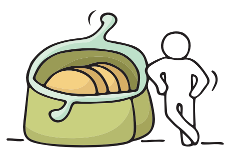
BBC PENSION SCHEME

Report and financial statements 2026

Pension Scheme Registration Number 10149485

Contents



Summary of the year

Membership

The total number of Scheme beneficiaries at 31 March 2026 was 43,485 (excluding dependants), 1.5% less than last year. The Scheme closed to new entrants on 1 December 2010.

A breakdown of the membership is on page 5.

Scheme Investments

The value of the Scheme's investments (including Additional Voluntary Contributions (AVC) investments) was £12.5bn at the year end, down by £0.1bn from the end of the previous year.

Details of the distribution of investments are on pages 15 and 16.

Performance

The Scheme's assets produced a return of 3.8% in the year ended 31 March 2026.

More details are on page 7 to 9.

Valuation

The actuarial valuation of the Scheme as at 1 April 2024 revealed a surplus (liabilities, calculated on the technical provisions basis, minus the value of the assets) of £296m.

Details are on page 6.

Movement of the fund

The Fund Account on page 18 shows that income from contributions was £66.1m and outgoings were £645.4m, giving net withdrawals from dealings with members of £579.3m. Income from investments, net of expenses, was £287.5m giving a total outflow of £291.8m.

Middle East Conflict

The Trustee has considered the potential implications of the ongoing conflict in the Middle East for the Scheme and its operations.

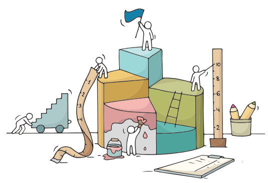
The Scheme has very limited exposure to markets in the region, and its key suppliers do not have significant operational exposure there.

In addition, the Scheme maintains a prudent approach to liquidity management, which helps ensure strong resilience to events that may disrupt financial markets.

Virgin Media

The Trustee has considered whether there may be implications for the Scheme of the July 2024 judgment of the Court of Appeal in Virgin Media v NTL Pension Trustees II Limited. It has concluded that the risks at issue in the Virgin Media case do not create any benefit related liability exposure for the Scheme.

More detail can be found on page 40.



Trustee's report

This report for the year ended 31 March 2026 is presented in compliance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013. The financial statements have been prepared and audited in accordance with the regulations made under sections 41(1) and 41(6) of the Pensions Act 1995.

How the Scheme is run

The BBC Pension Scheme (the Scheme) is a defined benefit scheme. The Scheme provides benefits for and in respect of its members, who are, or were, employees of the BBC or other participating employers.

The Scheme is established and governed by a Trust Deed and Rules. The Trustee of the Scheme is a company, BBC Pension Trust Ltd, referred to as the "Trustee" throughout this report.

The Trustee acts through its Board of Directors. The directors are referred to throughout this document as the "Trustee Directors" and the Board of Directors as the "Trustee Board".

The Scheme is set up under trust, the effect of which is to separate the Scheme's assets from those of the BBC. The Trustee holds the assets on trust to provide the benefits under the Scheme. The Scheme is registered with HM Revenue & Customs under Chapter 2, Part 4 of the Finance Act 2004.

Appointment and nomination of Trustee Directors

There are eleven Trustee Directors.

Three independent Trustee Directors are appointed by the Trustee Board, with the approval of the BBC, for a term of three years.

Four BBC Trustee Directors are appointed by the BBC. Of these four BBC Trustee Directors, at least three must hold senior positions in the BBC or other participating employers.

Three Member Trustee Directors are nominated from and elected by the active members and those deferred members who are still working for the participating employers. They hold office for six years and retire in rotation.

One Pensioner Trustee Director is nominated from and elected by the pensioner members, and also serves for six years.

If there is more than one nomination for the Member Trustee Director or Pensioner Trustee Director position, a ballot is held.

The Chair of the Trustee Board is appointed by the Trustee Directors, with the approval of the BBC.

The Trustee exercises its powers and duties in the interests of the Scheme as a whole, as required under the Scheme's governing documents and legislation.

Changes to the Trustee Board

Leslie Huss-Smickler's term as Pensioner Trustee Director ended on 31 December 2025.

Richard Collings was appointed as Pensioner Trustee Director from 1 January 2026.

After the end of the Scheme year the following changes to the Trustee Board were made.

Hannah Sander's term as Member Trustee Director ended on 30 April 2026.

Anthony Reuben was appointed as Member Trustee Director from 1 May 2026.

Increases in pensions and deferred pensions

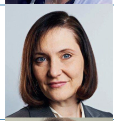
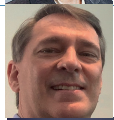
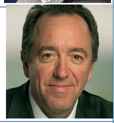
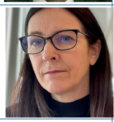
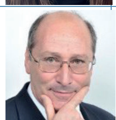
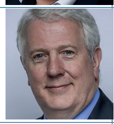
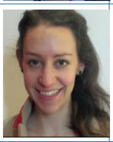
Pension increases awarded on 1 April 2026 ranged from 2.5% to 4.2%, depending on the section of membership to which members belonged. In addition to the increases due under the Rules, the revaluation of CAB 2006 active and deferred members (in respect of whom revaluation is discretionary only) awarded on 1 April 2026 was 3.4% and a 3% discretionary increase was paid on 16 November 2025 to CAB 2006 and CAB 2011 pensions in payment that started on or before 1 April 2024. Details of the specific increases awarded can be found on page 52.

Transfer values

Transfer value payments made during the year have been calculated in accordance with the provisions of Section 97 of the Pension Schemes Act 1993. More detail can be found on page 53.

The Trustee Board

During the year the Trustee board comprised of the following members. The table shows attendance at Board and Committee meetings during the year:

	Board	FGPC	Governance Committee	Investment Committee
Kristina Block (Member) 	7/7			5/6
Shirley Cameron (BBC) 	7/7	2/3		
Catherine Claydon (Independent, Chair) 	7/7		3/3	
Richard Collings (Pensioner) From 1 Jan 2026 	2/2		1/1	
Ben Cryer (Member) 	7/7	3/3		
Martyn Freeman (BBC) 	5/7	2/3		
Bridget Houghton (Independent) 	6/7	3/3		
Leslie Huss-Smickler (Pensioner) To 31 Dec 2025 	5/5		2/2	
Peter Johnston (BBC) 	6/7		3/3	
David Jordan (BBC) 	7/7			5/6
Hannah Sander (Member) On maternity leave for part of the period To 30 April 2026 	4/7	2/3		
Emma Osborne (Independent, Investment Committee Chair) 	7/7			6/6

Anthony Reuben was appointed as Member Trustee Director from 1 May 2026.

Membership

	2025	2026
Total membership		
Contributing members	5,678	5,106
Deferred pensioners	23,951	22,706
Pensioners	27,867	29,137
	57,496	56,949

Contributing members	
At 1 April 2025	5,678
New members*	4
Leavers	(318)
Retired with pension (normal health)	(245)
Retired with pension (ill health)	(4)
Died in service	(9)
At 31 March 2026	5,106

Deferred pensioners	
At 1 April 2025	23,951
Leavers from active status (including re-instatements)	320
Subsequently transferred	(35)
Pensions becoming payable	(1,451)
Deaths	(54)
Surrendered, commuted or refunded	(25)
At 31 March 2026	22,706

Pensioners	**Former contributors**	**Spouses and dependants**	**Total**
At 1 April 2025	23,453	4,414	27,867
Contributing members who retired (including re-instatements)	248	0	248
Deferred pensions becoming payable	1,494	0	1,494
Spouses and dependants	0	373	373
Cessations	(541)	(304)	(845)
At 31 March 2026	24,654	4,483	29,137

The total number of Scheme beneficiaries as at 31 March 2026 was 43,485 (2025: 44,097), excluding dependants. Membership numbers in the table above are higher as members can hold more than one record. For example, existing members who joined the Career Average Benefits 2011 section from another section of the Scheme may have a deferred pensioner record for their benefits built up in the Old Benefits, New Benefits or Career Average Benefits 2006 sections and a contributing record for their Career Average Benefits 2011 benefits.

*New members were individuals re-joining the Scheme following their return from a career break.

Report on actuarial liabilities

The actuarial valuation of the Scheme as at 1 April 2024 reported a surplus (liabilities, calculated on the technical provisions basis, minus value of assets) of £296m. The value of the Scheme's assets and liabilities at that date were £13,775m and £13,479m respectively (both excluding AVCs).

A summary of the financial assumptions adopted for the technical provisions and future service contributions as at 1 April 2024 is set out below. Discount rate and increase assumptions are all term-dependent (except for pay increases, which are fixed). The rates summarised below are single equivalents to the full assumption curve, weighted by the liability cashflows at the valuation date.

	Single equivalent nominal % pa
Discount rate	5.0
Price inflation (Retail Prices Index)	3.4
Price inflation (Consumer Prices Index)	3.1
Pay increases (including promotional allowance)	1.0

The pension increases and deferred pension revaluation assumptions have been set reflecting the guaranteed level of increases under the Scheme rules, based on the relevant inflation curve above with caps and floors applied to each year's forward rate, as appropriate for each benefit type, as set out in the table below.

	Level of increases
Pension increases	
Old Benefits (in payment and deferment)	RPI (min 0%, max 10%)
New Benefits (in payment and deferment)	RPI (min 0%, max 5%)
CAB 2006 (in payment)	RPI (min 0%, max 2.5%)
CAB 2011 (in payment)	CPI (min 0% max 4%)
Revaluation	
Career Average Benefits 2006 (CAB 2006)	RPI
Career Average Benefits 2011 (CAB 2011)	CPI (min 0% max 4%)

Mortality base tables are 101% of S4 Normal Health tables for non-pensioners, 98% of S4 Normal Health tables for male pensioners and dependants, 101% of S4 All Pensioners tables for female non-pensioners, 99% of S4 All Pensioners tables for female pensioners and 99% of S4 Dependants tables for female dependants.

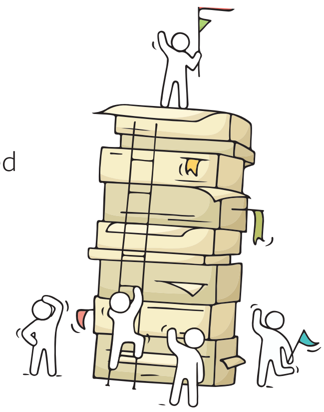
Improvements in longevity are assumed to be in line with the CMI 2023 core projection model from 2017 to the valuation date and in future with the core value of the smoothing parameter, an initial addition of 0.5% pa, a long-term rate of improvement of 1.5% a year for both males and females and default 0% weighting to the 2020 and 2021 data and 15% to years 2022 and 2023. In addition, a longevity reserve of £116m has been included in the liabilities.

The method used to calculate the technical provisions is the projected unit method.

The latest funding update was prepared using the same methodology updated with assumptions as at 1 April 2025 and reported a surplus of £418m on the technical provisions basis.

A triennial valuation as at 1 April 2026 is currently underway and is due to be completed within 15 months.

Further information on the actuarial valuation can be found on the Scheme's website: **bbc.co.uk/mypension**.



Investment policy and management arrangements

The Trustee sets investment policy. The Trustee consults the BBC and takes advice from the Scheme Actuary, its investment consultants, and other advisers as appropriate. The Trustee engages independent members of the Investment Committee with relevant investment experience and is supported by an in-house investment team. The investment policy is reviewed at least annually. The Trustee has established BBC Pension Investment Limited, regulated by the FCA, to exercise investment discretion in relation to specific aspects of the Scheme's portfolio.

The Trustee delegates responsibility for implementing investment policy to its Investment Committee. The Investment Committee appoints, monitors the performance of and removes investment managers. It oversees asset allocation and directs the cash flow of the Scheme amongst investment mandates, adjusting portfolios as necessary. It monitors, reviews and recommends changes to the Trustee's policies in respect of investment, corporate governance, responsible investment and engagement.

In setting policy, the Trustee has regard to a set of investment beliefs developed in discussions with its investment consultant, the in-house team, the Investment Committee and other parties. The investment beliefs provide a starting point for strategic asset allocation reviews and other investment discussions. Fundamentally the Trustee believes and takes account of the fact that the BBC underwrites the liabilities of the Scheme. The Trustee monitors the covenant of the BBC on a continuous basis to assess its ability to support the Scheme.

The Trustee delegates day to day investment decisions to suitably qualified independent investment managers. Their activities are defined and constrained by detailed agreements. Investment managers have discretion to buy and sell investments within the terms of their agreements.

The Trustee invests in a mix of real and monetary assets deemed suitable for pension schemes, balancing expected returns against volatility. Derivative instruments, potentially involving leverage, are used to manage the Scheme's risk and for efficient portfolio management purposes.

Asset allocation is driven by the specific characteristics of the Scheme, in particular its demography, the pattern of liabilities, the funding of the Scheme and the risk tolerance of the Trustee and BBC. The Trustee sets the strategic asset allocation which is reviewed following periodic asset liability modelling (ALM) studies that consider the full range of investment opportunities available to the Scheme, expected returns on investments and changes to the funding position.

