

Company Registration No. 09392629 (England and Wales)

THE GOLDEN CHARTER TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024

THE GOLDEN CHARTER TRUST LIMITED

COMPANY INFORMATION

Directors	Clare Brady Gordon Brough Gareth Howlett Christine Johnson David Kidd Myriam Madden Paul Stevenson
Company number	09392629
Registered office	Octagon Point 5 Cheapside London EC2V 6AA England
Statutory auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Bankers	Barclays Bank PLC 1-4 Clyde Place Lane Glasgow G5 8DP
Consulting actuaries and investing advisors	Barnett Waddingham LLP 163 West George Street Glasgow G2 2JJ
Solicitors	Shepherd & Wedderburn LLP 9 Haymarket Square Edinburgh EH3 8FY

THE GOLDEN CHARTER TRUST LIMITED

COMPANY INFORMATION

Investment managers

Aviva Investors
St Helen's
1 Undershaft
London
EC3P 3DQ

Baillie Gifford & Co.
Carlton Square
1 Greenside Row
Edinburgh
EH1 3AN

Barings Global Private Loan Fund
20 Old Bailey
London
EC4M 7BF

Columbia Threadneedle
Threadneedle Asset Management Ltd
Cannon Place
78 Cannon Street
London
EC4N 6AG

Federated Hermes
Sixth Floor
150 Cheapside
London
EC2V 6ET

Legal & General Investment Management
One Coleman Street
London
EC2R 5AA

M & G Investments
10 Fenchurch Avenue
London
EC3M 5AG

Partners Group
Tudor House, Le Bordage
St Peter Port
Guernsey
GY1 6BD

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Schroder Investment Management Limited
1 London Wall Place
London
EC2Y 5AU

THE GOLDEN CHARTER TRUST LIMITED

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THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Introduction

I am pleased to present my statement for the year ended 31 March 2024.

Background

The Golden Charter Trust Limited ("Trust Limited") was incorporated in 2015 to hold the investments and to carry out the investment activity of The Golden Charter Trust ("the Trust"). The 100% shareholder of Trust Limited is the Trust. The Board of Directors of Trust Limited comprise the current serving Trustees of the Trust.

The Strategic Report on pages 5 to 15 provides information about Trust Limited only, to comply with statutory accounting requirements. However, an understanding of the purposes and financial position of the Trust is essential to appreciating Trust Limited's activities.

The purposes of the Trust are to ingather, hold, invest and administer the Trust funds. The Trust makes payments from a prescribed list, set out in the rules of the FCA for the funeral planning sector effective from 29 July 2022. The most significant payments are to the plan provider, Golden Charter Limited, or to the relevant funeral services provider on behalf of Golden Charter Limited, of such sums as are necessary to enable the Trust to meet the invoice costs of the selected funeral services provider. The Trust and Trust Limited are independent of Golden Charter Limited and the assets of the Trust and Trust Limited are entirely separate from the assets of Golden Charter Limited.

THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Net assets

The consolidated statement of net assets of the Trust presented below is an unaudited statement and does not form part of the financial statements of Trust Limited. The option to consolidate the results of Trust Limited and the Trust is not available under UK accounting practice because the Trust's ownership of the share capital of Trust Limited is classified as an investment portfolio and not as a business.

The net asset value of the Trust increased from £1.182 billion as at 31 March 2023 to £1.211 billion in the year to March 2024.

The Golden Charter Trust

Unaudited consolidated statement of net assets

As at 31 March 2024

	As at 31 March 2024		As at 31 March 2023	
	£000	£000	£000	£000
Investments				
Managed investments		1,194,483		1,180,720
Non current assets				
Financial assets at fair value		8,486		8,150
Current assets				
Cash at bank	25,393		9,046	
Financial assets at fair value	1,036		1,273	
Other debtors	5,635		4,291	
	<u>32,064</u>		<u>14,610</u>	
Current liabilities				
Funeral plan maturities	(11,023)		(8,009)	
Other creditors and provisions	<u>(3,082)</u>		<u>(462)</u>	
	(14,105)		(8,471)	
Net current assets		17,959		6,139
Taxation				
Deferred taxation		(10,103)		(13,161)
Net assets		<u>1,210,825</u>		<u>1,181,848</u>

THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Regulation

The period under review was the first full financial year in which funeral plan providers, such as Golden Charter Limited, were subject to regulation by the Financial Conduct Authority ("the FCA"). As I explained in last year's statement, the Trust and Trust Limited are not themselves subject to direct FCA regulation. However, after taking legal advice, changes were made to the Trust Deed between Golden Charter Limited and the Trust to recognise the FCA rules for trusts used by funeral plan providers.

One significant requirement of the FCA is that Golden Charter Limited takes sole responsibility for commissioning an independent actuarial report which estimates the ratio between the Trust's assets and the costs of the funerals underwritten by it. Since this Solvency Assessment Report ("the SAR") is not a Trust or Trust Limited report, I refer you to the Golden Charter Limited website (www.goldencharter.co.uk) for further information.

The FCA rules set out a list of permitted payments from funeral plan trusts which have been incorporated in our new Trust Deed. One of the permitted payments is the payment of surplus to Golden Charter Limited. The payment of surplus is subject to separate rules on the solvency level of the Trust, as determined by the SAR, and must be approved by the independent Actuary appointed by Golden Charter Limited. Any request for payment of surplus must not, in the reasonable opinion of the Trustees, be in breach of any other legal or regulatory obligation applicable to the Trust or the Trustees.

Now that the new regulatory regime has settled down, we have taken advantage of the stability it provides to strengthen our already close relationship with Golden Charter Limited. The principal focus of this work, which continues in the current financial year, is to ensure clarity and agreement between the Trust and Golden Charter Limited on the boundaries of our respective powers and responsibilities.

Governance

We continue to engage with independent expert advisers to monitor and improve Board performance.

Going concern

The assessment of the going concern position of Trust Limited is given in note 1 to the financial statements and is set out immediately below. This is followed by the assessment of the going concern position of the Trust.

Trust Limited has analysed a number of sensitivities in its stress testing of its investment portfolio and cashflow projections which demonstrate that Trust Limited will be able to realise the cash required to meet its ongoing financial liabilities and commitments in an orderly and timely manner given the holding size, grading and liquidity of the funds in its investment portfolio. In the Directors' view, Trust Limited does not have any issues in relation to going concern.

The investment portfolio of the Trust is held by Trust Limited and the Trust owns 100% of the shares in Trust Limited. The Trust has no liability for maturing funeral plans that exceed the value of the Trust at any time. The Trustees of the Trust are satisfied that the Trust has adequate resources to continue operating for the foreseeable future and are of the view that the Trust does not have any issues in relation to going concern.

The going concern assessment of the Trust and Trust Limited is performed on the basis that the net plan proceeds from the sale of funeral plans by Golden Charter Limited will continue to be paid into the Trust.

THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Outlook

The Trustees' responsibilities to release payments for maturing funeral plans, stretch very many years into the future, and our investment policy is correspondingly long term. We do not, however, ignore shorter term market movements, whether they represent threats or opportunities, and we also monitor constantly the performance of the professional investment managers who look after the investment portfolio held by Trust Limited.

I thank my fellow Trustees (and in their role as Directors of Trust Limited) and the employees of our Executive team for their hard work and dedication over the year to 31 March 2024. In the current year, we say farewell to Leo Gaughan on his retirement. Leo has been at the heart of the Trust for over twelve years; his contribution to the effective management of the Trust has been remarkable. His role as Executive Director has been filled, after a thorough search process, by Jennifer Reid, who comes to us from senior external positions, including Golden Charter Limited. The Board looks forward to working with Jennifer as we face the changes and challenges of the future.

