

ISSUED 18 March 2026



PROVIDER SECTOR  
**People's Partnership**

# **FINANCIAL STRENGTH ASSESSMENT**

Analysis by **AKG Financial Analytics Ltd**  
Accessible • Comparative • Independent

**AKG**



## ABOUT THIS FINANCIAL STRENGTH ASSESSMENT

This AKG report and the analysis and ratings contained within it provide assessment of financial strength and associated considerations. Financial Strength is focused on the ability of a company to deliver ongoing operational capability in the interest of its customers and in line with their fairly held expectations. AKG's perspective in the assessment of financial strength is wholly that of a customer of a product or service. From that foundation, this analysis is specifically designed to inform financial advisers and assist in their required understanding of a company's operational financial strength.

Given the underlying customer perspective, the financial strength of companies needs to be focused at an operational level (i.e. the elements and functions of an organisation which operate to specifically deliver and manage a proposition or service to the customer), specifically on the company that is effecting the product or service that a customer is selecting. This is important, because from the customer's perspective it is that company that needs to survive in a form that maintains the requisite operational characteristics to meet their fairly held requirements. And it is thus at this level that the selection needs of the customers' advisers must be met. This contrasts to credit rating, which will be undertaken at group or parent company level where investment or debt placement etc. is made.

Further details on how analysis is undertaken is provided at the end of this report and may also be obtained from AKG.



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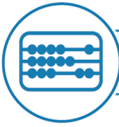
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# Rating & Assessment Commentary



## RATINGS

### Overall Financial Strength

### Additional Financial Strength and Supporting Ratings

	Non Profit Financial Strength	Unit Linked Financial Strength	With Profits Financial Strength	Service	Image & Strategy	Business Performance
People's Administration Services Ltd	▣	▣	▣	★★★★★	★★★★★	★★★★★



## SUMMARY

- A not-for-profit organisation now over 80 years old, People's Partnership continues to focus on delivering simple, straightforward products and support to members
- The organisation was renamed People's Partnership in 2022 to better reflect that the business is now a whole of market provider; administration, pricing capability and governance infrastructure has also matured to better match the achieved scale and ambition of the business
- People's Administration Services Ltd (PASL) is the entity assessed in this report as it is the administrator of The People's Pension (TPP) and other financial products on behalf of the People's Partnership group
- People's Partnership Ltd (PPL) is the strategist company which governs the direction of its subsidiary PASL
- The ultimate group parent is People's Partnership Holdings Ltd (PPHL) and the group has been creating and providing financial products for construction workers and others since its establishment
- TPP continues to progress well, with Assets under Management (AuM) of over £38bn as at December 2025 and 7 million members
- Income certainty for PASL has been stabilised since the introduction of a fixed annual account charge by TPP in 2021, as part of the overall annual management charge (AMC)
- PASL revenue increased again in the year to March 2025, up by £26.3m to £132.0m driven by income from the single annual charge and increased management fees from the administration of TPP as AuM grew
- PASL continued to invest in growth, with £13.5m directed into product enhancements and digitisation of services; the business has also been investing in its risk and compliance functions, and this is continuing in line with its scale and development trajectory
- Notwithstanding these investments, PASL made a profit after tax (PAT) of £13.0m in the year to 31 March 2025
- PASL comfortably meets its FCA regulatory requirement and further maintains £47.9m in ring-fenced cash in relation to TPP's master trust authorisation
- The business is benefiting from its differentiated approach based on its 'profit for people' principles and history, continuing to improve its delivery through investment in staff and systems including the successful TPP app
- Given this progress and the implementation of the Pension Schemes Bill, where PASL already meets the minimum scale requirements, there appears to be strong opportunity for PASL to grow further as a workplace pension provider



## COMMENTARY

## Financial Strength Ratings

### People's Administration Services Ltd

Since the launch of The People's Pension, PASL has played an increasingly key role within the group as the administrator of TPP and is now the group's core operating entity, accounting for virtually all the group revenue. PPL is the sole employer within the group (since October 2024 - see below) and pays for the majority of group costs which are then recharged to the subsidiaries based on drivers deemed appropriate by management. PASL pays the majority of expenses relating to TPP scheme (but not investment management fees) and receives the majority of the associated administration fees.

TPP has continued to see strong growth in AuM driven by improved fund growth. This has driven an increase in fee income for PASL and, notwithstanding further investment of £13.5m into the business during the year, a £13.0m profit after tax (PAT) was retained (no dividends are paid). This helped PASL to maintain its strong liquidity and increase its ring-fenced master trust reserves in line with TPR requirements (see below).

PASL is regulated by the FCA and throughout the year has more than covered its FCA capital requirement of £20k [2024: £20k]. PASL is also subject to the Pensions Regulator requirements and has to hold the necessary reserves to meet its obligations throughout the financial year. A Financial Support Undertaking deed (FSU) entered into in May 2022 with the Trustees of TPP imposes an obligation on PASL to hold an appropriate level of cash or cash equivalent reserves in respect of TPP's Master Trust authorisation. As at 31 March 2025, PASL held Master Trust reserves of £47.9m [2024: £40.9m], as calculated within the Costs, Assets, Liability and Plan (CALP), including a £0.5m buffer. As stipulated in the FSU, the Master Trust reserves are held in separate ring-fenced accounts and a fixed and floating charge over these monies is granted to TPP.