The Trustee has an objective of achieving full funding on a solvency basis, and then maintaining this position such that, if required at any point from that time, the Trustee should be in a position to settle Scheme benefits in full with an insurer.

Based on the current agreed Schedule of Contributions and investment policy, the Trustee expects to achieve this objective by around 2030 without requiring recourse to the BBC for additional contributions.

In line with regulatory guidance, the Trustee targets an appropriate balance between risk and return in its efforts to meet its objectives.

2025/26 Overview and performance

The start of the 2025/26 financial year saw a sharp equity market sell-off related to the announcement of US 'liberation day' tariffs. Markets then recovered strongly and a backdrop of slow growth and falling inflation allowed the Bank of England to cut its Base rate from 4.50% to 3.75%. However, by the end of the financial year the war in Iran had resulted in higher oil prices and higher expectations for inflation and short term interest rates.

For the year as a whole, long term UK government bond yields edged higher, reflecting the UK's challenging fiscal position and the prospect of higher inflation as a result of higher energy prices. The UK 30-year nominal government bond (Gilt) yield rose from 5.3% to 5.5%. Meanwhile, the 30-year Index-Linked Gilt yield remained at 2.1%.

The level of long term bond yields is particularly important for the Scheme as the yields are used to estimate the present value of the Scheme's liabilities. Meanwhile, the Scheme has significant holdings of 'liability matching bonds' such as Gilts and Index-Linked Gilts because their contractual cash flows mirror the benefits that the Scheme pays to its pensioners, and limit the extent to which the Scheme's funding position is affected by movements in long term interest rates and expected inflation.

Equity markets once again delivered strong returns, with the FTSE All World index in £ gaining 18.0%. Corporate bonds outperformed government bonds as the yield premium of UK corporate bonds over UK government bonds narrowed to levels not seen since before the financial crisis in 2008.

As a consequence of the rise in bond yields and benefits paid out during the year, the value of the Scheme's assets was slightly lower compared to a year ago. The asset value fell to £12.4bn (excluding AVCs), down from £12.6bn at the end of March 2025.

The Trustee is focused on ensuring that the Scheme has sufficient assets to pay benefits as they fall due and in this respect the Scheme's funding position (i.e. the difference between the Scheme asset level and the present value of liabilities) is the primary consideration rather than the absolute level of assets.

In the decade before 2022 the value of the Scheme's assets (and liabilities) rose sharply as bond markets and many other assets performed well, benefiting from the very low prevailing level of interest rates. The Scheme's asset level rose from £9.2bn in 2012 to £19.7bn (excluding AVCs) in 2022. The rise in interest rates and bond yields since 2022 has caused the value of the Scheme's assets and liabilities to fall back significantly, while nonetheless leaving the funding position much improved.

Chart 1 shows the Scheme's assets since 2015. Chart 2 gives the annualised performance of the Scheme over the last one, three and ten years, and compares those figures with the Scheme's benchmark.

Chart 1

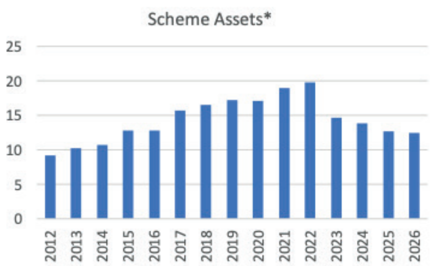
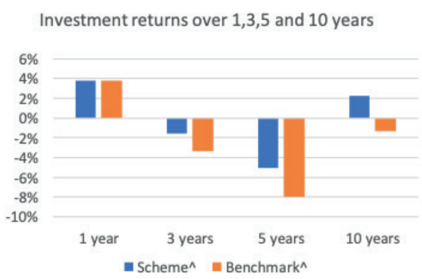


Chart 2



Sources: HSBC, Willis Towers Watson
*Assets ex. AVCs;
^Performance excludes the effect of the Scheme's longevity swap; Proxy Liability Benchmark using Gilts plus 0.5% basis, as calculated by Willis Towers Watson; numbers are annualised

After adjusting for cash flows in and out of the Scheme, the net investment return for the year 2025/26 was 3.8%, excluding the effect of the Scheme's longevity swap. Over the very long term, since 1978, the Scheme's investments have generated an annualised return of approximately 10%.

The Scheme uses an investible representation of its liabilities (liability proxy) as its primary investment benchmark. This approach aligns the management of the Scheme's assets directly with the objective of being able to pay pensions to beneficiaries as they fall due. The Scheme's return of +3.8% was in line with its benchmark return in 2025/26.

The Scheme's return is well ahead of its liability proxy benchmark over three, five and ten years. The Scheme's assets have outperformed the liability proxy both in periods of rising yields as well as falling yields, leading to a steady and significant improvement in the Scheme's funding position.

Investment strategy and activity

The Scheme's strategic asset allocation is reviewed at least annually by the Trustee. The table below shows the asset allocation as at 31 March 2026.

Asset Allocations	Current %	Strategic Asset Allocation %
Listed Equities	3.9	6.0
Private Equity and other growth assets	13.3	7.0
Diversified Income - Alternative Credit	13.4	12.0
Diversified Income - Alternative Matching Assets	23.7	17.0
Liability Matching Bonds	46.5 (91*)	58.0 (83.0*)
Longevity swaps	-1.2	0.0
Net cash	0.4	0.0

^Including equity derivatives
* UK Interest rate exposure of liability matching bonds and derivatives, as a proportion of Scheme funded liabilities.

Following improvements in the Scheme's funding position over recent years, the future investment returns (versus liabilities) that are required for the Scheme to meet its objectives have fallen. Over the long term, the Trustee has therefore been able to take steps to reduce the level of risk in the Scheme, investing the assets in a way that more closely matches the liabilities.

The Scheme's strategic allocation was reviewed in 2025 in parallel with the conclusion of the 2024 Valuation. The Trustee reviewed the Scheme's asset class categories and increased the allocation to matching assets at the expense of growth assets. The Scheme implemented a second longevity swap to hedge an additional segment of the Scheme's longevity risk.

The liquidity of the Scheme's investments and specifically the amount of collateral available to support the leverage in the Scheme's Liability Matching portfolio has been an important area of focus for the Trustee. It was helpful that before the 2022 LDI crisis the Scheme was running only low levels of unfunded exposure in its LDI portfolio and had not fully hedged its exposure to changes in bond yields and expected inflation.

The rise in UK bond yields and consequent negative returns experienced by the Liability Matching segment of the portfolio since 2022, combined with good performance by some other asset classes has resulted in an underweight position in liability matching bonds compared to the Strategic Asset Allocation. There are corresponding overweights to private equity and other growth assets, as well as to alternative matching assets. The Scheme has been taking steps to rebalance the portfolio back towards its Strategic Asset Allocation and strong ongoing cash flows from the Scheme's illiquid assets have been helpful in this process.

The Trustee has continued to retain a diversified portfolio of assets to generate the investment returns, relative to liabilities, that are required to meet the Scheme's Journey Plan. For example, the Scheme has continued to hold assets in the Alternative Matching Assets segment of the portfolio, such as infrastructure investments and renewable energy investments in the UK, that offer the prospects of stable long term cash flows. These are not expected to be as effective a short-term hedge for the Scheme's liabilities as UK government bonds but should deliver higher returns and cash flows that are well aligned to the Scheme's obligations over the longer term.

Manager fees are usually charged as a proportion of the assets under management. Additional costs such as transaction charges and performance fees may also be incurred. Fees are negotiated individually when a manager is appointed and are reviewed periodically to ensure that the Scheme receives value for money from its relationships with investment managers and other suppliers. The Trustee monitors a broader measure of investment costs which includes management fees, commissions, administration and custody costs, property expenses and other investment governance and advisory costs. This measure shows that costs increased over the last two years as market movements resulted in an increased allocation to higher fee investment strategies. However, overall investment costs are nonetheless more than 25% lower as a percentage of assets under management than was the case in 2011, when the Scheme first started to conduct this analysis. The Scheme is a member of the Independent Limited Partners Association (ILPA) and has been seeking to improve the quality and standardisation of the fee data that it receives, especially relating to alternative investments.

Implementation Statement

Responsible investment

The Trustee recognises that with ownership comes responsibility and it is committed to exercising its influence to promote the long term sustainability of the Scheme's investments, consistent with its duty to act in the best financial interests of the Scheme.

Responsible investment involves effective integration of environmental, social, governance and other relevant factors including climate change (collectively referred to as "ESG" factors) and stewardship (broadly covering voting and engagement) in the Scheme's investment approach and strategy. The Trustee is committed to taking appropriate advice on these matters and monitors investment managers' strategy, decision-making and performance. The Trustee will seek to engage with regulators and public policymakers, and collaborate with other pension funds and investors where appropriate and in the best interests of the Scheme in order to make the best use of resources.

The Trustee is a signatory to the UN-supported Principles for Responsible Investment (PRI) and a member of the Institutional Investors Group on Climate Change (IIGCC). Trustee Directors and members of the Scheme executive contribute to investor groups focused on stewardship such as Accounting for Sustainability (A4S) and the Asset Owner Council.

The Trustee's policies on stewardship, voting and engagement are set out in the Statement of Investment Principles and Responsible Investment Policy, which can be viewed on the Scheme website. A copy is available on request from the BBC Pension and Benefits Centre, Central Square, Cardiff CF10 1FT. These policies are reviewed and updated annually. The Trustee is satisfied that these policies have been followed during the year.

Climate Change – TCFD Disclosures

The Trustee recognises that climate change is a long term risk for the fund and has the potential to impact the Scheme's investments, liabilities and funding position. In the interests of members and aligned with the goals of the Paris Agreement, the Trustee has committed, consistent with its fiduciary obligations, to managing the investment portfolio in line with achieving net zero greenhouse gas emissions by 2050. The Scheme is a signatory to the Paris Aligned Asset Owner Commitment and the Chair of Trustees has signed the A4S Pension Fund Chair Net Zero Statement of Support.

The Scheme supports the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and has published annual disclosures using the TCFD framework since 2018. The latest TCFD report has been designed to meet the requirements of the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021. The full TCFD report can be found on the Scheme website (bbc.co.uk/mypension/documents/scheme-documents/). This does not form part of the financial statements.

Voting and Engagement

The Scheme employs a voting and engagement overlay service, EOS at Federated Hermes (EOS), to vote at company meetings and engage with investee companies, public policy-makers and regulators, promoting high standards on ESG issues and a sustainable environment for the Scheme's investments. EOS is an active participant in a number of industry bodies and initiatives on the Scheme's behalf, including Climate Action 100+.

EOS manages voting and engagement across the majority (c.90%) of the Scheme's listed equity investments, which are held in segregated funds. In addition, EOS carries out engagement across the Scheme's segregated corporate credit holdings. The Trustee has employed EOS in order to achieve a consistent approach to voting and engagement across these investments and benefit from the expertise and scale of a specialist stewardship provider. EOS is expected to exercise votes and carry out engagements in accordance with its Global Corporate Governance Principles and Engagement Plan, unless the Trustee believes that doing so would not be in the best financial interests of the Scheme.

EOS engages with investee companies on the Scheme's behalf, setting engagement objectives and tracking progress using a milestone measurement system. EOS employs a large team of engagement specialists, with a range of skills, experience, languages and connections to enable them to access and maintain constructive relationships with company boards. Together they represent pension funds and other large institutional investors with assets under advice in excess of US$2trillion.

EOS continually reviews the progress of company engagements, according to the objectives set out in its Engagement Plan. The Trustee contributes to the development of this plan on an annual basis, alongside other EOS clients. The Trustee has identified climate change as a key stewardship priority and this is reflected in the company engagement and voting activities that EOS carries out on behalf of the Scheme. If insufficient progress is being made on an engagement objective, EOS considers whether to intensify efforts and escalate the engagement or discontinue the objective and take a different approach as the situation demands. Escalations include attempting engagement at a more senior level, letters to the board of directors, questions or statements at annual meetings, recommending votes against annual meeting items, shareholder resolutions or open letters.

For listed equity investments held in a pooled fund, voting and engagement is delegated to the relevant investment manager. Stewardship priorities, engagement activities and voting records are monitored and discussed with the pooled fund manager. Managers are challenged on how their activities correspond with organisational commitments such as the Principles for Responsible Investment.

Across all asset classes, the approach to stewardship and ESG factors is considered in the manager selection and appointment process, to assess alignment with the Trustee's policies. This is supported by research and recommendation from an investment consultant. Once appointed, investment managers' engagement activities and priorities are monitored and reviewed regularly via written reporting and manager meetings. These activities vary according to the type of investment.

For example, bond managers consider material ESG factors in investment due diligence and assessment of documentation, terms and conditions. Company engagement is carried out directly with key decision-makers, who are central to the financial management of the business.