Gareth Howlett

Gareth Howlett

Chair

18/7/2024

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Background

The Golden Charter Trust Limited ("Trust Limited") was incorporated on 16 January 2015. The 100% shareholder of Trust Limited is The Golden Charter Trust ("the Trust").

An explanation of the position of Trust Limited within the overall structure of the Trust, and the relationship between Trust Limited, the Trust, and the plan provider, Golden Charter Limited, is given in the Chairman's Statement.

In compliance with accounting standards, our Strategic Report and the accompanying financial statements relate to Trust Limited only, whereas additional information on the combined position of the Trust and Trust Limited is given in the Chairman's Statement.

Principal activity

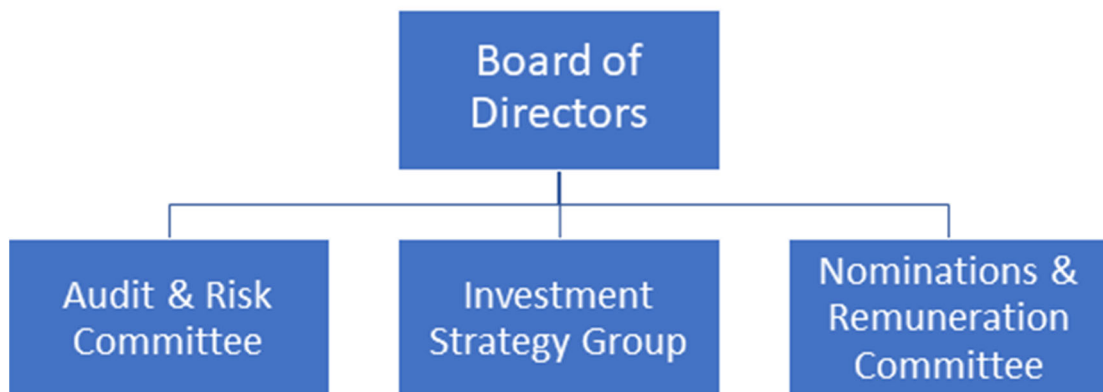
The principal activity of Trust Limited is to invest the funds received into the Trust from the sale of funeral plans by Golden Charter Limited.

Governance

Trust Limited is managed by a Board of Directors composed of experienced individuals from a wide range of business backgrounds. The Board meets on a quarterly basis and on non-scheduled dates as required.

Trust Limited has an Executive team which has responsibility for managing the legal, financial and administrative affairs of Trust Limited.

The Board is responsible for all executive decisions. However, certain matters are delegated to various committees that make recommendations to the Board.



THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Investment Strategy Group

The Board sets out guidelines within which the Investment Strategy Group (“ISG”) implements investment policy and has a schedule of matters reserved exclusively for resolution by the Board.

The ISG takes advice from Barnett Waddingham LLP, the appointed investment advisers to Trust Limited, in performing its strategic investment function. The investment advisers liaise with the various appointed investment managers who perform the day-to-day management of their funds within their agreed mandate.

The remit of the ISG is to take delegated responsibility on behalf of the Board for the oversight of Trust Limited's investment affairs and to:

- act under advice from the appointed investment advisers
- act under advice from the investment managers who have discretionary powers within the terms of their mandate
- review investment strategy and investment risk.

The ISG has no independent executive authority; all substantive decisions are taken by the Board. The main duties of the ISG are to:

- assess the quality of the performance and processes of the investment managers
- recommend the appointment and/or replacement of investment managers
- monitor compliance of the investment arrangements with the Statement of Investment Principles on an ongoing basis
- report back regularly to the Board.

Audit and Risk Committee

The Audit and Risk Committee monitors the integrity of Trust Limited's financial statements, reviews internal financial controls including risk management systems, and makes recommendations to the Board on the appointment of external auditors.

The remit of the Audit and Risk Committee is to take delegated responsibility on behalf of the Board to ensure that:

- there is oversight of the financial statements
- there are systems and methods of control in place, both financial and otherwise, including risk analysis and risk management
- there is compliance with applicable laws, relevant regulations, and good practice.

The Audit and Risk Committee has no independent executive authority; all substantive decisions are taken by the Board.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The main duties of the Audit and Risk Committee are to:

- review the annual report and financial statements
- oversee the audit process and review its effectiveness
- make recommendations to the Board on the appointment and remuneration of the external auditors
- review the risk framework and risk register on a regular basis
- report back regularly to the Board.

Nominations and Remuneration Committee

The remit of the Nominations and Remuneration Committee is to take delegated responsibility on behalf of the Board for:

- identifying and nominating, for the approval of the Board, candidates to fill director vacancies
- regular evaluation of the Board and Committees
- reviewing and approving annually, the remuneration of the directors and senior management.

The Nominations and Remuneration Committee has no independent executive authority; all substantive decisions are taken by the Board.

The main duties of the Nominations and Remuneration Committee are to:

- obtain any necessary external professional services to enable the Committee to carry out its responsibilities more effectively
- ensure that open and robust recruitment, appointment and re-appointment processes for directors are in place and operating effectively
- make recommendations to the Board for the appointment of directors and senior management
- report back regularly to the Board.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Investment Report

Principal investment objective

The principal investment objective of Trust Limited is to invest the funds received from the Trust in such a way as to maximise the likelihood that the Trust's assets, primarily its ownership of Trust Limited, will be sufficient to meet the costs of all pre-paid funeral plans as they mature.

In the period since incorporation in 2015, Trust Limited has achieved this objective, thanks to the investment strategy employed by the Board to deliver robust investment performance.

Investment strategy

The investment approach is governed by a Statement of Investment Principles which sets out the investment strategy. The Board determines its investment strategy based on the recommendations of the Investment Strategy Group (ISG) and after taking advice from its investment advisers. The Board's objective is to invest the funds to generate income and capital growth.

The Board has put in place a diversified asset allocation which comprises mandates with various investment managers to take advantage of investment expertise in different areas. Our current target is to hold 40% of assets in index-linked gilts, with the other 60% divided between global equities, multi-asset funds, commercial property, infrastructure assets, corporate debt, securitised credit and cash. The asset allocation strategy is designed to ensure that the assets are diversified and of appropriate investment quality.

The Directors have investment management agreements in place with the investment managers that set out guidelines for the underlying investments held by the funds. The Directors have meetings with each of the investment managers from time to time as necessary, usually on an annual basis. The Directors, with the support of its investment advisers, carry out due diligence on each of the investment managers, ahead of appointment, on the operation and governance of each of the funds or mandates and agree appropriate controls.

The Directors have adopted an Environmental, Social, and Governance ("ESG") policy of oversight and high-level supervision as set out in the Statement of Investment Principles. The Directors have responsibility to ensure that the investment managers' policies are appropriate to the specific assets they manage. This is achieved by requiring the investment managers to address the issue specifically during the annual review meeting with the ISG.

Following the completion of an investment strategy review in October 2023, the Board approved the disinvestment of the Baillie Gifford Diversified Growth Fund and the appointment of the M&G Securitised Credit Fund. This new appointment was the result of analysis and recommendations presented to the ISG by its investment advisers and following an identification and interview process. The transfer of assets from Baillie Gifford to M&G was completed in phases both prior to and after 31 March 2024.

