

BRITISH COAL STAFF SUPERANNUATION SCHEME

REPORT & ACCOUNTS 2024/2025

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**Membership of Committees
as at 31 March 2025
Coal Staff Superannuation Scheme Trustees Limited (the Trustee)**

Committee of Management (the Committee)

Appointed Members

Cheryl Agius (Chair)

G James Shearer¹

Eve Finn²

Michael Eakins³

Elected Pensioner Representative Members

James Grant - Scotland & North East England

David Griffiths - East Midlands, Southern England & Overseas

Bleddyn Hancock - North West England, West Midlands, Wales & Northern Ireland

John Owen - Yorkshire & North Lincolnshire

Investment Sub-committee (ISC)

Eve Finn² (Chair)

Michael Eakins³

Barry Kenneth⁴

David Griffiths

Bleddyn Hancock

Elizabeth Fernando⁴

Administration and Benefits Sub-committee (ABSC)

G James Shearer (Chair)¹

Eve Finn²

James Grant

John Owen

Discretions and Appeals Sub-committee (DASC)

G James Shearer (Chair)¹

Eve Finn²

James Grant

John Owen

Risk and Assurance Sub-committee (RASC)

Michael Eakins³ (Chair)

G James Shearer¹

James Grant

David Griffiths

¹ G James Shearer retired as a Trustee Director, Chair of ABSC and Chair of DASC on 30 April 2025 and was replaced by Alastair Hadfield, who was appointed as a Trustee Director, Chair of ABSC and Chair of DASC with effect from 1 May 2025.

² Eve Finn was appointed as a Trustee Director and Chair of RASC with effect from 1 June 2024, replacing Alan Whalley who retired as a Trustee Director and Chair of RASC on 31 May 2024. Following the retirement of Alan Rubenstein as a Trustee Director and Chair of ISC on 31 August 2024, Eve stepped down as Chair of RASC and was appointed as Chair of ISC with effect from 1 September 2024. Eve remains a member of ABSC and DASC.

³ Michael Eakins was appointed as a Trustee Director and Chair of RASC with effect from 1 September 2024.

⁴ Barry Kenneth and Elizabeth Fernando are investment advisers to, and non-voting members of, the ISC.

Appointments as at 31 March 2025

Trustee Company:	Coal Staff Superannuation Scheme Trustees Limited
Executive¹:	Coal Pension Trustees Services Limited (CPT) Executive Director: Steven Dicker Chief Operating Officer: Janka Unsworth Deckerova Chief Integrated Funding Officer: John Dunn Chief Finance, People and Risk Officer: Michelle Lees Chief Investment Officer: Mark Walker Chief Projects Officer: Dan Whincup Scheme Secretary: Karen Barton ²
Principal Investment Adviser:	Coal Pension Trustees Investment Limited (CPTI)
Principal Investment Managers³:	BlackRock Investment Management (UK) Nuveen Real Estate PGIM Limited Schroders plc Wellington Management International
Actuary:	Fiona Dunsire, Government Actuary
Principal Legal Adviser:	Linklaters LLP
Pensions Administrator:	Capita Pension Solutions Limited
Auditor:	Deloitte LLP
Bankers:	Lloyds Bank plc NatWest Group plc The Northern Trust Company
Custodian:	The Northern Trust Company
Medical Adviser:	RPS Occupational Health Limited

The British Coal Staff Superannuation Scheme's (the Scheme's) registration number with The Pensions Regulator is 10151637

¹ Steven Dicker was appointed as Executive Director on 17 January 2025. Dan Whincup resigned as Chief Executive on 16 January 2025, was appointed as Chief Projects Officer with effect from 17 January 2025 and remained a member of the Executive until he left CPT on 31 July 2025. John Dunn was appointed as Chief Integrated Funding Officer on 1 January 2025. The chief executive responsibilities are split between Steven Dicker, John Dunn and Michelle Lees with effect from 17 January 2025.

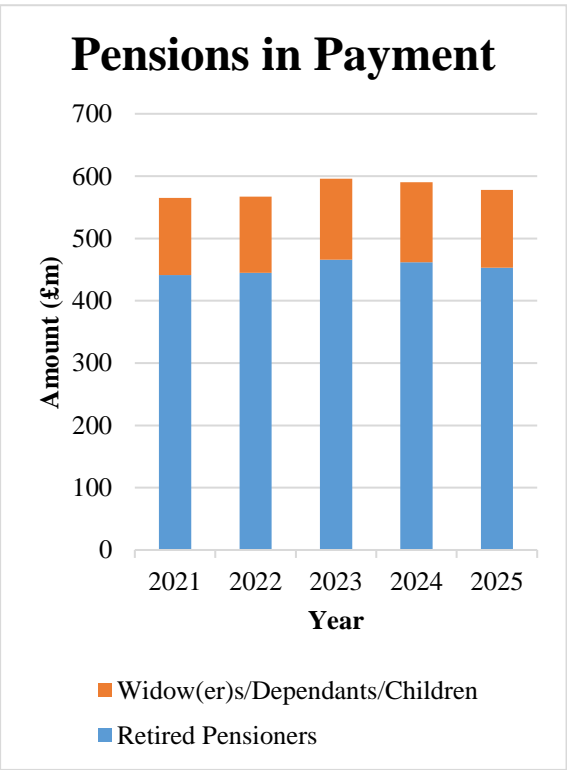
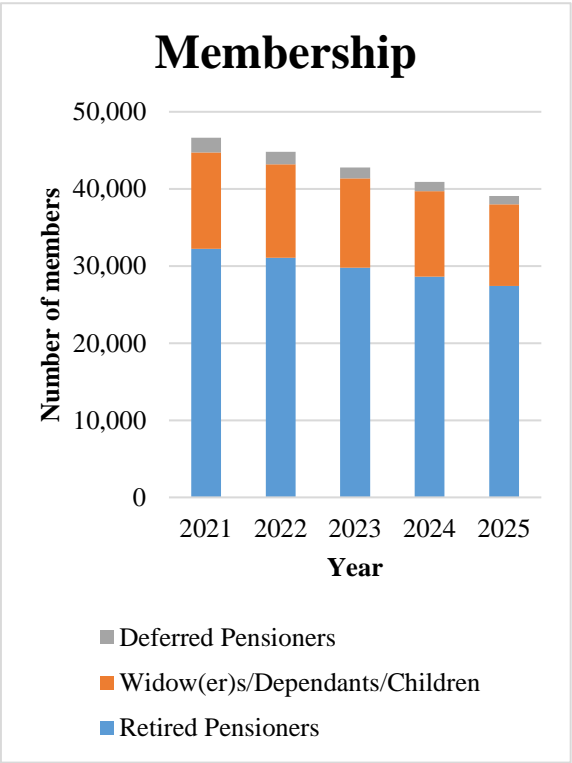
² In addition to her role as Scheme Secretary, Karen Barton also served as Chief Pensions Officer and a member of the Executive from 1 January 2024 until 16 January 2025.

³ Principal Investment Managers are defined as those managing at least 5% of the Scheme's Net Assets by market value as at 31 March 2025.

Key Statistics

Key Statistics for 2025	
Total number of pensioner members at 31 March	38,012
Total number of deferred members at 31 March	1,083
Total benefits paid and transfers out during the year	£609m
Net decrease in the Fund during the year	£531m
Net assets of the Scheme at 31 March	£8,045m

Five Year Summary of the Fund Account					
	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Benefits and payments out of the Scheme					
Benefits and transfers out of Scheme	(588)	(573)	(585)	(619)	(609)
Administrative expenses	(3)	(4)	(4)	(5)	(6)
Net withdrawals from the Scheme	(591)	(577)	(589)	(624)	(615)
Returns on investments					
Investment income	229	229	295	360	279
Change in market value of investments	1,232	585	(639)	(3)	(180)
Investment management expenses	(33)	(19)	(20)	(19)	(15)
Net returns on investments	1,428	795	(364)	338	84
Net (decrease)/increase in the fund during the year	837	218	(953)	(286)	(531)
Net assets of the Scheme at 31 March	9,597	9,815	8,862	8,576	8,045



Report of the Committee of Management

Membership of the Committee of Management

The Scheme’s Committee of Management (the Committee) has eight members. Four are appointed, and may be removed, by the Committee itself. This is subject to the rules set out in the Articles of Association of the trustee company. Should there be an appointed Trustee Director vacancy, a Nomination Group of two appointed and two elected Trustee Directors is established to recommend a suitable candidate to the Committee.

The remaining four members of the Committee are Pensioner Representatives elected by Scheme members from four geographical constituencies.

During the year, Alan Whalley, Alan Rubenstein and G James Shearer retired as Trustee Directors and members of the Committee on 31 May 2024, 31 August 2024 and 30 April 2025 respectively.

The Committee wishes to put on record its appreciation for the work carried out for the Scheme by Mr Whalley, Mr Rubenstein and Mr Shearer during their periods of office.

Attendance at meetings of the Committee

The quorum necessary for a meeting is four members of the Committee, of whom two must be appointed directors and two must be Pensioner Representatives. In the case of an equality of votes, the Chair of the meeting has a second or casting vote. During the year there were five meetings of the Committee, all of which were quorate.

Sub-committees

To help perform its duties and to streamline decision making the Committee has established, and delegated some of its powers to, four Sub-committees. Each Sub-committee has its own written Terms of Reference agreed by the Committee. The quorum necessary for a meeting is two members of the Sub-committee, one of whom is an Appointed member and the other a Pensioner Representative member. In the case of an equality of votes, the Chair of the Sub-committee meeting has a second or casting vote. There were 20 Sub-committee meetings during the year, all of which were quorate. Papers for Sub-committee meetings and the minutes of those meetings are circulated to all members of the Committee. The membership of each Sub-committee is shown on page 3. Sub-committee meetings are open to all members of the Committee to attend.

Remuneration

Members of the Committee are entitled to remuneration for the work they undertake for the Scheme.

For all the Committee members other than the Chair and the Chairs of the Investment Sub-committee (ISC) and the Risk and Assurance Sub-committee (RASC), the rates of remuneration are set by the Secretary of State for Energy Security and Net Zero (the Guarantor).