Property managers consider ESG factors when assessing new investments, in ongoing asset management and engagement with tenants. Many of the Scheme's property and infrastructure managers carry out GRESB assessments and have set targets to outperform each year. GRESB (formerly the Global Real Estate Sustainability Benchmark) is the leading global ESG benchmark for real estate and infrastructure investments.

Engagement case studies

The following examples have been selected as they relate to the Scheme's stewardship priority of climate change across the range of asset classes in which the Scheme invests.

EOS has been engaging with a European energy and chemicals company which is held in the Scheme's corporate credit portfolio. The global energy transition challenges the company's traditional business model, impacting the company's revenue sources. Associated regulatory and policy measures could add additional costs and reduce profitability unless mitigated. Since 2019 EOS has met regularly with the company's sustainability team, including the head of climate strategy. EOS encouraged the company to clearly articulate how it intended to employ carbon offsets to achieve its climate targets, including how it would ensure the robustness and sustainability of these offset purchases. The company's disclosure on its carbon offsetting portfolio has gradually improved since its 2021 sustainability report. The company foresees limiting the use of offsets after achieving a 90-95% reduction in emissions across its value chain. In addition, the company's due diligence process requires further certification of the socio-environmental benefits of projects, including biodiversity conservation, economic development and improvement of local communities living conditions. EOS will continue to engage the company on the credibility of its transition plan.

EOS has been engaging with a German multinational company which is held in the Scheme's actively managed listed equity portfolio on its reporting of climate-related financial risks to both its business model and from potential physical impacts. The objective was for the company to demonstrate through its TCFD reporting resilience against climate-related risks, which without careful management could otherwise result in additional operating expenses associated with regulatory costs of GHG emissions and impacts to the asset value of its business. EOS encouraged the company to consider the benefits of aligning its activities and strategy with the goals of the Paris Agreement. In its 2024 TCFD report, the company included a quantitative scenario analysis explicitly including a 1.5°C aligned scenario for scopes 1 & 2 and a well below 2°C scenario across all the company's activities, disclosed key assumptions and variables used, and reported on the key risks and opportunities identified. By completing and maintaining its TCFD reporting the company and investors should be better able to anticipate and mitigate risks and take advantage of the opportunities relating to climate change. EOS plan to monitor the continued evolution of the TCFD reporting and related actions taken by the company and in particular scope 3 disclosures (especially from use of sold products) which still lacked full transparency and alignment with SBTi standards.

One of the Scheme's sovereign bond managers has engaged with an emerging market issuer on the credibility and feasibility of its climate and energy transition strategy. The manager discussed progress on renewable energy generation which remains limited despite ambitious targets. The engagement covered the potential for a more defined strategy to attract private capital, particularly in grid infrastructure and clean energy generation, which could help alleviate fiscal pressures and support the government's climate objectives. The manager will continue to monitor developments in the energy transition and engage with stakeholders to assess the credibility of the government's climate commitments and the evolving role of the private sector.

One of the Scheme's private credit managers has engaged with a Spanish portfolio company on sustainability matters. An update call with the CFO was held to discuss progress against the company's ESG Plan, developed with support from the sponsor's team and an external advisor, aimed at strengthening its long-term ESG strategy. The plan covers 13 strategic ESG topics, including emissions reduction, and progress on each topic is monitored annually and disclosed in the company's Non-Financial Information Annual Report. To reinforce its ESG governance, the company has appointed a dedicated ESG Manager. The investment manager maintains regular sustainability engagement with company management, including an annual in-person meeting at the company's headquarters to review progress and align on future priorities.

One of the Scheme's infrastructure managers has been working with projects where it has operational control to implement decarbonisation plans that can reduce carbon emissions in a cost-effective way. The projects, developed with a specialist advisor, aim to reduce both emissions and operational costs; for example, installing LED lighting which can save approximately 50% compared with other lighting options. Two pilot projects have been initiated, including development of a decarbonisation plan for a hospital where carbon reduction initiatives could yield significant savings for the NHS Trust per annum. The manager will continue to work with the project stakeholders to implement the actions.

One of the Scheme's UK direct property managers has continued efforts to improve energy efficiency as part of its asset management programme. An industrial warehouse owned by the Scheme has recently been refurbished. The works comprised a full internal and external refurbishment with ESG initiatives, including the removal of gas fired heaters and the installation of LED lighting, an EV charging point and a solar PV system. The refurbishment works have resulted in achievement of an EPC A+ rating.

One of the Scheme's property fund managers has continued to work on ESG business plans for each asset in its portfolio. Recent projects include improvements to a Spanish property to achieve a BREEAM 'Excellent' certification. The manager is installing smart home technology to allow tenants to monitor their energy consumption, lighting and climate control, and other measures including composters and EV chargers. Tenant surveys will also be implemented to identify further areas for improvement.

One of the Scheme's private equity managers is continuing to support its portfolio companies to increase energy efficiency and manage climate-related risks. It has supported a UK compliance software company in development of a comprehensive materiality assessment and strategy, which identified climate and energy as key focus areas, establishing metrics, targets and initiatives that would drive meaningful progress across the material topics. The company has calculated its carbon footprint and taken action to reduce its emissions, by implementing green office standards and migrating to more energy-efficient cloud providers. The company made a commitment to the SBTi in April 2025 and will work to establish carbon reduction targets in line with SBTi standards.

Summary of voting activity

The Scheme aims to exercise all of its votes at all company meetings, where it is practical to do so. Voting rights are attached to listed equity investments. EOS manages voting on behalf of the Scheme for the segregated mandates managed by Baillie Gifford and Sanders. For the pooled fund managed by State Street, the manager has discretion to vote according to its in-house policy.

A summary of voting activity during the year to 31/12/2025 is set out below.

	EOS	State Street (passive)
% of Scheme's listed equities at 31/12/2025*	89%	11%
Number of votable meetings	107	6,832
Number of votable proposals	1,516	66,462
Resolutions voted on	100%	100%
Votes with management**	85%	88%
Votes against management**	14%	13%
Votes abstained**	0%	2%

*Figures refer to the percentage of total market value of listed equity holdings
**Figures may not total 100% due to reasons such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots voted differing ways, or a vote of 'Abstain' also considered a vote against management.

Voting in Segregated funds: EOS at Federated Hermes

EOS conducted voting on behalf of the Scheme for the active listed equity investments managed by Baillie Gifford and Sanders Capital. Quarterly voting disclosure reports, including rationales for all votes against management, and an annual voting and engagement report are provided by EOS and made available on the Scheme website.

EOS provides voting recommendations to clients in collaboration with Institutional Shareholder Services Inc. (ISS), leveraging its primary research and infrastructure (including the ISS ProxyExchange platform) to provide recommendations on approximately 10,000 shareholder meetings annually. EOS provides the Scheme with regular voting updates and alerts to controversial votes, allowing the Scheme to review and overrule the recommendations if necessary EOS recommends votes according to its Global Voting Guidelines which can be found on the EOS website.

The Trustee has identified climate change as a key stewardship priority and this continues to be a significant theme addressed by EOS in its voting recommendations during the past year. The Trustee has communicated its stewardship priority of climate change to EOS in review meetings and that it considers votes on this theme to be significant. During the year, voting has been carried out broadly in line with the Scheme's stewardship priority.

In May 2025, the AGM of a multinational technology company included a shareholder proposal requesting alternative emissions reporting with disclosure of all material Scope 3 greenhouse gas emissions associated with its retail sales. EOS recommended voting in favour of the proposal. At the date of the vote the Scheme's holding represented by EOS was c.£17m (0.1% of Scheme assets). This vote has been identified as significant as it relates to the Scheme's stewardship priority of climate change.

EOS communicated its voting recommendations to the company ahead of the AGM, with the rationale that the proposal promoted better management of opportunities and risks. The shareholder resolution received c.14% votes in favour and was not approved. EOS continues to engage the company on a range of issues, including its climate strategy.

Voting in Pooled funds: State Street (passive)

State Street has contracted ISS to manage the voting process at shareholder meetings, however all voting decisions are undertaken in accordance with in-house guidelines. Further details of State Street's voting policy and procedures can be found on the State Street website.

The Trustee has communicated its stewardship priority of climate change to State Street in review meetings and that it considers votes on this theme to be significant. Alignment of voting with the Scheme's stewardship priority is difficult to assess across many thousands of votes in the pooled passive fund. The Trustee has engaged with the investment manager on its voting behaviour and the Sustainability voting policy which is more aligned with the Scheme's stewardship priority was adopted from April 2025.

In May 2025, the AGM of a multinational energy company included a shareholder proposal to request the company disclose whether and how its demand forecast for liquified natural gas (LNG), LNG production and sales targets, and new capital expenditure in natural gas assets, are consistent with its climate commitments, including its target to reach net zero emissions by 2050. At the date of the meeting the approximate size of the holding was 0.25% of the pooled fund (c.£0.2m of Scheme assets). This vote has been identified as significant as it relates to the Scheme's stewardship priority of climate change.

The manager voted in favour of the proposal with the rationale that it merited support in line with its Sustainability voting guidelines. The manager did not communicate its vote to the company in advance. The resolution received c.21% votes in favour and was not approved. The manager has since engaged the company and discussed the shareholder proposal and the reasons the asset manager supported it.

Custody

Custody of securities held in segregated mandates is with HSBC Bank plc. Securities are normally registered in the name of the nominee of the custodian or its sub-custodians, but this is subject to local market practice, regulations and law. Through HSBC, UK securities (CREST) are specifically registered in a segregated style allowing clear identification of the Scheme's specific assets.

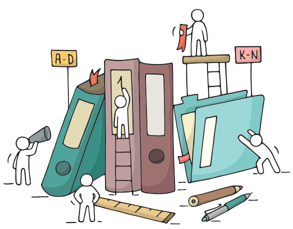
The Trustee monitors the administration and processing of investment transactions by the custodian. The controls in place to secure safe custody are subject to both internal and external audit testing, the findings of the latter being published in HSBC's ISAE 3402 statement for the year ended 30 September 2025.

The deeds for all UK properties are held by the Scheme's property solicitors, CMS Cameron McKenna Nabarro Olswang LLP in England and Wales and Brodies LLP in Scotland.

Custody of other assets held in pooled investment vehicles is determined by the individual fund managers and diversified across the range of their mandates.

Employer related investments

The Scheme holds an investment of 1,053 units in the White City Property Unit Trust at the year end. The units derive their value from the reversionary value of the underlease granted to the Scheme sponsor for 30 years expiring in March 2035. The value of this investment represents approximately 0.1% of the Scheme's net assets.



Distribution of investments – by mandate and manager

The following table shows the value of assets under management as at 31 March 2026.

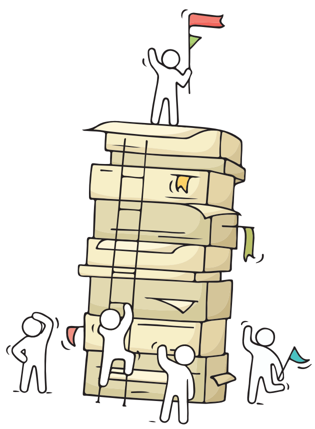
Global equities	£m	£m	%	%
Statestreet Global Equity	56.2		0.5%	
Baillie Gifford & Co	151.3		1.2%	
Sanders Capital	282.3		2.3%	
		489.8		4.0
Private Equity				
Cabot Square	79.0		0.6%	
Hg Pooled Management	314.2		2.5%	
Hony Capital Fund L.P	6.9		0.1%	
KKR & Co LLP	79.0		0.6%	
NAVIS Capital Partners	214.5		1.7%	
PGSFIII GP Ltd	0.1		0.0%	
Sun Capital Partners, Inc	26.6		0.2%	
Warburg Pincus LLC	52.2		0.4%	
		772.5		6.1
Property				
USA- Grosvenor Americas Ltd	298.7		2.4%	
Europe- CBRE Global Collective Investors UK Ltd	1.4		0.0%	
Europe- Pan European Property Unit Trust	48.5		0.4%	
		348.6		2.8
Specialty Credit				
Cambridge Associates Ltd	324.1		2.6%	
Prisma Capital Partners	3.2		0.0%	
GS & Co Mezzanine Advisors	203.8		1.6%	
		531.1		4.2
Liability Matching Bonds				
Legal and General Assurance (Pensions Management) Ltd	3,662.4		29.5%	
Pimco Europe Ltd (Sterling Corporate Bonds)	1,027.4		8.3%	
M&G Investment Management Ltd	1,096.9		8.8%	
		5,786.7		46.6
Alternative Credit				
17 Capital	87.8		0.7%	
GS & Co Mezzanine Advisors	50.5		0.4%	
Colchester Global Investors Ltd	219.3		1.8%	
Wellington Securitized Opps Fund	198.6		1.6%	
M&G Investment Management Ltd	2.5		0.0%	
ICG Alternative Investments Ltd	464.7		3.7%	
GreenOak Real Estate Advisors LLP	341.8		2.7%	
Libremax Capital LLC	212.3		1.8%	
Orchard Global Asset Management Ltd	86.5		0.7%	
		1,664.0		13.4
Alternative matching assets				
Asper Investment Management	88.2		0.7%	
Aberdeen UK Infrastructure Partners, LP & Sidecar	151.5		1.2%	
M&G Investment Management Ltd (Inflation Linked)	247.4		2.0%	
BlackRock UK Long Lease Property Fund	190.2		1.5%	
BlackRock Renewables Fund	98.6		0.8%	
Dalmore Capital	104.4		0.8%	
Greencoat Solar L.P	428.3		3.5%	
Macquarie Financial Products Management Ltd	433.9		3.5%	
Infracapital Partners	123.8		1.0%	
InfraRed Capital Partners Ltd	80.6		0.7%	
UK-CBRE Global Investors Ltd	650.8		5.3%	
UK- Orchard Street Investment Management Ltd	339.6		2.7%	
Employer related property	17.3		0.1%	
		2,954.6		23.8
Currency Overlay				
Legal & General Assurance (Pensions Management) Ltd	(48.7)	(48.7)	(0.4)	(0.4)
Miscellaneous cash balances and other assests/liabilities	103.9	103.9	0.8	0.8
Longevity Swap	(157.1)	(157.1)	(1.3)	(1.3)
Total investments (excluding AVCs)		12,445.4	100.0	100.0

Unquoted securities

The Scheme has several portfolios of unquoted securities. By their very nature, the companies in which the investments are held tend to be small and the Scheme's proportionate holdings in these companies are greater than would be the case for quoted companies.