In the year, the Board also approved the ISG's recommendation to maintain the allocation to private infrastructure and make a follow-on commitment to the next vintage of the Partners Group Direct Infrastructure offering. As at year end, the investment has not yet called any capital, with the first call expected to be in the second half of 2024.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Investment portfolio

At 31 March 2024, Trust Limited's investment portfolio comprised the following investments:

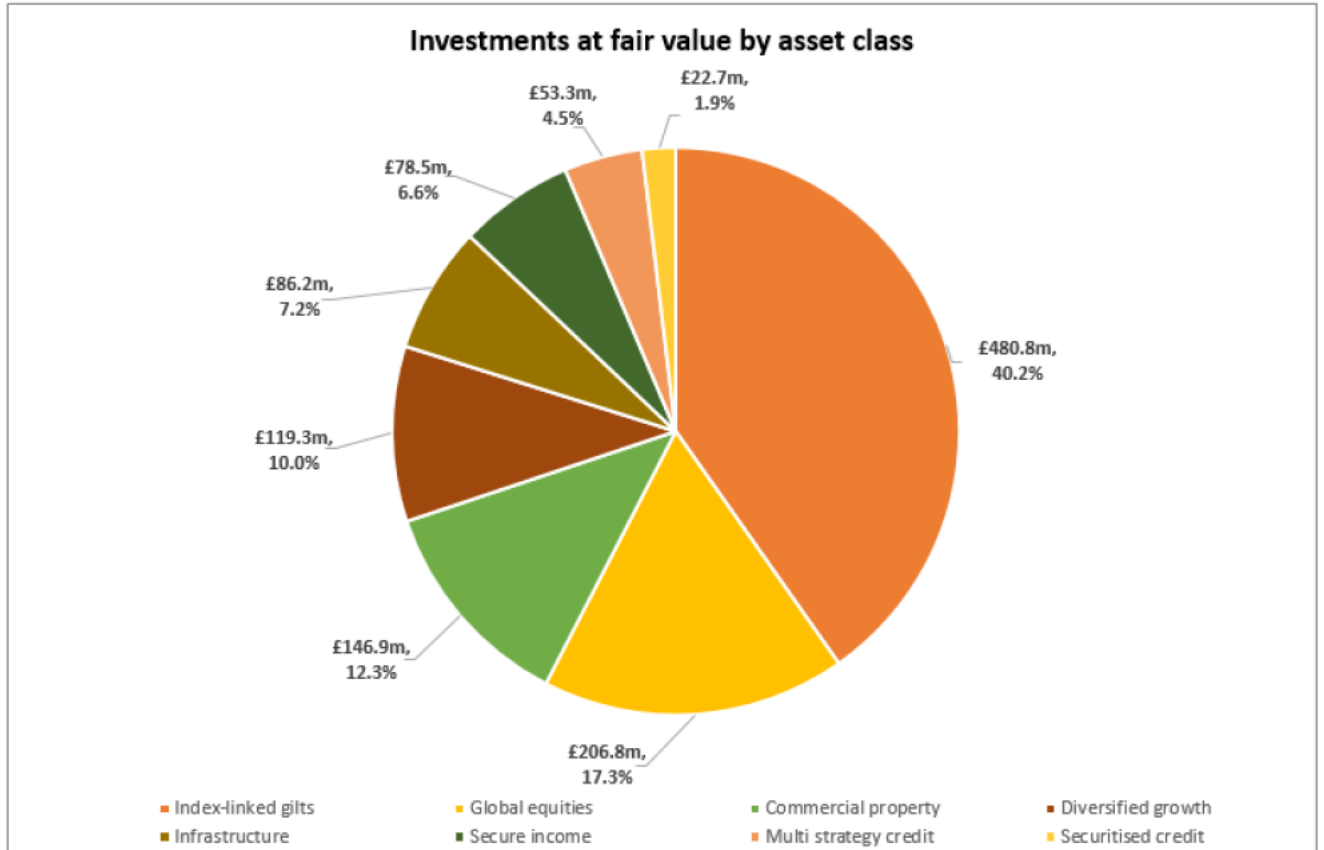
	Type of investment	Investment manager	Investment value	Percentage of portfolio	Asset class		
Direct investments	Protection assets	Legal & General	£480.8m	40.2%	Index-linked gilts		
Collective investment schemes	Growth assets	Legal & General	£66.5m	5.6%	Global equity (passive)		
		Schroders	£140.3m	11.7%	Global equity (active)		
		Ruffer LLP	£95.8m	8.0%	Diversified growth (absolute return)		
		Baillie Gifford	£23.5m	2.0%	Diversified growth		
		Hermes Federated	£53.3m	4.5%	Multi strategy credit		
		M&G Investments	£22.7m	1.9%	Securitised credit		
		Barings	£78.5m	6.6%	Secure income		
		Real assets	Real assets	Aviva Investors	£110.3m	9.2%	Commercial property
				Columbia Threadneedle	£36.6m	3.1%	Commercial property
Partners Group	£86.2m			7.2%	Infrastructure		
Total			£1,194.5m				

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The allocation by asset class as at 31 March 2024 is shown in the chart below.



THE GOLDEN CHARTER TRUST LIMITED

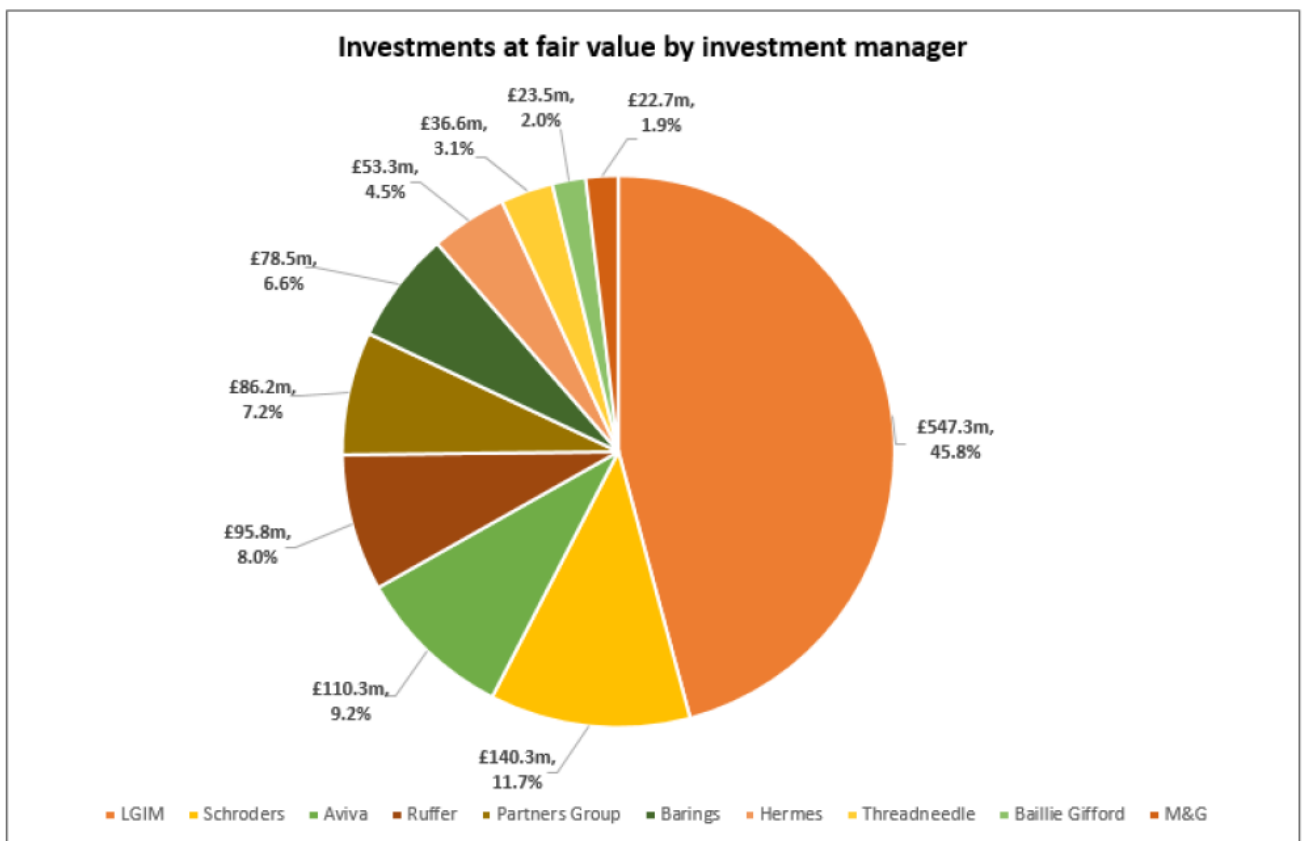
STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Investment managers

