



# New Airways Pension Scheme

## Summary funding statement

Updating you on the funding position as at 31 March 2024 and 31 March 2025



# Glossary

Wherever the following terms are used in this document, they have the meanings set out below.

<b>Alternatives</b>	These are asset classes that are not equities, traditional bonds or cash. Examples include infrastructure (investment in important facilities such as roads and bridges), private credit (money lent to companies by private organisations (not bank loans), where the debt is not issued or traded on public markets) and hedge funds (pooled investment funds which are professionally managed).
<b>Assets</b>	The total market value of the investments and cash held by the Scheme, built up from contributions made by BA and the Scheme members, plus investment returns.
<b>Deficit</b>	The difference between the value of a scheme's assets and its liabilities if the value of the assets is not enough to cover the scheme's liabilities. Deficits are also sometimes referred to as shortfalls.
<b>Deficit reduction contributions</b>	Contributions BA makes to the Scheme to improve the funding position and remove a technical provisions deficit over time.
<b>Diversified illiquid income</b>	These are lower-risk income-generating assets that can have similar characteristics to a pension scheme's liabilities.
<b>Funding level</b>	This measures a scheme's progress towards having enough money to pay all promised benefits. The funding level is given as a percentage and is calculated by dividing the assets by the liabilities.
<b>Illiquid assets</b>	An illiquid asset is an asset that is typically designed for longer-term investment, so is usually difficult to sell quickly without losing a lot of value. Examples of illiquid assets include property or shares in a private (unlisted) company.
<b>Investment risk</b>	The risk of investments not performing as well as expected or the value of the assets changing by a different amount than the liabilities, which would result in a higher deficit. Investment risk tends to be higher in certain assets (such as equities, illiquid assets and property) than others (such as government bonds and cash).
<b>Liabilities</b>	The value placed on expected future benefit payments and expenses, calculated using actuarial methods and assumptions.
<b>Liability-matching investments</b>	These are assets that have similar characteristics to a pension scheme's liabilities; for example, they produce income that broadly matches the scheme's expected benefit payments.

<b>Responsible investment</b>	An investment strategy and practice which considers both financial returns and environmental, social and governance (ESG) factors.
<b>Return-seeking investments</b>	Investments in assets which aim to increase the value of a pension scheme's investments (capital growth) with a lower income stream and typically produce higher returns over the long term, but with a higher level of investment risk.
<b>Schedule of contributions</b>	A document that sets out the level and timing of contributions to be paid to the Scheme. The schedule of contributions must be agreed between the Trustee and BA and certified by the Scheme Actuary. It must also be revised as part of each valuation.
<b>Scheme Actuary</b>	A professional adviser who advises us on the Scheme's ability to meet its long-term and short-term liabilities. The actuary calculates what needs to be paid into the Scheme by BA.
<b>Solvency position</b>	The Scheme Actuary estimates how much an insurance company would charge to take over responsibility for paying all of a pension scheme's benefits, for example, if the Scheme was wound up (ended). Comparing this estimate with the value of the Scheme's assets gives the solvency position.
<b>Statement of investment principles (SIP)</b>	A document which sets out the investment principles that govern decisions about a pension scheme's investments. We must prepare the SIP under the Pensions Act 1995. A copy of the SIP is available on the 'Scheme documents' page of our website.
<b>Surplus</b>	The difference between the value of a pension scheme's assets and its liabilities, if the value of the assets is higher than its liabilities.
<b>Taskforce on Climate-Related Financial Disclosure (TCFD)</b>	A set of guidelines that help pension schemes explain how climate change could affect their investments. By following TCFD, the Scheme can show members how it is identifying and managing climate-related risks.
<b>Technical provisions</b>	A method of calculating the Scheme's liabilities which uses assumptions we have agreed with BA. By law, these assumptions must be cautious.



# Summary funding statement

As the Trustee of New Airways Pension Scheme (referred to in this document as ‘the Scheme’) we are responsible for making sure the Scheme has enough funds to pay your benefits. This summary funding statement provides an update on the Scheme’s position which is relevant for all members, including members from legacy schemes such as former British Caledonian, Dan Air and Davis & Newman members. We carry out a full financial health check, known as a valuation, at least every three years and provide annual updates in between.

*This summary funding statement provides an update on the Scheme’s financial position following the 31 March 2024 valuation and 31 March 2025 annual update.*

## Results of the 31 March 2024 valuation

The 31 March 2024 actuarial valuation showed that the Scheme had a funding surplus of £1.73 billion and a funding level of 114%. This means the Scheme had enough assets to meet the estimated cost of paying all member benefits, based on a cautious set of assumptions.

This represents an improvement compared with the annual funding update at 31 March 2023, which reported a surplus of £970 million and a funding level of 107%. The improvement is primarily due to the increase in interest rates over the period, together with updates to certain valuation assumptions to better reflect the Scheme’s actual experience.

As the Scheme is in surplus, British Airways plc (‘BA’) is not required to make any deficit reduction contributions, and no Recovery Plan is needed.