The Committee determines the remuneration of the Chair of the Committee and the Chairs of the ISC and RASC, subject to the Committee providing the Secretary of State with suitable reassurance that the rate of remuneration granted is appropriate relative to the wider market and that the individual’s competence for the role has been assessed.

The total remuneration paid in the year to the members of the Committee was £375,379 (2024: £341,192).

Remuneration rates are reviewed annually. With effect from 1 April 2025 the rates of remuneration were increased for Committee members. The increase for those members was in line with the increase in the Retail Prices Index. The rates of remuneration are:

Chair of the Committee	£96,350 pa
Chair of ISC	£81,900 pa
Chair of RASC	£62,200 pa
Chair of ABSC	£43,700 pa
Other committee members	£27,050 pa

Conflicts of Interest

The Committee has a conflicts of interest policy which sets out its principles for identifying, managing and monitoring any Trustee Director, Scheme official or Scheme adviser’s actual or potential conflicts of interest which may arise in the conduct of the Scheme’s business and decision making. The policy is reviewed regularly. Meeting procedures require the declaration of any conflicts of interest at the commencement of each meeting.

Evaluation of Trustee Director Performance

The Committee formally evaluates its performance and the performance of its Sub-committees on a periodic basis.

Appointments

A list of the key appointments made by the Committee is on page 4. All of these appointments are periodically reviewed by the Committee.

Coal Pension Trustees Services Limited

Coal Pension Trustees Services Limited (CPT), a company owned jointly by the Scheme and the Mineworkers' Pension Scheme (MPS), acts as the Scheme's Executive.

CPT is responsible for dealing with questions concerning the provisions of the Scheme and any correspondence addressed to the members of the Committee. The company also provides other services to the Committee, including secretariat, financial management, actuarial support and investment monitoring.

A subsidiary company of CPT, Coal Pension Trustees Investment Limited (CPTI), is authorised by the Financial Conduct Authority (FCA) to provide investment advice to the Committee.

As at 31 March 2025, four members of the Committee sat on the Board of CPT. These were Cheryl Agius, G James Shearer, Bleddyn Hancock and James Grant. Alastair Hadfield replaced G James Shearer on the Board of CPT with effect from 1 May 2025. The Board met four times during the year.

Internal Dispute Resolution Procedure

In accordance with the requirements of Section 50 of the Pensions Act 1995 and The Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008, the Scheme operates an Internal Dispute Resolution Procedure (IDRP). This legislation provides members with the right to ask for any complaint which the Scheme's administrators have been unable to resolve to be referred to the Committee or to a person appointed by them.

The Scheme's IDRP is a two-stage process. The Committee has appointed the Scheme Secretary to consider complaints made by members under stage one of the IDRP. Any members not satisfied with the Scheme Secretary's decision under stage one can appeal to the Discretions and Appeals Sub-committee (DASC), which will consider the complaint under stage two of the IDRP.

During the year, ten complaints were addressed using the procedure. One complaint was upheld at stage one, two complaints were not upheld at stage one and seven complaints were not upheld at stage two.

Statement of Investment Principles

Under Clause 10A of the Scheme and Rules the Committee is required to prepare and maintain a written statement of the principles governing decisions about investments for the purposes of the Scheme. The

statement is reviewed at least every three years and immediately after any significant change in investment policy.

A copy of the current statement of the principles governing decisions about investments for the purposes of the Scheme is available on the Scheme's website (www.bcsss-pension.org.uk/about-your-scheme/responsible-investing) and on application to the Scheme Secretary.

Membership

The changes in membership for deferred pensioners and pensioners are detailed on pages 11 to 12. The Scheme has no active members and is fully closed with no provision for new entrants.

Annual Regional Meetings

The Trustees held four regional meetings in September 2024, in Chester, Newcastle, Nottingham and Sheffield.

In 2025 the Trustees are holding six regional meetings during November and December, in Cardiff, Edinburgh, Newcastle, Nottingham, Sheffield and Stoke.

Risk Management

The Committee is responsible for the Scheme's Risk Management Framework, which includes the system of internal control, and for reviewing its effectiveness. The Risk Management Framework is designed to manage the risk of failure to achieve the Committee's objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss.

The RASC reviews and monitors the Risk Management Framework and makes recommendations to the Committee, where appropriate, for improvement. It assists the Committee and other Sub-committees in discharging their responsibilities in relation to financial reporting, risk management and internal controls.

A risk register is maintained by the Committee which records the assessment of applicable risks facing the Scheme together with the effectiveness of controls in place to mitigate each risk. Each Sub-committee has responsibility for ensuring that the specific risks that fall within its remit are being adequately managed. The risk register is reviewed and updated regularly.

Key high risks are prioritised to enable attention to be focussed appropriately. Risk appetite measures have been established and compliance with these is monitored by the Committee.

Controls are designed to provide reasonable assurance that the assets are safeguarded against loss from unauthorised use and that benefits are paid in accordance with the Scheme and Rules.

The Committee receives assurance over the operation of the system of internal controls from internal audit and other assurance reviews, according to a programme of audit and assurance work approved by the Committee and overseen by the RASC.

Transfers out of the Scheme

Transfer values paid during the Scheme year in respect of transfers to other pension schemes have been calculated on a basis provided and verified by the Actuary in accordance with the Pension Schemes Act 1993. The Committee has directed the Actuary not to take discretionary pension increases into account in the calculation of transfer payments.

Guaranteed Minimum Pensions (GMP) Equalisation

On the basis that the additional liability arising from GMP equalisation is not expected to have a material impact upon the Scheme, the Committee has decided not to include a specific provision for GMP equalisation in these financial statements. As soon as the impact of the ruling on the Scheme is finalised and any related Scheme liability quantified, a provision representing arrears for any past underpayments up to the date of the accounts will be included in the Scheme financial statements.

Statement of Trustee's Responsibilities in Respect of the Accounts

The British Coal Staff Superannuation Scheme is governed by the Scheme and Rules set out in the Schedule to the British Coal Staff Superannuation Scheme (Modification) Regulations 1994 and as subsequently amended. Under the Definitive Scheme and Rules, the Committee is required to obtain audited accounts. The Committee applies the accounting principles in accordance with applicable law and United Kingdom Accounting Standards including FRS 102 and makes available certain other information about the Scheme in the form of an Annual Report.

The financial statements, which comprise the Fund Account, the Statement of Net Assets and the Notes to the Accounts, are the responsibility of the Committee. The Scheme and Rules require, and the Committee 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 the Scheme year of its assets and liabilities other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- include a statement that the financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice including FRS 102.

In discharging the above responsibilities, the Committee 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 preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Committee is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Committee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee Statement on Going Concern

In accordance with Financial Reporting Standard 102 and the Statement of Recommended Practice, Financial Reports of Pension Schemes (2018), the Committee has considered whether the financial statements can be prepared on a going concern basis. The Scheme will only cease to be a going concern in a situation whereby the Trustee and the Guarantor have agreed to a winding up of the Scheme.

The Committee considers it appropriate to prepare the financial statements on a going concern basis as the Scheme benefits from the Government Guarantee, which ensures the payment of the guaranteed member benefits and, in addition, they have not entered into any discussion with the Guarantor regarding winding up of the Scheme.

Report on the 2024 Actuarial Valuation

Background

The Scheme is exempt from the statutory scheme funding requirements (Part 3 of the Pensions Act 2004). Instead the funding requirements of the Scheme are set out in the Agreement signed on 13 February 2015 between the Trustee and the Guarantor.

Schedule 2 of the Agreement states that the Actuary is required to perform an Actuarial Valuation and produce a report every three years to advise the Guarantor and the Committee of the following percentages:

1. The annual compound real return (above RPI) on the Scheme's total assets that would be needed over the lifetime of the Scheme to expect to be able to meet the Scheme's future benefits payments and the Scheme's expenses (the 'Obligations Percentage'); and
2. The annual compound real return (above RPI) on the Scheme's total assets that would be needed over the lifetime of the Scheme to expect to be able to meet the Scheme's future benefit payments, the Scheme's expenses and a payment to the Guarantor on 31 March 2033 equal to the 2015 Reserve increased in line with cumulative changes in the Consumer Prices Index (the 'Buffer Percentage').

Results

The last Actuarial Valuation was conducted as at 31 March 2024 and concluded on 17 March 2025. A summary of the valuation results is given in the table below:

	Result at 31 March 2024
Value of the Scheme assets	£8,576 million
Obligations Percentage	-0.5% pa
Buffer Percentage	1.9% pa

Method and significant assumptions adopted at the 2024 Actuarial Valuation

The valuation methodology is to project the expected cash-flows of the Scheme (and target payment to the Guarantor, as appropriate) and then to calculate, at the valuation date, the annual real rates of return required on the Scheme's assets over the Scheme's lifetime, in order to meet the Scheme's expected cash-flow requirements.

The following significant assumptions were adopted for this valuation:

- As at 31 March 2024 the Actuary assumed the following about future annualised inflation:

Period	Retail Prices Index (RPI)	Consumer Price Index (CPI) for post 88 GMP	Consumer Price Index (CPI) for Buffer payment
1 April 2024 to 31 March 2025*	3.6% per annum	N/A	3.0% per annum
1 April 2025 to 31 March 2026**	3.0% per annum	1.7% per annum	2.0% per annum
1 April 2026 to 31 March 2030	3.0% per annum	2.0% per annum	2.0% per annum
1 April 2030 to 31 March 2031	2.3% per annum	2.0% per annum	2.0% per annum
From 1 April 2031	2.1% per annum	2.0% per annum	2.0% per annum

*Allowing for the known January 2025 RPI increase and the known January 2025 CPI increase for the Buffer payment. CPI increases for post 88 GMP during the 1 April 2024 to 31 March 2025 period were allowed for in the valuation data.

** Allowing for the known September 2024 CPI increase for post 88 GMP.

- Pension increases are derived from the assumed future inflation assumptions (as shown above) according to the provisions of the Scheme Rules.
- Baseline mortality rates are assumed to be in line with standard tables, adjusted to reflect recent Scheme membership experience, with future improvements projected to be in line with those underlying the Office of National Statistics 2021-based principal UK population projections.