Representatives from each of the investment managers of the underlying funds, including the senior personnel directly responsible for managing the mandate, are invited on a rolling basis to attend meetings with the ISG. This helps monitor performance and to understand how each manager is discharging its responsibilities. The schedule for meetings with managers may vary if there is a pressing need to meet a manager outside of its typical schedule.

The allocation by investment manager at 31 March 2024 is shown in the chart below.



THE GOLDEN CHARTER TRUST LIMITED

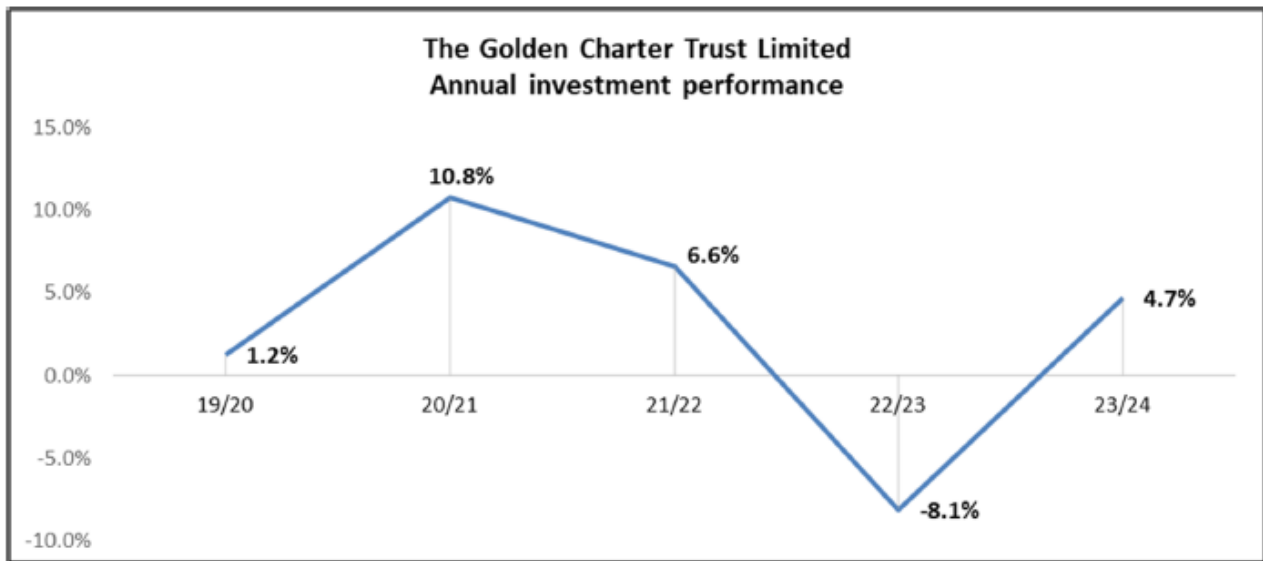
STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Investment performance

Over the year to 31 March 2024, the overall return on the investment portfolio was 4.7%. The chart below shows the overall return in each of the last five years.

Over the five-year period from 2019, the average return was 3.0% per annum. Over the ten-year period from 2014 the average return was 4.8% per annum.



Whilst overall portfolio performance was positive over the year, there was divergence across individual funds. The performance of the investment managers is measured against specific benchmarks and monitored by our investment advisers and by the ISG. The performance of index-linked gilts was up slightly over the year as the negative impact from slight rises in real yields was offset by the income received. Within corporate credit holdings, tightening credit spreads were positive for performance. The equity holdings had a very strong year as markets were generally up over the year. The multi-asset funds and property holdings had a more mixed performance providing diversification of returns. Property had a difficult year as higher interest rates impacted property valuations. However, this was somewhat offset by rental growth and asset management carried out by the managers. Within the multi-asset funds there was positive performance from Baillie Gifford as their corporate credit and equity holdings were up over the year, but the fund remained significantly behind its objective. Ruffer's performance was down over the year due to its defensive and risk-off positioning. However, Ruffer offers diversification relative to the other holdings in the portfolio.

Investment outlook

The likelihood and impact of risks to the investment portfolio are considered by the ISG at its quarterly meetings and any agreed actions and additional control measures are taken to the Board for approval. Alongside this we regularly instruct our investment advisers to perform and report on the results of stress testing scenarios.

It has been the objective of the Board to spread the risks of investment and to strengthen the investment portfolio so that it can meet such challenges. Over the year, we have continued to consider the ongoing appropriateness of the investment strategy both at a portfolio and individual mandate level and have responded with changes to the strategy and portfolio. The ISG continues to work to ensure the portfolio is positioned to meet its objectives and to be resilient to risks and volatility in so far as is possible now and into the future.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Key risks and uncertainties

Trust Limited has a robust risk control framework for the identification and mitigation of risk. The Board considers strategic risks at least twice a year and delegates responsibility for its risk management systems, framework and policies to the Audit and Risk Committee which reports regularly to the Board.

FRS102 requires the disclosure of information in relation to certain investment risks and explanations of credit risk, market risk and liquidity risk are provided in note 17 to the financial statements

The key risks, their potential impact and mitigating actions of Trust Limited are as follows:

- Global economic conditions

Global economic conditions deteriorate significantly over the longer term - adversely affecting investment returns

Changes in economic conditions, including interest rates, inflation rates, industry conditions, competition, political events, and tax legislation can substantially and adversely or favourably affect the value of our investment portfolio. We regularly monitor the current economic climate and assess the economic outlook to consider the impact on the portfolio.

The Directors consider all reasonable economic risks when they review the investment strategy and have structured the investment portfolio to be defensive to the impact of these risks. Stress testing is performed on the investments on a regular basis to assess the impact of economic risks.

- Investment performance

Investment strategy fails to deliver expected investment returns over the longer term - reducing the value of the Trust's investment in Trust Limited and adversely affecting the Trust's funding level

To implement Trust Limited's investment strategy, the Board has put in place a diversified asset allocation which comprises mandates with various investment managers to take advantage of investment and expertise in different sectors and geographies. A full strategy review is performed once a year.