The wider business has moved away from the need for a life company; subsidiary B&CE Insurance Ltd (B&CEIL) remains a small part of the group albeit with minimal solvency requirements, having fallen below the Solvency II threshold in 2022 which saw the group move out of Solvency II reporting. B&CEIL's Life Insurance Protection product is in run-off with only a few policies remaining, but its solvency remains important to the group. Under the non-directive regulations (NDR), the capital resources requirement (CRR) for B&CEIL is based on the Base Capital Resources Requirement for Long-Term and General Insurance business respectively as set by the PRA rulebook. As at 31 March 2025 the CRR for B&CEIL was £5m, made up of £3m for the Long-Term Fund (LTF) and £2m for the General Fund (GF), and both funds comfortably met their individual capital requirements with the Financial Strength Ratio (FSR) of the LTF being 170% and the GF FSR being 765%.

During the financial year ended 31 March 2025, the group undertook a reorganisation of ultimate parent PPHL and on 30 September 2024, under the terms of a Business Transfer Agreement (BTA), moved the majority of the trade and net assets from PPHL to PPL. As part of this transfer, all supplier and PPHL group employment contracts were novated from PPHL to PPL, to allow PPL to better drive the strategic objectives of the group. The value of the net assets transferred was £17.6m. In addition, the intercompany debt of £64.1m between PPL and PPHL was capitalised, and a further capital injection made from PPHL to PPL of £19.4m, settled with cash. These transactions were all funded by PPL issuing new share capital to PPHL for £101.1m. The resultant transfer of net assets under the BTA, the capitalising of intercompany debt and the profit for the year, contributed to an increase of the consolidated net assets of PPL by over £108m.

PPHL is private limited company, limited by guarantee, not having share capital, and the liability of the members is limited to £1. The group balance sheet Net Assets (Total Equity) therefore consists entirely of retained earnings, and these increased from £107.5m to £124.1m as at 31 March 2025, through retained profit in the year.

## Service Rating

The group is committed to delivering the highest level of service whilst increasing customer numbers. PASL has maintained excellent customer service standards, with the level of complaints from TPP scheme members and employers remaining low - in 2025 complaint numbers averaged 0.88 per 1,000 policies in force [2024: 1.05] comfortably inside the target of 1.5 per 1,000.

Despite significant increases in the volume of both transactions and customer contact, customer satisfaction rates increased to 85% (2024: 83%). There was an increase of 26% in transactions (defined as people getting in touch with PASL) over

the year to March 2025, and the customer service target (percentage of tasks carried out within 5 days) was 90% [2024: 93%]. The contact centre became cloud based in early 2024 which is also now helping the business to achieve high service levels and support webchat - TPP Net Promoter Score (NPS) rose from +38 to +39 in 2025 for customers using the contact centre. In 2025, call volumes increased by 11% in the year and took on average 60 seconds to answer [2024: 77 seconds].

The business reported that service levels were the highest for 6 years and the independent Trustee Board concluded in its latest annual report that the Scheme continues to offer good value for money to the membership. A key consideration in the Trustee's assessment was the savings reward on management fees (also known as the member charge rebate) which had resulted in £31.6m [2024: £21m] of the AMC being returned to members over the year.

Members' experience was improved further in several ways during the current year, with the development of a member app (with over 500,000 users downloading this as at December 2025), dual-branded employer microsites, a new financial wellbeing content hub and retirement planning tools to help members make decisions about their pension.

## Image & Strategy Rating

The People's Partnership business model is designed to optimise investment in delivering products and support to members. This has seen it develop insurance and pension products over the years, although its main focus for the foreseeable future is on TPP. The group continues to offer financial products under the B&CE name, and is managing legacy (closed to new business) products accordingly, with the financial impact of these continuing to reduce.

People's Partnership expects TPP to continue growing and delivering a rising income stream over the long term. The scheme was granted master trust authorisation from The Pensions Regulator in 2019, and wider adoption of this flagship pension product by employers and their employees is crucial to the future success of People's Partnership, to create the scale which will ultimately enable the group to maintain profits to reinvest and provide members with an affordable and valued offering. The group continues to target lower costs and better efficiencies in terms of its administrative functions by investment in digital systems as well as staff.

The business has clear strategic aims to help it retain and grow the customer base while maintaining excellence in customer service. As a business without shareholders, the group states that it was "founded for social good with our members at the heart of everything we do" and so delivering better member outcomes through profit for people sees People's Partnership re-invest its profits to help achieve better financial outcomes for itself and its members. The group believes this approach sets it apart within the industry, stating "the majority of our industry is set up to serve the wealthier in society, prioritising profit rather than making sure pensions work in the best interest of the saver. We, on the other hand, believe everyone deserves access to a pension that's great value, easy to understand and backed by outstanding service".

PASL expects to benefit from the implementation of the Pension Schemes Bill, where it already meets the minimum scale requirements of AuM £25bn in its main default arrangement (required by 2030), and the group appears to be in a strong position to grow further as a workplace pension provider.

TPP has introduced scheme-specific pricing to improve attractiveness in the market. TPP has also become the only provider to offer a 'best price guarantee' which means that if a member has an existing pension and returns to the provider with a different employer, all their savings will be in one pot and charged at the lowest rate available to them.