Further details about the Actuarial Valuation are included in the Actuary's report on page 44. The next Actuarial Valuation will have an effective date of 31 March 2027.

Analysis of changes in the number of deferred pensioners and Equivalent Pension Benefits (EPBs)

During the year ended 31 March 2025

	Deferred pensioners	EPB only*
At the beginning of year	1,214	16
Additions during the year:		
Re-Classified Members	1	-
Total additions	1	-
Reductions during year:		
Retirements:		
- normal retirement age	57	-
- commuted trivial pension	2	-
- ill health retirement	-	-
- early retirement with no actuarial reduction	-	-
- early retirement with actuarial reduction	18	-
- late retirement	16	-
- after further deferment	46	-
Deaths notified to the Scheme	5	-
Transfers out	4	-
Total reductions	148	-
Total at end of year	1,067	16

***Equivalent Pension Benefit (EPB)**

Members who left service early with a refund of contributions and who were contributors between April 1961 and April 1975 generally had an Equivalent Pension Benefit (EPB) preserved in the Scheme. This is broadly equivalent to the pension to which they would have been entitled from the State Graduated Pension Scheme, had the BCSSS not been used to contract out of that scheme. The BCSSS pays this from age 60 rather than from State Pension Age.

Analysis of changes in the number of pensioners and pensions in payment including bonuses

During the year ended 31 March 2025

	Former contributors		Widow(er)s and dependants		Children	
	Number	Annual rate	Number	Annual rate	Number	Annual rate
Guaranteed Pension		£'000		£'000		£'000
Opening Figures	28,608	396,329	10,974	111,365	115	550
Adjustments	-	-	(3)*	(3)*	-	-
Adjusted Figures at the beginning of year	28,608	396,329	10,971	111,362	115	550
Additions during the year:						
Awards on retirement	137	956	-	-	-	-
New Pension Credit members**	3	34	-	-	-	-
Awards on death of pensioners	-	-	553	4,788	1	2
Pension increases	-	11,719	-	3,123	-	29
Total additions	140	12,709	553	7,911	1	31
Deductions during year:						
Death of pensioners	1,318	18,742	1,002	10,181	4	43
Cessations	1	10	1	-	1	5
Commutated Benefits	6	3	43	4	-	-
Total Reductions	1,325	18,755	1,046	10,185	5	48
Total Guaranteed Pension at the end of year	27,423	390,283	10,478	109,088	111	533
Level Bonus***	-	62,375	-	15,206	-	64
Total	27,423	452,658	10,478	124,294	111	597

* Adjustments due to three members being double counted in the previous year.

** Pension credit members are ex-spouses or civil partners who have become members of the Scheme through a pension sharing order which has granted them a share of their former spouse or civil partners pension benefits.

*** Payments arising from past surplus paid to pensioners.

Investment Report

Policy

The responsibility for determining the investment policy of the Scheme and overseeing the execution of the investment strategy in line with the policies set lies with the Committee. It is also responsible for ensuring the various service providers appointed, deliver those services to the best of their capabilities. The Investment Sub-committee (ISC) is responsible for overseeing the development of the investment objectives, policies and strategy of the Scheme for approval by the Committee. The ISC also approves changes to the portfolio asset allocation and oversees efficient implementation of the investment strategy, including monitoring of investment performance, costs and operational investment risk. Decisions are made after consideration of advice from CPTI, the Scheme's investment adviser. Day-to-day investment decisions are delegated to the Scheme's investment managers who are required to follow specific guidelines.

The Committee takes professional advice to ensure that risk in the long-term strategy is within acceptable limits.

Investment Review and Performance

The year to March 2025 was generally positive for financial markets as interest rates and inflation continued to come down. Donald Trump became the 47th President of the United States of America, which was initially welcomed by equity markets given hopes for tax cuts and deregulation under Trump's second term. However, sentiment soured as the US administration moved ahead with erratic trade policies and significantly increased tariffs on US trade partners. Volatility in both equity and bond markets increased as a result. The year also saw heightened geopolitical uncertainty in the Middle East as Bashar al-Assad was overthrown after 13 years of civil war in Syria; the Houthis intensified their maritime assaults and disrupted shipping lanes through the Red Sea; whilst Iran and Israel traded direct military strikes on each other's territory for the first time.

Both the Bank of England and the Federal Reserve cut interest rates, from 5.25% to 4.5% and 5.25% - 5.5% to 4.25% - 4.5% respectively, over the year to March 2025. UK inflation, as measured by the Retail Price Index, registered 3.2% year-on-year in March 2025, a notable decrease from 4.3% in March 2024.

The Scheme's total return was 1.1% over the year. Most asset classes in which the Scheme invests delivered positive absolute returns with the exception of UK infrastructure and the "Liability Driven Investing (LDI)" portfolio discussed below. However, the latter's purpose is not to deliver positive absolute returns but to provide a hedge against adverse changes in interest rates and inflation that could impact the strength of the Scheme's funding position. Although rising longer-dated yields led to a decline in the LDI portfolio value, the value of Scheme's future liabilities also declined in an equivalent manner with the Scheme retaining a strong funding level.

The Scheme's equity portfolio returned 3.4% over the year. Global equity markets generally had a positive year with divergences across regions. Chinese equities were the standout, supported by significant policy stimulus and buoyed by the release of DeepSeek's AI model. In contrast, Japanese markets struggled over the period as the Bank of Japan ended its zero-interest rate policy. In addition, slowing inflation and tighter spreads had a positive effect on bonds over the year, with global credit, as measured by the Bloomberg Global Aggregate Corporate index, returning 5.1% in hedged Sterling terms. Sterling strengthened slightly against each of the US dollar, Euro and Yen over the year albeit with intra-year volatility. The strengthening of Sterling resulted in small negative impact to returns over the year for any assets held in US dollar, Euro and Yen on an unhedged basis.

During the year, the Committee continued to deliver on Scheme objectives with a focus on meeting cashflows, stabilising the funding ratio and generating the required return. Investment decisions have been made recently on a "no regrets" basis to ensure there is no impact on the negotiations with the Guarantor and that the Committee is ready to implement any changes that may be required to the investment approach once the negotiations have concluded. The Scheme's illiquidity level has fallen with cashflows being realised from illiquid assets, creating more flexibility within the investment strategy. The main illiquid cashflow

receipts came from sales of UK real estate and distributions from the private equity portfolio, which continues to run off.

To help stabilise the Scheme's strong funding ratio, the Committee also restructured the Cashflow Coverage Portfolio in late 2024, creating the LDI portfolio highlighted above. There were also changes in other areas of the Scheme. For instance, in light of an updated Strategic Investment Framework that reflects the latest Scheme objectives, new categories of investment were established that focussed more on delivering the cashflows to meet pension payments.

The Scheme's investment managers and values of investment assets held at market value at the year-end are shown below:

		2025 £m	Total net assets 2025 £m	Total net assets 2024 £m
Cash	Cash		63	61
Government Bonds	BlackRock		-	1,050
LDI	Schroders		990	-
Liquid Securitised Assets	Schroders		494	591
Global Investment Grade Credit	BlackRock	903		
	PGIM	715	1,618	1,579
Private Debt	Various		441	600
Special Situations Debt	Various		409	492
Public Equity	BlackRock	1,216		
	Wellington Equity	228		
	Ninety One	117	1,561	1,488
Private Equity	Various		796	901
Commodities	Wellington Commodities		194	151
High Yield Credit	Ninety One Emerging	220		
	Schroders High Yield	210	430	331
UK Infrastructure	Greencoat	60		
	Dalmore	53		
	Aviva	49	162	259
Property	Nuveen	613		
	LaSalle	59	672	870
Shipping	Tufton Oceanic		13	15
Hedge Funds and Other Opportunities	Brevan Howard		47	59
Foreign Exchange Derivatives	Northern Trust		11	(7)
Residual cash and other assets and liabilities			144	136
Net assets as at 31 March			8,045	8,576

The manager totals include investment debtors, creditors and investment cash.

The analysis shown on the previous page is based on the underlying investments. These differ from the classifications used in note 6 to the accounts which have been presented in line with accounting standards.

The Committee uses Northern Trust (NT) to provide an independent measure of investment performance. Annualised returns over one, three and five-year periods are shown below.

	Scheme Return %	Benchmark %
1 Year	1.07	4.82
3 Years	0.40	3.95
5 Years	5.10	7.54

The benchmark is a composite of individual asset class benchmarks, weighted in accordance with the investment strategy agreed by the Committee. It provides an indication of how effectively the Scheme's investment strategy has been implemented in the period under review.

The Scheme has underperformed the composite benchmark over the periods shown, driven by underperformance in the last 12 months. One of the biggest drivers of the underperformance over the last year was weak relative performance from several illiquid assets, particularly private equity and infrastructure relative to their asset class benchmarks. Private equity valuations were static relative to a positive public market benchmark and some challenged infrastructure assets were sold early at a discount to their last quoted valuation. The positioning of the portfolio within public equities also detracted from relative performance as some of the thematic positions related to climate risk management, environmental opportunities and healthcare struggled. On the other hand, the Scheme's restructured UK property portfolio produced strong positive relative returns.

Custodial and Cash Arrangements

The Scheme's quoted securities are held by the custodian, Northern Trust (NT), who also provide investment accounting, investment performance measurement, securities lending, derivatives valuations, alternative assets administration, passive currency overlay and other fund services.

Northern Trust manages most Sterling, US dollar and Euro cash balances within its money market funds. The remaining cash is either deposited with Northern Trust or placed on deposit in the name of the Scheme.

The Committee's approval is required for any borrowings in excess of agreed short-term facilities with Northern Trust.

Public equities and bonds are registered in the name of nominee companies controlled by the Scheme's custodian or sub-custodians.

Property investments are primarily registered in the name of Coal Pension Properties Limited (CPPL) or Crucible Residential Properties Limited (CRPL) which are nominee companies controlled jointly by the Scheme and MPS and incorporated for the purpose of holding title to the Scheme properties. Title deeds are held by firms of solicitors. Trust deeds between the nominee companies and the Schemes establish that the properties are held on behalf of the Schemes and which Scheme holds which property.