The Investment Strategy Group meets regularly with its investment advisers to discuss and review the performance of the underlying investment managers against specific benchmarks. The Directors monitor the underlying risks as part of their quarterly reviews of the investment managers' performance.

- Liquidity

Inability to realise value from investments due to restrictions, liquidity or market conditions - Trust Limited is unable to provide the Trust with cash required to meet the cost of maturing funeral plans

Liquidity risk is the risk that Trust Limited wishes to sell assets but is unable to do so (or not at fair value) in the required timescale. The Board considers the liquidity of the assets when setting the overall strategy and the majority of assets are highly liquid and held in daily traded funds. Directors consider the implications for long term cash flows to ensure liquidity remains sufficient to meet cash requirements.

Liquidity risk exists primarily in the property fund holdings which represent 12.3% of the portfolio, the infrastructure funds which represent 7.2% and the direct lending holdings which represent 6.6%.

The property funds are not traded on liquid markets, although the funds do offer periodic liquidity. The infrastructure holdings and the direct lending holdings are held via closed ended funds that do not offer direct liquidity.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

- Loss of key personnel

Unexpected resignation or departure of a director or key employee - impacts on the performance of management functions

Trust Limited has contracts in place for all directors and senior management. Directors serve for a fixed term that is based on an agreed schedule of retirement by rotation.

The Board reviews and considers the numbers and breadth of skill and experience of its directors and senior management to ensure it has the resources to deal with the unexpected loss or departure of a director or senior manager. Succession planning is in place to ensure key roles are filled effectively and timeously.

- Business disruption

Failure of key systems and controls - impacting on operational capability

The Board, through the Audit and Risk Committee, reviews the adequacy of its service provider's business continuity and disaster recovery plans and its preparedness for preventing or minimising the impact of cyber-attacks on systems and operations.

- Regulatory environment

Statutory changes to legal or regulatory frameworks – require a fundamental change to the business model

The Board liaises with its professional advisors to consider the impact of legal or regulatory changes on the operations and investment strategy and to determine the appropriate action necessary.

Key performance indicators

The key performance measures of Trust Limited are as follows:

- Assets under management
 - The aim is to increase the overall value of assets under management
 - ◆ Progress — The value has increased from £1.181 billion at 31 March 2023 to £1.195 billion at 31 March 2024.
- Investment performance
 - The aim is to achieve an overall return exceeding the percentage increase in long term CPI forecasts
 - ◆ Progress — Overall return in the year to 31 March 2024 was 4.7% (2023: -8.1%) compared to the portfolio target of 2.8% (2023: 2.6%). Further information on the investment performance is provided in the Investment Report on page 12.
- Underlying investment managers' benchmarks
 - The aim is to oversee the achievement of benchmarks by the underlying investment managers
 - ◆ Progress — The performance of the underlying investment managers varied over the year when compared to their respective fund benchmarks. The equity investment managers performed in line with their benchmarks, while the majority of the investment managers for the other growth and real assets investment managers underperformed over the year.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

- Asset allocation strategy
 - The aim is to achieve and maintain the asset allocation strategy in accordance with the Statement of Investment Principles
 - ◆ Progress — The asset allocation was reviewed throughout the year and rebalanced on a periodic basis. At the year end, the decision to replace the Baillie Gifford Diversified Growth Fund with the M&G Asset Backed Credit Fund was in the process of being implemented, accounting for a short term divergence from the target allocation at 31 March 2024.

The Board reviews a number of other performance indicators to allow it to manage the business and ensure that the strategy and objectives are being delivered.

Financial review

The net assets of Trust Limited at the year-end were £871.3m (2023: £818.5m).

The Board expects that our net assets will grow in line with (i) forecasts for net cash from funeral plan sales transferred to Trust Limited from the Trust for investment, and (ii) from prudent management of our existing investments.

As explained at the beginning of the Strategic Report and in the Chairman's Statement, Trust Limited is wholly owned by The Golden Charter Trust. The Trust's net assets at 31 March 2024 amounted to £1.211 billion (2023: £1.182bn).

The difference between the net assets of the Trust and the net assets of Trust Limited is due primarily to the intercompany loan of £348.6m (2023: £362.6m) from the Trust to Trust Limited, which is shown as a current liability in note 10. This loan represents the net funds transferred from the Trust to Trust Limited for investment in the period from 1 April 2015 to 31 March 2024.

At the year end, Trust Limited held £23.6m in cash (2023: £0.2m). The cash was held for the purposes of repaying £13.2m of the loan to the Trust with the balance to be utilised in the rebalancing of the portfolio.

Net profit for the year after taxation was £52.8m (2023: loss of £81.3m). The fair value net gains in the year were £55.3m (2023: net losses of £100.9m).

Unrealised gains/(losses) on the value of investments together with the realised gains/(losses) on disposal of investments are reported as part of the overall net gains/(losses) on investments at fair value through profit or loss in the Statement of Comprehensive Income.

Income from investments, made up of dividends and other income from our managed funds and interest from our core investment holding of UK government issued index linked gilts, was primarily received in cash in the year.

The accounts include a provision for corporation tax payable of £2.6m (2023: nil) and a provision for deferred tax of £10.1m (2023: £13.2m).

This report was approved by the Board on and signed on its behalf.

Gareth Howlett

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Gareth Howlett
Chair

Date: 18 July 2024

THE GOLDEN CHARTER TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Directors present their report and the financial statements for the year ended 31 March 2024 for The Golden Charter Trust Limited ("Trust Limited").

Background

The entire share capital of Trust Limited is owned by The Golden Charter Trust ("the Trust"). Trust Limited is a limited company registered in England & Wales under number 09392629.

Results and dividends

The net profit for the year after taxation was £52.8m (2023: loss of £81.3m).

The net assets at the year-end were £871.3m (2023: £818.5m).

No dividend is proposed or paid (2023: £nil).

Directors

The Directors who served during the year were:

Clare Brady
Gordon Brough
Gareth Howlett
Christine Johnson
David Kidd
Myriam Madden
Paul Stevenson
Iain Webster

(resigned 1 April 2023)

Directors' indemnification and insurance

Articles 66 and 67 of Trust Limited's Articles of Association provide that, insofar as permitted by law, every Director shall be indemnified by Trust Limited against all costs, charges, expenses, losses or liabilities incurred in the execution and discharge of the Directors' duties, powers or office.

Trust Limited has arranged appropriate insurance cover in respect of legal action against its Directors.

THE GOLDEN CHARTER TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements of The Golden Charter Trust Limited ("Trust Limited") in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of Trust Limited for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Trust Limited will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain Trust Limited's transactions and disclose with reasonable accuracy at any time the financial position of Trust Limited and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Trust Limited and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which Trust Limited's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that Trust Limited's auditor is aware of that information.