Other key developments in the last few years have included:

- Launch of an online financial wellbeing hub to help members feel more confident when dealing with key financial moments
- Introduction of a workplace engagement team, working with employers and intermediaries to agree bespoke engagement plans and provide face-to-face presentations and webinars for employees
- Launch of dual-branded employer microsites to assist employers to engage their employees in their pension
- Launch of retirement planning tools to help members plan their future
- Build out of a member rewards proposition which is offered to members as an extra benefit
- Build and launch of TPP's mobile app, to help members monitor their savings

The board of PPHL, following a governance restructure effective 1 April 2022, is no longer the strategic board of the group. Its immediate subsidiary, PPL is now performing this role and as such governs the strategic direction of the group,

including that of PASL as the provider of TPP. A restructure between PPL and PPHL within the group, from 1 October 2024, saw PPL take on the role of sole employer within the group, a role previously undertaken by PPHL, and so PPL paid for the majority of group costs from that date, which it recouped via the same recharge process as PPHL previously. No financial impact on PASL was identified in this respect.

PPHL remains the ultimate parent company of the group, with the role of its board to act as custodians of the group's core social business principles, to hold the strategic board (PPL) to account and to give representation to its founding members.

## Business Performance Rating

The People's Pension has grown to become one of the largest private sector master trust pension schemes in the UK with membership increasing by 6% from 6.6m to 7m and AuM up from £26.4bn to £31.3bn of AuM as at 31 March 2025. The TPP AuM growth in 2025 has been driven by a strong investment return from the main default fund (85% Global Investment Fund) of 5.8%, against a performance objective of 5.2%; active contributing members stable at 1.8m; and pension contributions rising to over 8% per member on average during the year. The number of new contributing members in the year to 31 March 2025 exceeded 575,000 [2024: 630,000].

Retention of key employers remained very positive, with a 97.5% success rate [2024: 98.7%]. TPP also achieved a large increase in new business wins, which were up 30% representing 3,303 new employers in 2025 [2024: 2,539]. This included both employers switching to TPP from other providers together with success with those offering pensions to their workforce for the first time. More members consolidated their pension pots in 2025, with a 30% increase on 2024. Overall, employer accounts rose to more than 109,000 [2024: 107,000] and gross contributions from employers and employees totalled £4.3bn [2024: £4.0bn]. In a competitive transfer market, transfers out were 40% higher than switches into TPP scheme in 2025.

For the year to March 2025, PASL's total revenue increased by £26.3m to £132.0m [2024: £105.6m]. Revenue from TPP administration was up from £100.9m to £127.8m, driven by higher average TPP AuM of £29.6bn in 2025 [2024: £22.7bn]. Revenue from a charge for new employers joining TPP was down slightly from £1.0m to £0.7m. Other revenue, related to the administering of other group financial products, decreased slightly to £3.4m [2024: £3.7m].

Operating expenses reflected all of PASL's overhead costs including recharges from PPHL (and subsequently PPL following the restructure). The total recharge amounted to £98.6m [2024: £85.8m], reflecting an increase in group costs driven by continued investment in people to service growth and to deliver the investment of £13.5m [2024: £18.0m] in product enhancements and digitisation of services to TPP members. The amount recharged in respect of staff is identified specifically only at PPL accounts level, although reflects largely the staff levels in PASL; the average monthly number of staff employed by the group during the year increased by 106 to 971, and these group costs for staff increased from £48.9m (restated) to £60.9m. PASL's total operating costs increased by £20.0m to £117.7m [2024: £97.8m].

PASL recorded a PBT of £17.5m [2024: £10.2m] which included interest income of £3.3m, up from £2.3m in 2024 due to the active management of the cash balances to generate increased returns. PAT was £13.0m and no dividend was paid [2024: £8.8m, no dividend paid].

PPL group revenue increased by £26.4m or 24.9% to £132.4m (2024: £106.0m), reflecting PASL's performance. Net operating expenses increased broadly in line with revenue and were 18.5% or £18.3m higher at £117.1m [2024 restated: £98.8m]. Finance income increased to £5.5m [2024 restated: £4.3m] due to the continued higher interest rate environment and PPL's active management of its cash balances, to generate increased returns. Consolidated profit for the financial year was £15.4m [2024 restated: £11.6m]. EBITDA for the year of £21.6m was up on 2024 [restated: £12.1m] and the director's view is that this is demonstrating the success of the business model.

## Group & Parental Context



### BACKGROUND

People's Partnership was established in 1942 as B&CE (Building and Civil Engineering) and is operated for the benefit of its members, helping them build financial foundations for life. Having no shareholders, the business pursues a social mandate to do things for the greater good. People's Partnership is now one of the UK's largest workplace pension providers, with members from over 100,000 employer accounts saving with The People's Pension. The group also provides protection products specifically for construction workers via employee accident and life cover under the B&CE name.

The group was renamed from B&CE to People's Partnership in 2021 to reflect the widening of the target market from the construction industry to support auto-enrolment initially and the workplace pension market more widely, with a name change of entity B&CEFSL to PASL reflecting this also.

The group's flagship product is The People's Pension, and TPP is available to all types of employers. It was the first master trust to achieve voluntary master trust assurance, in September 2014. In August 2019, it was granted master trust authorisation from The Pensions Regulator. PASL carries out all the day to day administration of TPP, supported by its parent PPL which provides strategic direction.