Property

At 31 March 2026 the Scheme owned 66 properties (2025: 67 properties) in the UK, with a total market value of £988.6m (2025: £976.8m) 92% by value being freehold and the remainder held on leases exceeding 50 years. Properties are let on leases subject to regular rent reviews not later than 2031.



Statement of Trustee’s responsibilities

Trustee’s responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102), are the responsibility of the Trustee. Pension Scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and

- contain the information specified in the Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparing of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control. The Trustee is responsible for the maintenance and integrity of the corporate and financial information included on the Scheme’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee’s responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

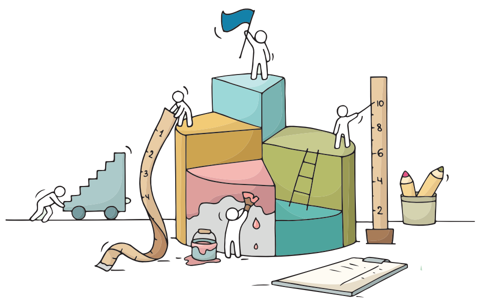
The Trustee is also responsible for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Further information

Further information about the Scheme is available from the Secretary, BBC Pension and Benefits Centre, Central Square, Cardiff CF10 1FT or on bbc.co.uk/mypension
(email: mypension@bbc.co.uk).

For and on behalf of BBC Pension Trust Limited

Rachel Hallett
Secretary
2 June 2026



Fund Account for the year ended 31 March 2026

		2026		2025	
	Notes	**£m**	**£m**	**£m**	**£m**
Contributions and benefits					
Contributions					
• Employer	3	63.0		116.2	
• Employee	3	3.1		1.8	
Total contributions			66.1		118.0
Benefits paid or payable	4	(626.2)		(587.9)	
Payments to and on account of leavers	5	(11.0)		(10.9)	
Administrative expenses	6	(8.2)		(8.5)	
			(645.4)		(607.3)
Net withdrawals from dealings with members			(579.3)		(489.3)
Returns on investments					
Investment income	7	316.5		329.4	
Investment management expenses	9	(29.0)		(18.3)	
Change in market value of investments	10	172.2		(1,045.5)	
Net return on investments			459.7		(734.4)
Net (decrease) in the fund			(119.6)		(1,223.7)
Net assets at 1 April			12,622.6		13,846.3
Net assets at 31 March			12,503.0		12,622.6

The notes on pages 20 to 41 form part of the financial statements.

Statement of Net Assets (available for benefits) as at 31 March 2026

		2026		2025	
	Notes	**£m**	**£m**	**£m**	**£m**
Investment assets					
Bonds	**10**	8,535.5		8,123.2	
Equities	**10**	414.1		393.9	
Property	**12**	988.6		976.8	
Pooled Investment Vehicles	**13**	5,349.8		5,670.3	
Derivatives	**14**	78.6		193.6	
AVC investments	**16**	57.6		64.8	
Cash	**17**	205.3		164.8	
Other investment assets	**18**	167.0		176.8	
Amounts receivable under reverse repurchase agreements	**18**	185.5		439.7	
			15,982.0		16,203.9
Investment liabilities					
Bonds	**10**	(189.4)		(453.7)	
Derivatives	**14**	(126.1)		(70.1)	
Longevity Swap	**15**	(157.1)		(147.5)	
Other investment liabilities	**18**	(283.7)		(290.5)	
Amounts due under repurchase agreements	**18**	(2,737.9)		(2,631.8)	
			(3,494.2)		(3,593.6)
Total net investments			12,487.8		12,610.3
Current assets	**19**	28.7		29.6	
Current liabilities	**19**	(13.5)		(17.3)	
Net current assets			15.2		12.3
Net Assets of the Scheme as at 31 March			12,503.0		12,622.6

The notes on pages 20 to 41 form part of the financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the report on actuarial liabilities on page 6 of the annual report and these financial statements should be read in conjunction with this report.

The Financial Statements on pages 20 to 41 were approved by the Trustee Board on 2 June 2026 and signed on its behalf by:

Trustee
Director

Trustee
Director

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

The BBC Pension Scheme (the Scheme) is a UK registered occupational pension scheme established as a trust under English law.

The Scheme provides retirement benefits for its members, who are, or were, employees within the BBC or other companies within the BBC group. The Scheme's principal place of business is: Pension and Benefits Centre, Central Square, Cardiff CF10 1FT.

1.Basis of preparation

(a) Compliance with SORP

The individual financial statements of the Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised 2018) ("the SORP").

(b) Scope of Financial Statements

The Financial Statements summarise the transactions and net assets of the Scheme. They do not take account of the liabilities to pay pensions and other benefits in the future. The actuarial position of the fund is dealt with by the Actuary in her Certificates on page 47.

(c) Subsidiary undertaking

In accordance with the SORP, no consolidated financial statements have been prepared as the statutory framework for pension scheme financial reporting does not require consolidation. BBC Pension Investment Limited has not been consolidated on grounds of materiality and there is no material impact on the assets of the Scheme of non-consolidation.

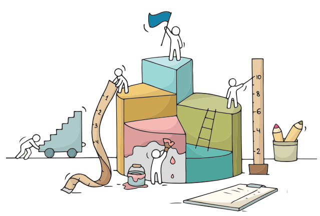
(d) Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgments in applying the accounting policies, key accounting estimates and assumptions.

In determining the fair value of certain illiquid assets the Scheme relies on valuation methodologies that may include discounted cash flow analysis, publicly quoted comparables, recent arms-length transactions and other valuation techniques commonly used by market participants. The techniques and judgements required to calculate the valuations of these illiquid assets are inherently less certain than those used to value quoted assets.

Examples would include RICS valuation guidelines for Property and the International Private Equity Valuation (IPEV) guidelines and assumptions such as current market views on longevity utilising the schemes longevity swaps.

The Scheme is the sole investor in a number of limited partnerships (LPs). Assessing whether the Scheme controls them requires judgement. The investments do not permit the Trustee to set the annual budget and financial plan, appoint and remove senior executives or set operating procedures and responsibilities. As such, the partnership interest has been included in these financial statements as a financial asset and has not been consolidated. The Trustee has taken advice that the investment in the limited partnership is structured in such a way that the Trustee does not control these LPs.



2. Accounting policies

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

(a) Foreign currency translation

The Scheme's functional currency and presentational currency is Sterling. The results and financial position of all entities are translated into Sterling as follows:

- Assets and liabilities are translated at the closing exchange rate on 31 March;
- Income and expenses are translated at the actual exchange rate on the date of transaction; and
- All resulting exchange differences are accounted for as part of the change in market value of investments.

(b) Contributions

- Normal contributions, both from the members and employers, are accounted for as they fall due under the Schedule of Contributions.
- Employee contributions paid by salary sacrifice are included as employer contributions.
- Additional and special contributions from the employers are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received. Additional Voluntary Contributions from the members are accounted for in the month that they are deducted from the payroll.
- Deficit recovery payments made by the employer are accounted for on the earlier of the due date as stipulated in the Schedule of Contributions and the date of receipt.

(c) Pensions and benefits

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

Members can choose whether to take their benefits as a pension or as a reduced pension and lump sum. Pensions and lump sums are accounted for on an accruals basis from the later of the date of retirement or the date the option is exercised.

Payments to leavers are accounted for when the member liability is discharged which is normally when the transfer amount is paid.

(d) Investment and cash deposits

Investments are valued at fair value and different policies are used which reflect the best estimate of fair value.

- Listed investments are included at the bid price of the quoted prices at 31 March.
- Investments held in quoted pooled investment vehicles are valued at the closing bid price as confirmed by the fund manager at 31 March.
- Unquoted securities and pooled investment vehicles are valued by the Trustee based on confirmed values recommended by the investment managers. Where confirmed valuation data is not available at 31 March, 31 December data is rolled forward for any subsequent cash flows and investment movements together with other factors considered to be appropriate in determining these values.
- UK freehold and leasehold properties are valued by Knight Frank LLP, Chartered Surveyors, in accordance with the RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement and are included at open market value. No depreciation is provided on freehold or long leasehold property.
- Exchange traded futures contracts are stated at market value. For those contracts which are assets, market value is based on quoted bid prices; for those which are liabilities, market value is based on quoted offer prices.
- Swap valuations are calculated using pricing models where inputs are based on market value. Net receipts or payments are reported within change in market value.

- Options are valued at their mark-to-market value.
- Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- Accrued interest is excluded from the market value of fixed interest securities but is included in accrued investment income.
- Investment management expenses are accounted for on an accruals basis. Acquisition costs are included in the purchase cost of investments.
- Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.
- AVC investments are included at valuations provided by the AVC providers as at 31 March where available or 31 December. Where valuations are as at 31 December, these are updated for subsequent receipts and payments as indicated by the Scheme's records.
- Under repurchase (repo) arrangements, the Scheme continues to recognise and value the securities that are delivered out as collateral and includes them in the Financial Statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a liability.
- Under reverse repurchase agreements, the Scheme does not recognise the securities received as collateral in its Financial Statements. The Scheme does recognise the cash delivered to the counterparty as a receivable in the Financial Statements.
- The Scheme's longevity swap entered into on 1 July 2020 is valued independently at fair value as the difference between the present value of the expected future cash flows arising under the swap (i.e. the difference between the fixed leg and floating leg), discounted using market interest rates. At inception on 1 July 2020, the fair value of the longevity swap was nil since no consideration passed between the Scheme and the counterparty, Canada Life Reinsurance. For the year ended 31 March 2026 the Trustee has engaged Aon Solutions UK Limited to provide a valuation for the longevity swap to allow for changes in demographic assumptions since 1 July 2020. On 1 July 2025 the Scheme entered into a second longevity swap with Met Life as the counterparty. A nil value has been retained at 31 March 2026 on that basis that no material mortality experience has arisen in the covered pensioner population and neither has there been a material change in the market view on longevity to warrant a change in best estimate mortality assumptions or associated risk fees.
- BBCAF, the Scheme's US property joint venture, is valued at 31 March and translated at the year-end rate adjusted for cash flows.

(e) Transfers

Transfer values represent the capital sums payable to the pension arrangements for members who have left the Scheme. They are accounted for when the receiving scheme has agreed to accept the liabilities in respect of the transferring members, which is typically on a cash basis.

(f) Income from investments

The different sources of investment income are recognised as follows:

- Dividends on equities on an ex-dividend basis.
- Interest (including that on Bonds) on an accruals basis.
- Property rents on an accruals basis.
- Investment income arising from the underlying investments of pooled investment vehicles is reinvested within the vehicles and reflected in the unit price. It is therefore reported within "change in market value".

(g) Expenditure

Administrative expenses are recognised on an accruals basis.

3. Contributions

At the start of the year, in accordance with a Schedule of Contributions (SOC) dated 13 December 2024 which had been agreed following the 1 April 2024 actuarial valuation, the rate of employers' contributions in respect of future service accrual was 18.3% of pensionable salaries, inclusive of contributions under the matching provisions of the AVC Plus arrangement, and was payable only for active Scheme members below normal pension age (with some limited exceptions).

A new SOC was agreed between the Trustee and the BBC on 30 September 2025. Under the SOC dated 30 September 2025, the rate of employers' contributions in respect of future service accrual for the period from 1 October 2025 to 31 March 2026 was 11.5% of pensionable salaries, inclusive of contributions under the matching provisions of the AVC Plus arrangement, and was payable only for active Scheme members below normal pension age (with some limited exceptions). Under this SOC, the rate of 11.5% increases to 15.9% of pensionable salaries from 1 April 2026.