For and on behalf of the Board:

Gareth Howlett

.....
Gareth Howlett
Chair

Date: 18 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOLDEN CHARTER TRUST LIMITED

Opinion

We have audited the financial statements of The Golden Charter Trust Limited ('Trust Limited') for the year ended 31 March 2024, which comprise the statement of comprehensive income, the statement of financial position, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion:

- the financial statements give a true and fair view of the state of the Trust Limited's affairs as at 31 March 2024 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 Trust Limited in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Trust Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause Trust Limited to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with Trust Limited's business model including effects arising from macro-economic uncertainties such as a volatile inflationary environment, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect Trust Limited's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' 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 Trust Limited'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 directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOLDEN CHARTER TRUST LIMITED

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of Trust Limited and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' report set out on page 17, the directors are 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 directors determine 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 directors are responsible for assessing Trust Limited'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 directors either intend to liquidate Trust Limited or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOLDEN CHARTER TRUST LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to Trust Limited and the industry in which it operates through our general commercial and sector experience and discussions with management. We determined the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland', the Companies Act 2006 and the Financial Conduct Authority Rules.
- We have enquired with management as to any instances of non-compliance with any of the applicable laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We have assessed the susceptibility of the financial statements to material misstatement, including how fraud may occur by performing procedures including:
 - Identifying and testing journal entries, with a focus on large and unusual manual journals, considered by the engagement team to carry a higher risk of fraud;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the following:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge and experience of the industry in which the client operates; and
 - Understanding of the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006 and the application of the legal and regulatory requirements to Trust Limited.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- In assessing the potential risk of material misstatement, we have obtained an understanding of:
 - Trust Limited's operations, including the nature of its income sources, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - Trust Limited's control environment, including management's knowledge of relevant laws and regulations and how Trust Limited is complying with those laws and regulations, the adequacy of procedures surrounding authorisation of transactions, and procedures to ensure that any possible breaches of laws and regulations are appropriately investigated and reported.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOLDEN CHARTER TRUST LIMITED

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

Use of our report

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

Marcus Swales

Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date : 18 July 2024

THE GOLDEN CHARTER TRUST LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
Fair value net gains/(losses) on investments		55,327	(100,854)
Fair value gain/(loss) on financial asset	8	564	(2,083)
Operating expenses		(3,689)	(11,305)
Operating profit/(loss)	4	52,202	(114,242)
Interest receivable and similar income		151	33
Profit/(loss) before taxation		52,353	(114,209)
Tax credit on profit/(loss)	6	472	32,897
Profit/(loss) for the financial year	16	52,825	(81,312)

THE GOLDEN CHARTER TRUST LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2024**

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	7		1,194,483		1,180,720
Financial asset	8		8,486		8,150
			<u>1,202,969</u>		<u>1,188,870</u>
Current assets					
Debtors	9	6,645		5,556	
Cash at bank and in hand		23,555		206	
		<u>30,200</u>		<u>5,762</u>	
Creditors: amounts falling due within one year	10	(351,724)		(362,954)	
Net current liabilities			<u>(321,524)</u>		<u>(357,192)</u>
Total assets less current liabilities			881,445		831,678
Provisions for liabilities					
Deferred tax liability	11		(10,103)		(13,161)
Net assets			<u>871,342</u>		<u>818,517</u>
Capital and reserves					
Called-up share capital	13		250		250
Share premium account	14		657,136		657,136
Profit and loss reserves	16		213,956		161,131
Total equity			<u>871,342</u>		<u>818,517</u>

The financial statements were approved by the board of directors and authorised for issue on 18 July 2024 and are signed on its behalf by:

Gareth Howlett

Gareth Howlett
Chair

THE GOLDEN CHARTER TRUST LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Share premium account	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2022	250	657,136	242,443	899,829
Year ended 31 March 2023:				
Loss and total comprehensive income for the year	-	-	(81,312)	(81,312)
Balance at 31 March 2023	250	657,136	161,131	818,517
Year ended 31 March 2024:				
Profit and total comprehensive income for the year	-	-	52,825	52,825
Balance at 31 March 2024	250	657,136	213,956	871,342

THE GOLDEN CHARTER TRUST LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Cash receipts from investment income		26,712		23,010
Cash paid for operating expenses		(1,889)		(15,951)
Corporation tax refunded		-		748
		<u> </u>		<u> </u>
Net cash inflow from operating activities		24,823		7,807
Investing activities				
Purchase of investments held at fair value	(299,296)		(177,987)	
Proceeds from sale of investments held at fair value	311,579		188,530	
Interest received	151		33	
	<u> </u>		<u> </u>	
Net cash generated from investing activities		12,434		10,576
Financing activities				
Repayments of loan from the Trust	(13,908)		(20,126)	
	<u> </u>		<u> </u>	
Net cash used in financing activities		(13,908)		(20,126)
Net increase/(decrease) in cash and cash equivalents		23,349		(1,743)
Cash and cash equivalents at beginning of year		206		1,949
		<u> </u>		<u> </u>
Cash and cash equivalents at end of year		<u>23,555</u>		<u>206</u>

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

The principal accounting policies adopted are set out below.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of Trust Limited. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value.

Significant judgements and estimates

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Trust's accounting policies.

The significant judgements and estimates to report are in the fair value of investments and in the fair value of the financial asset.

Fair value of investments

As set out in note 17 some of the Company's managed investments are valued using inputs that are not based on observable data and therefore contain some estimates. This fair value information is provided by the investment manager engaged by the Company. The Company has no input to, or influence over, the valuation methodologies applied by the investment manager. The Company, in conjunction with its investment advisers, review the valuation for reasonableness.

Financial asset

As explained in note 8, the Company outlaid funds in prior years to secure future funeral business for funeral directors. The fair value of the financial asset requires reference to market rates and consideration of commercial factors including the cancellation rate for the remaining life of the funeral benefit options underlying the arrangement. The rate used is based on historical data of the cancellation rate. This estimate is therefore subject to sensitivity.

Going concern

Trust Limited has analysed a number of sensitivities in its stress testing of its investment portfolio and cashflow projections, which demonstrate that Trust Limited will be able to realise the cash required to meet its ongoing financial liabilities and commitments in an orderly and timely manner given the holding size, grading and liquidity of the investments in its portfolio.

In view of the above, the Directors confirm they are satisfied that Trust Limited has adequate resources to continue operating for the foreseeable future and are firmly of the view that Trust Limited does not have any issues in relation to going concern.

Investments

Net gains on investments at fair value through profit or loss in the Statement of Comprehensive Income comprises realised and unrealised gains and losses on investments and all income from investments. Unrealised gains and losses comprises changes in the fair value of investments in the year.

Realised gains and losses represent the difference between the carrying value of investments and the disposal amount.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Investments are categorised as an investment portfolio and the assets and liabilities are recognised in the financial statements at fair value through profit or loss. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

In the case of investments in private equity funds, this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds and recorded up to the measurement date. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments.

When quoted or other unit prices are not available, the Directors adopt valuation techniques appropriate to the class of investment.

Investments in liquidity funds held by investment managers are held as part of an investment portfolio to create a mix of interest rate and liquidity exposures and are not held for operations.

Cash and cash equivalents

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than two days. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash held in bank accounts and in short-term money market funds that are held for operations are considered to be cash and cash equivalents.

Financial instruments

Trust Limited enters into both basic and non-basic financial instruments that result in the recognition of financial assets and liabilities.

Basic financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Non-basic financial assets are measured at their initial outlay and subsequently measured at fair value through profit or loss at each reporting date. The present value of the financial assets are determined by discounting the estimated future cash inflows using yields from high-quality corporate bonds that have terms to maturity approximating to the terms of the financial asset.

Financial instruments are recognised when Trust Limited becomes party to the contractual provisions of the instrument.

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

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Debtors are classified as non-current where repayment is due over one year or the Directors view the receivable as a continuing investment.