The group's parent company is PPHL, a limited by guarantee company controlled by the following industrial parties which nominate the members of PPHL in accordance with the articles of association: Unite, GMB, Build UK, Civil Engineering Contractors Association, Federation of Master Builders, National Federation of Builders, and Scottish Building Federation.

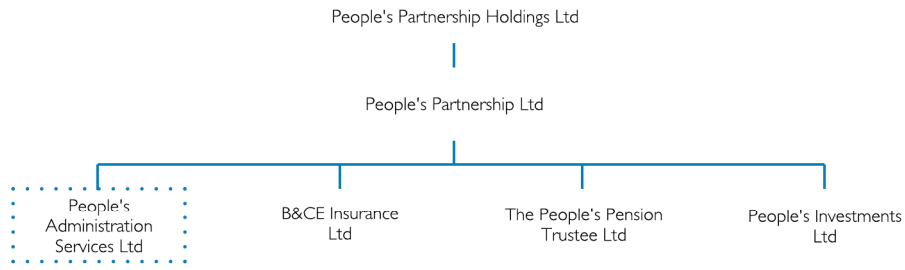
Strategic company PPL oversees the group's financial services businesses:

- PASL, which acts as a distributor of, and administrator for, pensions, accident and life, with its main role being the administrator of TPP
- B&CEIL, a provider of life assurance and accident insurance, established in 1995
- The People's Pension Trustee Ltd (TPPTL), the corporate trustee of TPP, overseeing its operation with a fiduciary duty to act in the interests of its members. In particular TPPTL has a remit of safeguarding the TPP scheme's funds and ensuring that the scheme delivers good value for members. The board of TPPTL consists solely of independent directors with expertise in pensions/financial services
- With effect from 1 April 2024, People's Investments Ltd (PIL), which had been dormant since establishment in 2021, was re-purposed to provide oversight and support for the investing activities of TPP

The Building and Civil Engineering Charitable Trust was launched in 1991, offering financial assistance to construction workers and their families who are suffering hardship, principally to ease the financial distress that illness or changes to domestic circumstances can cause. The Trust is funded by People's Partnership which distributes a proportion of its surpluses to the charity.



GROUP STRUCTURE (SIMPLIFIED)



Key:  
 ..... Subject of this Assessment

# Company Analysis: People's Administration Services Ltd



## BASIC INFORMATION

### Company Type

Pension Administrator

### Ownership & Control

People's Partnership Holdings Ltd

### Year Established

1987

### Country of Registration

UK

### Head Office

Manor Royal, Crawley, West Sussex, RH10 9QP

### Contact

[www.thepeoplespension.co.uk/contact-us/](http://www.thepeoplespension.co.uk/contact-us/)

[www.peoplespartnership.co.uk/contact-us/](http://www.peoplespartnership.co.uk/contact-us/)

### Key Personnel

Role	Name
Chair	J Islam
Chief Executive Officer	P I Heath-Lay
Chief Operating Officer	A Staral
Chief Finance Officer	K Smith
Chief Investment Officer	D Mikulskis
Chief Commercial Officer	D Meliveo
Chief Risk Officer	J Morago
Chief Information Officer	N Rodgers
Chief People Officer	D Finlayson

### Company Background

PASL's principal activity is to administer financial products on behalf of People's Partnership. It was appointed scheme administrator of The People's Pension by TPPTL on 18 December 2012, and receives the AMC paid by members.

PASL is also the administrator of a number of smaller connected pension schemes and the group's insurance products.



## OPERATIONS

### Governance System and Structure

On 1 April 2022, the group governance arrangements were re-structured, moving the board that is responsible for strategic direction of the group from PPHL to PPL. 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. PPL is involved in the operation and running of

TPP, which is authorised and supervised by The Pensions Regulator, and individuals involved with the company must satisfy TPR's fitness and propriety criteria.

The People's Partnership group is committed to strong governance. In 2014, TPP was the first master trust to achieve the first level of voluntary assurance under the Institute of Chartered Accountants in England and Wales' (ICAEW) assurance framework for master trusts. The ICAEW developed the framework in partnership with TPR to help employers identify high quality pension schemes. TPP consider this an independent assessment which demonstrates the strength of its scheme's governance and administration standards, and has since gone on to achieve the second level of voluntary master trust assurance.

In operational terms, the business relies on the '3 lines of defence' risk governance model.

- Firstly, each business function is responsible for identifying, assessing, and managing risks within the parameters of the group risk management framework (RMF).
- Secondly, the risk oversight and compliance functions teams, under the direction of the Chief Risk Officer, work with leaders and managers, challenging them on the risks they face and what they are doing to manage those risks. The risk management team administers a Group Risk Register of every material risk and in each case, the strategy to mitigate it.
- Thirdly, there is an Internal Audit function which provides independent assurance on the effectiveness of risk management and the risk framework.

People's Partnership continues to support the Pension Regulator's pledge on scams, and regularly warns members and reports its own concerns when they arise. PASL has also embedded processes for protecting vulnerable members, with vulnerable customer champions established to support customers across vulnerabilities including disability, bereavement and financial hardship. With members' consent, PASL also collects data on their needs, so as to continue to enhance the support it can provide.

### Risk Management

The risk management process is managed across the group, with the strategic board determining the nature and extent of the principal risks it is willing to take, and communicating this through the group risk appetite. The process facilitates the identification of risks through workshops and interviews with managers and senior managers. Risks that can seriously affect its ability to achieve strategic objectives, performance or reputation are maintained in the group or business unit risk registers.