Most members' contributions were paid by salary sacrifice (Smart Pensions).

		2026 £m	2025 £m
Members	- normal	0.1	0.1
	- other employee contributions	3.0	1.7
	- additional voluntary	0.0	0.0
		3.1	1.8
Employers	- normal	43.5	85.6
	- special contribution*	0.0	0.6
	- salary sacrifice employee normal	18.3	19.8
	- salary sacrifice added years	0.1	0.2
	- salary sacrifice additional voluntary	1.0	1.1
	- deficit recovery payment	0.0	8.3
	- augmentations	0.0	0.3
	- additional voluntary	0.1	0.1
	- PPF levy	0.0	0.2
		63.0	116.2
		66.1	118.0

** In the prior year contributions due under the Scheme's schedule of contributions the Scheme received a special contribution of £0.6m in relation to 3SixtyMedia Ltd. As part of a flexible apportionment arrangement (FAA), payment of the £0.6m special contribution was received by the Scheme on 27 February 2025, and 3SixtyMedia Ltd ceased to be a participating employer on 1 March 2025.*

The actuarial valuation of the Scheme as at 1 April 2024 showed that the Scheme was in surplus and no Recovery Plan was therefore required. Whilst no Recovery Plan was required, under the SOC dated 30 September 2025, the BBC will pay to the Scheme a contribution of £125m by the earlier of 1 July 2027 and the date on which the next actuarial valuation is completed. This £125m will not be required if, at the date due for payment, a replacement SOC has been put in place that does not include the £125m.

4. Benefits paid or payable

	2026 £m	2025 £m
Pensions	565.0	540.6
Lump sum retirement benefits	46.6	34.7
Lump sum death benefits	1.3	1.9
Lump sum AVC benefits	13.3	10.6
	626.2	587.9

5. Payments to and on account of leavers

	2026 £m	2025 £m
Refunds of contributions	2.1	2.2
Transfers out	8.9	8.7
	11.0	10.9

6. Administrative expenses

	2026 £m	2025 £m
Administration - staff costs	4.5	4.1
Administration - other costs	2.5	2.8
Actuarial fees	0.9	1.1
Audit fees	0.1	0.1
Pension Protection Fund levy/Pension Regulator fee	0.2	0.4
	8.2	8.5

7. Investment income

	2026 £m	2025 £m
Bonds	154.8	138.9
Interest rate swap income	7.2	6.6
Equities	174.0	195.6
Property	59.4	60.8
Interest on cash deposits	9.6	12.0
Interest paid on repurchase agreements	(90.1)	(90.5)
Other income	1.6	6.0
	316.5	329.4

8. Taxes on investment income

Overseas investment income is stated net of withholding taxes.

9. Investment management expenses

The following amounts were payable in respect of investment services:

	2026 £m	2025 £m
Investment management – equity and bonds	7.9	6.8
Investment management – property	2.5	2.3
Custody	2.3	1.0
Other investment expenses	16.3	8.2
	29.0	18.3

All investment management fees incurred in pooled investment vehicles are charged within those funds and are reported in ‘Change in market value of Investments’ in the Fund Account.

10. Reconciliation of investments

	Market value at 1 April 2025	Purchases at cost and derivative payments	Sale proceeds and derivative receipts	Change in market value	Market value at 31 March 2026
	£m	**£m**	**£m**	**£m**	**£m**
Bonds	7,669.5	5,195.3	(4,553.0)	34.3	8,346.1
Equities	393.9	85.2	(124.9)	59.9	414.1
Bonds and Equities- Pooled Investment Vehicles	340.8	123.0	(24.1)	47.8	487.5
Property	976.8	2.0	(11.2)	21.0	988.6
Pooled Investment Vehicles - Property	389.4	0.0	(16.0)	(7.6)	365.8
Pooled Investment Vehicles - Unquoted	4,940.2	255.4	(664.3)	(34.8)	4,496.5
Derivatives	123.5	320.7	(553.8)	62.1	(47.5)
Longevity Swaps	(147.5)	9.6	-	(19.2)	(157.1)
AVC Investments	64.8	1.0	(14.5)	6.3	57.6
Total	14,751.4	5,992.2	(5,961.8)	169.8	14,951.6
Cash	164.8			2.4	205.3
Other investment balances and amounts receivable under re-purchase agreements	(2,305.9)				(2,669.1)
	12,610.3			172.2	12,487.8

Derivative payments and receipts are recognised in the table as follows:

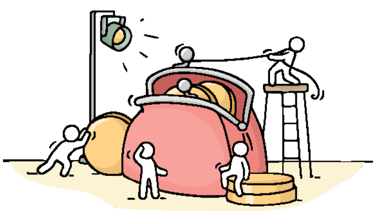
Options - premiums paid and received are reported as payments or receipts together with any close-out costs or proceeds arising from early termination;

Futures - on close out or expiry of the futures contract, the variation margin balances held in respect of unrealised gains or losses are recognised as cash receipts or payments, depending on whether there is a gain or loss;

Swaps - the payments or receipts from any close-out costs or proceeds arising on early termination;

Forward foreign exchange - the forward foreign exchange trades settled during the year; and

Longevity Swaps - the first longevity swap is valued independently at fair value as the difference between the present value of the expected future cash flows arising under the swap (i.e. the difference between the fixed leg and floating leg), discounted using market interest rates. A second longevity swap was entered into on 1st July 2025. A nil value has been retained at 31 March 2026 on the basis that no material mortality experience has arisen.



11. Transaction costs

	Fees	Commissions	Taxes	2026 Total	2025 Total
	£m	£m	£m	£m	£m
Equities	0.0	0.2	0.0	0.2	0.2
Property	0.0	0.1	0.0	0.1	0.3
Total	0.0	0.3	0.0	0.3	0.5

Transaction costs are included in the cost of purchases and deducted from sale proceeds and shown under "Change in market value" in the Fund Account on page 18.

Direct transaction costs are analysed above.

Indirect costs such as bid/offer spread costs and costs charged within pooled investment vehicles are also shown under "Change in market value" in the Fund Account but it has not been possible to quantify such costs separately.

12. Property

UK property investments

	2026	2025
	£m	£m
Freehold and long leasehold properties:		
Offices	85.0	82.8
Industrial	421.9	410.5
Shops	51.7	57.6
Retail warehouses	172.6	168.3
Hotels / other	257.4	257.6
	988.6	976.8

The properties have been valued by Knight Frank LLP as qualified surveyors and in accordance with the RICS valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. The properties are all held for investment purposes and have been valued on the basis of market value, defined within the valuation standards as: the estimated amount for which a property should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

13. Pooled investment vehicles

	2026	2025
	£m	£m
Equity funds	69.7	69.6
Debt funds	2,462.6	2,564.8
Private equity funds	859.0	932.1
Infrastructure funds	1,265.5	1,348.2
Absolute return funds	327.2	366.2
Property funds	365.8	389.4
	5,349.8	5,670.3

As at 31 March the Scheme is the sole investor in a number of pooled investment vehicles. The table below provides information on the assets and liabilities of these investments.

31 March 2026

	Greencoat Solar 1 LP	Macquarie MIDF UK1B LP	ICG-Longbow Senior Debt Investments No.1 LLP	ICG Senior Debt Partners LLP	Rendall Street Fund Ltd	Mount Street LP
	£m	£m	£m	£m	£m	£m
Equity	182.0	-	-	-	3.2	317.6
Loans	240.7	424.1	342.0	103.8	-	-
Cash	4.3	10.2	14.5	5.8	-	5.1
Current Assets	2.7	-	-	-	-	-
Current Liabilities	(1.4)	(0.4)	-	(1.4)	-	-
Total	428.3	433.9	356.5	108.2	3.2	322.7

31 March 2025

	Greencoat Solar 1 LP	Macquarie MIDF UK1B LP	ICG-Longbow Senior Debt Investments No.1 LLP	ICG Senior Debt Partners LLP	Rendall Street Fund Ltd	Mount Street LP
	£m	£m	£m	£m	£m	£m
Equity	129.8	-	-	-	8.9	340.5
Loans	332.0	455.0	421.7	166.7	-	-
Cash	6.1	10.1	21.6	6.5	-	16.7
Current Assets	5.9	-	-	-	-	-
Current Liabilities	(1.4)	(0.4)	(3.7)	(1.9)	-	-
Total	472.4	464.7	439.6	171.3	8.9	357.2

Greencoat Solar 1 LP is an infrastructure fund.

Macquarie MIDF UK1B LP, ICG-Longbow Senior Debt Investments No.1 LLP and ICG SDP LLP are debt funds.

Rendall Street Fund Ltd (Prisma Capital Partners) and Mount Street LP (Cambridge Associates) are absolute return funds.

The Scheme also invests in BBCAF Inc, a wholly owned property investments subsidiary; see note 20.

14. Derivatives

	2026		2025	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Exchange traded				
Futures	2.4	(6.2)	3.2	(0.2)
Over-the-counter contracts				
Forward foreign currency	2.1	(62.7)	70.5	(2.0)
Interest rate swaps	5.9	(0.8)	13.9	(7.3)
Inflation rate swaps	51.9	(55.3)	50.9	(60.3)
Credit default swaps	16.2	(0.2)	8.2	(0.2)
Options	0.1	(0.9)	46.9	(0.1)
	78.6	(126.1)	193.6	(70.1)

The objectives and policies for holding derivatives

The Trustee has authorised the use of derivative financial instruments as part of their investment strategy as follows:

Futures: to gain or reduce exposure to certain markets cost effectively;

Forward foreign currency: by some fund managers to hedge against adverse currency movements and by the Scheme to hedge against a fall in those currencies where the Scheme has significant equity and bond investments;

Swaps: to match the liability-driven element of the investment portfolio with the Scheme's long term liabilities (interest and inflation rate swaps) and to cost effectively gain or reduce exposure to certain markets (credit default and total return swaps); and

Options: to gain or reduce exposure to certain markets and to offer in a cost-effective way some additional downside protection in the case of market falls.

Swaps and options

2026

Type of Contract	Expiration	Nature of Swap	Notional Principal Long	Notional Principal Short	Asset £m	Liability £m
Interest Rate	Less than 31 yrs	Fixed for floating and floating for fixed	-	(130.3)	5.9	(0.8)
Inflation Swaps	Less than 14 yrs	Fixed for floating and floating for fixed	1,075.0	(847.8)	51.9	(55.3)
Credit Default Swaps	Less than 7 yrs	Various	44.7	(469.2)	16.2	(0.2)
Options	Less than 3 yrs	Equities	-	-	0.1	(0.9)
			1,119.7	(1,447.3)	74.1	(57.2)

Swaps and options

2025

Type of Contract	Expiration	Nature of Swap	Notional Principal Long	Notional Principal Short	Asset £m	Liability £m
Interest Rate	Less than 50 yrs	Fixed for floating and floating for fixed	-	(534.1)	13.9	(7.3)
Inflation Swaps	Less than 21 yrs	Fixed for floating and floating for fixed	1,075.0	(847.8)	50.9	(60.3)
Credit Default Swaps	Less than 41 yrs	Various	19.5	(209.3)	8.2	(0.2)
Options	Less than 3 yrs	Equities	181.9	(36.2)	46.9	-
			1,276.4	(1,627.4)	119.9	(67.8)

Collateral held under derivative contracts as at 31 March 2026 was £16.2m (2025: 78.9m).

Collateral pledged under derivative contracts as at 31 March 2026 was £199.2m (2025:109.1m). Collateral comprises UK gilts and US treasury bills.

Futures - Exchange Traded

2026

Type of future	Expiry	Economic exposure value	Asset	Liability
		£m	£m	£m
Fixed Interest	Less than one year	995.2	2.4	(6.2)

Futures - Exchange Traded

2025

Type of future	Expiry	Economic exposure value	Asset	Liability
		£m	£m	£m
Fixed Interest	Less than one year	730.6	3.2	(0.2)

The Scheme enters into exchange traded futures contracts to gain or reduce exposure to certain markets cost effectively.

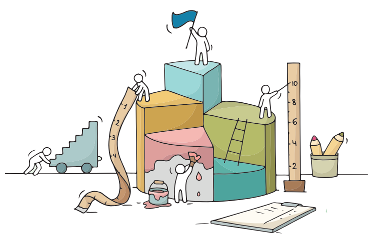
Forward foreign exchange contracts

Forward foreign exchange contracts are used by some of the Scheme's fund managers to hedge against adverse currency movements and the Scheme operates a currency overlay programme to hedge against a fall in the currencies of the countries where it has significant equity and bond investments.

At 31 March 2026 the Scheme's fund managers had 30 open forward exchange contracts with durations all expiring on or before 17 September 2026. The Scheme had bought sterling against foreign currencies with a sterling equivalent value of £947.2m, sold sterling against foreign currencies with a sterling equivalent of £0.0m, and contracts with other currency pairs had a notional sterling equivalent value of £1.8m.