Creditors

Short-term creditors are measured at the transaction price.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate ruling at the date of the transaction. Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2 Employees

The average monthly number of persons employed by Trust Limited during the year was:

	2024 Number	2023 Number
Directors, management and administration	11	12

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Employees (Continued)

Their aggregate remuneration comprised:

	2024	2023
	£'000	£'000
Wages and salaries	605	589
Social security costs	65	66
Pension costs	12	13
	<u>682</u>	<u>668</u>

3 Directors' remuneration

	2024	2023
	£'000	£'000
Remuneration for qualifying services	<u>353</u>	<u>381</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£'000	£'000
Remuneration for qualifying services	<u>58</u>	<u>53</u>

4 Operating profit/(loss)

	2024	2023
	£'000	£'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Payments to Golden Charter Limited	140	13,600
Foreign exchange loss/(gain)	1,682	(3,892)
Fees payable to Trust Limited's auditor	<u>232</u>	<u>265</u>

Payments to Golden Charter Limited in the prior year included expense payments for the maintenance and administration of live funeral plans. These payments ceased following the introduction of FCA regulation of the funeral planning sector in July 2022, which introduced rules that require payments to plan providers to be made by the way of withdrawals of capital surplus directly from trusts.

An annual fee of £140,000 is payable under a Service Level Agreement between the Trust and Golden Charter Limited for the provision of accounting and other administrative services provided to the Trust and Trust Limited. Trust Limited has agreed to make these payments to Golden Charter Limited on behalf of the Trust.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Auditor's remuneration

	2024	2023
	£'000	£'000
Fees payable to Trust Limited's auditor and its associates:		
For audit services		
Audit of the financial statements of the Trust and Trust Limited	154	149
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	35	34
Taxation advisory services	37	62
All other non-audit services	6	20
	<u> </u>	<u> </u>
	<u>78</u>	<u>116</u>

6 Taxation

	2024	2023
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	2,586	-
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(3,058)	(33,058)
Adjustment in respect of prior periods	-	161
	<u> </u>	<u> </u>
Total deferred tax	<u>(3,058)</u>	<u>(32,897)</u>
Total tax credit	<u>(472)</u>	<u>(32,897)</u>

The total tax credit for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2024	2023
	£'000	£'000
Profit/(loss) before taxation	<u>52,353</u>	<u>(114,209)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	13,088	(21,700)
Tax effect of expenses that are not deductible in determining taxable profit	4,748	23,284
Tax effect of income not taxable in determining taxable profit	(15,559)	(3,037)
Adjustments to brought forward values	(1,942)	(9,658)
Adjustments to deferred tax in respect of prior years	-	161
Effect of change in corporation tax rate	-	(7,934)
Chargeable losses	(807)	(14,013)
	<u> </u>	<u> </u>
Taxation credit for the year	<u>(472)</u>	<u>(32,897)</u>

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Investments at fair value through profit and loss

	2024 £'000	2023 £'000
Opening balance	1,180,720	1,311,667
Additions	298,234	183,644
Disposals	(308,894)	(184,685)
Net unrealised gain/(loss) on investments at fair value	24,423	(129,906)
Closing balance	1,194,483	1,180,720

The fair value of the investments can be broken down as follows:

	2024 £'000	2023 £'000
Index-linked gifts	446,743	470,730
Liquidity funds	34,039	551
	480,782	471,281
Collective investment schemes	713,701	709,439
	1,194,483	1,180,720

The category of collective investment schemes includes £164.7m (2023: £118.1m) of private market investments.

Trust Limited's commitment to future investments in collective investment schemes is given in note 18.

8 Financial asset

	2024 £'000	2023 £'000
Opening balance	9,423	12,079
Inflow in the year	(465)	(573)
Fair value adjustment	564	(2,083)
Closing balance	9,522	9,423
Included within:		
Fixed assets	8,486	8,150
Current assets	1,036	1,273
	9,522	9,423

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Financial asset (Continued)

Trust Limited outlaid funds in prior years, to secure future funeral business for funeral directors on behalf of the Trust. Trust Limited expects to recover the funds in future periods and this expectation of future income has been recognised as a non-basic financial asset and accounted for in accordance with the accounting policy set out in note 1 above. The fair value of the financial asset requires reference to market rates and consideration of commercial factors. Outlays under this arrangement ceased on 31 March 2022.

9 Debtors: amounts falling due within one year

	2024 £'000	2023 £'000
Financial asset at fair value	1,036	1,273
Other debtors	52	73
Prepayments and accrued income	5,557	4,210
	<u>6,645</u>	<u>5,556</u>

10 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Amounts owed to related undertaking	348,645	362,553
Corporation tax payable	2,586	-
Accruals and deferred income	493	401
	<u>351,724</u>	<u>362,954</u>

The amount owed to related undertaking is in respect of a loan from the Trust, which is unsecured, non interest bearing and repayable in full on demand.

11 Deferred taxation

The net deferred tax liabilities recognised by Trust Limited are:

	Liabilities 2024 £'000	Liabilities 2023 £'000
Balances:		
Fixed asset timing differences	49	49
Fair value movements taxable on sale of investments	10,054	13,805
Losses and other deductions	-	(693)
	<u>10,103</u>	<u>13,161</u>

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Deferred taxation (Continued)

	2024 £'000
Movements in the year:	
Liability at 1 April 2023	13,161
Credit to profit or loss	(3,058)
	<u>10,103</u>
Liability at 31 March 2024	<u>10,103</u>

12 Retirement benefit schemes

	2024 £'000	2023 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	12	13
	<u>12</u>	<u>13</u>

Trust Limited operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of Trust Limited in an independently administered fund.

13 Share capital

	2024 Number	2023 Number	2024 £'000	2023 £'000
Issued and fully paid				
Ordinary share capital				
Ordinary shares of 1p each	25,001,000	25,001,000	250	250
	<u>25,001,000</u>	<u>25,001,000</u>	<u>250</u>	<u>250</u>

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

14 Share premium account

	2024 £'000	2023 £'000
At the beginning and end of the year	657,136	657,136
	<u>657,136</u>	<u>657,136</u>

15 Capital

Trust Limited's capital management objectives are to ensure that it will be able to continue as a going concern and to achieve the objectives set out in in the Investment Report.

The Board reviews and monitors the structure of Trust Limited's capital on an ongoing basis with the assistance of the investment advisors.

Trust Limited is not required to comply with any externally imposed capital requirements and Trust Limited's objectives, policies and processes for managing capital are unchanged from the prior year.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Reserves

	2024 £'000	2023 £'000
Profit and loss		
At the beginning of the year	161,131	242,443
Profit/(loss) for the year	52,825	(81,312)
	<u>213,956</u>	<u>161,131</u>

Share premium

Share premium of £657,136 (2023: £657,136) represents premiums received on issue of ordinary share capital, net of any transaction costs associated with the issuing of shares.

17 Investment risk

Trust Limited is exposed to investment risks when following the investment strategy set out in the Investment Report. The Directors manage investment risks within agreed risk limits which are set taking into account Trust Limited's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with Trust Limited's investment managers and monitored by the Directors through regular reviews of the investment portfolio.

The day-to-day management of the funds is the responsibility of the investment managers, including the direct management of credit and market risks. The investment managers may delegate that responsibility to other providers. The Directors actively monitor and review the investment managers through regular meetings and monitoring.

Further information on the Directors' approach to risk management, credit risk, market risk and liquidity risk is set out below. The approach to risk management is unchanged from the prior year.

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

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

Market risk – comprises the following three types of risk:

- Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates;
- Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates; and
- Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates).