Risks are assessed to determine the potential impact and likelihood of occurrence, after taking into account key controls and mitigating factors. Additional mitigating actions are identified and agreed with the relevant business owners. Risk is managed both at the group level and within each department on an ongoing basis, with follow-up and challenge by the risk management function throughout the year. At the group level, each risk has an executive owner. The CEO has overall accountability for the control and management of risk. The board has overall responsibility for risk management. The content of the Group Risk Register is considered and discussed in regular meetings with senior management and reviewed by the Executive Leadership Team, the Group Audit and Risk Committee and the board.

On a broad basis the business identifies risk in the following categories:

- Strategy and Financial - where it has insurance, financial, external environment and strategy risks to manage
- Enterprise Technology, Security and Change - technology, cyber and change management
- Enterprise Operational - customer service delivery, people capacity and capability risks
- Regulatory and Legal - business continues to operate in a highly regulated environment

The group recognised the risk posed by investment performance and this has therefore continued to be an area of focus, due to the fact that poor investment performance would impact several areas. Within financial risks for the group are included insurance, market, credit and liquidity risk. Other risks identified in the last year that require ongoing attention were the impact of inflation, fraud activity switching from banking to pensions, the ongoing risk of cyber security, and geo-political risks including the war in Ukraine. Alongside many of its peers, the business has prioritised IT systems and infrastructure, and cyber risk in recent years, and PASL continues to invest in this area, commensurate with its increase in scale. To mitigate competition risk, the group also continued to invest significantly in products and services.

The group's priority for the coming year is to evolve the group risk management framework so it continues to support growth.

### Administration

People's Partnership remains committed to continuing to deliver the highest level of administration service alongside increasing customer numbers, and it has continued to fund resourcing over the last financial period to make sure standards stay high.

Employers can apply online for The People's Pension, where there is enhanced self-service functionality and increasing straight through processing. The Adviser Centre provides intermediaries with an online toolkit as well as the ability to access and service their schemes with The People's Pension. In addition to call and email servicing communication channels, the business has introduced online webchat functionality for members which has been very well received. This was assisted by the contact centre becoming cloud based in early 2024.

In 2024, TPP's app was launched and had over 500,000 downloads by the end of December 2025. Additional features are planned to be rolled out during 2026.

### Benchmarks

TPP reported that service levels were the highest for 6 years and the independent Trustee Board concluded in its latest annual report that the Scheme continues to offer good value for money to the membership. A key consideration in the Trustee's assessment was the member charge rebate which had resulted in £31.6m [2024: £21m] of the AMC being returned to members over the year.

All PASL staff work to Service Level Agreements (SLAs) to ensure that high levels of service are maintained. PASL has maintained excellent customer service standards, with the level of complaints from TPP scheme members and employers remaining low - in 2025 complaint numbers averaged 0.88 per 1,000 policies in force [2024: 1.05] comfortably inside the target of 1.5 per 1,000.

Despite significant increases in the volume of both transactions and customer contact, customer satisfaction rates increased to 85% (2024: 83%). There was an increase of 26% in transactions (defined as people getting in touch with PASL) over the year to March 2025, and the customer service target (percentage of tasks carried out within 5 days) was 90% [2024: 93%]. The contact centre became cloud based in early 2024 which is also now helping the business to achieve high service levels and support webchat - TPP Net Promoter Score (NPS) rose from +38 to +39 in 2025 for customers using the contact centre. In 2025, call volumes increased by 11% in the year and took on average 60 seconds to answer [2024: 77 seconds].

Over the years for its products and service, People's Partnership has received a number of accolades although no direct awards for service or products in recent years. People's Partnership and/or TPP have various accreditations and ratings currently:

- Defaqto 5 Star Rating for Workplace Pension 2024
- Corporate member of the Plain Language Commission
- Corporate member of Pensions Administration Standards Association
- People's Partnership has a 'Best Companies' accreditation of 'Very Good' to work for in 2024.

### Outsourcing

Outsourcing contracts are in place for TPP in respect of investment custody services provided by Northern Trust, and investment management with State Street Global Advisors Ltd (SSGA), Invesco Asset Management Ltd (Invesco), Amundi (UK) Ltd (Amundi), and HSBC Global Asset Management (HSBC). Both Invesco and Amundi were appointed in March 2025. Investment advice was provided by Barnett Waddingham LLP (BW) until 1 January 2025, when PIL was formally appointed as TPP's investment advisor.

The group also has agreements with CMS Cameron McKenna Nabarro Olswang LLP in respect of legal advice, Ernst & Young for tax advice, OAC for actuarial services for general insurance, and Deloitte MCS is the group's outsourced actuarial function. TPP's legal adviser is Eversheds Sutherland (International) LLP.



## STRATEGY

### Market Positioning

People's Partnership states that its core values - creating simplicity, understanding people and keeping its promises - drive everything it does. The group exists to help members build financial foundations for life, to "reinvest profits to achieve better financial outcomes for everyone"; and its priority is to keep delivering high quality service and support to its customers, while growing and innovating for the future. Having no shareholders, the business pursues a social mandate to do things for the greater good.