The principal net exposure in these contracts was the sale of US dollars against sterling (sterling equivalent: £681.2m).

Additionally, the Scheme operates a currency overlay programme, within which at 31 March 2026, it had sold the Euro: £589.0m, and the US Dollar: £1,830.8m all against sterling.
At 31 March 2026 the unrealised loss on positions within the overlay programme was £48.7m.



15. Longevity Swaps

The first longevity swap is valued independently at fair value as the difference between the present value of the expected future cash flows arising under the swap (i.e. the difference between the fixed leg and floating leg), discounted using market interest rates. At inception on 1 July 2020, the fair value of the longevity swap was nil since no consideration passed between the Scheme and the counterparty, Canada Life Reinsurance. As at 31 March 2026 the Trustee has engaged Aon Solutions UK Limited to provide a valuation for the longevity swap to allow for changes in demographic assumptions. This value, as shown in the Statement of Net Assets, is (£157.1m) (2025: £147.5m). As per the requirement of the contract, experience collateral of £39.2m (2025: £34.4m) has been posted as at 31 March 2026.

A second longevity swap was entered into with Met Life as counterparty on 1 July 2025. A nil value has been retained at 31 March 2026 on the basis that no material mortality experience has arisen in the covered pensioner population and neither has there been a material change in the market view on longevity to warrant a change in best estimate mortality assumptions or associated risk fees.

16. AVC Investments

The Trustee holds assets invested separately from the main Defined Benefit investments to secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions.

Additional voluntary contributions are paid over to Fidelity Pensions Management, in accordance with the members' elections. Members no longer contribute towards Aviva. AVC Funds held with Santander UK plc were transferred to Fidelity Pensions Management in May 2025.

Members participating in this arrangement each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	2026	2025
	£m	£m
Fidelity Pensions Management	52.8	58.9
Aviva	4.8	5.9
	57.6	64.8

17. Cash

	2026	2025
	£m	£m
Sterling	152.3	136.7
Foreign currency	53.0	28.1
	205.3	164.8

Sterling cash deposits were managed by BlackRock Advisors (UK) Ltd, the Scheme's cash manager, and Legal and General Assurance (Pensions Management) Ltd. Foreign currencies and some sterling balances were managed by the relevant investment and property managers.

18. Other investment assets and liabilities

	2026 £m	2025 £m
Other investment assets		
Amounts receivable under reverse repurchase agreements	185.5	439.7
Receivable on sales of securities	158.6	169.1
Accrued investment income	-	-
Tax recoverable	5.1	4.6
Other debtors	3.3	3.1
	352.5	616.5
Other investment liabilities		
Amounts payable under repurchase agreements	(2,737.9)	(2,631.8)
Deferred investment income	(8.0)	(5.3)
Payable on purchases of securities	(254.1)	(263.7)
Other creditors	(18.9)	(19.1)
Tax payable	(2.7)	(2.4)
	(3,021.6)	(2,922.3)

At the year end the Scheme pledged £293.7m against the repurchase agreements and held £0.3m with reverse repurchase agreements. This collateral comprises UK gilts and is not recognised in these financial statements.

19. Current assets and liabilities

	2026 £m	2025 £m
Current assets		
Other debtors and prepayments	28.7	29.6
Current liabilities		
Tax due	(9.8)	(9.0)
Benefits due	(1.8)	(7.0)
Other creditors	(1.9)	(1.3)
	(13.5)	(17.3)

20. Subsidiary companies, joint ventures and other interests

The names of the subsidiary undertakings (directly and indirectly owned) of the Trustee are shown below together with the percentage of equity capital held by the Scheme, the year end date of the companies and their activities. These undertakings have no other material assets or liabilities other than the properties included below.

Name of company and country of registration	% held directly	% held indirectly	Year end date	Activity
BBCAF Inc (USA)	100%		31 December	Investment Holding
Grosvenor Urban Retail LLC (USA)		75%	31 December	Investment Holding
1900 Duke Street LLC (USA)		75%	31 December	Investment Holding
The Row Townhomes (LLC) (USA)		75%	31 December	Investment Holding
Parklands North Creek (LLC) (USA)		75%	31 December	Investment Holding
Green Harris LLC (USA)		75%	31 December	Investment Holding

In addition, at 31 December 2025, BBCAF Inc was a 50% limited partner in seven limited liability companies.

The remaining 50% and 25% interests in the above entities are held by Grosvenor USA Limited or one of its wholly owned subsidiaries (Grosvenor).

At 31 March 2026 the Scheme's interest in these investments was £298.7m (2025: £324.7m), which is accounted for as an investment in a pooled investment vehicle. The assets and liabilities of BBCAF Inc at 31 March were:

	2026 £m	2025 £m
Non-current assets		
- pooled investment vehicles	279.6	296.0
Deferred tax	6.9	10.8
Current assets	0.0	0.7
Cash	12.6	17.8
Current liabilities	(0.4)	(0.6)
Net assets	298.7	324.7

Grosvenor also serves as the asset manager for all of these investments.

21. Fair value determination

The Scheme's investment assets and liabilities have been analysed using the following fair value hierarchy:

Level 1 The quoted price for an identical asset or liability in an active market at the reporting date.

Level 2 When quoted prices are available but for similar assets or liabilities in active markets or identical or similar assets or liabilities in markets that are not active or where values are based on models where the inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 Where a quoted price is not a good estimate of fair value, the fair value is determined by using a valuation technique that is both unobservable and significant to the overall measurement of fair value.

At 31 March 2026

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities	414.1	-	-	414.1
Bonds	-	8,294.2	51.9	8,346.1
Property - directly held	-	-	988.6	988.6
Pooled investment vehicles	-	487.8	4,862.0	5,349.8
Derivatives	391.3	(438.8)	-	(47.5)
Longevity Swap	-	-	(157.1)	(157.1)
AVC investments	-	52.8	4.8	57.6
Other investment balances	(116.7)	-	-	(116.7)
Cash	205.3	-	-	205.3
Repurchase agreements	-	(2,552.4)	-	(2,552.4)
	894.0	5,843.6	5,750.2	12,487.8

At 31 March 2025

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities	393.9	-	-	393.9
Bonds	-	7,645.2	24.3	7,669.5
Property - directly held	-	-	976.8	976.8
Pooled investment vehicles	-	340.8	5,329.5	5,670.3
Derivatives	493.1	(393.5)	23.9	123.5
Longevity Swap	-	-	(147.5)	(147.5)
AVC investments	-	58.9	5.9	64.8
Other investment balances	(113.7)	-	-	(113.7)
Cash	164.8	-	-	164.8
Repurchase agreements	-	(2,192.1)		(2,192.1)
	938.1	5,459.3	6,212.9	12,610.3

Bond values are based on an average of broker prices and as this is a valuation technique the bonds are included predominantly in level 2. However, the Trustee considers these bonds to be very liquid.

Property asset valuations are prepared in accordance with RICS, see note 12.

Pooled investment vehicles which are traded regularly are generally included in level 2.

Pooled investment vehicles which contain unquoted assets such as private equity, infrastructure and private credit are valued with reference to International Private Equity and Venture Capital valuation guidelines (IPEV).

Level 3 assets are valued in line with industry standard guidelines and examples include the RICS methodology for Property and the IPEV guidelines for Private Equity. At 31 March 2026 Direct and Pooled property was valued at £1,354.4m. A 5% fall would equate to £67.7m. Private Equity mandates were valued at £859.0m, a 5% fall would equate to £43.0m. Pooled debt funds were valued at £2,462.6 a 5% fall would equate to £123.1m.

22. Investment Risks

The Trustee is principally concerned with risks to the Scheme's long-term objectives of paying benefits as they fall due, and of being fully funded on a prudent basis within a fixed timescale. The Scheme's investment consultant conducts extensive asset liability modelling (ALM) which is reviewed in detail by the Trustee. The modelling considers the expected evolution over time of the Scheme's funding position on a Gilts +0.5% basis. The focus of the work has been not just to understand the average (i.e. median) outcome, but also to estimate the risk that the Scheme could be severely underfunded in the future.

The Trustee also looks at shorter term measures of risk such as scenario analysis, value at risk (VaR) and tracking error that model the sensitivity of the Scheme's funding position to market developments and can be updated more frequently than the ALM work.

The Trustee sets investment policy. It consults the BBC and takes advice from the Scheme Actuary and its investment consultant. The Trustee engages independent members of the Investment Committee with relevant investment experience and is supported by an in-house investment team. The investment policy is reviewed at least annually.

The Trustee delegates responsibility for implementing investment policy to the Investment Committee. It appoints, monitors the performance of and removes investment managers. It oversees asset allocation and directs the cash flow of the Scheme amongst investment mandates, adjusting portfolios as necessary. It monitors, reviews and recommends changes to the Trustee's policies in respect of investment, corporate governance, socially responsible investment and engagement.

Further information on the Trustee approach to setting investment policy can be found below and in the Statement of Investment Principles (SIP).

Risk

The Trustee recognises that the Scheme is exposed to a number of investment and operational risks. They give qualitative and quantitative consideration to these risks when deciding investment policy, strategic asset allocation, the investment manager structure, choice of managers, the terms of their agreements and other aspects of the ongoing management of the Scheme. The quality of the sponsor's covenant is an integral consideration in determining the amount and nature of risk that it is appropriate for the Scheme to take.

FRS 102 requires the disclosure of information relating to credit risk and market risk.

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

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

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

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

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

Longevity Risk: This is the effect of increases in life expectancy of the Scheme members, which could cause more pension benefits to be payable for longer than previously anticipated.

Credit risk

At 31 March 2026	Investment grade	Non Investment grade	Unrated	Total
	£m	£m	£m	£m
Bonds	8,312.6	33.0	0.4	8,346.0
OTC derivatives	(47.5)			(47.5)
Cash	205.4			205.4
Pooled investment vehicles	1,596.8	1,222.5	2,530.5	5,349.8
Longevity Swap	(157.1)			(157.1)
Property let to tenants			922.5	922.5
	9,910.2	1,255.5	3,453.4	14,619.1

At 31 March 2025	Investment grade	Non Investment grade	Unrated	Total
	£m	£m	£m	£m
Bonds	7,643.4	25.1	1.0	7,669.5
OTC derivatives	123.5	-	-	123.5
Cash	164.8	-	-	164.8
Pooled investment vehicles	1,728.4	836.4	3,105.5	5,670.3
Longevity Swap	(147.5)	-	-	(147.5)
Property let to tenants	-	-	892.9	892.9
	9,512.6	861.5	3,999.4	14,373.5

The Scheme is subject to credit risk because it directly invests in bonds and over the counter (OTC) derivatives, has cash balances, enters into repurchase and reverse repurchase agreements and lets properties to tenants. The Scheme also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is also indirectly exposed to credit risk arising on the financial instruments held by the pooled investment vehicles.

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade (BBB or above) The Scheme also invests in non-investment grade bonds where the risk is managed by diversification to limit the impact of default by any one issuer.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or OTC. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to the risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements (see note 13 on derivatives). Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts but all counterparties are required to be at least investment grade. Cash is held within financial institutions which are at least investment grade.

Credit risk on repurchase agreements and the longevity swaps is mitigated through collateral arrangements and at the year end £130.5m (2025: £382.6m) had been delivered to counterparties as collateral. Collateral comprises UK gilts.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring fenced from the pooled manager, the regulatory environments in which these managers operate and the diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. Indirect credit risk is mitigated through diversification between managers and within funds through the managers' own credit control procedures.

	2026	2025
	£m	£m
Shares of limited liability partnerships	3,849.6	4,191.8
Unit linked insurance contracts	-	0.1
Open ended investment companies	456.6	559.4
Authorised unit trusts	744.9	594.3
BBCAF property joint venture	298.7	324.7
	5,349.8	5,670.3

Currency risk

At 31 March 2026

	Direct exposure	Hedging	Net exposure after hedging
	£m	£m	£m
Pounds (GBP)	7,896.5	2,419.8	10,316.3
Euros (EUR)	1,071.8	(589.0)	482.8
US Dollars (USD)	3,434.4	(1,830.8)	1,603.6
Other	100.3		100.3
	12,503.0		12,503.0

At 31 March 2025

	Direct exposure	Hedging	Net exposure after hedging
	£m	£m	£m
Pounds (GBP)	7,632.6	2,434.6	10,067.2
Euros (EUR)	1,043.2	(464.8)	578.4
US Dollars (USD)	3,846.9	(1,969.8)	1,877.1
Other	99.9	-	99.9
	12,622.6	-	12,622.6

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets, either as segregated investments or via pooled investment vehicles (PIV). The Trustee limits overseas currency exposure through a currency hedging policy which seeks to partially hedge the major currency exposures (Euro and US dollar). The Scheme incurs indirect exposure to currency risk through the assets held within the Scheme's pooled investment vehicles. The value of such vehicles with exposure to foreign currencies is £2,889.7m (2025: £3,129.2m).