Private equity, shipping, certain private debt and most special situations debt investments are held in the name of the Coal Staff Private Equity Trust on behalf of the Scheme.

UK infrastructure, commodities, hedge funds, certain special situations debt and most private debt investments are held in the name of Coal Staff Superannuation Scheme Trustees Ltd on behalf of the Scheme.

Regular reconciliations are carried out of evidence of title and value held by the custodian with records maintained by the Scheme's investment managers.

Responsible Investing

The Committee has a Responsible Investment Policy, which covers the integration of environmental, social and governance ("ESG") factors, climate change and stewardship of the Scheme's investments into investment decision making.

The Scheme is a signatory to the Financial Reporting Council's (FRC) UK Stewardship Code. This sets out a number of areas of good practice to which the FRC believes institutional investors should aspire. It also describes steps asset owners can take to protect and enhance the value that accrues to the ultimate beneficiary.

Effective company engagement, intervention and consideration of environmental, social and governance ("ESG") factors, requires a deep knowledge of the underlying businesses in which the Scheme effectively invests, which the Committee does not have. For this reason, engagement and voting activities for public equity managers are delegated to Hermes Equity Ownership Services, unless the Committee believes that it is an effective and integral part of the managers' investment strategy. For other investment classes the Committee relies upon its investment adviser to undertake effective due diligence and ongoing monitoring to ensure that ESG factors are considered in the selection, retention and realisation of investments through its investment managers.

The Committee has put in place a governance framework for managing climate risks and opportunities in line with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations as required by new legislation. This legislation requires the Committee to have the relevant processes, knowledge, metrics and targets to consider the investment risks and opportunities associated with climate change. It also requires the Committee to report on this publicly. The legislation does not require any change to how pension schemes invest, but requires the Committee to consider these risks and opportunities and demonstrate that they are doing so.

The Scheme's Responsible Investment Policy, Stewardship Reports, Reports of Voting and Engagement Activity and the TCFD Report can be accessed via the Scheme website (<http://www.bcsss-pension.org.uk/about-your-scheme/responsible-investing>). It should be noted that these reports do not form part of this report and fall outside of the scope of the annual audit.

Securities Lending

The Scheme participates in securities lending through its custodian, Northern Trust. Approved borrowers are required to provide collateral valued in excess of securities on loan. Additional controls include limits on lending to borrowers and restrictions on acceptable collateral. The Scheme also benefits from an indemnity from Northern Trust against losses on borrower default.

Investment management fees, operating and transaction costs

Investment management fees including fees deducted at source and other operating costs are monitored closely to determine whether the Scheme is getting value for money from its investment managers. The management of transaction costs and the obligation to seek best execution is the responsibility of each investment manager, with whom there is regular dialogue. During transitions of assets between managers, the responsibility for the management of transaction costs sits with the transition manager or the respective investment manager.

Derivatives

The Committee has authorised the use of equity, foreign exchange and bond index futures and options and credit default, currency, interest rate, inflation and total return swaps. These are used by the Scheme's investment managers to contribute to the reduction of risk and to facilitate efficient portfolio management (including the reduction of cost or the generation of additional capital or income with an acceptable level of risk).

In the LDI portfolio, derivatives are used to manage risk and align asset performance with the behaviour of the Scheme's liabilities. LDI strategies aim to match the sensitivity of assets and liabilities more closely to changes

in interest rates and inflation. The Scheme uses derivatives to help achieve this in a capital efficient way, reducing the need to buy bonds directly.

Controls in place include authorisation of permitted instruments, limits on market exposures and on total tracking errors and collateral requirements.

The Custodian, Northern Trust, also provides an independent valuation for derivatives.

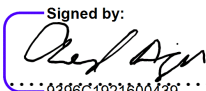
Currency Hedge


At year end exposure to all non-Sterling currencies within global government bonds, global investment grade credit, high yield credit and private debt was 100% hedged. Exposure to US dollars and Euros was 75% hedged and exposure to Yen was 50% hedged in relation to public equity and commodities.

Appreciation

The Committee wishes to acknowledge the assistance it has received from all of its appointees over the year and to record its thanks for the work carried out by them.

For and on behalf of the Committee of Management:

Signed by:

..... Chair

Signed by:

..... Committee Member

28 August 2025

Fund Account
Year ended 31 March 2025

	Note	2025 £m	2024 £m
Contributions and benefits			
Benefits paid and payable	2	(608)	(616)
Payments to and on account of leavers	3	(1)	(3)
Administrative expenses	4	(6)	(5)
Net withdrawals from dealings with members		<u>(615)</u>	<u>(624)</u>
Returns on investments			
Investment income	5	279	360
Change in market value of investments	6	(180)	(3)
Investment management expenses	7	(15)	(19)
Net returns on investments		<u>84</u>	<u>338</u>
Net decrease in the Fund during the year		(531)	(286)
Net assets of the Scheme at the beginning of the year		8,576	8,862
Net assets of the Scheme at the end of the year		<u>8,045</u>	<u>8,576</u>

Statement of Net Assets (Available for Benefits)
As at 31 March 2025

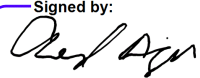
	Note	2025 £m	2024 £m
Investment assets	6		
Equities		1,508	1,430
Fixed income securities	8	5,243	3,826
Property	9	653	851
Pooled investment vehicles	10	1,597	1,933
Derivatives	11	60	44
Shipping	12	13	15
Cash and cash equivalents		449	486
Amounts receivable under reverse repurchase agreements		472	-
Other financial assets	13	190	186
		10,185	8,771
Investment liabilities			
Derivatives	11	(27)	(45)
Amounts payable under repurchase agreements		(2,052)	-
Other financial liabilities	13	(49)	(139)
		8,057	8,587
Net investment assets			
		8,057	8,587
Current assets	17	3	3
Current liabilities	18	(15)	(14)
		8,045	8,576
Net assets of the Scheme at 31 March			
		8,045	8,576

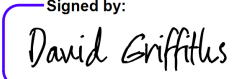
The accounts summarise the transactions of the Scheme and deal with the net assets at the disposition of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with on pages 9 to 10 of the Report of the Committee of Management. These financial statements should be read in conjunction with the actuarial position reported on pages 9 to 10.

The notes on pages 20 to 39 form part of these financial statements.

These accounts were approved by the Committee on 28 August 2025.

For and on behalf of the Committee of Management

Signed by: Chair
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Signed by: Committee Member
7A4F78DB2E08424...

Scheme Registration Number: 10151637

Notes to the Accounts

1. Accounting policies

Basis of preparation

The accounts have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) - the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and with the guidelines set out in the Statement of Recommended Practice – Financial Reports of Pension Schemes (2018) (SORP). The principal accounting policies applied in the preparation of these accounts are set out below.

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the compliance statement on page 45.

Basis of accounting

The accounts are prepared on an accruals basis unless stated otherwise. They include the assets and liabilities, excluding obligations to pay pensions and benefits after the end of the Scheme year, together with the net income arising during the year. The majority of assets and liabilities are held through nominee, trustee or subsidiary companies, limited partnerships and other pooling arrangements.

In accordance with FRS 102 and the SORP, the Trustee is not required to prepare consolidated accounts which includes subsidiary undertakings and has chosen not to do so in these financial statements, because the entities are held for investment purposes only and not as operating subsidiaries. The net assets held within these entities are included in the underlying asset class line to which they relate on the statement of net assets at fair value and a summary of those assets is shown in note 6.

Investment income

Income is recognised when the Scheme's right to receive payment is established as follows:

Income from equity investments is included in the accounts on the date when the securities are quoted ex-dividend, or where no ex-dividend is quoted, when the Scheme's right to receive the payment is established.

Income from fixed income securities, property, shipping, cash, repurchase agreements and reverse repurchase agreements is taken into account on an accruals basis. Income from property and shipping is stated net of any expenses which relate directly to the income against which it has been incurred.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price and is reported within the change in market value. Where income is distributed it is included in investment income when the Scheme's right to receive payment is established. Distributions from pooled investment vehicles which are not split between income and realised gains are included in change in market value.

Individual transfers

Individual transfers from the Scheme during the year are included in the accounts on the basis

of when the member liability is accepted by a registered pension arrangement.

Benefits

Benefits payable are included in the accounts on an accruals basis when the member notifies the Trustee as to the type or amount of benefit to be taken or, where there is no choice, on the date of retirement or leaving.

Administrative expenses and investment management expenses

Administrative expenses and investment management expenses, where they are invoiced directly, are accounted for on an accruals basis. The invoiced amounts expensed, exclude recoverable value added tax. Some investment managers deduct their fees directly from the Fund and these are reflected within the change in market value. Investment management fees which are accounted for through subsidiary undertakings are reflected in change in market value. Irrecoverable VAT is reflected within the appropriate expense heading. The Scheme bears all the costs of administration and investment management.

Foreign currencies

Transactions in foreign currencies during the period, including purchases and sales of securities, investment income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Amounts denominated in foreign currencies at the year-end are translated into Sterling, the Scheme's functional and presentational currency, at the rate of exchange ruling at the year-end date. Gains and losses on foreign currency denominated investments are shown in aggregate within the change in market value of investments to which they relate in the Fund Account. Gains and losses relating to cash are included in investment income.

Change in market value

The change in market value of investments during the year comprises all increases and decreases in market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investment assets and liabilities

The Statement of Net Assets includes investments at fair value and details of the valuation techniques involved in estimating fair values of certain investments are included below and in note 16.

Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

Fair value measurement

The Committee measures all of its investments at fair value at each reporting date.

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. FRS 102 and the SORP require the use of a three-level hierarchy to describe the way the estimate was carried out as shown in note 16.

The methods of determining fair value for the principal classes of investments are detailed below.