The advent of automatic enrolment presented both a challenge and an opportunity for People's Partnership. The group felt that it was well placed to continue to specialise in workplace pensions and that in addition to continuing to serve the needs of the construction industry it also needed to broaden its appeal to the wider market in order to gain scale so as to be competitive compared to other schemes operating in the auto enrolment market. The People's Pension has become the flagship proposition for People's Partnership.

In recognising the maturation of the auto enrolment market, the People's Partnership has developed significantly its digital offering, to create further cost efficiencies in the business and to ensure that its customers can engage when, where and how they want to. The business continues to look to expand its product range to offer additional support and adjacent propositions to customers. A financial wellbeing proposition was launched to support members with their holistic financial planning and the People's Pension app continues to be very well received. A pension tracing tool has also seen initial usage and a new regular income planning tool was launched in December 2025, with further support tools and guidance also signposted for further near future implementation. By providing members with all the information they need in one place, TPP hopes that there is more opportunity to make a more informed decision towards pension planning.

The business is well prepared for the launch of the Government's Pension Dashboard, which is expected to go live in 2026. In addition, PASL expects to benefit from the implementation of the Pension Schemes Bill, where it already meets the minimum scale requirements of AuM £25bn in its main default arrangement (required by 2030), and the group appears to be in a strong position to grow further as a workplace pension provider.

The group's approach to distribution has evolved as the shape of employers coming through the auto enrolment staging process has changed. In terms of new business acquisition, targeting opportunities and building relationships with key market influencers in the SME market, including payroll providers, accountants and bookkeepers, has become a priority area. An expanded actuarial team is providing a better understanding of pricing and profit within the business, supporting scheme-specific pricing to improve attractiveness in the market; and TPP has also become the only provider to offer a best price guarantee, where members returning to TPP with a different employer can have all their savings in one pot and charged at the lowest rate available to them. Targeted direct channel campaigns continue to be used to communicate with smaller employers and raise awareness of TPP. People's Partnership is also making more and more use of digital media and fulfilment within its routes to market.

TPP has previously acknowledged that investing in certain assets such as private markets has been dependent on the scheme reaching scale. It has continued to grow its team of investment specialists in this respect. TPP invests already in both UK listed companies and government debt, and believes in diversified investment opportunities that present good, consistent returns for its members over the long term. As such it is aligned to the outcomes the UK government is seeking to see delivered, especially including UK-based assets.

### Proposition

PASL's principal activity is the Scheme Administrator of TPP, which is open to any employer, and administrator of all the financial products (current and legacy) provided by the group:

- The People's Pension - master trust based flagship product for the group, a multi-employer defined contribution occupational pension scheme
- Employee Life Cover plan (B&CE) - a death benefit only occupational pension scheme provided by B&CEIL
- Employee Accident Cover (B&CE) - a group accident insurance product provided by B&CEIL
- Building and Civil Engineering Benefits Scheme - a multi-employer defined benefit occupational pension scheme (closed to new business)

The group business model in 2025 remains focused on workplace pension business through The People's Pension. The group is investing heavily to ensure its proposition is competitive, with a number of important deliveries over the past year (including the member app, retirement planning tools and Scheme Specific Pricing).

The group also continues to operate the legacy B&CE Benefits Scheme which includes a Lump Sum Retirement Benefit and Additional Voluntary Contribution option, with over 300,000 members between them.

The decision on how to invest the funds rests with the Trustees of each scheme. For TPP, PIL is the investment adviser to the Trustees, having replaced BW in early 2025. The CIO leads People's Partnerships' investment management team and supports the board and trustees in developing the investment strategy for TPP. TPP investments are managed by SSGA, Invesco, Amundi and HSBC.

Alongside its pension business, the group also offers protection products exclusively to construction employers and employees (Employee Life Cover and Employee Accident Cover). Employee Life Cover is an insurance arrangement manufactured by B&CEIL and sits within the scope of the FCA's Consumer Duty regime. PASL acts as the promotional and marketing arm of the group, distributing any products that are offered in partnership with other financial services providers.



## KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 31 March 2025

### Statement of Financial Position

	Mar 23 £m	Mar 24 £m	Mar 25 £m
Assets	51.6	63.6	84.9
Current liabilities	(8.3)	(11.4)	(19.7)
Long-term liabilities	0.0	0.0	0.0
Net assets	43.3	52.1	65.2

### Statement of Changes in Equity

	Mar 23 £m	Mar 24 £m	Mar 25 £m
Equity at start of period	44.5	43.3	52.1
Movement due to:			
Share capital and premium	0.0	0.0	0.0
Retained earnings	(1.2)	8.8	13.0
Other	0.0	0.0	0.0
Equity at end of period	43.3	52.1	65.2

Balance sheet assets and liabilities reflected a stable position for a growing business, with debtors and creditors, both trade and other, increasing largely in line with overall growth. The balance sheet includes a reduced £0.8m deferred tax asset [2024: £3.8m] in respect of tax losses carried forward, to be utilised against future taxable profits. The largest element of the balance sheet assets remains cash and cash equivalents, which increased by £21.1m to £71.6m as at 31 March 2025; this included £47.9m of ring-fenced Master Trust reserves [2024: total cash of £50.5m including £40.7m ring-fenced].

Overall, net assets increased by £13.0m to £65.2m as at 31 March 2025, reflecting the profit retained in the year.