Interest rate risk

Assets	2026 £m	2025 £m
Direct		
Bonds	8,346.0	7,669.5
Interest Rate Swaps	5.9	13.9
Indirect		
Bonds PIVs	1,605.9	1,528.5
Liabilities		
Interest Rate Swaps	(0.8)	(7.3)

The Scheme is subject to interest rate risk as the discount rates used to measure the Scheme's actuarial liabilities are derived from prevailing interest rates - the actuarial liabilities will rise as interest rates fall and fall as interest rates rise.

To mitigate this risk, the Trustee invest in assets such as bonds, that generate predictable long-term cash flows that will tend to rise in value if interest rates fall. If interest rates rise these investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

Other price risk

Other price risk arises principally in relation to the Scheme's return-seeking portfolio which includes directly held equities, equities held in pooled vehicles, equity futures, hedge funds, private equity and investment properties.

The Scheme manages this exposure to other price risk by holding a diverse portfolio of investments across various markets. Certain investments such as private equity and investment properties are less liquid but the marketability and liquidity of these assets has not been materially impacted by the current economic volatility.

	2026 £m	2025 £m
Direct		
Equities	414.1	393.9
Equity options	-	181.9
Investment properties	988.6	976.8
Indirect		
Equity pooled investment vehicles	69.7	69.6
Absolute return funds	327.6	366.2
Private markets	3,009.8	3,196.0
Investment property funds	365.8	389.4

Longevity risk

The first longevity swap is valued independently at fair value as the difference between the present value of the expected future cash flows arising under the swap (i.e. the difference between the fixed leg and floating leg), discounted using market interest rates. At inception on 1 July 2020, the fair value of the longevity swap was £nil since no consideration passed between the Scheme and the counterparty, Canada Life Reinsurance. Given the length of time passed since inception, for the year ended 31 March 2026 the Trustee has engaged Aon Solutions UK Limited to provide a valuation for the longevity swap to allow for the impact of member experience since 1 July 2020.

The second longevity swap is currently held at nil value.

23. Concentration of investments

No investments, other than UK Gilts, account for more than 5% of the Scheme's assets.

24. Employer related investments

The Scheme holds an investment of £17.3m in the White City Property Unit Trust at the year end. The investment value derives from the reversionary value of the underlease granted to the Scheme sponsor for 30 years expiring in March 2035. The value of this investment represents 0.1% of the Scheme's net assets (31 March 2025: £17.3m, 0.1% of the Scheme's net assets).

The Scheme is permitted to hold securities issued by the BBC, subject to the total proportion not exceeding 5% of the current market value of the Scheme's assets.

25. Capital and contractual commitments

As at 31 March 2026 the Scheme was committed to providing additional funding to certain managers investing in unquoted securities. These commitments amounted to £1,114.5m (2025: £1,212.7m).

26. Other matters - GMP

The BBC has addressed a number of fair and equal pay claims in recent years. In a small number of cases the BBC and employees are making contributions to the Scheme in relation to pay backdated to periods prior to 31 March 2026 and benefits are being adjusted accordingly.

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension (GMP) benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee is aware that the issue will affect the Scheme and is currently reviewing the impact in detail.

A supplemental judgment has been issued regarding the impact of GMP equalisation on historic transfers out. The Trustee is aware that the issue may affect some historic transfers made from the Scheme and are working with their advisers and administrators to identify the impacted transfers and look at next steps.

The Scheme implemented changes to benefit calculations in 1997 which to a large extent achieved GMP equalisation for members retiring from that date forward. Based on the most recent assessment of the likely backdated amounts and related interest, the Trustee does not expect these to be material and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

27. Other matters - Virgin Media

On 25 July 2024, the Court of Appeal upheld the decision of the High Court in the case of Virgin Media v NTL Pension Trustees II Limited (Virgin Media), on the correct interpretation of historical legislation governing the amendment of pension schemes contracted-out on a defined benefit basis. The High Court had decided that from 6 April 1997 (when a change in the contracting-out regime occurred), section 37 of the Pension Schemes Act 1993 required that when contracted-out salary-related schemes made changes to benefits, any changes that related to "reference scheme test" benefits would be void if the scheme had not obtained written actuarial confirmation that the scheme would continue to meet the reference scheme test after the change had been made.

With its legal advisers, the Trustee has investigated any potential implications for the Scheme of Virgin Media and, in particular, whether this could result in increased benefit related liabilities for the Scheme. Those investigations have been completed and it has been concluded that the risks at issue in Virgin Media regarding the actuarial confirmation of changes that related to "reference scheme test" benefits do not create any such liability exposure for the Scheme.

On 29 April 2026 the Pension Schemes Act 2026 came into force which introduced a statutory remedy to address issues arising from Virgin Media. The Act gives affected pension schemes the ability to validate certain amendments retrospectively where written actuarial confirmation was not obtained at the time. The Trustee will formulate with its legal and actuarial advisers an agreed approach to utilising the statututory remedy in due course.

28. Related party transactions

Key management personnel

Of the Trustee directors noted on page 4, the Independent Trustee directors were not members; all other Trustee directors were members of the Scheme during the past year. Three Trustee directors were in receipt of a pension. All transactions with these parties were in accordance with the Scheme rules.

Trustee directors employed by the BBC are not remunerated for their role as a Trustee director; however, directors' fees were paid as follows for those Trustee directors who are not employed by the BBC:

Independent Trustee role	£45,000 p.a.
Pensioner Trustee role	£9,000 p.a.

Independent Trustee Directors and the Pensioner Trustee Director may receive an additional fee for Board and committee roles as follows:

Chair of the Trustee Board	£48,000 p.a. (additional)
Chair of the Investment Committee	£33,000 p.a. (additional)
Member of the Finance and General Purposes Committee	£3,300 p.a. (additional)
Member of the Governance Committee	£1,100 p.a. (additional)

Based on these scales the following Trustee directors in post on 31 March 2026 were in receipt of fees at the rate shown:

Catherine Claydon (Independent Trustee and Chair of the Board)	£94,100 p.a.
Bridget Houghton (Independent Trustee Director)	£48,300 p.a.
Richard Collings (Pensioner Trustee Director)	£10,100 p.a.
Emma Osborne (Independent Trustee Director and Chair of the Investment Committee)	£78,000 p.a.

During the year the total Trustee remuneration amounted to £262,072 (2025: £249,996).

Employer and other related parties

- During the year the Scheme paid costs of £62,500 (2025: £52,000) on behalf of BBC Pension Investment Ltd. The Scheme also bears the salary costs of its staff when they work for BBC Pension Investment Ltd. These costs have not been quantified.
- During the year the BBC recharged the Scheme costs of £4.9m which it had incurred on behalf of the Scheme. At the year end the Scheme owed the BBC £1.2m, which was paid subsequent to the year end.
- The co-investor in each of the investment properties in North America is Grosvenor USA Limited, a wholly owned subsidiary of Grosvenor Group Limited.
- The Partnerships and Limited Liability Companies in which the Scheme's subsidiary BBCAF Inc is an investor have entered into various management agreements (the "Agreements") with certain affiliates of Grosvenor (the "Manager") whereby the Manager will earn asset management and development fees as stated in the Agreements. Total asset management fees earned by the Manager were approximately £5.7 million and £6.1 million during the years ended 31 December 2025 and 2024, respectively. BBCAF Inc's share of asset management fees incurred amounted to approximately £3.5 million and £3.8 million in 2025 and 2024, respectively.
- The BBC has given the Trustee and all of its Directors an indemnity against all unrecovered costs for which they may be liable as a result of a successful challenge and all costs of whatever nature which arise out of the Trustee's participation in the conduct of any challenge.
- Except as disclosed above, there are no transactions, balances or relationships that require disclosure under Financial Reporting Standard 102.

Independent Auditor's report to the Trustee of the BBC Pension Scheme - Report on the financial statements

Opinion

In our opinion the financial statements of the BBC Pension Scheme (the 'Scheme'):

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2026 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements which comprise:

- the fund account;
- the statement of net assets; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's responsibilities, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Scheme's industry and its control environment, and reviewed the Scheme's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of the Trustee and pension management, their own identification and assessment of the risks of irregularities, including those that are specific to the Scheme's business sector.

We obtained an understanding of the legal and regulatory framework that the Scheme operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Pensions Act 2004, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Scheme's ability to operate or to avoid a material penalty. These included the Scheme's regulatory requirements.

We discussed among the audit engagement team including relevant internal specialists such as pensions actuarial, IT, and real estate industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the misappropriation of investment assets due to the significant size of investment transactions and balances. In response our procedures to respond to the risk identified included the following:

- obtaining an understanding of relevant controls over the existence of investment holdings and transactions;
- agreeing investment holdings to independent third party confirmations;
- agreeing investment and cash reconciliations to independent evidence and bank statements; and
- performing existence procedures such as agreeing properties to title deeds, reviewing custodian to investment manager reconciliations and reviewing a sample of audited accounts for unquoted pooled investment vehicles.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

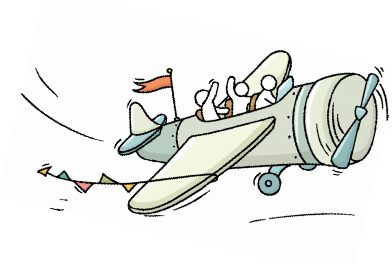
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of pension management, the Trustee, and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Trustee meetings, sub-committee meetings and reviewing correspondence with the Pensions Regulator.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
2 June 2026



Independent Auditor's statement about contributions to the Trustee of the BBC Pension Scheme

Statement about contributions

We have examined the summary of contributions to the BBC Pension Scheme for the Scheme year ended 31 March 2026 which is set out on page 46.

Opinion

In our opinion contributions for the Scheme year ended 31 March 2026 as reported in the summary of contributions and payable under the Schedules of Contributions have in all material respects been paid from 1 April 2025 to 29 September 2025 at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 13 December 2024, and subsequently from 30 September 2025 to 31 March 2026 at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 30 September 2025.

Scope of work on statement about contributions

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

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedules of Contributions.

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

Use of our report

This statement is made solely to the Trustee, as a body, in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body for our work, for this statement, or for the opinion, we have formed.

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
2 June 2026

Summary of Contributions payable in the year ended 31 March 2026

During the year the contributions payable to the Scheme were as follows:

	Employee £m	Employer £m
Required by the Schedules of Contributions		
Normal contributions	0.1	43.5
Salary sacrifice employee	-	18.3
Deficit recovery payment	-	-
PPF levy		
Total required by the schedules of contributions, as reported by the Scheme Auditor	0.1	61.8
Other contributions payable		
Other employee contributions	3.0	-
Additional Voluntary	-	-
Matching AVCs	-	0.1
Salary sacrifice added years	-	0.1
Salary sacrifice additional voluntary	-	1.0
Total	3.0	1.2
Total contributions as per Fund Account	3.1	63.0

Signed on behalf of the Trustee Board on 2 June 2026:

Trustee Director

Trustee Director

Actuary's certification of the Schedule of Contributions
BBC Pension Scheme

Adequacy of rates of contributions

I hereby certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 1 April 2024, to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 13 December 2024.

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

Adherence to paragraph 9(6) of Schedule 2 to the Scheme Funding Regulations 2005

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

Debra Webb
Fellow of the Institute and Faculty of Actuaries

Date 30 September 2025

Towers Watson Limited, a WTW company
Watson House,
London Road,
Reigate,
Surrey RH2 9PQ

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

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Scheme's technical provisions as at 1 April 2024 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated 13 December 2024.