- Equities and fixed income securities which are traded in an active market are included at the quoted price, which is normally the bid price. Transaction costs arising on all investment purchases and sales are charged to the Fund Account within change in market value by adding to purchase costs and netting against sale proceeds, as appropriate for all investment types.
- The fair value of fixed income securities which comprise various types of debt instruments which are unquoted or not actively traded on a quoted market are either based on advice from the respective investment manager or are evaluated by pricing vendors using financial models and comparable security data.
- The value of shipping and pooled investment vehicles which are unquoted or not actively traded on a quoted market, are valued by the respective investment manager. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value. Where the net realisable value is considered to be lower than the net asset value, the investments are valued at this lower amount. Where the last valuation provided by the investment manager is prior to the year-end, the valuation is adjusted for cash flows in the intervening period.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are substantially traded on all pricing days, are included at the last price provided by the manager at or before year-end.
- Property is valued at open market value as at 31 March 2025, determined in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards and the Practice Statement contained therein. The properties have been valued by Knight Frank, Chartered Surveyors, on behalf of Nuveen managed properties and Cushman and Wakefield, Chartered Surveyors, on behalf of LaSalle managed properties, external independent valuers with recognised and relevant professional qualifications who have recent experience of the locations and types of properties held by the Scheme, taking account of, amongst other things, the current estimate of rental values and market yield.
- Futures are contractual arrangements to buy or sell a specified financial instrument at a specific price at a predetermined future date, are traded in standardised amounts on regulated exchanges, and are subject to daily cash margin requirements. They are valued at the fair value as determined by the closing exchange price as at the year-end.
- Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, and normally transacted over-the-counter (OTC). They are valued at the current value of future expected cash flows arising from the swap, determined using a discounted cash flow model and market data at the reporting date.
- Forward foreign exchange contracts are customised contracts transacted in the OTC market. They are valued by determining the gain or loss that would arise from closing out the contract at the year-end by entering into an equal or opposite contract at that date.
- Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specified amount of a financial instrument at a fixed price,

either at a fixed future date or at any time within a specified period. The fair value for OTC options is determined using corroborative indicative quoted prices for closing out the options as at the year-end.

- Proceeds receivable from the sale of investments are recognised at their transaction price when the entity becomes a party to the contractual provisions. Receivables due in more than 12 months are discounted appropriately to reflect both the time value of money and the credit risk associated with the receivables.

Repurchase agreements

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 payable amount.

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.

Other investment arrangements

The Committee continues to recognise assets it has lent under securities lending arrangements to reflect its ongoing interest in those securities. Collateral received in respect of these arrangements is disclosed in note 15 but not recognised as a Scheme asset.

Collateral payments and receipts in respect of OTC derivative contracts and initial margin deposits in respect of futures contracts are reported within cash.

2. Benefits paid and payable

	2025 £m	2024 £m
Pensions	584	590
Commutations and lump sums	24	26
Total	608	616

3. Payments to and on account of leavers

	2025 £m	2024 £m
Individual transfers to other schemes	1	3

4. Administrative expenses

	2025 £m	2024 £m
Pension administration	4	4
Legal, actuarial and other fees	2	1
Total	6	5

5. Investment income

	2025	2024
	£m	£m
Dividends from equities	33	28
Income from fixed income securities	152	140
Net rents from properties	37	50
Income from pooled investment vehicles	50	120
Net income from shipping	3	2
Interest on cash deposits and margin accounts	4	20
Total	279	360

Net rents from properties is stated after deducting £12 million (2024: £11 million) of property related expenses. Shipping expenses in the year were negligible (2024: £1 million). Interest on cash deposits and margin accounts is stated after deducting £24m of repurchase agreement expenses.

6. Investment reconciliation table

	Value at 1 April 2024	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 31 March 2025
	£m	£m	£m	£m	£m
Equities	1,430	1,590	(1,519)	7	1,508
Fixed income securities	3,826	5,534	(3,913)	(204)	5,243
Property	851	5	(221)	18	653
Pooled investment vehicles	1,933	105	(390)	(51)	1,597
Derivatives	(1)	285	(311)	60	33
Shipping	15	-	-	(2)	13
	8,054	7,519	(6,354)	(172)	9,047
Cash and cash equivalents	486			(3)	449
Repurchase and reverse repurchase agreements	-			-	(1,580)
Other financial assets and liabilities	47			(5)	141
Total investments	8,587			(180)	8,057

Included within other financial assets and liabilities is a debtor of £120m relating to a deferred payment for the sale of the Dalmore Infrastructure investment which will be received in December 2025 and a long-term debtor of £34m relating to a deferred payment for the sale of the Dalmore Capital Fund 3 investment which will be received in November 2026.

The net assets of subsidiary undertakings included in the table above at year-end, through which the scheme holds investments are summarised in aggregate on the next page.

	2025	2024
	£m	£m
Fixed income securities	275	348
Pooled investment vehicles	228	273
Shipping	13	15
Total	516	636

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Scheme such as fees, commissions and stamp duty.

Transaction costs analysed by main asset class and type of costs are as follows:

	Commissions and Fees	Total	Total
	£m	2025 £m	2024 £m
Equities	2	2	1
Property	3	3	-
Total	5	5	1

In addition to the transaction costs disclosed above, the Scheme also incurs indirect transaction costs through the bid-offer spread on investments.

7. Investment management expenses

	2025	2024
	£m	£m
Administration, management and custody	11	14
Other advisory fees	4	5
Total	15	19

Other advisory fees include £2.2 million (2024: £2.1 million) of costs relating to CPTI, the Scheme's investment adviser. Also included in other advisory fees are £1.5 million (2024: £3.3 million) of legal and other third-party adviser costs.

8. Fixed income securities

	2025	2024
	£m	£m
Bonds	4,923	3,399
Loans	320	427
Total	5,243	3,826

Loans comprise secured loans made direct to entities through five investment managers principally to businesses based in the UK, continental Europe and the US. Loans are not traded on an active market which may restrict the ability of the Scheme to realise them at short notice.

9. Property

	2025	2024
	£m	£m
UK property	653	851

10. Pooled investment vehicles

	2025	2024
	£m	£m
Debt	530	664
Private equity	799	903
Infrastructure	162	259
Hedge funds	46	59
Fixed income	46	38
Commodities	14	10
Total	1,597	1,933

Pooled investment vehicles include holdings in bonds, commodities, loans, derivatives, infrastructure and hedge funds. The underlying investments of the debt investments are principally loans made to companies in Europe and the US. Global and UK infrastructure, private equity, debt and hedge funds are not traded on an active market which may restrict the ability of the Scheme to realise them at short notice.

The Scheme is sole investor in one UK Infrastructure pooled arrangement valued at £49 million (2024: £72 million). The underlying assets and liabilities of the arrangement are as follows:

	2025	2024
	£m	£m
Non-current assets	44	69
Current assets	9	7
Current liabilities	(4)	(4)
Total	49	72

The Scheme is also sole investor in two special situation debt funds valued at £31 million in aggregate (2024: £41 million).

11. Derivative contracts

	2025	2024
	£m	£m
Assets		
Futures	11	6
Forward foreign exchange	42	5
Swaps	7	32
Options	-	1
Liabilities		
Futures	(5)	(4)
Forward foreign exchange	(7)	(9)
Swaps	(15)	(25)
Options	-	(7)
Net derivative contracts	33	(1)

Objectives and policies for holding derivatives

The Committee has authorised the use of derivative financial instruments by its investment managers as follows:

- Forward foreign exchange contracts are used to provide the Scheme with protection against changes in exchange rates which may adversely affect the value of overseas investments in foreign currencies.
- Futures contracts are used to provide the Scheme with exposure to the equity and commodities markets.
- Swaps contracts are used for efficient portfolio and risk management as well as hedging purposes in pursuit of the Scheme's investment objective. They provide exposure to interest bearing assets and debt investments in both Sterling and foreign currencies.
- Option contracts have been entered into in order to provide protection for the Scheme's exposure to equities should adverse market movements arise.

Forward foreign exchange

	Bought	Sold	Asset	Liability
	£m	£m	£m	£m
Euro	229	(908)	5	(2)
Sterling	3,388	(728)	-	-
US dollar	499	(2,306)	36	(5)
Yen	1	(90)	1	-
Other	2	(52)	-	-
Total 2025	4,119	(4,084)	42	(7)
Total 2024	4,097	(4,101)	5	(9)

The table above aggregates the exposures to currencies acquired or sold through over the counter forward foreign exchange contracts at year-end Sterling values. All of the contracts settle within six months of the year-end (2024: all of the contracts settle within three months of the year-end).

Futures

The Scheme holds long and short futures contracts with economic exposure of £583 million (2024: £810 million) and £30 million (2024: £44 million) respectively. They expire within three years of year-end and are held on various global market indices. The market values of these positions are an asset of £11 million (2024: £6 million) and a liability of £5 million (2024: £4 million) giving a net asset position of £6 million (2024: net asset £2 million).

Swaps

Contract	Expiration	Nature of Swap	Notional principal	Asset	Liability
			£m	£m	£m
Interest rate swaps	1 to 18 years	Paying and receiving fixed for floating	832	7	(12)
Inflation swaps	2 to 3 years	Fixed payments for inflation linked payments	434	-	(2)
Total return swaps	Up to 1 year	Paying fixed for assets return	25	-	(1)
Total 2025			1,291	7	(15)
Total 2024			1,108	32	(25)

The notional principal amount of the swaps are used for the calculation of cash flow only. At the end of the year the Scheme held collateral of £4 million (2024: £2 million) in respect of OTC swaps.

12. Shipping

	2025	2024
	£m	£m
Shipping	<u>13</u>	<u>15</u>

The Scheme's shipping investments are held through wholly owned subsidiary undertakings.

13. Other financial assets and liabilities

	2025	2024
	£m	£m
Amounts due from brokers	8	6
Outstanding income and withholding tax	31	36
Other debtors	154	144
Amounts due to brokers	(42)	(131)
Other creditors	(6)	(8)
Total	<u>145</u>	<u>47</u>

14. AVC investments

Members' additional voluntary contributions (AVCs) are invested separately from the Scheme in investments administered by The Prudential Assurance Company Limited. The value of the AVC fund is included in other financial assets, and movements in the AVC fund value are included in the Fund Account. The AVC fund value at 31 March 2025 was £135,212 (2024: £128,748).