To further strengthen the position and provide additional security for members, the Trustee has agreed additional safeguards with BA, including property assets held as contingent security.

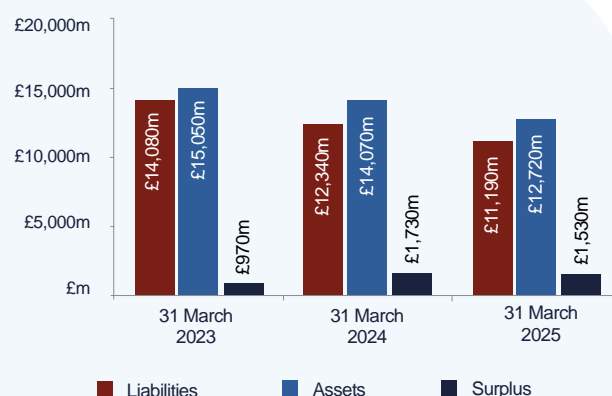
For more details, see the full 2024 actuarial valuation report available on the **Scheme documents** page of our website.

## In the year to 31 March 2025

Between 31 March 2024 and 31 March 2025, the surplus fell from £1.73 billion to £1.53 billion. Over this period, there was an increase in interest rates, which reduced the value of the Technical Provisions liabilities. The Scheme’s investments are designed to move broadly in line with changes to the liabilities, so they reduced by a similar amount leading to a stable funding level of 114%.

The chart below shows how the funding position has developed over the last three years.

The Technical Provisions position





## How the funding position is worked out

To assess the Scheme's funding position, we compare two key figures:

- The value of the Scheme's assets – This includes all contributions made by BA and Scheme members up to the valuation date, plus investment returns, less any benefits paid to members. You can find more details about the Scheme's assets in our 2025 annual report and financial statements, which is available on the **Scheme documents** page of our website.
- The value of the Scheme's liabilities – This is the estimated total cost of all future pension payments promised to members under a specific set of assumptions.

We then compare the assets and liabilities to determine the funding position under the scenarios as outlined below.

### Technical Provisions

The funding position shown earlier in this document is based on the Technical Provisions. It is used to work out the level of funding needed from BA using a cautious set of assumptions. It also assumes the Scheme will continue into the future and that BA will continue to operate and support the Scheme.

### Solvency

The Scheme Actuary is also required to provide an estimate of the funding position if the Scheme had been wound up at its valuation date. This is known as the solvency position, and it shows whether the Scheme would have enough money to buy insurance policies to cover all the benefits promised to members.

As at 31 March 2024, the value of the Scheme's assets was estimated to be enough to buy an insurance policy which would cover 99.9% of members' benefits. This is equivalent to an estimated shortfall on this basis of about £20 million.

It is important to note that there are no plans to wind up the Scheme. The solvency position is assessed purely for information and to provide an understanding of the Scheme's financial strength. The solvency position does not affect the pensions being paid out of the Scheme - we have always paid members their full pensions and will continue to do so.

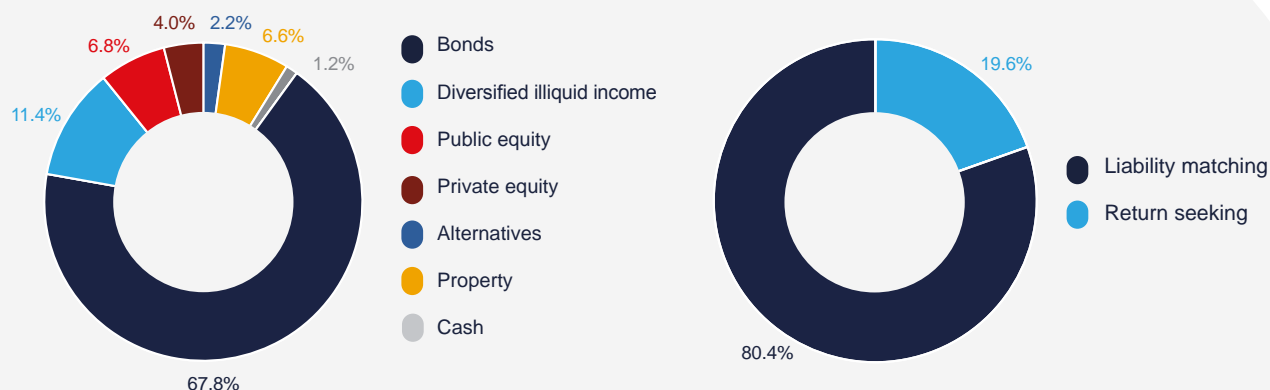


## The investment strategy

The Trustee is responsible for overseeing how the Scheme's assets are invested and for reviewing the investment strategy to balance risk and return. Our current approach is focused on managing the Scheme's overall exposure to investment risk. This generally involves moving money out of higher-risk investments and into assets that are expected to move more closely in line with the Scheme's liabilities. At the same time, we are improving liquidity so that assets can be accessed more readily when needed. This helps us maintain a balanced mix of growth, security, and flexibility. We continue to monitor the strategy and update it when appropriate.