Debra Webb
Fellow of the Institute and Faculty of Actuaries

Date 13 December 2024

Towers Watson Limited, a WTW company
Watson House,
London Road,
Reigate,
Surrey RH2 9PQ

Trustee and Advisors to the Scheme as at 31 March 2026

Trustee
BBC Pension Trust Ltd, Broadcasting House,
London W1A 1AA

Secretary to the Trustee
Rachel Hallett
Pension and Benefits Centre, Central Square,
Cardiff CF10 1FT

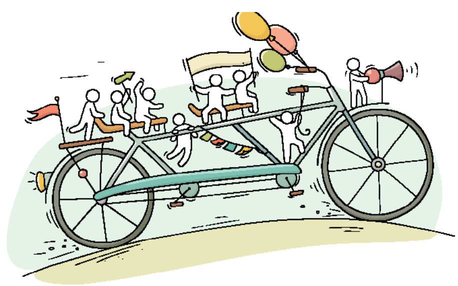
Actuary
Debra Webb, Towers Watson Ltd, a WTW company

Independent Auditors
Deloitte LLP

Solicitors
Sacker & Partners LLP
Slaughter and May

Investment Consultants
WTW

Investment Managers
Aberdeen UK Infrastructure Partners
Asper Investment Management
Baillie Gifford & Co
BlackRock Investment Management UK Ltd
Cabot Square Capital
Cambridge Associates Ltd
Colchester Global Investments LLP
Dalmore Capital Group
Goldman Sachs & Co
GreenOak Real Estate Advisors, LLP
Greencoat Capital
Hg Pooled Management
Hony Capital
Infracapital Partners
InfraRed Capital Partners Ltd
ICG Alternative Investments Ltd
KKR & Co LLP
Legal & General Assurance (Pensions Management) Ltd
Libremax Capital LLC
Macquarie Financial Products Management
M&G Investment Management Ltd
Navis Capital Partners
Orchard Global Asset Management LLP
PGSFIII GP Ltd (investment adviser: Pantheon Ventures Ltd)
Pimco Europe Ltd
Prisma Capital Partners
Sanders Capital, LLC
State Street Global Advisors Ltd
Sun Capital Partners, Inc
The Carlyle Group
Warburg Pincus, LLC
Wellington Management, LLC
17 Capital



Trustee and Advisors to the Scheme as at 31 March 2026 (continued)

Cash Manager	BlackRock Advisors (UK) Ltd
Engagement Manager	Hermes Equity Ownership Services Ltd
Property Managers	Grosvenor Americas Ltd (USA) Orchard Street Investment Management, LLP CBRE Investment Management Rockspring Property Investment Managers, LLP
Property Valuer	Knight Frank LLP (Chartered Surveyors)
Custodian	HSBC Bank plc and the Bank of New York Mellon
Property Solicitors	Brodies LLP (Scotland) Greene, Radovsky, Maloney, Share & Hennigh (USA) CMS Cameron McKenna Nabarro Olswang, LLP
Banker	The Royal Bank of Scotland plc
Covenant advisor	Mercer Limited
Investment advisor	BBC Pension Investment Limited
Independent members of the Investment Committee	Sarah Bates David Bennett
Longevity Insurance	Zurich Assurance Ltd and Canada Life Assurance Company and Metropolitan Life Insurance Company

Changes to advisors and managers

- During the year Loomis Sayles were terminated as manager of a credit fund.
- Hg Pooled Management were appointed to manage a private equity fund.

Participating employers

On 31 March 2026 the participating employers were:

- BBC
- BBC Children in Need
- BBC Studioworks Ltd
- BBC Global News Ltd
- BBC Studios Distribution Ltd
- BBC Studios Productions Ltd

Governance and other matters

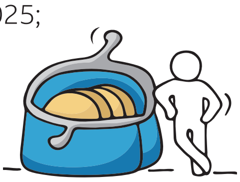
The Trustee aims to meet good governance standards. It manages the Scheme in line with industry best practice and the guidelines set out by the Pensions Regulator, in order to comply with applicable law and regulatory requirements.

The Trustee's main objective is to ensure that all beneficiaries receive the benefits to which they are entitled under the Rules of the Scheme.

The Trustee Board discusses committee reports; sets investment strategy; considers the funding position; and approves the Scheme financial statements, the risk register, the annual budget and work plan and the appointment of Scheme advisers. The Trustee Board met seven times during the year, including training sessions on risk and investment.

In addition to the agenda items mentioned above, it also:

- Approved a revised Statement of Investment Principles and Responsible Investment Policy;
- Agreed with the BBC a new schedule of contributions to apply from 1 October 2025;
- Reviewed certain actuarial factors used to calculate benefits;
- Carried out scheduled reviews of certain Scheme service providers and agreed to retain the appointment of Debra Webb from WTW as Scheme actuary and WTW as Scheme actuarial advisers, Deloitte as Scheme auditor, HSBC as Scheme custodian and record-keeper, and WTW as Scheme strategic investment consultant;



- Agreed to enter into a longevity swap transaction to provide insurance against future increases in life expectancy for around two-thirds of the Scheme's current pensioner liabilities;
- Reviewed and agreed the approach and methods to setting cash equivalent transfer values;
- Received regular updates from the BBC as sponsoring employer, and continued to consider the implications of the BBC Charter Review process for the Scheme;
- Approved a revised Administration Agreement, setting out the terms under which the BBC provides staff and other resources for the administration of the Scheme;
- Reviewed and revised as necessary the authorities delegated to the Pensions Executive and staff; and
- Agreed with the BBC to award a discretionary one-off increase of 3% to Career Average Benefits 2006 and Career Average Benefits 2011 pensions in payment that started on or before 1 April 2024.

The **Investment Committee's** objective is to ensure that the assets are sufficient to meet the liabilities as they fall due and are managed in accordance with the investment strategy set by the Trustee. During the year it had six meetings, and performed a number of key tasks. It:

- Managed the Scheme's assets, aligning the investment strategy with the Scheme's long-term objectives and risk tolerance;
- Supported the review of objectives and strategy following the conclusion of the 2024 valuation and in light of the outcome, reviewed the Journey Plan, Statement of Investment Principles and Responsible Investment Policy
- Managed the Scheme liquidity and collateral position;
- Continued to develop a new risk management system to enhance monitoring of investment risk and aid decision-making;
- Continued work to fulfil Scheme commitments and regulation on climate-related investment risk, including reviewing interim targets, and asset managers' environmental, social and governance policies;
- Developed a climate disclosure report and implementation statement in line with government guidance; and
- Assisted with the implementation of the longevity swap transaction.

The **Finance and General Purposes Committee** (FGPC) met three times. The FGPC's objective is to ensure that the Scheme has an appropriate control and risk framework in place. It monitors the effectiveness of the Scheme's financial management and internal controls, compliance and discretions exercised on behalf of the Trustee in the administration of the Scheme. During the year, it:

- Reviewed and approved the Scheme's and FGPC's quarterly accounts and the FGPC's annual budget for 2025/26;
- reviewed and recommended to the Trustee the Scheme's annual statutory accounts and annual budget;
- recommended to the Trustee the re-appointment of Deloitte as the Scheme's Auditor, agreed the scope of the Scheme Statutory audit for the year ended 31 March 2026 and reviewed their audit plan;
- agreed the Internal Audit plan and three-year committee business plan;
- agreed quarterly updates to the FGPC's risk register;
- reviewed delegated authorities and the quarterly Administration Reports, Data Protection Compliance Reports and updates on any cases of fraud
- Agreed next steps when reviewing the Virgin Media judgment;
- Agreed new insurance arrangements for death-in-service benefits;
- Appointed a new cyber-security adviser;
- Approved revised Data Protection and Data Retention policies and amendments to the Privacy Notice;
- Approved a new AI policy;
- Oversaw connection to the 'back-end' of the Pensions Dashboards system, ahead of public launch in future;
- Noted the annual Communications Plan and the approach for the 2025 Member Liaison Meeting; and
- Recommended to the Trustee updates to the Services Schedule, delegated authorities and financial authorities and authorised signatories.

The **Governance Committee** met three times. The Committee's objective is to ensure that the Scheme operates within an appropriate governance framework. It considers the systems and processes concerned with the management of the Scheme. During the year the Committee:

- Reviewed and agreed to recommend to the Trustee for approval the Scheme's first Own Risk Assessment, which assesses how well the Scheme's governance is working and documents how potential risks are being managed and is required by the Pensions Regulator's General Code of Practice;
- Reviewed and agreed to recommend to the Trustee for approval a revised version of the Scheme Governance Statement;
- Approved updates to: the Policy for Managing Third-Party Service Providers; Table of Delegations; the Governance Risk Register; and the Remuneration Policy;
- Noted: a review of Trustee director liability protection; a report of progress on 2025 Board effectiveness actions and agreed a process for the 2026 Board; a report of compliance with the Trustee Knowledge and Understanding Policy; and reports on Trustee training and on hospitality received in the 2025/6 Scheme year;
- Agreed to continue with the Pensioner Trustee election process as planned rather than seeking to amend the process partway through, following an unprecedented number of candidates putting forward nominations;
- Approved remuneration changes for Pensions senior leaders, Executive and staff, and the investment team, and resourcing changes in the Pensions team;

- Noted the report on compliance and approved proposed changes to the Services Schedule for recommendation to the Trustee. The Services Schedule sets out the level of service that the Trustee can expect from the Pensions Executive and staff;
- Agreed revisions to the Emergency Powers Procedure for recommendation to the Trustee for approval. This procedure enables Trustee powers to be exercised by a committee at short notice in exceptional circumstances;
- Agreed changes to the Trustee Handbook, which summarises key provisions of the Trust Deed and Rules and who holds decision-making powers; and
- Agreed revised role profiles for Trustee Director, Board and Committee Chair and independent Investment Committee member.

Disputes

The Scheme has a two-stage internal dispute resolution procedure (IDRP). The first stage is determined by the Administration Manager or the Communications and Engagement Manager who work within the Pension and Benefits Centre. If a matter is not resolved to a member's satisfaction it can be referred to a committee of Trustee directors who will consider it.

In 2025/26, the Pension and Benefits Centre considered five disputes under Stage 1 of the IDRP. One was upheld and four were not upheld. The Internal Dispute Resolution Committee considered five cases under Stage 2 of the IDRP. It did not uphold the member's complaint in any of these cases.

Contributions

During the year the employers' contribution rate in respect of future service accrual (inclusive of AVC Plus contributions) was 18.3% of Pensionable Salaries up to 30 September 2025. From 1 October 2025 the contribution rate (inclusive of AVC Plus contributions) was 11.5% of Pensionable Salaries. Old and New Benefits members paid 7.5% of Pensionable Salaries, Career Average Benefits 2006 members paid 4% and Career Average Benefits 2011 members paid 6%. Most members' contributions were paid by salary sacrifice (Smart Pensions).

Increases in pensions and deferred pensions

Pensions in payment increases are made from 1 April each year.

Old and New Benefits

Old Benefits and New Benefits pensions in payment are increased under the Rules of the Scheme by the rise in the Retail Prices Index (RPI) for the previous calendar year ending 31 December up to a maximum of 10% for Old Benefits and 5% for New Benefits.

The increase paid on 1 April 2025 was 3.5% for both Old Benefits and New Benefits pensions in payment and the increase paid on 1 April 2026 was 4.2%.

Old Benefits members who elected to participate in the Pension Increase Exercise (PIE) received increases only on the non-exchanged element of their pension.

Old Benefits and New Benefits deferred pensions received the same increase as pensions in payment. For members who left active service within the last year, pensions in deferment and in payment were increased pro rata.

Career Average Benefits 2006 (CAB 2006)

For CAB 2006 members, pensions in payment are increased under the Rules of the Scheme by the rise in the RPI for the previous calendar year ending 31 December up to a maximum of 2.5%. The increase paid on 1 April 2025 was 2.5% and on 1 April 2026 was also 2.5%. An additional 3% discretionary increase was paid on 16 November 2025 to CAB 2006 pensions in payment that started on or before 1 April 2024.

The discretionary revaluation of CAB 2006 benefits built up by active and deferred members was 2.5%

on 1 April 2025 and 3.4% on 1 April 2026.

Career Average Benefits 2011 (CAB 2011)

For CAB 2011 members, pensions in payment are increased under the Rules of the Scheme by the rise in the Consumer Prices Index (CPI) for the previous calendar year ending 31 December, up to a maximum of 4%. The increase paid on 1 April 2025 was 2.5% and the increase paid on 1 April 2026 was 3.4%. An additional 3% discretionary increase was paid on 16 November 2025 to CAB 2011 pensions in payment that started on or before 1 April 2024.

The revaluation of CAB 2011 benefits built up by active and deferred members was 2.5% on 1 April 2025 and 3.4% on 1 April 2026.

Additional Voluntary Contributions (AVCs)

A total of 224 members paid AVCs during the year (2025: 284). The contributions are invested with Fidelity Pensions Management in accordance with members' wishes.

At 31 March 2026, 142 members were buying added years (2025: 200).

Transfer values

Payments made in respect of employees or deferred pensioners to other pension arrangements have been calculated in accordance with the provisions of Section 97 of the Pension Schemes Act 1993, using tables supplied by the Actuary. Payments made during the year fully reflected the value of the members' accrued benefit rights. Allowance is made for all discretionary benefits calculated on actuarial advice.

Administration

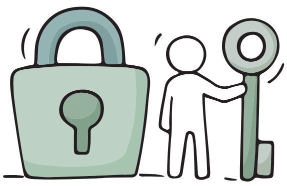
BBC Pension Trust Ltd is the Scheme Administrator. The management and staff involved in running the Scheme (including the Secretary to the Trustee) are employed by the BBC. The Scheme bears all costs of investment, direct staff and system costs, stationery and postage, together with accommodation and other administrative overheads.

Investment Advisor

BBC Pension Investment Limited, regulated by the FCA, exercises investment discretion and provides advice in relation to specific aspects of the Scheme's portfolio. The management and staff involved are employed by the BBC. The Scheme bears all costs of the company.

Data protection

BBC Pension Trust Limited is committed to protecting the personal information it processes about members and beneficiaries. To find out more about how personal data is collected and processed see our Privacy Notice available at bbc.co.uk/mypension/about-the-scheme.



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