15. Securities lending

The Scheme participates in public equity and fixed income securities lending through its custodian, Northern Trust. Approved borrowers are required to provide collateral valued in excess of securities on loan. The value of securities on loan and the collateral provided is shown in the table on the next page.

	Securities on loan 2025 £m	Collateral provided 2025 £m	Securities on loan 2024 £m	Collateral provided 2024 £m
Equities	86	90	47	50
Fixed income securities	89	93	81	86
Total	175	183	128	136

16. Fair value hierarchy of assets and liabilities

FRS 102 requires the disclosure of financial instruments held at fair value by class under the following hierarchy:

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

Fair value hierarchy of investment assets and liabilities 2025

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities	1,508	-	-	1,508
Fixed income securities	-	4,923	320	5,243
Property	-	-	653	653
Pooled investment vehicles	-	60	1,537	1,597
Derivatives	7	26	-	33
Shipping	-	-	13	13
Cash and cash equivalents	357	92	-	449
Repurchase and reverse repurchase agreements	-	(1,580)	-	(1,580)
Other financial assets and liabilities	141	-	-	141
Total investments	2,013	3,521	2,523	8,057

Fair value hierarchy of investment assets and liabilities 2024

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Equities	1,430	-	-	1,430
Fixed income securities	-	3,399	427	3,826
Property	-	-	851	851
Pooled investment vehicles	-	48	1,885	1,933
Derivatives	2	(3)	-	(1)
Shipping	-	-	15	15
Cash and cash equivalents	305	181	-	486
Other financial assets and liabilities	47	-	-	47
Total investments	1,784	3,625	3,178	8,587

Valuation techniques**Equities**

Equities are normally quoted at bid prices which are readily available and regularly occurring in active markets from relevant securities exchanges. These are included at level 1 in the fair value hierarchy.

Fixed income securities

The Committee invests in fixed income securities (bonds) which are traded regularly on an active market. They are included at level 2 in the fair value hierarchy. In the absence of a quoted price in an active market, bonds which are investment grade, are valued on a 'clean' basis which excludes accrued interest using observable market data such as recently executed transaction prices of securities of the issuer or comparable issuers. They are included at level 2 in the fair value hierarchy.

Secured loans described in note 8 are valued by the investment managers using discounted cash flow techniques for which significant inputs are the amount and timing of future expected cash flows, market yields, current performance and recovery assumptions and applicable publicly available comparable company valuations. These are included at level 3 within the fair value hierarchy.

Property

The valuation of investment property at the Scheme's year-end is performed by Knight Frank on behalf of Nuveen managed properties and Cushman & Wakefield on behalf of LaSalle managed properties, who are external, independent valuers with current knowledge of the relevant markets and the skills and understanding to undertake the valuations competently.

For properties in the course of development, construction and associated costs in respect of both the work completed and the work necessary for completion together with a completion date have been considered. Valuations of completed buildings have been based on an assumption that all works of construction have been carried out in accordance with the building contract and specifications, current British standards and any relevant codes of practice.

The properties have been valued at market value which is primarily derived using comparable

recent market transactions on arm's length terms and has taken account of current and estimated annual rents receivable and market yields such as net initial yield, nominal equivalent yield and true equivalent yield. Property investments are included at level 3 in the fair value hierarchy.

Pooled investment vehicles

Pooled investment vehicles, which are traded regularly, are included at levels 2 and 3 of the fair value hierarchy. The prices are published by the pooled investment vehicle manager at bid price on a daily or weekly basis.

Unquoted pooled investment vehicles are reported using the net asset value (NAV) of the fund. The NAV is determined by the pooled investment vehicle manager using fair value principles to value the underlying investments of the pooled arrangement. These investments, which can also be subject to redemption notice periods and are not traded regularly, are included at level 3 of the fair value hierarchy.

Derivatives

Exchange traded future contracts are stated at fair value using market quoted prices. These are included at level 1 in the fair value hierarchy.

The investment managers use valuation models which incorporate foreign exchange spot and forward rates and interest rate curves for determining fair values of OTC forward foreign exchange contracts. The valuation techniques include forward pricing using present value calculations and other inputs into these models. These investments are included at level 2 in the fair value hierarchy.

Swaps are valued at the net present value of future cash flows arising therefrom. These are included at level 2 in the fair value hierarchy.

The fair value for OTC options is determined using corroborative indicative quoted prices for closing out the options as at the year-end. These are included at level 2 in the fair value hierarchy.

Shipping

At year-end there is one vessel remaining in the portfolio which is considered held for sale and has been valued at net realisable value. Shipping investments are included at level 3 in the fair value hierarchy.

Cash and cash equivalents

Cash held in interest bearing bank accounts is included at level 1 in the fair value hierarchy.

The Committee holds some Scheme cash in Sterling liquidity funds. These funds are pooled investment vehicles which are traded regularly and are included at level 2 in the fair value hierarchy.

Repurchase and reverse repurchase agreements

Repurchase and reverse repurchase valuations rely on observable market data, such as interest rate curves, credit spreads and collateral values. Models used are often discounted cash flow models, considering the contractual terms of the agreement, including the repurchase price, term

and collateral. They are included at level 2 in the fair value hierarchy.

17. Current assets

	2025	2024
	£m	£m
Cash at bank	3	3

18. Current liabilities

	2025	2024
	£m	£m
Tax and VAT	9	8
Other creditors and unpaid benefits	6	6
Total	15	14

19. Related party transactions

Under the Scheme Trust Deed and Rules, any remaining balance of the Adjusted Reserve will be paid to the Guarantor within twelve months of 31 March 2033. As at 31 March 2025 the balance of the Adjusted Reserve was £2.33 billion. However, the Trustees have asked the Guarantor to relinquish its right to any payment and instead for members to receive an immediate increase to their BCSSS pension.

The Scheme owns UK Government bonds which at the year-end had a market value of £2,571 million (2024: £1,051 million).

During the year the Scheme paid £371,602 (2024: £169,020) to the Government Actuary's Department (GAD) for provision of actuarial services.

Five members of the Committee were in receipt of a pension from the Scheme. The aggregate amount paid was £210,050 (2024: five members, £201,293).

Members of the Committee are entitled to receive remuneration from the Scheme. The total remuneration paid in the year was £375,379 (2024: £341,192) and is detailed in the Report of the Committee of Management.

CPT is jointly owned by the Scheme and MPS with each appointing four members of their Committees of Management as directors. CPT costs, which are in respect of support services, are included within pensions administration costs in note 4 and were £2.8 million (2024: £2.5 million). CPTI costs, which are in respect of investment advisory services, are included within other advisory fees in note 7 and were £2.2 million (2024: £2.1 million).

The Scheme and the MPS jointly invest in four properties with a value to the Scheme of £93 million (2024 six properties: £160 million).

20. Forward commitments and contingent liabilities not provided for in the accounts

Forward commitments comprise expenditure on investments authorised and contractually committed before the year-end which is not provided for in the accounts as it is not yet due. This includes investments in private equity of £118 million (2024: £126 million), debt funds of £376

million (2024: £364 million) and global and UK infrastructure of £14 million (2024: £14 million) included within the pooled investment vehicles mandate. There were further commitments of £27 million (2024: £28 million) of secured loans included within the fixed income securities mandate.

Forward commitments in relation to secured loans and infrastructure will be paid within approximately twelve months of the year-end whilst the special situations debt commitments will be paid within two to three years. The timing of private equity funding is uncertain, but it is assumed that £39 million (33%) will fall due in the next twelve months and the remaining £79 million in later years.

As explained in note 19, under the Scheme Trust Deed and Rules, any remaining balance of the Adjusted Reserve is due to be paid to the Guarantor within twelve months of 31 March 2033. As at 31 March 2025, the balance of the Adjusted Reserve was £2.33 billion. However, the Trustees have asked the Guarantor to relinquish its right to any payment and instead for members to receive an immediate increase to their BCSSS pension.

21. GMP equalisation

The Committee is aware of a potential liability in respect of GMP equalisation and continues to liaise with the Scheme's professional advisers to establish the financial impact on the Scheme. However, on the basis that the additional liability is not expected to have a material impact upon the Scheme, the Committee has decided not to include a specific provision for GMP equalisation in these financial statements. As soon as the impact of the ruling on the Scheme is finalised and any related Scheme liability quantified, a liability will be included in the Scheme financial statements.

22. Investment risk and management objectives and policies

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- **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 interest rate risk or currency 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.

The Scheme has exposure to these risks because of the investments the Committee makes to implement its investment strategy. The objective of the Committee is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet the

Scheme's future benefit payments, the Scheme's expenses and the lump sum payment due to the Guarantor on 31 March 2033, as they fall due.

The Committee sets the investment strategy for the Scheme taking into account considerations such as the Government Guarantee, the Scheme's future payments and the funding requirements of the Scheme as set out in the Agreement.

The Committee bases its investment philosophy on an assessment of the economic situation, potential economic scenarios, and the valuation of assets through time. As a result, the actual asset allocation will change through time, as a result of changes to the underlying valuation of different assets and the economic situation. There are no minimum or maximum levels for any asset category or region.

Asset liability modelling, cash flow projections and other forms of risk analysis are used to estimate the return expectations of the portfolio, the probability of achieving the funding objective and the risks of failing to achieve the funding objective.

Consistent with the above objective, the Committee's revised Strategic Investment Framework, and the need to manage cash flows to deliver the future payments from the Scheme, separate portfolios have been established to (a) focus on generating the cashflows to pay member benefits; and (b) generate additional growth to improve the funding position. These portfolios take account of the need both to grow assets and to ensure payment certainty for benefit payments out of the Scheme. The Strategic Investment Framework has regard to the following:

- i) Trustee objectives: the requirement to deliver growth sufficient both to be able to (a) meet the Scheme's payment obligations in full over the lifetime of the Scheme; and (b) to improve the strength of the funding position.
- ii) Risk: to manage risks within the tolerances the Committee has agreed in its "Risk and Success Framework" and to balance risk across the three "lenses" through which the Committee considers the assets – growth, funding stability and cashflow generation.
- iii) Cashflow parameters: a plan to meet payments through contractual cashflows including asset income.
- iv) Illiquidity: ensuring illiquidity is managed appropriately and there is sufficient flexibility to manage cash flows and the portfolio's allocations to different assets.