## Income Statement

	Mar 23 £m	Mar 24 £m	Mar 25 £m
Revenue	78.7	105.6	132.0
Other operating income	0.0	0.0	0.0
Operating expenses	(82.1)	(97.7)	(117.7)
<b>Operating profit (loss)</b>	<b>(3.4)</b>	<b>7.9</b>	<b>14.2</b>
Other gains (losses)	0.5	2.3	3.3
<b>Profit (loss) before taxation</b>	<b>(2.9)</b>	<b>10.2</b>	<b>17.5</b>
Taxation	1.8	(1.4)	(4.5)
<b>Profit (loss) after taxation</b>	<b>(1.2)</b>	<b>8.8</b>	<b>13.0</b>
Other comprehensive income	0.0	0.0	0.0
Dividends	0.0	0.0	0.0
<b>Retained profit (loss)</b>	<b>(1.2)</b>	<b>8.8</b>	<b>13.0</b>

## Financial Ratios

	Mar 23 %	Mar 24 %	Mar 25 %
Operating margin	(4)	7	11
Pre-tax profit margin	(4)	10	13
Employee costs as a % of revenue	50	46	46

For the year to March 2025, total revenue increased by £26.3m to £132.0m [2024: £105.6m]. Revenue from administration fees was up from £100.9m to £127.8m, driven by higher TPP AuM, and income from the single annual charge. Revenue from a charge for new employers joining TPP was down from £1.0m to £0.7m. Other revenue, related to the administering of other group financial products, decreased to £3.4m [2024: £3.7m].

Operating expenses reflected all of PASL's overhead costs including recharges from PPHL and PPL, the latter having taken over this role from October 2024. The total recharge in respect of staff costs is noted within the PPL accounts, with the average monthly number of staff employed by the group during the year increasing by 106 to 971, and commensurate group costs increasing from £48.9m (restated) to £60.9m. PASL's total operating costs increased by £20.0m to £117.7m, up by 20% reflecting the increased employee numbers plus investment of £13.5m in product enhancements and digitalisation of services to TPP members during the year, including delivery of Scheme Specific pricing, member app, microsites, financial wellbeing products and related tools.

PASL recorded a profit of £17.5m before tax [2024: £10.2m] which included finance income of £3.3m, up from £2.3m in 2024, due to the higher interest rate environment and active management of the cash balances to generate increased returns. Profit after tax was £13.0m and no dividend was paid [2024: PAT £8.8m, no dividend paid].

## Statement of Cash Flows

	Mar 23 £m	Mar 24 £m	Mar 25 £m
Net cash generated from operating activities			
Net cash used in investing activities			
Net cash used in financing activities			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4.0)</b>	<b>9.9</b>	<b>21.1</b>
Cash and cash equivalents at end of period	40.6	50.5	71.6

## Assets under Administration (AuA)

	Mar 23 £m	Mar 24 £m	Mar 25 £m
Assets at start of period	17,580	20,243	26,425
Inflows	4,188	4,450	4,794
Outflows	(672)	(1,010)	(1,456)
Net market and other movement	(853)	2,743	1,580
<b>Assets at end of period</b>	<b>20,242</b>	<b>26,425</b>	<b>31,343</b>
Growth rate (%)	15	31	19
Net inflows as % of opening AuA	20	17	13

PASL is not required to publish a cashflow statement. PASL cash increased by £21.1m during the year to £71.6m, which included ring-fenced Master Trust reserves being increased from £40.9m to £47.9m.

The table above shows The People's Pension AuM of £31.3bn as at 31 March 2025, up by 19% on the prior year. The movement in TPP AuM is determined from three key elements: fund growth, the number of active employees saving through their employer, and their average contributions. The People's Pension has continued to grow on all fronts.

- The investment return for the largest fund, the Global Investment (up to 85% shares) Fund was 5.8% after fees, and the total net market and other movements increased AuM by £1.6bn.
- The active contributing membership was maintained at around 1.8m, slightly down on prior years. Membership rose from 6.6m to 7.0m in the year, while employer accounts increased from 107,000 to 109,000. Retention of key employers remained very positive, with a 97.5% success rate [2024: 98.7%]. TPP also achieved a large increase in new business wins, which were up 30% representing 3,303 new employers in 2025 [2024: 2,539]. This included both employers switching to TPP from other providers together with success with those offering pensions to their workforce for the first time. More members also consolidated their pension pots in 2025, with £551k of transfers in recorded in 2025, a 30% increase on 2024.
- The average member contribution grew by more than 8% during the year. Gross contributions from employers and employees totalled £4.3bn [2024: £4.0bn], and in a competitive transfer market, transfers out were 40% higher than switches into TPP scheme in 2025.

## Guide



### INTRODUCTION

For over 30 years AKG has particularly focused on the financial strength requirements of financial advisers, who when acting on behalf of their clients, need to ascertain a company's ability to deliver sustained provision.

From this customer perspective, the financial strength of companies needs to be focused at an operational level, specifically on the company that is effecting the product or service that a customer is selecting. This is important, because from the customer's perspective it is that company (not some higher corporate entity) that needs to survive in a form that maintains the requisite operational characteristics to meet their fairly held requirements. And it is thus at this level that the selection needs of the customers' advisers must be met.

It is also important to understand the sector approach (comparative peer groups) that is adopted in financial strength assessment and rating process.

