominal value exceeds the carrying value of the assets acquired), no share premium was required to be recorded.

Upon recognition of final net assets transferred under the BTA, the difference between the carrying value of the net assets acquired and the shares issued of £1,970k was identified.

Under merger accounting, the difference of £1,970k is reflected as a merger reserve in equity of PPL Company.



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