The Strategic Investment Framework parameters will be reviewed regularly, having regard to the above measures and reflected in an Annual Investment Plan approved by ISC.

Mandates with the Scheme's investment managers are structured to reflect the investment objectives and risk tolerances. Progress towards the objectives and risk levels are monitored by the Committee by regular reviews of the investment portfolios. Further information on the Committee's approach to risk management and the Scheme's exposures to credit and market risks are set out below.

Credit risk

The Scheme is subject to credit risk because it directly invests in fixed income securities, OTC derivatives, holds cash balances, undertakes securities lending activities and enters into repurchase agreements.

The Committee also invests in pooled investment vehicles and is therefore directly and indirectly exposed to credit risk in relation to the instruments it holds in the pooled fund. This is a result of the Committee being dependent on the pooled investment vehicle manager for delivery of the cash flows and for buying and selling of the shares within the pooled arrangement. The Scheme is also indirectly exposed to credit risks arising on the financial instruments held within the pooled investment vehicles.

A summary of exposures to credit risk is given in the following table, and the notes below, which explain how this risk is managed and mitigated for the different classes:

2025	Investment grade	Non- investment grade	Unrated	Total
	£m	£m	£m	£m
Credit risk				
Fixed income securities	4,347	200	696	5,243
Pooled investment vehicles	-	-	1,597	1,597
Derivatives	41	-	-	41
Securities lending – collateral cash	96	-	-	96
Cash and cash equivalents	449	-	-	449
Repurchase and reverse repurchase agreements	472	-	-	472
Total	5,405	200	2,293	7,898
2024	Investment grade	Non- investment grade	Unrated	Total
	£m	£m	£m	£m
Credit risk				
Fixed income securities	2,945	188	693	3,826
Pooled investment vehicles	-	-	1,933	1,933
Securities lending – collateral cash	55	-	-	55
Cash and cash equivalents	486	-	-	486
Total	3,486	188	2,626	6,300

Fixed income securities include a broad range of quoted and unquoted securities, including bonds and loans. Credit risk arising on bonds is mitigated by investing in securities which are rated at least investment grade in accordance with those deemed so by the major ratings agencies or investing in a portfolio of securities where the average credit quality of the portfolio is at least investment grade and limiting the net credit exposure to unrated securities and those below investment grade to 10% of the value of the investment manager's portfolio.

Credit risk on secured loans which are unrated is mitigated by the credit analysis and due diligence work undertaken by the respective investment managers. They ensure that there is adequate security covenant against the loans and there are guidelines within their mandate that require diversification within the portfolio by region, sector and issuer. In the event that a loan becomes impaired, and a credit event occurs, the investment managers undertake any restructuring processes necessary to protect the interests of the Scheme.

The Committee also manages the credit risk arising on fixed interest securities by requesting the investment managers to diversify the portfolio by sector, industry and issuer and limit investments to any one issuer.

The Scheme is directly exposed to credit risk in relation to the units it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held within the vehicles. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangement being ring-fenced from the pooled manager. The Committee ensures that due diligence checks are undertaken on the appointment of any new pooled investment vehicle managers and any changes to the regulatory and operating environment of the manager is monitored on an ongoing basis. The indirect risk is mitigated by the Committee investing in regulated markets and pooled arrangements where the portfolio of investments is diversified.

As detailed in note 10 the Scheme is sole investor in three pooled investment arrangements and whilst it is indirectly exposed to credit risk in relation to the units held in these financial arrangements, there is further direct exposure to credit risk arising in relation to the underlying investments in the two special situation debt pooled investment vehicles.

Pooled investment vehicles of £1,631 million (2024: £1,933 million) are held through partnership interests.

Credit risk on OTC derivative contracts (which include forward foreign exchange contracts, swaps and options) arises due to them not being traded on a regulated exchange and therefore the Scheme is subject to the risk of failure of the counterparty. The credit risk for OTC swaps and options contracts is mitigated through collateral arrangements and ensuring all transactions in financial instruments are with reputable counterparties.

Credit risk on Repurchase agreements is mitigated through collateral arrangements as disclosed in note 15.

Cash is held with financial institutions which are at least investment grade credit rated.

As explained in the Investment Report the Scheme participates in securities lending to approved borrowers who are required to provide collateral valued in excess of securities on loan. The Committee re-invests cash collateral received into financial institutions which are at least investment grade credit rated.

Currency risk

The Scheme is subject to currency risk because some of the investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure). The table on the next page summarises the Scheme's net unhedged exposure by major currency at the year-end.

	2025	2024
		Reanalysed
	£m	£m
Direct currency risk		
US dollar	235	296
Hong Kong dollar	91	77
Japanese yen	80	58
Taiwan dollar	59	47
Indian rupee	58	51
Swiss franc	43	44
Euro	41	53
Canadian Dollar	24	16
Danish krone	22	33
Australian dollar	19	18
Other currencies	127	151
Indirect currency risk		
Pooled investment vehicles	1,210	1,369
Total	2,009	2,213

Given the changes in levels of unhedged foreign currency amounts year on year, the table above has been reanalysed to disclose the ten largest balances for the current year and the comparative amounts for the previous year. In the prior year, Chinese yuan (£41m) was included in the ten largest exposures. This have been noted above and included in the £151m for other currencies.

The Committee receives advice from CPTI regarding the management of currency risk which assists it in agreeing a currency hedging policy for the respective currency and asset class.

The Committee typically limits overseas currency exposure by hedging a proportion of the overseas investments' currency risk within agreed limits using forward foreign exchange contracts. The currency exposures within the bonds and private debt mandates are fully hedged and exposure to commodities is 50% hedged at the reporting date. Exposure to US dollars and Euros was 75% hedged and Yen was 50% hedged in relation to public equity and commodities.

Interest rate risk

The Scheme is subject to interest rate risk because some investments are held in fixed income securities, OTC derivatives, repurchase agreements and debt included within pooled investment vehicles. The value of these investments is impacted by changes in interest rates which use valuation techniques where interest rates are an input. Loans included within the fixed income securities mandate and debt within the pooled investment vehicles mandate are all based on floating interest rates and therefore carry negligible interest rate risk. Fluctuations in interest rates can impact the fair value and future cash flows, including the reinvestment of cash flows of OTC derivatives and repurchase agreements. The Scheme's investment strategy and risk management policies aim to mitigate these risks, but some exposure remains inherent in the portfolio.

The table on the next page summarises the Scheme's exposure to direct interest rate risk at the year-end.

	2025 £m	2024 £m
Interest rate risk		
Fixed income securities	5,243	3,826
Pooled investment vehicles	530	663
Derivatives	41	9
Repurchase and reverse repurchase agreements	472	-
Total	6,286	4,498

Other price risk

Direct price risk arises principally in relation to equities, property and shipping. Indirect price risk arises in relation to equity, infrastructure and commodities investments held within pooled investment vehicles.

The table below summarises the Scheme's exposure to other price risk at the year-end.

	2025 £m	2024 £m
Direct price risk		
Equities	1,508	1,430
Property	653	851
Shipping	13	15
Indirect price risk		
Equity pooled investment vehicles	810	903
Infrastructure pooled investment vehicles	162	259
Commodities pooled investment vehicles	14	10
Total	3,160	3,468

The Committee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

23. Related undertakings of British Coal Staff Superannuation Scheme

In accordance with The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, a full list of related undertakings, the country of incorporation and the percentage of share class owned as at 31 March 2025 is disclosed below. All undertakings are indirectly owned by BCSSS other than those indicated.

Name of undertaking	Country of incorporation	Share class	% held by BCSSS
Coal Staff Superannuation Scheme Ltd ¹	England & Wales	Limited by guarantee	100 ¹¹
Coal Pension Trustees Services Ltd ¹	England & Wales	£1.00 B Ordinary shares ¹⁰	100
Coal Pension Trustees Investments Ltd ¹	England & Wales	£1.00 Ordinary shares	50
Globe Investments (U.K.) Ltd ¹	England & Wales	£1.00 Ordinary shares	50
Coal Pension Securities Nominees Ltd ¹	England & Wales	Limited by guarantee	50
Coal Pension Venture Nominees Ltd ²	England & Wales	Limited by guarantee	50 ¹¹
Coal Pension Properties Ltd ³	England & Wales	Limited by guarantee	50 ¹¹
CPPL (Sefton Park 1) Ltd ³	England & Wales	£1.00 Ordinary shares	100
CPPL (Sefton Park 2) Ltd ³	England & Wales	£1.00 Ordinary shares	100
Crucible Residential Properties Ltd ⁴	England & Wales	£1.00 Ordinary shares	50 ¹¹
BCSSS Property Holding Ltd ⁴	England & Wales	£1.00 Ordinary shares	100
Greengate GP Limited Liability Partnership ⁴	England & Wales	£1.00 Ordinary shares	45.5
Greengate (Manchester) Limited Partnership ⁴	England & Wales	Limited Partnership	45.5
Greengate (Manchester) Nominee Limited ⁴	England & Wales	£1.00 Ordinary shares	45.5
Beeston Shipping Ltd ⁵	Isle of Man	\$1.00 Ordinary shares	100
BSL Anafi Shipping Ltd ⁵	Isle of Man	\$1.00 Ordinary shares	100
BCSSS AAIP Cayman Feeder Ltd ⁶	Cayman Islands	\$1.00 Ordinary shares	100
BCSSS SSD Ltd ⁷	Cayman Islands	\$1.00 Ordinary shares	100
BCSSS AEPF3 Ltd ⁷	Cayman Islands	\$1.00 Ordinary shares	100
BCSSS Investments Ltd ^{8 and 12}	Jersey	\$1.00 Ordinary shares	100 ¹¹
BCSSS Investments 2 Ltd ^{8 and 12}	Jersey	\$1.00 Ordinary shares	100 ¹¹
BCSSS Holdco UK Ltd ⁹	England & Wales	£1.00 Ordinary shares	100 ¹¹

The registered office addresses of the above undertakings are as follows:

¹ Ground Floor, Ventana House, 2 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

² 21 St. James' Square, London, SW1Y 4JZ.