Liquidity risk – inability to sell assets without adversely affecting the value.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Investment risk (Continued)

Credit risk

Trust Limited is subject to credit risk due to its investment in pooled investment vehicles, directly held index linked UK government bonds (index linked gilts), direct lending fund as well as cash balances.

Trust Limited mitigates the credit risk arising on the index linked bonds by investing in UK government bonds which are deemed to be very low risk. The cash fund is actively managed with counterparty risk spread across multiple counterparties.

Trust Limited has indirect exposure to credit risks from the underlying investments held by the pooled investment vehicles. This is actively managed on an ongoing basis by the asset managers who are responsible for actively monitoring the credit allocations. This is especially pertinent within the credit funds with Hermes, M&G and the multi asset funds held with Baillie Gifford and Ruffer.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring fenced from the pooled manager, the regulatory environments in which the pooled managers operate and the ongoing due diligence of the pooled manager.

The Barings Global Private Loans Fund IV is subject to credit risk. This is mitigated by Barings through the experience and judgment of their portfolio managers as to the credit quality of rated and unrated securities. The Fund's portfolio managers may formulate their own views on credit risk, relying on Baring's internal fundamental analytical systems and applying professional judgement to formulate their own views as to the credit quality of the securities.

The cash fund is actively managed with counterparty risk spread across multiple counterparties.

Market risk: interest rates

Trust Limited is exposed to interest rate risk as interest rates are a component of the discount rate used to value some of Trust Limited's assets (particularly index linked gilts). If interest rate expectations increase, the value of Trust Limited's index linked gilts will fall as they are valued with reference to real gilt yields (where gilt yields broadly reflect interest rate expectations). At the year-end these assets were managed by Legal and General Investment Managers to a specific benchmark as set by the Directors, having taken advice from their investment advisors. An increase/ decrease of 50 basis points in the Bank of England real gilt yield at the year-end would have approximately decreased/increased the net asset value and profit before tax by approximately £29m (2023: £28m).

Some interest rate risk will also exist within the Hermes Multi Strategy Credit Fund, M&G Senior Asset Backed Credit Fund and the Barings Global Private Loans Fund IV. The duration of the bonds held will be typically shorter than for the index-linked gilts and the overall level of duration is actively managed by Hermes, M&G and Barings.

The following funds held within the return seeking portfolio can have significant exposure to bonds or loans, but any interest rate risk taken within these is a conscious decision by the fund manager to generate additional returns and/or control risk within the pooled fund:

- Ruffer Absolute Return Fund
- Baillie Gifford Diversified Growth Fund
- Partners Group Infrastructure Funds

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Investment risk (Continued)

Market risk: currency

Trust Limited is also exposed to currency risk because some of its investments are held in overseas markets. For example, Trust Limited invests indirectly in overseas equities, bonds, property and infrastructure through pooled investment vehicles:

- LGIM International Index Trust – This is an unhedged passively managed equity fund tracking the FTSE World (ex UK) Index. Currency risk from this allocation is not hedged.
- Partners Group Infrastructure – The Partners Group 2015 and 2020 Infrastructure Funds are denominated in US dollars and euros respectively and also have exposure to overseas currencies other than dollars and euros.
- Baillie Gifford Diversified Growth Fund and Ruffer Absolute Return Fund – The managers have discretion to hold overseas assets in the fund. They have the discretion to hedge currency exposure where deemed appropriate and actively manage this exposure. The performance of these funds is measured against a sterling benchmark.
- Schroders Global Equity Alpha Fund – The fund invests in publically listed global equities denominated in overseas currencies, but Trust Limited is invested in a share class where the underlying assets are fully hedged back to sterling.
- Hermes Multi Strategy Credit Fund and M&G Senior Asset Backed Credit Fund – The funds invest on a global basis but Trust Limited invests in share classes where the underlying assets are fully hedged back to sterling by the managers.
- Barings Global Private Loans Fund IV – The fund invests on a global basis and offers a number of shares classes denominated in different currencies. All assets are hedged to USD before being hedged to the relevant currency class. The Trust Limited invests in the GBP share class and so is fully hedged back to sterling.

The Directors review the overall level of currency exposure from time to time.

A 5% decline or rise of Sterling against foreign currency denominated (i.e. non Sterling) assets held with strategic non-Sterling exposure at the year-end (the equity holdings) would have broadly increased/decreased the net asset value and profit before tax by approximately £7m (2023: £12m).

Market risk: other price

Other price risk arises principally in relation to Trust Limited's return seeking portfolio which includes equities held in pooled vehicles, private equity, credit, property, infrastructure, direct loans and diversified growth funds.

Trust Limited manages this exposure by investing in pooled funds that invest in a diverse portfolio of instruments across various markets. Each investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities.

Liquidity risk

Liquidity risk is the risk that Trust Limited wishes to sell the assets but is unable to do so (or not at fair value) in the required timescale.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Investment risk (Continued)

The Board considers the liquidity of the assets when setting the overall strategy and the majority of assets held are highly liquid and held in daily traded funds.

Liquidity risk primarily exists in the property fund holdings which represent 12.3% of the portfolio, the infrastructure funds which represent 7.2% and the direct lending holdings which represent 6.6% at the year end.

The property funds are not traded on liquid markets, although the funds do offer periodic liquidity. The infrastructure holdings and the direct lending holdings are held via closed ended funds that do not offer direct liquidity.

The arrangements in respect of the loan from the Trust are included at Note 10.

Fair Value hierarchy

The fair value of the managed investments has been estimated using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities 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.

Trust Limited's managed investments have been fair valued using the above hierarchy levels as follows:

31 March 2024					
Asset Classes	Allocation	Fair value categorisation			
		£'000 Level 1	£'000 Level 2	£'000 Level 3	£'000 Total
Index-linked gilts	37.4%	446,743			446,743
Collective investment schemes	33.7%		402,177		402,177
Collective investment schemes	26.1%			311,524	311,524
Short term liquidity funds*	2.8%		34,039		34,039
Total		446,743	436,216	311,524	1,194,483

*The liquidity funds are held as part of the index-linked gilt mandate.

31 March 2023					
Asset Classes	Allocation	Fair value categorisation			
		£'000 Level 1	£'000 Level 2	£'000 Level 3	£'000 Total
Index-linked gilts	39.9%	470,730			470,730
Collective investment schemes	36.9%		435,315		435,315
Collective investment schemes	23.2%			274,124	274,124
Short term liquidity funds*	0.0%		551		551
Total		470,730	435,866	274,124	1,180,720

*The liquidity funds are held as part of the index-linked gilt mandate.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Capital commitments

Trust Limited is committed to future investment in collective investment schemes to an amount of £82.8m (2023: £102.6m). The commitment to Partners Group funds makes up £69.1m, with £21.4m expected to be called within a year and the majority of the remainder between 1 to 5 years. The Barings fund has called on £76.2m of its £90.0m commitment, with the remaining £13.7m able to be called by Barings by the end of 2026.

19 Related party transactions

During the year Trust Limited paid amounts totalling £0.4m (2023: £14.0m) on behalf of the Trust. These amounts include £0.1m (2023: £13.6m) paid to Golden Charter Limited as set out in note 4.

Trust Limited owed £348.6m (2023: £362.6m) to the Trust at the year end, as shown in note 10, which represents monies provided to Trust Limited for investment on behalf of the Trust.

Key management personnel are considered to be those persons having authority and responsibility for planning, directing and controlling the activities of Trust Limited, including the Directors. Total remuneration including employers' national insurance contributions in respect of these individuals was £0.5m (2023: £0.5m).