At AKG, this is again driven by the end customer perspective and the fact that assessment is designed solely for this purpose, i.e. as a component in helping customers' advisers to select between comparable companies competing to deliver relevant products or services.

AKG's focus and approach has remained consistent over the years since it commenced assessment and rating support for the market. However, coverage, format and presentation has rightly evolved over this period, in line with the needs and expectations of assessment and rating users in the market. And AKG considers further changes on a continual basis.

Further details including an explanation of what is included in the assessment reports and coverage can be found online at <https://www.akg.co.uk/information/reports>.

AKG's process for assessment and rating is to use a balanced scorecard of measures and comparative information, relevant to the companies contained within each peer group. This is gathered via Public Information only for non-participatory assessments and public information plus company interactions with companies for participatory assessments. Further details on AKG's process can be found at <https://www.akg.co.uk/information/reports>.

This includes further information on the different participatory and non-participatory basis and for companies wishing to learn more about participatory assessment AKG is pleased to outline this and welcomes contact.

This is a participatory assessment.



### RATING DEFINITIONS

#### **Overall Financial Strength Rating**

The objective is to provide a simple indication of the general financial strength of a company from the perspective of those financial advisers who when acting on behalf of their clients need to ascertain a company's ability to deliver sustained operational provision of products or services.

The overall rating inherently reflects the mix of business within the company, since different types of customer or policyholder have different requirements and expectations, and the company may have particular strengths and weaknesses in respect of its key product or service areas. However, it also takes account of comparison across the sector in which it is assessed.

The rating takes into account those of the following criteria which are relevant (depending upon the company's mix of business in-force): capital and asset position, expense position and profitability, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), operational capability, management

strength and capability, strategic position and rationale, brand and image, typical fund performance achievements or product / service features, its operating environment and ability to withstand external forces.

Rating Scale	A	B+	B	B-	C	D	☐
	Superior	Very Strong	Strong	Effective	Challenged	Very Challenged	Not applicable

### With Profits Financial Strength Rating

The objective is to provide a simple indication of the with profits financial strength of a company, where it currently offers with profits business or has existing with profits business within it.

This is from the perspective of those financial advisers who when acting on behalf of their clients, for this product type, need to ascertain a company's ability to deliver sustained operational provision of with profits funds, products or propositions. Its comparison is with other companies within the assessment sector that offer or have with profits business.

The main criteria taken into account are: capital and asset position, expense position and profitability, the amount of with profits business in-force, parental strength (and likely attitude towards supporting the company), and image and strategy.

NOTE: More detailed analysis of with profits companies is included in AKG's UK Life Office With Profits Reports.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

### Unit Linked Financial Strength Rating

The objective is to provide a simple indication of the unit linked financial strength of a company, where it currently offers unit linked business or has existing unit linked business within it. This is from the perspective of those financial advisers who when acting on behalf of their clients, for this product type, need to ascertain a company's ability to deliver sustained operational provision of unit linked products or propositions. Its comparison is with other companies within the assessment sector that offer or have unit linked business.

The main criteria taken into account are: capital and asset position, expense position and profitability, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), operational capability, management strength and capability, strategic position and rationale, brand and image, typical fund performance achievements or product / service features, its operating environment and ability to withstand external forces.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

### Non Profit Financial Strength Rating

The objective is to provide a simple indication of the non profit financial strength of a company, where it currently offers or has existing products and propositions such as term assurance and annuities. This focuses on the company's ability to deliver sustained operational provision of such non profit products or propositions. Its comparison is with other companies within the assessment sector that offer or have non profit business.

The main criteria taken into account are: capital and asset position, expense position and profitability, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), operational capability, management strength and capability, strategic position and rationale, brand and image, product / service features, its operating environment and ability to withstand external forces.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

**Service Rating**

The objective is to assess the quality of the organisation's service to the intermediary market in respect of the brand concerned.

Criteria taken into account include: performance in surveys, awards and benchmarking exercises (external and internal), the organisation's philosophy, service charters, the extent of investments designed to improve service, and feedback from intermediaries.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

**Image & Strategy Rating**

The objective is to assess the effectiveness of the means by which the organisation currently positions itself to distribute its products for the brand concerned and the plans it has to maintain and/or develop its position.

Criteria taken into account include: overall trends in the company's market share position, brand visibility and reputation, feedback from intermediaries and industry commentators, and AKG's view of the company's general strategy.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

**Business Performance Rating**

This review is an assessment of how the company and the brand has fared against its peers, and how it is perceived externally. Effectively this is how it has performed recently in the market. Whilst it will include performance indicators from the most recent available statutory reporting (report and accounts and SFCRs in the case of insurance companies, for example) it will also draw on other recent key performance elements before and after such disclosure, up to the point at which the assessment is undertaken.

Criteria taken into account include: increase/decrease in market shares, expense containment, publicity good or bad, press or market commentary, regulatory fines, and competitive position.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

AKG is an independent organisation. Originally established as an actuarial consultancy AKG has, for over 30 years, specialised in the provision of assessment, ratings, information and market assistance to the financial services industry.

As the market has evolved over this period, the range of entities considered by AKG has expanded. Consequently, AKG has brought additional skill sets into its operations. This has meant the inclusion of accounting, corporate finance, IT and market intelligence experience, alongside actuarial resources, to deliver an expanded professional capability.


Today AKG's core purpose is in the provision of financial analysis and review services to support the wider financial services sector and its customers.

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