³ 1 Bow Churchyard, London, EC4M 9DQ.

⁴ 4th Floor, 78 St James's Street, London, SW1A 1JB.

⁵ St George's Court, Upper Church Street, Douglas, Isle of Man, IM1 1EE.

⁶ c/o Maples Corporate Services Ltd, PO Box 309, Ugland House, South Church Street, Grand Cayman, KY-1104, Cayman Islands.

⁷ c/o Walkers Corporate Services Ltd, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9001, Cayman Islands.

⁸ Aztec Group House, IFC6, The Esplanade, St Helier, Jersey, JE4 0QH.

⁹ c/o Aztec Financial Services (UK) Ltd, Forum 4, Solent Business Park, Parkway South, Whiteley, Fareham, Hampshire, PO15 7AD.

¹⁰ Coal Pension Trustees Services Ltd is a jointly owned entity of the Scheme and MPS. BCSSS holds 100% of the £1.00 B Ordinary shares of Coal Pension Trustees Services Ltd. MPS holds 100% of the £1.00 A Ordinary shares of Coal Pension Trustees Services Ltd.

¹¹ Entity held directly by the Scheme.

¹² Formerly BCSSS Investments Sàrl and BCSSS Investments 2 Sàrl; these companies were re-domiciled in Jersey and renamed.

Independent auditor's report to the Trustee of the British Coal Staff Superannuation Scheme

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the British Coal Staff Superannuation Scheme (the 'Scheme'):

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2025 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 accordance with the Scheme and Rules set out in the Schedule to the British Coal Staff Superannuation Scheme (Modification) Regulations 1994 and as subsequently amended.

We have audited the financial statements which comprise:

- the fund account;
- the statement of net assets (available for benefits); and
- the related notes 1 to 23.

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 the 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 Coal Pension Trustees Services Ltd about 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 Scheme and Rules as set out in the Schedule to the British Coal Staff Superannuation (Modification) Regulations 1994 and as subsequently amended, Pension Act 1995, 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 financial instruments and real estate 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 we have: obtained an understanding of the relevant controls over investment holdings and transactions; agreed investment holdings to independent confirmations; and agreed investment and cash reconciliations to independent sales and purchase reports and bank statements.

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, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated 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 the Trustee and Coal Pension Trustees Services Ltd concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Trustee and sub-committee meetings and reviewing internal audit reports.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with Scheme and Rules as set out in the Schedule to the British Coal Staff Superannuation Scheme (Modification) Regulations 1994 and as subsequently amended. 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.

DocuSigned by:

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

B7CE83ABFD7144D...

Deloitte LLP

Statutory Auditor

Reading, United Kingdom

Date: 28 August 2025

Summary of the Actuarial Review as at 31 March 2024

An actuarial review of the Scheme is carried out by the Government Actuary every three years. The most recent review was as at 31 March 2024 and is described in my report dated 17 March 2025.

The results of the 31 March 2024 review are set out below. The results are based on a total Scheme asset value of £8,576 million, which is the market value as at 31 March 2024. Both the percentage figures quoted below are annual real returns (above RPI) that must be earned over the Scheme's lifetime.

Obligations Percentage:	-0.5% pa	The real return required on the Scheme's total assets to meet the Scheme's expected future member benefit payments and associated expenses.
Buffer Percentage:	1.9% pa	The real return required on the Scheme's total assets to meet the Scheme's expected future member benefit payments, associated expenses and a payment to the Guarantor in 2033*.
*The value of the payment to the Guarantor as at 31 March 2024 was £2,261 million. This payment is equal to the Guarantor's share of the Scheme surplus when the coal industry was privatised, less the parts of that surplus already released to the Guarantor up to April 2015, accumulated with investment returns to 31 March 2015, and CPI inflation thereafter.		

The required rates of return determined at the 2024 review were higher than those calculated at the previous review as at 31 March 2021 (when the Obligations and Buffer Percentages were -1.7% pa and -0.1% pa, respectively). The actual real return on the Scheme assets over this period was lower than the Obligations (and Buffer) percentage calculated in March 2021. This relative underperformance meant that higher rates of return are required from March 2024, all else being equal.

The actuary is also required to advise the Guarantor and the Trustee if the total value of the Fund is less than will be needed to meet the Scheme's benefit payments and expenses over a period of three years following the valuation. In my opinion, the Fund is sufficient to meet the Scheme's benefit payments and expenses for a period well in excess of three years.

The valuation results depend on the value of the Scheme assets at the valuation date as well as on the assumptions made; the most important being the assumed rates of inflation (both RPI and CPI) and the future mortality rates.

For more information, please refer to my report dated 17 March 2025. Copies can be accessed via the Scheme Publications section of the Scheme website (<http://www.bcscs-pension.org.uk/scheme-publications>).

Fiona Dunsire
Fellow of the Institute and Faculty of Actuaries
Government Actuary
7 May 2025

Compliance Statement

This statement is included to comply with recommendations contained in the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (revised 2018), issued by the Pensions Research Accountants Group.

1. The Pensions Regulator's (TPR) Guidance for Trustees is available on the Pensions Regulator's website: www.thepensionsregulator.gov.uk.
2. Coal Staff Superannuation Scheme Trustees Limited is registered with the Information Commissioner under the terms of the Data Protection Act 2018.
3. The investments of the Scheme are made in compliance with the Occupational Pension Schemes (Investment) Regulations 2005.
4. Cash equivalent transfer values paid during the year were calculated in accordance with the requirements of the Pension Schemes Act 1993. No discretionary benefits are included in the calculation of transfer values.
5. The Trustee has written agreements in the form of contracts with all major service providers.
6. The Scheme's registration number with the Pensions Regulator is 10151637.
7. The Scheme is a registered pension scheme under the provisions of Schedule 36 of the Finance Act 2004. Accordingly, under the provisions of sections 186 and 187 of the Finance Act 2004 its income and investment gains are free of taxation. However, income from trading activity is not investment income and will be assessed to tax in the normal way.

Changes to the Scheme Constitution, Rules or Basic Information

Constitution of the Scheme

The British Coal Staff Superannuation Scheme is governed by the Scheme and Rules dated October 1994, with subsequent amendments including the changes to the structure of the Scheme following the Sustainability Review and subsequent Agreement dated 13 February 2015.

Amendments to the Scheme and Rules

The power to amend the Scheme and Rules lies with the Guarantor, subject to certain restrictions. The Guarantor must first consult the Committee and, in certain circumstances, would require the approval of the Committee to make the amendment.

The Scheme and Rules were amended during the year as follows:

- to increase the limit under which a payment to an estate can be made, following the death of a Scheme member, without sight of Grant of Probate
- to give deferred members the option to delay taking their pension after their 60th birthday
- to update the eligibility requirement for the award of a child's pension on the death of a member
- to introduce the ability to pay a Pension Commencement Excess Lump Sum from the Scheme

Pension Increases

The Rules provide that guaranteed pensions (in excess of the Guaranteed Minimum Pension (GMP)) should be increased annually in line with the percentage rise in the Retail Prices Index (RPI). The rise in the RPI over the twelve months to November 2024 was 3.6%; guaranteed pensions in payment and deferment were increased by this amount from 1 January 2025.

No discretionary increases were paid during the year.

Summary of the Guarantee Arrangements

The Government Guarantee ensures that the Trustee will always be able to pay the promised benefits; these benefits also include the consolidated bonuses from 2020.

Actuarial Valuations are performed on a three-yearly basis by the Actuary in order to assess the future returns required on the Scheme's assets in order to pay the benefits and Investment Reserve repayment. The Actuary's Report on the latest valuation as at 31 March 2024 can be found on page 44.

For More Information

The Scheme's administration office will be able to provide information and answer questions about Scheme benefits. Questions about the general operation of the Scheme and the policy of the Committee of Management should be addressed to the Scheme Secretary. Mail addressed to a member of the Committee will normally be dealt with by the Scheme Secretary.

The Scheme website gives members access to information about the Scheme, online copies of Scheme publications, and forms which can be printed off to notify the Scheme of changes in circumstances. The address is: www.bcsss-pension.org.uk. The Scheme's website also contains a link to the member website, from which members can access their personal Scheme information and update the information the Scheme holds about them.

The administration office address for postal correspondence is:

BCSSS
PO Box 555
Stead House
Darlington
DL1 9YT

The administration function remains at Capita's Sheffield office.

The address for the Scheme Secretary is:

The Scheme Secretary
British Coal Staff Superannuation Scheme
Ventana House
2 Concourse Way
Sheaf Street
Sheffield
S1 2BJ

This is also the registered office of Coal Staff Superannuation Scheme Trustees Limited.

Copies of the Scheme and Rules, the Annual Report and Accounts, Actuarial Valuation Reports and other Scheme publications are available on the Scheme website or on request from the Scheme Secretary.

Resolving Difficulties

It is expected that most queries about benefits can be resolved by the Scheme's administration office. In the event that a complaint cannot be resolved by the administration office, Scheme members can lodge a formal complaint using the Scheme's Internal Dispute Resolution Procedure. Information about the procedure can be obtained from the Scheme website or the Scheme Secretary at the address shown on the previous page.

Complainants have recourse to the Pensions Ombudsman (TPO) to assist them in taking their complaint through the dispute process. TPO is appointed by the Government and can be contacted at:

10 South Colonnade
Canary Wharf
E14 4PU

<https://www.pensions-ombudsman.org.uk/>

The Pensions Regulator (TPR) can intervene if it considers that a Scheme's trustees, advisers or the employer are not carrying out their duties correctly. The address for TPR is:

Telecom House
125-135 Preston Road
Brighton
BN1 6AF

<https://www.thepensionsregulator.gov.uk/>

BCSSS is registered with the Pension Tracing Service which maintains a list of the up-to-date addresses of pension schemes to assist ex-members trace their rights if they have lost contact with a previous employer's scheme. The address for the Pension Tracing Service is:

The Lantern
High Street
Ilfracombe
EX34 9QB

<https://www.pensiontracingservice.com/>