As at 31 March 2025, the funds were invested in a range of assets, as shown below.

The Scheme's investment strategy at 31 March 2025

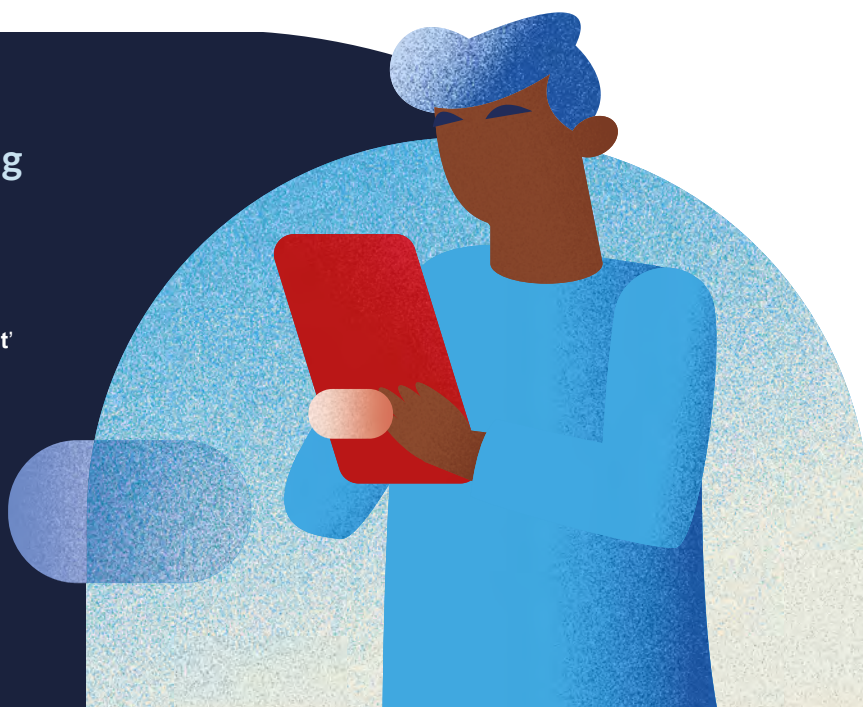


As at 31 March 2025, the Scheme's investments were split between two broad categories of return-seeking assets (such as equities and property) and liability matching assets (such as cash and bonds).

For more details on the investment approach and the Scheme's approach to responsible investment, see the statement of investment principles, available on the **Scheme documents** page of our website.

## Climate-related reporting

Each year, the Scheme must prepare a report in line with the recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD). The report is available in the **'Responsible Investment'** section on our website, or you can contact us for a hard copy.



# Finding out more

## How the Scheme's benefits are protected

Pension providers are regulated by a watchdog called The Pensions Regulator. The Pensions Regulator can intervene and issue directions to trustees and companies to make sure employers pay money to a scheme or put another form of financial support in place.

As part of this statement, we must tell you if the Scheme has made any payments to BA since the last funding update as at 31 March 2023. We can confirm that no payments have been made. We are pleased to say that The Pensions Regulator has not enforced an approach for calculating the Scheme's Technical Provisions liabilities and has not set a Schedule of Contributions.

The Pensions Regulator has more information about valuations and funding statements on its website at [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).

## The Pension Protection Fund

The Government set up the Pension Protection Fund to pay compensation to members of occupational schemes if their employer becomes insolvent and cannot cover the cost of providing the scheme benefits in full. This acts as a safety net for pension schemes in cases where both the scheme and its sponsor are in financial difficulty.

You can find more information at [www.ppf.co.uk](http://www.ppf.co.uk).





# Important to know

## Transfers

If you are thinking about transferring your savings out of the Scheme, we recommend you get financial advice first. There is an increased risk of pensions scams, especially if someone approaches you with pensions advice you haven't asked for. Please also read the useful information the Financial Conduct Authority provides on its website about pension scams at <https://www.fca.org.uk/scamsmart> before deciding to go ahead with a transfer from the Scheme.

## Use of personal information

As the Trustee of the Scheme, we (New Airways Pension Scheme Trustee Limited) hold and process personal information about Scheme members and beneficiaries so that we can run the Scheme. In doing so, we keep to relevant data-protection legislation. Our latest privacy notice is available on our website.

## Find out more

You can find the Scheme's full 2024 valuation report, as well as trustee reports and financial statements, on the '**Scheme documents**' page of our website.

We regularly publish news and our trustee bulletins on our website. If you're registered for our online communications, we will send you email alerts whenever new information about your pension is available.

For more information about your pension or the Scheme, please visit the **FAQs page** of our website. Or, if you have a question about your pension, you can contact us in several ways as outlined below. Please remember to include your pension reference number or British Airways staff number.

Send us a message through our website at <https://www.mybapension.com/naps/contacts/new>.

Call us on **+44 (0)20 8538 2100** (Monday to Friday, 9am to 1pm).  
Write to us at:

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**PO Box 2074, 8 Castle Street**  
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